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Study of the English Higher Education Regional Associations

**A report to HEFCE by Alan Brickwood and
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Contents

Acknowledgements	3
Summary	4
A sequel	19
Background to the study	20
Our approach	22
The regional context	24
Origins and government expectations	24
The developing higher education regional agenda and HEFCE	27
Findings	29
Introduction	29
HERA variations	29
Mission, role and priorities	32
Resources	34
Vitality of the HERAs	35
Achievements	36
Leadership, management and operations	37
Engagement with members, partners and stakeholders	41
Threats	52
Opportunities and future role	59
A menu of 'good practice'	68
Messages from the findings	72
List of abbreviations	74
Annexes (separate download)	
1. Terms of reference	76
2. Profiles of the regions and their Higher Education Regional Associations	78
3. Membership of the steering group	113
4. Consultations	114
5. Vice-chancellors and other senior HE representatives serving on boards of RDAs	120
6. Key characteristics of a model trade association	122

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- 2 We are especially grateful for all the support, advice and assistance received from the Chief Executives of the Higher Education Regional Associations (HERAs) and their colleagues.
- 3 We are also grateful to John Rushforth and his team at the Higher Education Funding Council for England (HEFCE) for their flexibility and responsiveness to the need to make changes as developments emerged during the study.
- 4 Throughout this report we have used the term 'HERA' to mean the collective of the individual members, the Board and the Executive. Where we wish to refer to one of the elements within the HERAs, we refer to 'the members', 'the Boards', the 'Chair (of the Board)' or the 'Chief Executives', as appropriate.

Summary

Background

- 5 During 2004, HEFCE consulted the Higher Education Regional Associations in England (HERAs) about commissioning a review of their operations. Most HERAs had been established during 1999 in response to the establishment by central Government of the Regional Development Agencies (RDAs), and had received a modest annual grant from HEFCE. Whilst HEFCE had accepted at the outset that HERAs could have different remits, it also needed to understand better their current role, contribution and future potential. In the light of those consultations HEFCE agreed to provide support for an in-depth review of the London HERA, London Higher, which it wished to undertake for its own purposes, and to fund a subsequent broader-based study of the remaining eight HERAs in collaboration with them. It was also decided to give key partners and stakeholders an opportunity to contribute to the study.
- 6 We undertook the review of London Higher¹ immediately prior to this study, and this report draws on the findings from that review.
- 7 We addressed our terms of reference² initially via a desk review of relevant papers, and a mix of telephone and face to face interviews with close to 100 people on an individual and group basis. This initial work was augmented by feedback from the Project Steering Group, and by providing opportunities for discussions on themes emerging from the evidence at separate meetings with HERA Chief Executives and HEFCE Regional Consultants, and with the membership of London Higher at their annual general meeting in June. Before publication, HERA Chief Executives were also given an opportunity to comment on matters of accuracy or presentation in the report that might give rise to misleading or unhelpful impressions of HERAs in general, or their own in particular.
- 8 The interviewees comprised a core group of HERA Chairs and Chief Executives, the Chief Executive or most senior person with responsibility for higher education (HE) at the RDAs and regional Government Offices (GOs), the HEFCE Regional Consultants and other key partners and stakeholders who could provide insights into how the HERAs and their plans operated in practice. This last group included people drawn from within HERAs and the business community who have played a particularly active role in the development and work of individual HERAs.

Findings

- 9 **Vitality**
Overall, the majority view of both members and external stakeholders and partners, including the HEFCE Regional Consultants, is that HERAs have proved themselves to be important in engaging with the collective concerns of their members and taking forward the regional political and economic agenda. Some had found the HERAs a valuable mechanism for engaging with HE in the region. This reflects an underlying view that higher education institutions (HEIs) are potentially of major economic importance to their regions, especially if they can work together effectively.

¹ Unpublished.

² Annex 4.

10 Those members of HERAs holding this view also believe that if the current HERAs were to be disbanded then something similar would need to be put in their place – but not necessarily encompassing the same range of activities. Most would want to see them engaged with fewer but more strategic activities.

11 The minority view is that HERAs, as they currently operate, are not important and add little of value to their members or to external partners. This view tends to come from:

- some members of those HERAs where there has not been, and is not, a strong regional identity;
- some external partners who had been disappointed by how difficult it was to engage the HERA, as the representative body of its members, with their own agendas;
- some members of HERAs who, because their institutions sit close to the geographical edge of their region, see their natural collaborative partners in neighbouring regions;
- heads of institutions who see the role of their institutions principally as national and international players, and who believe that HE is and will continue to be more competitive than collaborative, and that the future is one in which strategic alliances will prevail.

12 However, only a very small number of those to whom we have spoken would go so far as to be party to the dismemberment of their HERA, or to vote with their feet and formally withdraw from membership.

13 **Achievements**

In most cases, respondents referred to positive progress that had been made and achievements where HERAs had added value to what their HEIs might have achieved individually, and these are summarised below. Not all achievements apply to all HERAs.

- Convincing RDAs and other key partners and stakeholders of the important contribution HE can and does make to the economic performance of their regions. (This contribution by HE was not necessarily properly understood or readily appreciated by RDAs. Most HERAs spoke of ‘breakthroughs’ in positive relations with their RDAs but also of how this was not always easily achieved).
- Achieving a 100% membership across a very diverse spectrum of member HEIs.
- Providing advocacy and promotion through a collective voice to those who can influence the environment in which HE has to operate, both within and outside the region.
- Providing a forum for common interest groups around widening participation, learning and teaching, commercial reach-out to business and, to an extent, research and other matters.
- Some major successes in spotting opportunities, in collaborative bidding on behalf of members for project and programme funds and in securing and levering-in additional resources.
- Engagement in specific projects such as Aimhigher.
- The management of some large projects on behalf of members and key partners.

- Services for members in areas where ‘sharing’ is beneficial, for example, the collective experience built-up in some HERAs in the technicalities of managing EU-funded projects and the economies of responding collectively to external requests for information.

14 For some HERAs the time span for those achievements is just over five years; for others a shorter period in their current form as a consequence of major restructuring. However, it is of even greater significance that all of this has been achieved within a particularly difficult context. This has featured:

- a degree of scepticism within HE itself towards regionalism;
- a lack of any significant policy framework that included the positioning of HE within the development of the regions (reflected in the low priority given to HE by the newly formed RDAs five years ago);
- a high level of staff changes in the early years within many of the RDAs, and other key partners and stakeholders, with which the HERAs had to create and develop new relationships quickly.

15 **Regional and HERA variations**

Of particular significance to this study are the differences between the regions and their HERAs that we were told about in advance and were able to confirm from the study. Those differences are large and significant to our findings. They included:

- RDAs with ‘single pot’ allocations from central government departments ranging from £382 million down to £129 million³, that are attributable less to size of territory than to a government drive to ‘*reduce the persistent gap in (economic) growth rates between the regions*’⁴. Some of the RDAs with the greatest concentration of HEIs have the least funds available to engage with HE;
- very different geographical distributions of HEIs around regions, which can have a significant effect on their willingness to collaborate within the HERA framework;
- HERAs with memberships ranging from 5 to 42 and, of significance to those with larger memberships, a diversity of mission within their membership. This makes it difficult to agree common agendas and to decide what the HERA can engage in and what it cannot;
- at least two quite different models of operation. There are HERAs that engage substantially in facilitating and managing externally funded projects, and as a consequence have significant staffing resources to call upon; and others that hardly engage in any form of brokerage and, as a result, are almost entirely dependant upon income from member fees for what they do.

16 To help an understanding of differences between the regions and their HERAs, we have included within this report (Annex 2), a set of profiles for each region. These profiles comprise a short description of economic and HE characteristics⁵ of each of the regions, alongside a

³ Financial year 2005-06.

⁴ *Spending Review 2004*. HM Treasury July 2004.

⁵ Extracted from *Regional Profiles of Higher Education*. HEFCE. 2005.

description of the published objectives, composition and structure of the respective HERA. We would strongly recommend anyone attempting to make any assessment based upon our findings to refer to these profiles.

