**CHALLENGER INSTITUTIONS: USEFUL COMPETITION OR UNHELPFUL DISRUPTION?**

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My initial response to this proposition was twofold. First, why are we even asking this question, wasting time and energy on a rather defensive debate that is inspired more by ideology than by any rational and balanced analysis and understanding of the sector? And second, I felt that I could respond to the proposition very simply - the point of ‘challenger institutions’ is – and always should be – to both compete and disrupt.

My institution, the ICMP, has pioneered contemporary music education in the UK for over 30 years. The fact that there are now well over 140 courses in popular music in universities and independent providers across the country, and over 25,000 students now follow their passion and their chosen subject area into higher education and beyond, is down in large part to our efforts and struggles. The focused, expert, specialist provision we provide, typically 16 hours per week on the first two years of our undergraduate degrees, combined with wide access to career and artistic development opportunities in a notoriously challenging industry, is the benchmark. The combination of trained teachers and industry practitioners is of great value to our students, as are the small class sizes. Student appreciation of these factors has been regularly highlighted in the annual Higher Education Policy Institute survey.

We do all this for around £6,000 per annum. Has any public provider really tried to make a surplus on this kind of specialist provision charging £6,000 per annum?

The ICMP is not untypical of the majority of APs. However, the headlines about APs are almost exclusively negative and focus on those providers who should never have been allowed in or grow to the extent they did from the start had sector and legislative oversight been properly in place.

The fact is, there are many reputable APs out there, providing specialist, bespoke education and training to students who, lest we forget, consciously choose such an alternative. The majority of these providers are most definitely not ‘new’ to the sector. My own institution, ICMP, has 30 years of heritage and experience; many other have been around for much longer.

APs often start with a passionate, visionary founder; they provide sector diversity and entrepreneurialism; they often develop non-traditional methods of study and introduce new subject areas into higher study; and they are able to experiment, change quickly to react to student or market need and take risk in a way that public higher education institutions perhaps cannot. Just imagine how much more they could achieve were they to be given equitable and respectful treatment.

My second point addresses the fears raised about APs, which typically are split into two areas of concern. First, the size of the alternative sector’s impact on the public purse. So what is that impact? In the academic year 2014/15, a total of just over £7 billions was advanced to students attending ‘public’ institutions’ as loan funding. In contrast, a total of £175 million was advanced to students studying at alternative providers. In other words, and before consideration of the considerable taxpayer funding channelled into public providers as t-grant, capital or research grant or other such financing (none of which is available to alternatives and their students), the alternative sector accounted for no more than 2.5% of total student loans. If we were to analyse the relative percentage including the additional funding that public providers receive I would suggest it would be less than 2% of the total.

This not only raises the question of why so much fear and sensationalism is aroused by such a small sub-section of the sector (fears which perhaps speak to bigger issues of insecurity and ideology), but also raises a fundamental question – why should students who choose to study at a properly regulated specialist provider nothave access to fee loans? And why should those providers be denied the additional support that public providers receive, support that would undoubtedly enhance the student experience? What exactly are we saying as a society, we who champion ‘widening participation’ and fairness in every other debate?

The second part of the complainants’ case is that these institutions are not properly regulated, not properly quality controlled and risk bringing the reputation of UK higher education into disrepute. But why has it taken so long for the sector itself to propose sensible and equitable regulation? Why was it only at the instigation of the Home Office that quality reviews were extended at alternative providers, creating a mess of uneven and ineffective quality assurance methodologies?

Alternative providers do (in fact must if they wish to be designated) undergo significant regulatory oversight and are prepared to embrace change in this regard. My own institution, the ICMP, is probably as heavily regulated, if not more so, than any public provider. Is it unreasonable therefore to ask for equitable access to the support and opportunities that public providers have received for decades?

I have mentioned the negative headlines that APs receive. Here are some examples from the *Times Higher*:

**19 November, 2013: Private provider student spending trebles, says BIS**: Indeed it did – from £36 millions to £133 millions. For the same period the amount of student loans advanced to public institutions increased from £2.9 billions to £4.4 billions.

