

AHUA LAW FORUM CONFERENCE

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Out-sourcing and Privatisation: How far can you go?

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Introduction

- What is privatisation?
- What is a joint venture?

Two different questions:

- To what extent should your Institution focus on its core functions? What are those functions?
- To what extent should institutions involve the private sector in funding and governance?
Provision of support services/provision of teaching and research?

Academic Joint Ventures - General

- Pros
 - Increases Institutions' reach
 - geographically
 - curricula
 - research topic
 - Market leverage (e.g. joint awards)
 - Major development projects (e.g. e-learning)
- Cons
 - Set up and Q.A. costly
 - Reduced institutional autonomy
 - Slower response to change

Academic Joint Ventures - Involving the Private Sector

- Pros
 - Specialist expertise in certain areas e.g. English as a second language
 - Funds to invest in developing new courses and markets
 - Specialist marketing expertise and resources, especially overseas
- Cons
 - Perceived quality problems with some private providers
 - Will the University get a fair financial deal?
 - Will we be helping to develop future competitors?
 - Staff and Union concerns regarding terms and conditions if staff transfer

Academic Joint Ventures – Facilitating Academic Partnerships

Recent or forthcoming changes intended by government to facilitate academic JV's include:

- Privy Council approval to Charter changes to allow for award of joint degrees
- Further Education and Training Bill confirms powers of Further and Higher Education Corporations to participate in companies limited by guarantee as well as share companies BUT will ability of colleges to apply for foundation degree awarding powers discourage collaboration between universities and colleges?
- HEFCE funding for lifelong learning networks
- "Waiver" of £2 million investment by academy sponsors which are colleges or universities
- HEFCE strategic development fund to encourage strategic research collaboration

Some Tentative Conclusions

- Government clearly expects HEI's to collaborate with each other and with other parts of the education section – but this itself is not sufficient reason given the time and cost involved.
- But what if your institution does not collaborate with others –
 - merger?
 - Will students seek help from private tutors?
 - Will your staff do more work outside your institution?
- Are differences between the public and private sectors narrowing given e.g. increasing duties of company directors and increasing pressures on institutions to operate commercially?
- Isn't collaboration inevitable with the real questions being which collaborations to go for and how to manage them?



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