- 17 **The developing regional agenda, higher education and HEFCE**
A critical factor leading up to the development of most of the current HERAs was the Government's initiative to introduce a degree of regional administration in England, as a response to the aspirations of some English regions in the light of political devolution to Scotland, Wales and Northern Ireland. Central to these initiatives was the formal establishment of the Regional Development Agencies (RDAs). The RDAs are responsible for a number of issues in their regions of importance to HEIs, including economic development, skills development and science and innovation.
- 18 RDAs collectively, through a 'single pot' system of contributions from different government departments, hold sizeable budgets. These have increased, as a consequence of the 2004 Spending Review, from £1,798 million in 2003-04 through to a planned £2,297 million in 2007-08. Of particular significance to HE is that the biggest increases are attributed to the Department of Trade and Industry (DTI) for the devolved responsibility for delivering Business Link services; new responsibilities for the delivery of research and development (R&D) grants; and enhancing the role of RDAs in supporting business-university collaboration as part of the Government's response to the Lambert Review⁶.
- 19 In March 2005, the Government published a second White Paper on skills which gives far more weight to the role of HE in the provision of high level employment-related skills than in the first Skills White Paper published in July 2003. This change of emphasis makes clear the Government's expectations of HE and the benefits that are available for HEIs that decide to participate in the regional agenda. It also clarifies the roles of HEFCE and the RDAs.
- 20 Whilst, in general, we found a recognition by most HERA respondents that Government is extending the regional agenda to include more issues of relevance to HEIs, we also found a small but significant minority who felt that regionalism had little significance for them.
- 21 When the RDAs were being established, HEFCE encouraged the establishment of HERAs, where these did not already exist, and provided a small amount of grant funding annually. It also extended the role of its Regional Consultants to engage with the HERAs as well as the individual HEIs. HEFCE has increasingly looked to HERAs to undertake some kind of brokerage role for the allocation of funds for the Higher Education Innovation Fund (HEIF), for additional student numbers and for Lifelong Learning Networks.
- 22 The second Skills White Paper makes clear that "*HEFCE's funding decisions on the allocation of student places will take account of regional priorities*" This is reflected in HEFCE's current Strategic Plan in which there is an inference that it sees HERAs as potentially providing the Council with a mechanism to help deliver some of its objectives regionally. This chimes with statements in the Skills White Paper. But whilst these statements clarify expectations of HE and of HEFCE's role, it does not follow that HEFCE can automatically expect the HERAs to adopt a brokerage role for it.

⁶ Lambert Review of Business-University Collaboration, HM Treasury, 2003.

- 23 This also raises important issues about the balance between HEFCE's relationships with individual institutions in the region and its relationship with the HERA, both of which are mediated by the Regional Consultant.
- 24 **Mission, role and priorities**
Our analysis of the published mission, role and priorities of the individual HERAs, and from listening to what respondents said to us, showed that there was a good coverage by all HERAs of basic services for their members such as facilitating and acting as a focal point for collaboration, advocacy and ensuring representation on external bodies. There were, however, clear differences in the level of activity under the topics of teaching and learning and research. Enterprise/knowledge transfer and widening participation were two other mainstream areas where every HERA had a group of some kind in place and were active, even though in many cases the relevant regional grouping and activities pre-dated the HERA, and the relationship and accountability to the HERA Board was in some cases fairly informal.
- 25 Almost all HERAs are engaged to some degree in identifying funding opportunities and in the preparation of collaborative bids, but not all provide project management services for their members. This latter characteristic is one that substantially affects the balance sheet of HERAs and to a large extent their consequential dependence upon member subscriptions to pay for what they do.
- 26 The missions, roles and priorities are weighted in practice towards the supply side of the equation, with few stating any explicit intention to contribute significantly to regional economic policy or to provide 'brokerage' support to RDA or HEFCE initiatives. Of those that would wish to reinvent the HERAs, both members and partners pointed to "*a drift in mission*" having occurred and a desire to see their HERAs "step up and play a greater part in the region" by engaging more in strategic activities. This would appear to be happening. Two HERAs have already undertaken reviews of their current role and future strategy and a similar process is planned in two others.
- 27 This distinction between an emphasis upon an internal rather than external focus was further reinforced by what respondents said to us – both those within and those external to the HERAs. The members themselves not surprisingly pointed to the provision of services for members, rather than partners, as what might reasonably be expected for a member association funded largely by member subscriptions. As one CEO said, "*we need to be clear for whom the HERA exists, and what is it they would have us do*". Being sure that individual interests were largely satisfied, that the HERA provided value beyond that of its individual members, and being equally clear about the 'no go' areas were all critical to the success of HERAs.
- 28 The provision of brokerage was one of the most contentious issues for the future role of HERAs. Attitudes of members and executives to their HERAs engaging in brokerage were wide-ranging – from outright rejection through to acceptance. So too was the range of experience of having engaged in forms of brokerage and understanding of what it entailed.
- 29 **Engagement with members**
HERAs with relatively small numbers of institutions are able to engage with members through their membership of the Board and the various committees. For the HERAs with larger numbers of institutions, which have elected representative Boards or Steering Groups, such engagement with the full membership is more difficult, and we heard from some members who were unclear what their HERA did.

- 30 However, engagement is a two-way process and critical to this is the degree and nature of engagement of heads of member institutions. Whilst most HERAs reported good-to-excellent attendance of senior representatives at key meetings, this often masked varying degrees of actual commitment.
- 31 There were also clear tensions, especially between some of the sets of larger and smaller members, over priorities and interests. The smaller institutional members whom we interviewed showed a range of reactions to their HERA membership. This included an appreciation for a lower level of member fees; a welcome for the opportunities that would not otherwise have arisen to network with the other members and engage collaboratively in activities; concerns about the level of involvement expected of them, given their limited resources; and a concern that debates within HERAs were often dominated by the interests of a few larger members, especially where these related to research funding and the Research Assessment Exercise (RAE), which were of little relevance to them.
- 32 The equivalent view also came across from some heads of larger institutions – that the inclusion of small institutions within the membership had led to the loss of opportunities to meet with, and share interests with, other heads of similar institutions around agendas of more common concern than the agendas now required for a broader membership. This need for a common culture and range of interests also lay at the heart of why there was, with one or two notable exceptions, no enthusiasm for admitting into membership of the HERA, principals of Further Education Colleges that were providers of HE directly funded by HEFCE.
- 33 Of particular note was the relationship between HERAs and the Open University (OU). The collective commitment by this large national provider of HE to the nine HERAs, by way of representation and member fees, is large. The potential mutual benefits from collaboration between the OU and traditional HEIs, which the HERA framework could facilitate, had not been realised in the view of most OU Regional Directors. This partly reflected the different status of Regional Directors from the other members, who were heads of their institutions. This inevitably made it more difficult to make the running at Board level, although many also attended Executive Committee meetings where they were able to make a bigger contribution.
- 34 The key determinants of successful engagement with members appear to be the number and types of institution, their geographical distribution around the region, the nature of the region itself and the degree of trust established between members. The HERAs with a small or relatively small number of member institutions, with complementary missions and distributed around the region with a degree of geographical separation, have an advantage in this regard.
- 35 **Relationships with principal regional partners and stakeholders**
The two principal regional partners with which HERAs engage are the RDAs and the Government Regional Offices (GOs). The RDAs are the principal agents for taking forward the regional agenda, with the GOs holding a watching brief.
- 36 Within the constraints imposed by members we found that the HERA Chief Executives had, on the whole, developed effective relationships with key officers in the RDAs but this had not proved easy. Many of the HERA representatives and RDA representatives to whom we talked identified problems in the development of the relationship, largely as a result of misunderstandings over how HE can contribute to Regional Economic Strategies, how that can be brokered and the availability of funding to attract involvement.

- 37 Some RDAs have perhaps had too high expectations as to what the HERA can deliver. Typically, HERAs have sought to ensure that HEIs in the region are represented on the various groups established under the umbrella of the RDA, but very often that representation does not run to being able to offer a collective view on behalf of all the members of the HERA or to commit the HERA to engagement with particular activities. This can often give rise to frustration on the part of the RDA.
- 38 All RDAs now have, as members or observers on their Boards, a Vice Chancellor or ex-Vice Chancellor from a university or similar senior HE person in the region⁷. These are all personal appointments, and the relationship of individuals to their respective HERAs varies. Some see themselves in the 'non-executive' director role, bringing their expertise to the RDA table but not formally representing either HE, the HERA, or their own institution. All seek to report back to their colleagues on the HERA.
- 39 Similarly, the appointment in some RDAs and GOs of individuals to act as 'translators' between the RDA/GO and HE in the region (including the HERA) has proved to be an effective move. These individuals can help to avoid the kind of misguided assumptions – about the role and contribution of HE, either through individual HEIs or collectively through the HERA – that can be very damaging to relationships.
- 40 A significant factor in the strength of relationships has been the capacity of the RDA to fund activities across the HE sector in the region. Where RDAs have been able to fund HE collaborative activity, even in the form of modest information-gathering or evaluation projects, this has tended to have a positive effect on the relationship between HERAs and RDAs. Financial support for a single institution or a small group within the HERA tends inevitably to be more divisive, unless the reasons for that selectivity are well-understood and there is the prospect of wider benefits to the HEIs in the region.
- 41 Given the continuing degree of priority the Government is giving to improving regional economic performance, with the RDAs as delivery agents, we conclude that the central issue for HERAs and their RDAs is how to engage mutually with the big picture. Essentially, that big picture is what the collectivity of HEIs in the region can offer to support the delivery of the Regional Economic Strategy that is more than the sum of their potential individual contributions, while taking account of real differences.
- 42 **Relationship with HEFCE**
Notwithstanding the specific charge in the most recent Skills White Paper on HEFCE to take regional priorities into account in determining its allocations, the moves by HEFCE to introduce a regional element to some of its funding initiatives, where it is asking HERAs to advise on the allocation of funds between the institutions in their region, are clearly controversial for many members of HERAs. We heard widespread concern that HEFCE is *"using the regional agenda to develop a planning role by the back door"*.
- 43 Not all heads of institutions accept this regional role for HEFCE and this colours their view of the extent to which they are prepared to see their HERA used as an agent by HEFCE.
- 44 The arrangements for the allocation of additional student numbers (ASNs) from 2006-08 set out in HEFCE 2005/14 have clearly added fuel to these concerns. It is not difficult to see how