**28 March, 2014: Private college funding to hit £1 billion:** The actual number was considerably less than half that, in a year when the amounts advanced to public providers exceeded £7bns in student loans alone.

**30 October, 2014: Uncontrolled expansion: how private colleges grew**: Andrew McGettigan visits one institution, using it as a case study to make generalisations about the alternative sector, and explores, some personal concerns about the coalition’s policies

The alarmist fears of ‘*uncontrolled expansion’* are interesting in the context of sector history. We can legitimately question the motivations of any provider, public or private, that has enjoyed significant growth in numbers and proliferation of courses. Overall participation in higher education increased from 3.4% in 1950 to 8.4% in 1970 to 19.3% in 1990 and 33% in 2000, and is approaching 50% today. Over 350,000 students obtained a university degree in 2009 compared to less than 100,000 in 1992.

Leeds grew from 3,000 to 10,000 students between 1949 and 1973; Manchester from 5,000 to 15,000 in the same period. A raft of new universities were established in the 1950s and 1960s, and student numbers overall were rising by in excess of 10% per annum in the 1960s.

From 250,000 students and 30,000 academics in 1974 (plus 180,000 students/13,000 lecturers in polytechnics) the sector grew to 1.8 million students and over 100,000 full-time staff in 1997.

There is therefore a long history of significant growth. This is presumably assumed to have been ‘controlled growth’ - properly planned, high-quality, great value for taxpayer money and not opportunistic. But in reality, lacking a deeply considered vision and well thought through policies for the sector and a balanced and consistent evolution of the legislation, the risks associated with growth have never been entirely absent.

I feel I should comment also on the concerns regarding the ‘profit motive’. The entrepreneurial drivers behind alternative providers are often complex. Like all entrepreneurs, they are driven by a range of motives such as: a desire to grow and increase market share; a desire to innovate and create ‘cool’ products; a desire to prove themselves better, stronger, smarter; and a desire to create some form of personal legacy. And, yes, they are often driven by a desire to create wealth – but any entrepreneur understands that wealth generation cannot be only for one particular group of stakeholders if an enterprise is to be sustainably *s*uccessful.

Paradoxically while APs may inspire distaste for wishing to make a profit, should we fail to make one we would be judged financially unsustainable and not allowed to operate.

Many of these drivers, if not all, will undoubtedly be found in the public universities of today. Should we not look at what drives senior executive pay, pensions, promotions and benefits in the ‘public’ university sector (where remuneration levels are set to be ‘competitive’ with the private sector) and ask similar questions of motive? Naturally any of these motives can create wrongdoing – however it is not simply the profit motive that is unique in that regard.

Should we not also note the ever-increasing role of private finance in contemporary public higher education, such as the issuing of bonds, private spin-off companies, public-private partnerships, accommodation construction, private research commissions, consultancy and service provision – even the private, profitable bank 50% owned by a Cambridge College? All of this demands a return on investment. And let us not forget that the Universities Superannuation Scheme is the largest pension fund investor in private equity in the UK.

Moving on, the higher education sector has always had a mixed and diverse ecology. There have been relentless arguments around how higher learning should develop, from the debates of the late 18th and early 19th century around how to reshape higher education, including the formation of King’s and UCL (both of which could legitimately be described as alternative or challenger institutions, both competitive and disruptive), through the development and impact of the civic universities and then the polytechnics, and now the role of the alternative provider.

The tone of many of the current attacks on private, alternative providers could easily be articulated in exactly the same way as the contemporary attacks on the founders of UCL and Kings or the arguments against the rise of the civics or indeed the polytechnics post-1965 and the post-92 universities. Many of these arguments reflect the deeply held ideology and perhaps prejudices of a conservative (with a small c) establishment fearful of what change might mean for their own positions, reputations and institutions.

It is also worth noting that both Kings and UCL were formed on the basis of Joint Stock Companies, a radical innovation at the time but effectively the only way they could get going. This led contemporary critics to mock the ‘share university’ and the ‘humbug joint stock subscription service for Cockney boys’. That critique sounds very current from where I sit.