⁷ Annex 5.

arrangements that rule out competitive bidding and talk about proposals for managed growth (with the ASNs to be allocated in a way that “*recognises the needs of each region*” through the development of ASN-specific priorities for each region) can be seen as planning by any other name. For all but two of the HERAs, their main explicit involvement in the process is through membership of HEFCE’s Regional Advisory Groups . In the South East, Higher Education South East (HESE) has played a role utilising the Aimhigher substructure, overseen by a regional group that was chaired by a member of the HESE Board and involved the Chief Executives of the Association of Colleges (AoC) South East and HESE. In the South West, the Higher Education Regional Development Association (HERDA-SW) has, with HEFCE’s agreement, taken on a very central role in the ASN allocation exercise.

45 Some HERAs have found it difficult or impossible to secure the consent of their membership to engagement in brokerage on behalf of HEFCE. Others have engaged with HEFCE in advising on particular initiatives. Our discussions with HERA members suggest that the necessary conditions for agreement by HERAs to participate in brokerage of this kind are:

- the amounts of funding at stake are modest;
- the initiative is congruent with some existing collaborative activity in the region;
- those HEIs likely to have an interest are almost self-selecting;
- the area concerned is not highly competitive.

46 It is also important, if HERAs are to continue to be motivated to participate in this kind of activity, that the outcomes strongly reflect the inputs that they have provided. Where HEFCE, on whatever basis, had finally decided on allocations that seemed to pay no regard to local advice, this served only to damage trust between the HERA and HEFCE and left serious concerns about HEFCE’s genuine interest in, and ability itself to deliver, within a regional agenda.

47 As the current ASN exercise illustrates, HEFCE’s Regional Consultants (RCs) are key figures in taking forward the relationship between HEFCE and the HERAs, and in working with the HERAs to engage with the regional agenda more generally. We heard concerns, which we share to some extent, from a number of HERA members that RCs are too over-stretched to be an effective line of communication between the HERAs and HEFCE.

48 Although some HERAs have now formalised their relationship with their RC through giving them observer status at Board meetings, the relationship is clearly not always an easy one. It is perhaps inevitable that on some occasions members will allow their general frustration with HEFCE to be vented on the RC as messenger, although we found recognition amongst many HERA members that the role of the RC is in this respect very difficult.

49 However, it is in no-one’s interest that communication between HEFCE and the HERAs should break down. Most of those to whom we talked said it would be very helpful to all concerned if HEFCE were to produce a much clearer statement about its regional policies and what kind of contribution it looked to HERAs to provide, bearing in mind their disparate nature. We support that view.

- 50 HEFCE has until now provided limited funding to assist in the development of the HERAs. The equation that it now has to consider is whether the existing or likely future contribution of the HERAs to the engagement of HE with the regional agenda represents value for money for the funding invested, or if there is another way of achieving the same ends without operating through the HERAs.
- 51 It has not been our task to evaluate the performance of the HERAs either individually or collectively. However, we believe it is fair to say, as membership organisations with, in some regions at least, little opportunity for financial gain from regional sources, that on the whole they have made a fair fist of developing the regional relationship. As the regional agenda develops further, HERAs are showing signs of recognising the need to engage with regional agencies more effectively. This may give HEFCE greater comfort that its funding invested in the HERAs is providing added value.
- 52 **Engagement with further education and schools**
We were very conscious of HEFCE's interest in this study being that of HE in the regions and not just HEIs. This therefore included the relationship to the HERAs of FE colleges that are direct HEFCE-funded providers of HE. However, we found that no HERA currently had any kind of formal membership arrangement with such FE colleges in their region.
- 53 There are of course, in many of the regions, associate college arrangements involving a central HEI with a network of associate FE colleges which provide HE opportunities locally on a franchised (indirectly funded) basis from the HEI. The only involvement of a HERA in any of these arrangements was as a mechanism for sharing information and experience more widely across the region.
- 54 Although many of the HERAs have had significant involvement in Aimhigher (and its predecessor Partnerships for Progression), and indeed some actually manage the programme, most of the operational activity within Aimhigher is carried out at sub-regional level working through partnerships of HEIs, FE colleges, and schools. By and large therefore this has not provided a direct basis for collaboration between HERAs and the regional Associations of Colleges. However one HERA, London Higher, has taken this relationship a step further by re-establishing the Further and Higher Education Partners Group chaired by the Chairman of AoC London Region. The decision to re-establish this group reflects earlier successful collaboration in the context of the Partnerships for Progression initiative, assisted by the strong relationship built up between the Executive of London Higher and AoC London Region as a consequence of their co-location.
- 55 The FE and HE agendas are not similar, and some of those we talked to suggested that this could make collaboration difficult. Nevertheless, there would appear to be a large commonality of interest in working effectively with the Regional Skills Partnership, especially in relation to the supply of high level skills. At least one AoC Regional Director commented that the HERA could provide an important voice in making sure that the RDA recognised that the FE colleges as well as the HEIs could contribute to the higher level skills needs of the region.
- 56 The engagement of HERAs with schools in their regions was largely confined to activities under the Aimhigher umbrella. In particular, a number of HERAs were engaged in co-ordinating the timing of Summer Schools across the region's HEIs. However, this was essentially part of the overall Aimhigher activities which tended to be co-ordinated regionally and delivered on a sub-regional basis.

57 **Threats**

Perhaps not surprisingly, given the relatively recent origins of most of the HERAs, those we talked to from the HERAs identified a wide range of threats to their survival. The threats identified fall into four main categories:

- deterioration or breakdown in the relationship between the HERAs and their members;
- deterioration in the relationship with external partners and stakeholders;
- engagement in inappropriate activities, or too wide a range of activities within the resources available;
- actual and prospective changes in the HE environment.

58 Central to many of these threats is the perception that they could significantly reduce the vitality of a HERA to some or even all of its members, which could lead to a breakdown of the HERA through the resignation of members.

59 The threats identified included in particular:

- failure to provide value for money to members for their subscriptions, including attempting to engage in too many activities;
- institutional differences reflecting the inherent diversity of the sector, if not properly handled by the Chair of the HERA, could severely limit the common agenda available to the HERA, encouraging operation at the level of lowest common denominator;
- loss of real or apparent autonomy, with the HERA becoming too identified with the RDA or as an agent of HEFCE;
- governance issues, including inflexibility over who can represent the institution in agreeing to particular courses of action by the HERA, and the risks that arise from the several responsibilities of all members for contractual obligations entered into by a HERA – especially where the contract is being carried out by a minority of members;
- being sidelined by an RDA if it decided it could achieve its objectives through direct engagement with individual HEIs across the region without involvement of the HERA;
- a loss of confidence by HEFCE that the HERA can represent the region's HE interests;
- interfering themselves in the sovereign interests of a member institution;
- increased competition both within HE and from outside organisations that could supplant HERAs.

60 To a significant extent, the threats identified by external partners and stakeholders matched the perceptions of members. They included being considered no longer vital by the RDA, being sidelined by HEFCE and not being considered vital by the business community.

61 **Opportunities and future role**

Many of those whom we interviewed had been thinking carefully about the opportunities that were likely to arise for HERAs and how this should impact on their future role. Both members and external stakeholders were able to identify many potential opportunities. However, it was also clear that views on the future role were strongly influenced by respondents' views of the HERA's performance to date. Those who had a positive view of the achievements of their HERA to date tended to believe that the HERAs needed to become more proactive and strategic in order to secure HE's position in influencing and taking forward the developing regional agenda. Others, who remained unconvinced of the regional role of HEIs, and who were sceptical of the capacity and willingness of the HERAs to engage in this way, tended to see fewer opportunities. They envisaged a more modest, even minimalist, future role for the HERAs as providing a flexible network of opportunity for their members to come together when required and in collaboration at the margins.

62 The HERA members and Chief Executives that held more positive views identified the following as potential future roles for the HERAs: being more proactive on behalf of members and providing a collective strategic engagement with the regional agenda; 'unpacking' and providing brokerage that was appropriate for them; providing a more flexible framework for collaboration; and entering into strategic partnerships with other organisations in the HE sector. External partners and stakeholders echoed much of this, emphasising their interest in seeing HERAs playing a bigger and more strategic role in the regions.

63 A common feature of many responses from HERA members was that they saw the HERAs as potentially providing forums, or enabling networks, for members to tap into or 'plunder' as they wished. HERAs provided the opportunity to explore the potential benefits of collaborations that would not necessarily have arisen in the absence of the HERA, since the institutions' paths would not necessarily have crossed. HERAs provided neutral territory where natural competition could be set aside, provided there was a sufficient degree of trust between members. As new and cross-cutting alliances built up over time, many believed that it would become much more possible for the HERAs to demonstrate how they were adding value so that the whole of the membership, acting through the HERA, was greater than the sum of the individual members

64 Many of the external agencies such as the RDAs and GOs clearly prefer to deal with HEIs in their region collectively rather than having to deal with several individual institutions. This preference provides a basis for the HERA to offer a collective voice, and in a sense is at the heart of the purposes for having HERAs. Nevertheless, in practice it has proved very difficult always to provide such a collective view, particularly by those HERAs representing a large number of members. Despite this continuing practical difficulty, most respondents believed this to be an important opportunity that must continue to be pursued as central to the future role of the HERA. Developing such a collective voice was seen as including:

- promoting the region as an attractive place to study and to work;
- providing a collective response to policy proposals issuing from HEFCE or other agencies;
- being able to respond with reliable up-to-date quality information from members to requests from the RDA and others in the development of policy;
- providing a collective voice as essential to HE being able to hold their own.

- 65 The provision of brokerage was by far the most contentious issue for the future role of HERAs. Attitudes of members and executives to their HERAs engaging in brokerage ranged from outright rejection through to a degree of 'gung ho'. Most, however, expressed a degree of caution, as well as discomfort, with pressure upon them over this matter both from within the HERA and from outside. There was certainly a wide range of experience of having engaged in forms of brokerage and an equally wide range of understanding of what it entailed. Opinions about the brokerage role were also strongly influenced by the coincidence of our study with HEFCE embarking upon a new Additional Student Number (ASN) allocation exercise on a regional basis. As we noted earlier, HEFCE Regional Consultants were heavily engaged in this process working through their respective Regional Advisory Groups and were seeking engagement from HERAs.
- 66 Existing brokerage activity that we learnt about fell into a number of groupings and across a scale that included:
- providing quantitative information, otherwise in the public domain, but not necessarily easily accessible to organisations unfamiliar to HE;
 - providing information to external agencies of a promotional nature;
 - assisting in the identification of opportunities against which bids could be prepared and made by the HERA for some or all of its members;
 - providing advice to others who will make decisions where there will be 'winners' and 'losers' from the process amongst the HERA's membership.
- 67 While we understand the concerns of some HERA members about the brokerage role, we consider that those HERAs that had not already done so should examine carefully the full range of brokerage and decide what was appropriate for them, given their circumstances. There are risks in any level of involvement in this kind of activity, but probably even greater risks if the information that drives those decisions is provided by others less capable than HERAs and, as a consequence, the HERAs become sidelined and less vital.

Menu of good practice

- 68 One of the expectations of this study was that its outcomes should be of value to HERAs and their stakeholders and partners. In particular there was an expectation that 'good practice' would be identified that had the potential for transfer between HERAs and be of value to them. Certainly during the conduct of this study and the review of London Higher that preceded it, we found much excellent practice with that potential. However, as with all findings throughout this study and the review of London Higher, so much of that practice is peculiar to the very different circumstances of the HERAs and their regions and may not be transferable. It was decided therefore to compile, in an open form, a 'menu of good practice' for HERAs to review, adapt and adopt as they consider appropriate for their own circumstances.
- 69 **Separating out operations from strategy**
Many of those we spoke to, who were critical of the way their HERAs had developed, pointed to the growing demands made upon the Executive by 'project work', and how the

consequential high workload was inhibiting it taking a more active role in promoting the HERA's contribution to regional development at a strategic level. For some HERAs, where the potential for conflicting demands exists, this has resulted in specific and sometimes separate arrangements being made for project work, without necessarily diminishing it. With the prospect of increased work for HERAs in project management, delegated from RDAs, a degree of separation of the kind some HERAs exercise should be of interest to other HERAs, and especially those with operations dominated in resourcing by their project and programme work.

70 **Listening to members**

Engagement with the membership is vital to the continuing health of a membership organisation. Many of those we interviewed, especially the heads of smaller institutions, thought it important that the Executive should find time to contact members to understand their interests better. They were particularly appreciative where this had happened.

71 **Inducting new members**

Assumptions can easily be made that newly appointed heads of institutions will quickly gain an understanding of the regional context, and of the history and development of HE and its relationships in the region. In too many cases, we found those assumptions had not helped the potential for collaboration between members, especially in HERAs with a large membership. We were impressed by the adoption of a target in one HERA for its Chair and Chief Executive to meet with each new Head of Institution within three months of taking up their appointment.

72 **Flexibility of operations to respond to particular and changing circumstances**

We found much evidence to suggest higher levels of member satisfaction with their HERA where the HERA had been responsive and flexible. Examples included being flexible over geographical boundaries; encouraging members to treat the HERA as an enabling framework, rather than some rigid structure into which they must fit; being flexible over representation and the attendance of members; and being sensitive to the demands upon small member institutions.

73 **Transparency of operations**

Many, but not all, HERAs have the facility to extend co-option and regular observer status to key partners and stakeholders, so that they can attend and contribute to meetings, including the most senior strategy boards. Practice varies between the HERAs on the extent of this practice – which certainly helps communications and understanding, and offers opportunities for early soundings to be taken of the respective organisations' interests and intentions.

74 **Shared planning**

Where HERAs prepared plans covering more than just one year ahead and shared these with their RDA, it was very much appreciated. The alignment of planning cycles is unlikely to happen, but where there is a sharing of forward planning between HERAs and key partners, such as their RDAs and GOs, this is beneficial.

75 **Empowerment of executives**

The Board is responsible for strategy and the maintenance of enabling frameworks as well as having overall management responsibility for the Executive. Members decide ultimately on what the organisation should do. It is the job of the Executive Board to provide support to those processes but above all to manage the progression of tasks. In general we found a patchy situation with regard to the relationship between Boards, their Chairs and Chief

Executives and in particular the Chief Executive's licence to operate. Where this has been established over time from trust, confidence and a general maturing of relations, HERA operations benefit enormously. We would commend all HERAs to examine examples of best practice across the HERAs that encourage the empowerment of executives and especially CEOs.

76 Effective liaison at leadership level

In some regions regular bi-lateral meetings involving the Chair and Chief Executive from the HERA are held with similar leaders from the RDA, GO or similar key organisations. These have proved highly successful in the development of mutual agendas, better understanding, the removal of unwelcome 'surprises' and an atmosphere of trust and confidence that has paved the way for more effective collaboration at CEO and officer levels.

77 HERA representation on RDAs

All RDAs have some kind of attendance at their Boards of a person from HE. In all but two of these the person is a Vice Chancellor of a university and full member of the Board. However, as these appointments to RDAs are personal appointments, much will depend on the strength of the relationship between the HERA and the RDA. If that relationship is strong it is likely that the HERA may have some influence on the appointment.

78 The appointment of 'translators'

Individuals have been appointed by RDAs/GOs to act as 'translators' between the RDA/GO and HE in the region, and this has proved particularly beneficial to all parties. In each case these individuals are based in the RDA/GO, have substantial experience of HE at a senior operational level, and are playing a highly effective role to help avoid the kind of misguided assumptions about the role and contribution of HE that can be very damaging to relationships. At present appointments have occurred in just three regions – North West, South West and Yorkshire and the Humber – and could be beneficial elsewhere.

79 Effective integration of the OU

Behind the relatively small regional offices of the OU lies one of the largest providers of HE within the UK, with a huge potential to work with other HEIs in the regions to mutual advantage. There is an appetite within the OU to collaborate with other HEIs via their respective HERAs but equally this may be something that might benefit from a pan-HERA perspective, now made possible by the recently reconstituted Regional Task Group of Universities UK.

Messages from the findings

80 We believe these findings translate into a small number of key messages for the HERAs and their principal partners.

81 For HERAs and their members

- Retain flexibility. This will accommodate better the diversity of interests of your members. Avoid building inflexible organisations.
- Prioritise strategy over operations.
- Unpack what 'brokerage' means for your HERA and engage as appropriate.

82 **For RDAs (and GOs)**

- Understand better the values of, and benefits to, HE of engagement in the regional agenda and manage expectations of what can realistically be delivered and in what timescale. Look to Yorkshire and the Humber and the North West for examples of good practice, and more recently to the South West, where people with experience and appropriate skills have been appointed by RDAs and GOs.