With regard to the civic universities, there was an underlying ‘belief that [they] were second rate’. Complaints were made about: the standard of the work … too little contact with staff … too much focus on vocational rather than liberal education; inadequate accommodation; that fees were too low to pay for high-quality teaching, and that students were not receiving a wide enough education. This again sounds very familiar to attacks made today on alternative providers.

William Whyte concludes in his excellent book *Redbrick* that the ‘*attacks on the civic universities were as much social as educational, shaped by the class system*’ and the ‘aristocratic spirit’ of the ancients as opposed to the ‘trade and industry’ especially of the northern institutions. In other words, prejudice – a prejudice which is still tangible today.

Finally, I will consider why I think we need ‘challenger institutions’. Despite growth, apparent revolution and innovation, in fact very little has changed in English higher education. Part of the problem probably lies in the way expectations about the university ‘experience’ and the deeply held value system that positions the 3-year full-time ‘degree’ and the ‘university’ as being the ultimate gold standard have been fuelled over the decades by vested interests. When there is a significant estate to be utilised; a highly unionised workforce to be managed; significant levels of executive pay to be protected and enhanced; and high levels of reliable public funding, there will inevitably be a reactionary response to challenge and little incentive to truly innovate.

John Hennessy, President of Stanford University, told the BBC this month that in his view: ‘The level of debt cannot continue to go up at the rate that they've been going up. … We’re going to have to find a way to deal with that’. He suggests that students themselves are resistant to change, wanting no ‘dilution of the complete university experience’. This has in large part enabled the continuation of the ‘race to the top’ in terms of fees here.

Whyte concludes that throughout the significant growth period between 1974 and 1997, the nature and form of higher educationwas in fact not really changing, it was becoming more uniform as expectations and controls led institutions to move to the university ideal, as modelled by redbrick as opposed to Oxbridge. My experience of regulation aligns with this conclusion. As alternative providers we are increasingly expected to become like the public providers in order to retain our licence to operate.

I think also it could legitimately be argued that the rise of the polytechnics from 1965 and their demise in 1992 was an opportunity missed – this was perhaps a real opportunity to embed an alternative version of higher education, but the desire of the student to hold a degree from a university and the aspirational goals of the institutions themselves to be classified as such led to the 1992 Higher Education Act and the transformation of the ‘polys’ into universities. This probably confirmed that ‘no genuine alternative to the civic university model’ had been developed.

Though I do not wish in any way to devalue the degree qualification per se, and there has undoubtedly been significant and innovative advance in pedagogical methods, I can see essentially only one ‘product’ in the higher education world that has real currency – the three year, full-time, on-campus undergraduate university degree, almost exclusively priced at a single point. This is a high cost and inflexible approach that, with in excess of 50% of the population wishing to engage, cannot be the only solution.

The fundamental change we must now embrace is the change in the classroom dynamic as education becomes more of a private than a public good. But the reality is this change is happening across the sector as the student is asked to shoulder an increasing part of the costs directly. This change from public to private good is not a problem of the ‘alternative’ sector alone.

In conclusion, we cannot rely solely on vested interests to dictate the future and we must address this inertia in expectation of what a higher education experience should be like. We should be focused on outcomes, not provider type, and engage intellectually and without ideology in developing a vision of higher educationfor the 21st century. We should acknowledge the depth and diversity of alternative provision and recognise that its costs are actually very low and its benefits, actual or potential, are high. And we should treat all providers equitably and respectfully, in terms of regulatory control and access to support, recognising that it is ultimately the student choice and the student interest that matters above all else.

William Whyte’s conclusion, regarding the reforming of the University of London to enable both King’s and UCL to award degrees was that ‘the role of the state in sustaining as well as regulating universities was … significant, but [this innovation] also showed that another form of university could be envisaged that was very different to the ancients.’ That argument could equally be advanced today for ‘alternative provision’. Let’s not miss the opportunity.