83 **For HEFCE**

- Decide what you need to achieve in the regions, how you plan to do that and especially the role HERAs can play. Expect different levels of involvement and contribution, not just initially, but also probably into the longer term.
- Communicate those intentions to HERAs, their members and principal partners and stakeholders. Align those communications with a reiteration of HEFCE's Strategic Plan and especially those parts that identify the Government's requirements of HEFCE.
- Decide the level of funding you are prepared to provide for HERAs, and whether it is a grant with no 'strings attached' or a sum of money for which you require services in return. If the latter, decide what those services are to be.

A sequel

- 84 At the Annual General Meeting of London Higher in June this year, Dr Marc Stephens, Executive Director for Business and Skills at The London Development Agency (LDA), spoke of the importance of an effective relationship between London Higher and the LDA. This was a meeting which, in addition to the usual end of year progress reports, also sought support from the membership for some significant changes to the structure and operation of London Higher arising from its recently completed review. Towards the end of his presentation he likened London Higher to a trade association and quoted from a DTI publication⁸ on model trade associations:
- 85 *The Rules of engagement between Government and Trade Associations have not changed through the years:*
- *Associations, that clearly for 80-90 per cent of the companies in their sectors, know their facts and put well-argued cases to Government, are treated with respect. This applies particularly if the Trade Association covers companies in 'politically sensitive' sectors;*
 - *Associations which seek to produce alternative solutions to a problem, rather than merely provide litanies of complaint, can be especially influential;*
 - *The prudent Association regards it just as important to keep its Civil Service contacts up-to-date with developments as to lobby at the Ministerial level;*
 - *No Association can afford to rest on its reputation. Respect has to be earned each time – by the quality of representation put forward. Once lost, the good standing of an Association is not quickly recovered.*
- 86 Key characteristics of a model trade association, contained within a DTI 'Best Practice Guide' have also been included, as Annex 6.

⁸ The Business of Representation. The Modern Trade Association – a report to the Trade Association Forum. Alastair Macdonald. DTI March 2001.

Background to the study

87 HEFCE has provided some funding for the Higher Education Regional Associations (HERAs) since 1999 and needed to subject them to review, consistent with its accountability for public funds. HEFCE also decided that, whilst it had accepted from the outset that HERAs could have different remits, it also needed to understand better their current role, contribution and future potential.

88 Discussions took place between HEFCE and the HERAs during the summer of 2004 on how the review could be conducted so that it not only satisfied HEFCE's requirements but was also useful to the HERAs themselves. It was agreed that a broader-based study involving partners and stakeholders should be more productive as it would allow greater scope to look at the ways in which the HERA role has developed, and continues to develop, as well as providing those stakeholders and partners with an opportunity to input into the process. In particular, a number of key elements were agreed. These translated into a set of questions, agreed between HEFCE and the HERAs, that would form the basis of the study⁹.

89 Those key elements included:

- the study being a collaborative exercise based on mutual learning;
- a recognition of the role that HEFCE and regional partners and stakeholders must play in engaging with and supporting HERAs over the coming years;
- respect for the HERAs as membership organisations;
- recognition that 'one size does not fit all' HERAs across England;
- prominence to be given to opportunities for the future;
- achievements to date would be identified;
- observations and findings would be placed within the context of individual regions.

90 During the course of these discussions, London Higher decided it needed to undertake a more in-depth review of itself. In 2003 the London HERA, London Higher Education Consortium (LHEC), had removed itself from prior administration under the business promotion group London First, restructured, and renamed itself London Higher along with a new mission, new Director and moved to Senate House. London Higher decided it wanted to review its performance since 2003 and its future role. It approached HEFCE which agreed to part fund this review, that it would precede the national study and address two sets of questions:

- Whether London Higher satisfactorily addresses the needs, and delivers to the expectations of its core 42 members and provides value for money for the subscriptions paid? Whether it adds real value as a collaborative arrangement?

⁹ See Annex 1.

- To what extent are changes considered desirable or necessary in order that London Higher is a fit-for-purpose organisation for the future?

91 We were the consultants appointed to conduct the London Higher review which was carried out between October 2004 and February 2005. The report of that review was considered by the membership of London Higher at its AGM in June 2005 and all 12 of the recommendations contained in the report were endorsed.

92 The experience and outcomes of the London Higher review have informed this study.

Our approach

93 We addressed the terms of reference principally by the following means:

- a. A desk review of relevant papers.
- b. Interviews with 91 people, on an individual and group basis under six categories¹⁰:
 - Chairs of the HERA governing board or steering committee;
 - Chief Executives of the HERA;
 - Chief Executives of the RDA or, where responsibility for HE is delegated, the most senior person who can provide a high level view of HE;
 - Regional Directors of GOs for the regions, or their most senior representative for HE;
 - HEFCE Regional Consultant;
 - other stakeholders or partners, who could provide insights into how the HERAs and their plans operated in practice. This category included people drawn from within HERAs, RDAs, GOs, HEIs and the business community who have played a particularly active role in the development and work of individual HERAs.

(We also interviewed 68 people in connection with the review of London Higher. These included mostly the head, or a senior representative, from all 42 HEIs in London; representatives from the Mayor's Office and Greater London Authority; the London Development Agency; the AoC; Learning and Skills Council (LSC); business groups and Barclays Bank).

- c. Providing feedback to the Project Steering Group at two meetings. These were scheduled for the start of the project, at the point when most of the interviews were expected to be completed and when a draft report was available for comment, in March and May respectively – although there was some slippage in deliverables due to an unavoidable delay in the start of the project.
- d. Providing an opportunity for HERA CEOs to discuss emerging themes from the study at the Universities UK meeting of HERA CEOs in June.
- e. Providing a similar opportunity to HEFCE Regional Consultants in June.
- f. Providing feedback to HERAs on an individual basis, at their request. We provided feedback to London Higher at its AGM in June and have had several other requests from HERAs at the time of writing this report.
- g. Maintaining regular contact with HEFCE on progress throughout the study.

¹⁰ Refer to Annex 4 for a full listing of those consulted.

- 94 We drafted a letter of introduction, that included the study's terms of reference, and these were sent by HEFCE to Chairs and CEOs of all HERAs. We followed these up quickly by telephone with each of the CEOs to seek their advice and co-operation in determining the actual people we should interview, and how the arrangements should best be handled. We also sought simple factual information from CEOs during this initial contact. All were most helpful and supportive in responding to these requests.
- 95 Based upon our experience with the in-depth review of London Higher, we developed a 'generic aide-memoire' to ensure consistency of content and approach in all interviews and as a basis for a variety of communications with the different categories of interviewees.
- 96 All respondents were contacted by telephone and provided with a copy of the HEFCE introductory letter, and a simplified single page list of topics we wished to explore with them, tailored according to the respondent and based upon the generic aide memoire. All were given assurances that the information they provided could be used, but not in any way that would identify them personally.
- 97 Interviews were a mix of face-to-face and over the telephone and were conducted mostly on an individual basis. All the HERA Chairs, CEOs and most key partner representatives were interviewed face-to-face. The remainder were a mix of these two approaches and one was via a video link. In total 91 interviews were conducted: of these, 55 were face-to-face and 36 over the telephone. The initial pilot set of interviews in the South West, and those with most of the HEFCE Regional Consultants, were conducted by both of us together. Thereafter we divided the remainder and most of these were interviewed by just one of us.
- 98 During the course of the study there were two developments that significantly increased the number of people to be interviewed. The first arose at the initial meeting of the Project Steering Group, when it was agreed that the representatives of Universities UK, the Standing Conference of Principals and Association of Colleges should encourage their respective members to contribute to the study. Also, midway through the study, we were informed that a small cadre of large research intensive universities might be planning to withdraw from membership of their HERAs. We made a particular point of adding those universities to the interviewee list, as such a move could adversely affect the standing of the HERAs affected as representative bodies. These two developments contributed significantly to the relatively large increase in people interviewed, from the 50 or so originally envisaged.
- 99 On commencement of the Study, Nigel Brown attended a seminar sponsored by Universities UK on the role of higher education in the regions.
- 100 Upon completion of the study, HEFCE sent a copy of the final draft of the report to the Chairs and Chief Executives of the HERAs for them to comment on matters of factual accuracy or presentation that might give rise to misleading or unhelpful impressions of HERAs in general, or of theirs in particular.

The regional context

Origins and government expectations

- 101 A critical factor leading up to the establishment of most of the current HERAs was the Government's initiative to introduce a degree of regional administration in England, as a response to the aspirations of some English regions in the light of political devolution to Scotland, Wales and Northern Ireland. Central to these government initiatives was the formal establishment of the RDAs in the nine English regions with some oversight provided by (unelected) Regional Assemblies or Chambers – except in London where there was to be an elected Mayor and Regional Assembly.
- 102 The development of relationships between individual HERAs and the regional agenda has to be seen in the context of the developing role of the RDAs and the differential funding levels they receive from Central Government
- 103 RDAs have responsibility for a number of related issues in their regions to which HEIs can contribute. These include:
- economic development;
 - skills development;
 - science and innovation.
- 104 RDAs are seen by Government as the key strategic drivers of economic development in the regions. Since 1999, the resources and responsibilities of RDAs have been significantly increased to enable them to deliver their Regional Economic Strategies (RES). To this end the RDAs are funded by a range of Central Government departments into a 'single pot'. Table 1 below shows the make-up of the 'single pot' of RDA actual and planned expenditure from 2003-04 to 2007-08. Until now this funding has provided a major source of the matched funding to draw down EU funds, particularly for the European Structural Funds that include the European Social Fund (ESF) and the European Regional Development Fund (ERDF). The 'Single Pot' also incorporates the UK Government's Single Regeneration Budget. From 2006 ESF and ERDF will be incorporated into the European Structural and Cohesion Funds, and the allocations to the UK will be significantly less than have been available from the European Structural Funds.
- 105 In the 2004 Spending Review,¹¹ the RDA's 'single pot' was maintained in real terms and new responsibilities were devolved to the RDAs, with a consequent transfer of £200 million a year from 2005-06. In addition, from 2004-05, there has been a reduction in commitments arising from matching allocations from the EU Single Regeneration Budget. It is estimated¹² that by 2007-08 the effective increase in the RDA 'single pot' will be £817 million or nearly 40% over 2004-05.
- 106 The Government's Public Service Target for regional economic performance is set out in Chapter 2 of the 2004 Spending Review¹³ and is:

“To make sustainable improvements in the economic performance of all English regions by 2008 and, over the long term, to reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006.”

¹¹ *Spending Review 2004*. HM Treasury. July 2004

¹² See *Spending Review 2004*. Chapter 23, *Regions and Devolved Administrations*. HM Treasury July 2004

¹³ See *Spending Review 2004* Chapter 2: *Promoting Growth in Every Region*. HM Treasury July 2004

Table 1
Expenditure Plans for RDAs by Central Government Departments 2003-04 to 2007-08

Department	£ million				
	2003-04	2004-05	2005-06	2006-07	2007-08
Trade and Industry	191	234	461	476	483
Office of the Deputy Prime Minister	1,522	1,511	1,568	1,633	1,676
Environment, Food and Rural Affairs	41	46	72	73	74
Education and Skills	42	42	43	44	45
UK Trade International	-	13	13	13	13
Culture, Media and Sport	2	2	6	6	6
Total	1,798	1,847	2,163	2,244	2,297

- 107 The particular increase in the contribution to the 'single pot' from DTI reflects:
- the decision to devolve responsibility to the RDAs for the delivery of Business Link services from April 2005;
 - the devolution of new responsibilities for delivery of R&D grants and for parts of the successor to the Phoenix Fund, which focuses on enterprise in disadvantaged areas;
 - enhancing the role of RDAs in supporting business-university collaboration as part of the Government's response to the Lambert Review¹⁴.
- 108 The Government has also said that it will task RDAs to help a broader spectrum of businesses develop productive links with the university base in each region, including through support for business-focussed research capacity.
- 109 Individual RDA budgets have been increased accordingly. Table 2 below sets out the increased allocations for each of the RDAs for 2005-06 to 2007-08 compared to the baseline in 2003-04 as a result of Spending Review 2004¹⁵.
- 110 The allocations to each RDA are largely formula driven. The formula uses a series of indicators as proxies for the needs of each region, including the needs of businesses in the region. It is interesting to note that the transfer of responsibilities has resulted in significantly higher percentage increases in budgets for the East of England Development Agency, the London Development Agency and the South West RDA than the other regions.

¹⁴ *Review of Business-Higher Education Collaboration (The Lambert Review): Final Report* HM Treasury December 2003

¹⁵ Department of Trade and Industry: www.consumer.gov.uk/rda/info/

Table 2
Total Allocations (£m) for each RDA 2005-06 to 2007-08 compared to 2003-04

RDA	£ million			
	2003-04	2005-06	2006-07	2007-08
One North East	230	240	251	258
North West Development Agency	334	382	400	409
Yorkshire Forward	255	295	310	316
East Midlands Development Agency	124	156	163	167
Advantage West Midlands	232	272	284	291
East of England Development Agency	86	129	134	136
South East England Development Agency	129	157	163	167
South West of England Regional Development Agency	105	153	159	164
London Development Agency	303	373	391	400
Total¹⁶	1,798	2,157	2,256	2,309

111 In March 2005, the Government published a second White Paper on Skills¹⁷ which gives far more weight to the role of higher education in the provision of high level employment-related skills than its predecessor, the Skills White Paper¹⁸ published in July 2003.

112 This change of emphasis is most clearly expressed in paragraph 153 of Part 2 of the March 2005 White Paper:

“We will strengthen the role of HE within Regional Skills Partnerships (RSPs), so that they can work with RDAs and others in identifying and supplying the HE-level skills that will best support achievement of Regional Economic Strategies. The HEFCE’s funding decisions on the allocation of student places will take account of regional priorities¹⁹. We are aware of concerns that decisions by individual universities to close particular teaching or research departments of strategic importance could damage a region’s prospects and the achievements of its economic goals. We believe it is important for universities, and not Government or its agencies, to decide what they teach. However, we recognise the interest of RDAs in the contribution that research and HE-level skills can make to building regional economic strategies. We have asked the HEFCE for advice on a list of proposed

¹⁶ For the years from 2005-06 onwards the totals include an unallocated reserve of about £12m per annum

¹⁷ *Skills: Getting on in Business, Getting on at Work*. Cm 6483. 2 March 2005

¹⁸ *21st Century Skills: realising our potential – individuals, employers, Nation, the Skills Strategy White Paper*. Cm5810 (July 2003)

¹⁹ Our underlining.

subjects of national strategic importance and whether further intervention may be appropriate to strengthen and secure them.”

113 HEFCE has recently responded to the Government with its advice on strategically important and vulnerable subjects²⁰. The main thrust of that advice is that there are some subjects that are both of strategic importance and vulnerable, but by and large HEFCE should wherever possible support market-led solutions. However, the report does leave open the possibility that HEFCE might intervene selectively, including where appropriate to enhance its efforts to ensure that employer demand is appropriately fed into the system, particularly through Sector Skills Councils and RDAs.

114 In a later section of the March 2005 Skills White Paper, on partnerships for delivery, Regional Skills Partnerships are invited:

“To review how higher education can best be integrated in the work of RSPs. RDAs already play an important role in the programmes that support research and innovation to enable knowledge and technology transfer from HE to business. RSPs need to review how they can best incorporate in their work the supply of HE as well as FE skills to meet regional needs, and how they can support progression from FE to HE for communities in the region. The RSPs also have an important role in encouraging RDA and business support for postgraduate studies and university research, which benefit the skills agenda and economic development in the region.”

115 It is clear from all the statements by the Government, prior to the recent general election,²¹ that it is seeking an enhanced role for RDAs in driving forward regional economic development and that HE provision in the regions is seen as an increasingly important contributor to that development. Nothing that has so far been said since the election suggests any significant move away from that stance. It is therefore clearly essential that HERAs take full account of Government’s expectations in deciding how they should in future engage with the regional agenda.

116 The phrase we have underlined in the first quote from the Skills White Paper is of particular interest, given what we have heard during the course of the study from members of HERAs of their concerns about HEFCE’s apparent planning role.

The developing higher education regional agenda and HEFCE

117 When the RDAs were being established, HEFCE encouraged the establishment of HERAs, where they did not already exist, and provided a small amount of grant funding annually towards their costs (£25,000 per annum except for London which receives £35,000). It extended the responsibilities of its Regional Consultants for each region, whose initial appointments significantly pre-dated the establishment of RDAs, to engage with the HERAs as well as other regional organisations and the individual HEIs in the region. It has also increasingly looked to HERAs to undertake some kind of brokerage role for the allocation of funds for HEIF, for ASNs and for Lifelong Learning Networks, while continuing to receive separate advice from its Regional Advisory Groups made up of representatives of RDAs, GOs and local LSCs.

²⁰ HEFCE Circular 2005/24 *Strategically important and vulnerable subjects: Final Report of Advisory Group* June 2005

²¹ May 2005.

118 This involvement has to be seen in the context of HEFCE's current strategic plan 2003-08²² which includes, under HEFCE's role:

"HEFCE is a national organisation. Nevertheless higher education has a particular spatial geography with a particular distribution of provision, issues that cross boundaries and elements that require different levels of regional and local engagement. In that context we believe we can best secure our strategic objectives by taking into account opportunities in the regions. Therefore, through our activities, we aim to:

- *help each region meet the specific needs of that region's or area's students, economy and civil society;*
- *encourage, through collaboration, each region and area to make the most effective contribution to the HEFCE strategy;*
- *support institutions in working with a range of regional stakeholders."*

119 This is expanded upon in the plan itself. Under the activity of enhancing the contribution of HE to the economy and society there is a clear statement that these interactions (between HE and business) can be particularly effective at regional level.

"HEIs should become fully embedded within their regional economies, working in partnership with further education colleges, Learning and Skills Councils, Sector Skills Councils and other stakeholders, especially the RDAs."

120 The clear inference from the use of the words "*through collaboration*"²³ is that HEFCE sees HERAs as potentially providing the Council with a mechanism to help deliver some of its objectives regionally. This chimes with the passage from the Skills White Paper (March 2005) quoted above and, whilst these statements clarify expectations of HE and of HEFCE's role, it does not follow that HEFCE can automatically expect the HERAs to adopt a brokerage role for it.

121 It also raises important issues about the balance between HEFCE's relationships with individual institutions in the region and its relationship with the HERA, both of which are mediated by the Regional Consultant.

²² HEFCE Strategic Plan 2003-08 (Revised April 2005). HEFCE 2005/16 April 2005.

²³ Paragraph 118 above.

Findings

Introduction

122 This section of our report presents the analysis of findings from our review of material provided by the HERAs and our interviews, under ten main headings:

- HERA variations;
- Mission, role and priorities;
- Resources;
- Vitality of the HERAs;
- Achievements;
- Leadership, management and operations;
- Engagement with members, partners and stakeholders, including HEFCE, further education and schools;
- Threats;
- Opportunities and future role;
- A menu of good practice.

123 In addition we have provided a set of messages for the HERAs and their principal partners from these findings.

124 It is important in any analysis of the HERAs to distinguish clearly between the HERA as the corporate body, officeholders of the HERA, such as the Chairman of the main Board, and the Executive of the HERA on whom much of the operations of the HERA rests. In general we have used the term HERA collectively to refer to all these, but where the context does not make it clear we refer as necessary to 'the members', 'the Boards', the 'Chair (of the Board)', the 'Chief Executives', or 'Executive' as appropriate.

HERA variations

125 The English regions and the HERAs that have developed within each of them are very different from one another. In addition to the findings below, we have included in Annex 2 a set of profiles of the regions, taken from a HEFCE report to be published in November 2005²⁴. These profiles comprise a short description of economic and HE characteristics of each of the regions alongside a description of the published objectives, composition and structure of the respective HERA, which has been agreed with the HERAs. We would strongly recommend anyone attempting to make any assessment based upon our findings to refer to these profiles.

²⁴ *Regional Profiles of Higher Education 2005*. HEFCE

- 126 As noted above, the budgets for each RDA vary widely and are based on a number of factors, including the relative economic deprivation in each region. Regions also have different histories in how the shape, scale and character of their HE provision has developed and evolved over time. It is noteworthy that the two economically wealthiest regions have the highest numbers of HEIs, even though within those regions there are significant pockets of deprivation and low HE participation rates amongst young people. Some regions are net importers of undergraduate students (eg the East Midlands) and others net exporters (until now the East of England).
- 127 As an illustration of the diversity, there are HERAs:
- with memberships ranging from 5 to 42;
 - dating back nearly 20 years, and others put into their current form just two years ago, although most were formed at the same time as the RDAs, in 1999;
 - that engage substantially in facilitating or managing externally funded projects with substantial income, whilst others are entirely dependent on membership subscriptions and the grant from HEFCE. One HERA has turnover in excess of £9.8 million.

Table 3
Summary of HERA Profiles

Region	HERA ²⁵	Founded	HEIs ²⁶	Gross Income ²⁷	Total Staff (FTE)	Income (Member Fees)	Core Activity Staff (FTE)
East of England	AUEE	1999	12	£108,000	1.8	£83,000	1.8
East Midlands	EMUA	1999	10	£380,300	5	£107,833	2.5
South West	HERDA-SW	1999	14	£6m	5.6	£134,400	3
South East	HESE	1999	25 ²⁸	£542,000	5	£80,000	2.5
London	London Higher	2003 ²⁹	42	£507,500	4.75	£326,000	4
North West	NWUA	2003 ³⁰	15	£5m	23	£157,070	3.8
North East	Unis4ne	1983 ³¹	6	£9.82m ³²	20.5	£36,910	3
West Midlands	WMHEA	1999	13	£135,000	2	£110,000	2
Yorkshire & The Humber	Yorkshire Universities	1993	13	£5m	11	£101,000	4.5 ³³

²⁵ Association of Universities in the East of England (AUEE); East Midlands Universities Association (EMUA); Higher Education Regional Development Agency: South West (HERDA-SW); Higher Education South East (HESE); London Higher; North West Universities Association (NWUA); Universities for the North East (Unis4NE); West Midlands Higher Education Association (WMHEA); Yorkshire Universities

²⁶ Includes the OU in each of the regions.

²⁷ Approximate to include membership fees, project activities, HEFCE funding, sponsorship, etc.

²⁸ Includes two Regional Offices of the Open University treated as a single institution and Henley Management Centre, a non-HEFCE funded institution.

²⁹ New mission, structure and name. Previously London Higher Education Consortium (LHEC) founded in 1999.

³⁰ In its current form. Previously two associations – North West Universities Association (NWUA), for universities founded in 1999 and Higher Education North West (HENW), for other HEIs, founded in 1999. HENW merged with NWUA in 2003.

³¹ Originally Higher Education Support for Industry in NE (HESIN).

³² Includes income from 'Knowledge House' and project/programme delivery.

³³ Staff classed by Yorkshire Universities as core are part-funded by overheads from project funds, as they devote a significant part of their time to supporting project activity. In the financial year 2003-04, for example, this equated to approximately 1.2 full-time equivalent (FTE).

- 128 All but two of the HERAs are voluntary, unincorporated associations established by members, and as a consequence employ their staff and enter into contracts through a member institution. Yorkshire Universities and HESE are both legal entities. London Higher and NWUA are currently considering changing their status and becoming a separate entity. Several others have considered this option but decided, for the time being, not to proceed.
- 129 It is also noteworthy that the actual distribution of HEIs around each region appears to have a significant impact on the willingness of the HEIs to engage in collaboration. Some institutions that lie geographically close to the boundaries of their regions see more natural collaborations with institutions in neighbouring regions.
- 130 It is essential to bear in mind this geographical variation in order to understand fully the range of activities, views and behaviours we have observed, or been told about, across the nine English regions. One size definitely does not fit all, but nevertheless some important common lessons emerge.

Mission, role and priorities

- 131 Our starting point was the published mission, role and priorities of the individual HERAs. An analysis of this material provided an overview of what the different HERAs had determined to be their purpose, currently considered still to be relevant, or were in the process of reviewing.
- 132 Our aim was to obtain a view of the differences in emphasis across the HERAs in what they were seeking to achieve. We drew therefore, not just upon published objectives but also upon their general profiles³⁴ (the spread of standing committees, services provided for members) and especially upon what respondents, both members of HERAs and their key partners, said to us about the activities of their HERAs. We tried a number of ways of clustering the purposes of the different HERAs but decided eventually that an important distinction had to be the extent to which HERAs are internally or externally focused. This to us seemed appropriate as, in all but two cases, the formation of the HERAs was given impetus by the creation of the RDAs. That analysis provided us with a simple but useful overview that showed:
- a good coverage by all HERAs of basic services for their members such as facilitating and acting as a focal point for collaboration, advocacy, and ensuring representation on external bodies;
 - differences in the level of activity under the topics of teaching and learning and research that form the backbone of HEFCE's own mission and priorities. Enterprise/knowledge transfer and widening participation were two other mainstream areas where every HERA had a group of some kind in place and were active, even though in many cases the groups and activities pre-dated the HERA, and the relationship and accountability to the HERA Board was in some cases fairly informal;
 - all HERAs engage to some degree in identifying funding opportunities and in the preparation of collaborative bids, but not all provide project management services for their members. This latter characteristic is one that substantially affects the balance sheet of

³⁴ Summarised in Annex 2.

HERAs, and to a large extent their consequential dependence upon member subscriptions to pay for what they do.

133 Closer examination indicated a weighting of missions, roles and priorities towards the ‘supply side’ of the equation, with few HERAs specifically stating any explicit intention to:

- contribute in any significant way to regional economic policy. However, most now recognise the potential importance to them of engaging with the regional economic strategy, and recent reviews of HERAs indicate a shift in this direction³⁵;
- provide ‘brokerage’ in support of RDA or HEFCE initiatives.

134 This distinction between an emphasis upon an internal rather than external focus was further reinforced by what respondents said to us – both those within and those external to the HERAs. The members themselves not surprisingly pointed to the provision of services for members, rather than partners, as what might reasonably be expected for a member association funded largely by member subscriptions. However, whilst most spoke well of the achievements of their HERAs, a significant number of both members and partners pointed to ‘a drift in mission’ having occurred. None were unduly critical of their executives for this, but spoke of the membership having allowed the remit of the HERA to grow to a point where they had probably taken on too many tasks and, in one or two cases, had become overly large organisations that were no longer “light and nimble” in their dealings with both members and external bodies. One CEO of an RDA was reported to have described his HERA as an “overdeveloped empire”. Success in attracting project monies was generally applauded but several respondents were now questioning whether those activities and successes were central to a mission and set of priorities appropriate to a HERA.

135 Having heard those criticisms, it becomes more evident how difficult it is for any member organisation to satisfy a majority of its membership so that it has an effective mandate to operate. To which the answer has to be what most CEOs told us – that ultimately the HERA engages only in what its members decide it should engage in. Other remarks of a similar kind commonly included:

- not undertaking any activity, which any one or more of its members would not wish to be undertaken;
- only do those things that are of explicit benefit to a minority of members where this is agreed.

And as one CEO aptly said:

- *“We need to be clear for whom the HERA exists, and what is it they would have us do”.*

136 In a similar vein, those familiar with alliances in general were quick to advise that success is governed largely by three simple factors:

- making sure individual interests are largely satisfied – the ‘what’s in it for me’ factor;

³⁵ London Higher strategic review 2005, EMUA under review 2005, HERDA-SW and Yorkshire Universities review planned for 2005.

- being clear what value the alliance can add beyond that of its individual members – the ‘additionality’ factor;
- being equally clear where the ‘no go’ areas are.

- 137 Reflecting on these factors, the differences between the HERAs appear even more marked. For example, Unis4ne grew out of opportunities and initiatives that began some 20 years ago in the North East around knowledge transfer and project management. ‘Knowledge House’ grew from this into the very large and highly successful venture it is today, delivering big financial and other benefits for its five members. Equally NWUA and Yorkshire Universities operate within environments with similar opportunities, have pursued a similar path and are achieving similar success. London Higher, on the other hand, has decided not to engage in anything but the simplest form of brokerage, and that the field of commercial knowledge transfer is a ‘no go’ area for it as a collaborative activity, with its 42 members in London.
- 138 It was equally clear that different generations of Chairs and CEOs had pursued a variety of strategies to secure their HERAs in the relatively short time since their inception. For many this had been a deliberate policy to obtain funding, recruit quality staff with experience and create a highly professional and experienced secretariat with sufficient mass to cover the very full range of opportunities in their region. Engagement in projects had been the route to that objective. Others had chosen to adopt a more minimalist model, largely because that was what the membership had decided it wanted.
- 139 As individual HERAs review their own performance and make decisions about changes of emphasis or direction, it will be important that they identify the achievements that are valued and activities that are seen as good practice and build on them.

Resources

- 140 All HERAs receive funds from membership fees and from a relatively small grant from HEFCE, but that is where the similarities end. There would appear to be at least two different models of resourcing across the HERAs:
- those that rely mostly upon membership fees and the HEFCE funding for what they do. If these HERAs decide to undertake anything new and additional, beyond whatever they have agreed to be their core activities, they need to secure external income, increase the fees they charge to members or divert resources by stopping doing something else. Typically this would include London Higher, WMHEA and, to an extent, EMUA;
 - those that, in addition to member fees and HEFCE funding, earn a significant amount of income from managing projects for members and from acting as contractors themselves for work funded from external sources – typically RDAs, the Department for Education and Skills or other similar bodies. In all such cases the funds thus acquired are used to employ staff to manage or undertake the project work, but these additional staff also represent a resource that can often be deployed on development activities or used to subsidise core activities. These include HERDA-SW, HESE, NWUA, Unis4ne and Yorkshire Universities.
- 141 Not unrelated to these different models of resourcing are the differences in levels of fees charged to members, especially the upper banding, and the ratio of total staff employed to

those ostensibly paid for out of members' fees to provide core services. The latter provides an indicator of both activity levels and the degree to which there is a dependence upon project management and contracting to provide core activities for members. Tables 4 and 3 show the range of fee levels charged to members and ratio of staff employed, respectively.

Table 4
Levels of membership fees during 2004-05

HERA	Upper band of maximum fees			Lowest	Associate
	£15,000 – £13,000	£10,000 – £8,000	£6,000		
AUEE		9		£9,000 ³⁶	£2,750 ³⁷
EMUA	7				£2,250
HERDA-SW				£6,400	
HESE				£1,000	£1,000
London Higher ³⁸	17			£1,000	
NWUA				£5,000	£2,070
Unis4ne			6	£6,000 ³⁹	£1,000
WMHEA ⁴⁰		8		£6,000 ⁴¹	
Yorkshire Universities	2			£4,000	£500

NB. The number in the shaded boxes indicates, where known, how many HEIs are paying this amount.

- 142 In addition, many respondents from most of the HERAs pointed to the probability of their HERA attempting to do too much as a consequence of a desire to engage in more strategic activities, while the pressure for more operational activities with regional bodies is also increasing. Two HERAs have undertaken reviews of their activities to date to try to resolve where their priorities should lie. However, for those without any prospect of subsidies, the natural 'push' by members and 'pull' by external bodies is putting pressure upon them to increase fees to members to acquire additional resources and is, in turn, starting to raise questions amongst members about value for money.
- 143 Of significance also is the level of membership fees charged to small institutions. In some cases these are deliberately set very low to minimise barriers to membership, as shown in Table 4 above.

Vitality of the HERAS

- 144 An important aspect of any organisation is the extent to which it is seen to be vital by its members and those external partners with whom it engages, given its mission and role and

³⁶ Flat contribution for all members.

³⁷ Four associates

³⁸ Upper band increases to £20,000 in 2005-06.

³⁹ Flat contribution for all members.

⁴⁰ In addition members of WMHEA pay subscriptions to West Midlands in Europe. Universities pay £6,250 alongside their subscription to WMHEA and colleges pay £2,100

⁴¹ Five smaller institutions pay this amount.

the resources available to pursue those. We found a range of views about the vitality of the individual HERAs both across and within HERAs and between members and stakeholders.

- 145 Overall, the majority view is that HERAs have proved themselves to be important in engaging with the collective concerns of their members and taking forward the regional political and economic agenda, reflecting a view that HEIs are potentially of major economic importance to their regions. Furthermore there is increasing recognition that the Government is extending the regional agenda to include more issues of relevance to HEIs.
- 146 Those members holding this view also believe that if the current HERAs were to be disbanded something similar would need to be put in their place – but not necessarily encompassing the same range of activities. Most would want to see them engaged with fewer but more strategic activities.
- 147 The minority view is that HERAs, as they currently operate, are not important and add little of value for their members. This view tends to come from:
- some members of those HERAs where there has not been, and is not, a strong regional identity;
 - members of HERAs who, because their institutions sit close to the geographical edge of their region, see their natural collaborative partners in neighbouring regions;
 - heads of institutions who see their role principally as national and international players, and believe that HE is and will continue to be more competitive than collaborative, and that the future is one in which strategic alliances will prevail. They believe they can make their own relationship with regional stakeholders, where and when that is important to them.
- 148 However, only a very small number of those to whom we have spoken would go so far as to be party to the dismemberment of their HERA, or to vote with their feet and formally withdraw from membership.
- 149 We also found similarly mixed views amongst the representatives of external stakeholders and the HEFCE Regional Consultants about the vitality of individual HERAs. Some had found the HERAs a valuable mechanism for engaging with HE in the region. Others had been disappointed at how difficult it was to engage the HERA with their own agendas as the representative body of its members.

Achievements

- 150 Most HERAs have made substantial progress since they were formed. For some the time span for that success is just over five years. For others it is as little as two years in their current form as a consequence of major restructuring. Of particular significance is that this progress has been achieved in most cases within a particularly difficult context which has included:
- a degree of scepticism within HE towards regionalism. At the outset there was a strong and compelling voice that rejected regionalism as being largely irrelevant to HE, with its more national and international interests;
 - a lack of any significant policy framework that included the positioning of HE within the development of the regions, until very recently;

- low priority being given to HE by the newly formed RDAs five years ago;
- high level of staff changes in the early years within many of the RDAs, and other key partners and stakeholders, with which the HERAs had to create and develop new relationships quickly.

151 The context also varies strongly from HERA to HERA in terms of the starting point and the extent to which members have been prepared to agree collectively to the range of activities to be pursued.

152 In most cases, respondents referred to positive progress that had been made and achievements where HERAs had added value to what their member HEIs might have achieved individually, and these are summarised below. Not all achievements apply to all HERAs.

- Convincing RDAs and other key partners and stakeholders of the important contribution HE makes to the economic performance of their regions. In some regions, HE is one of the largest economic generators. In all it is significant. This contribution by HE was not necessarily understood or readily appreciated by RDAs in their early years. Most HERAs spoke of 'breakthroughs' in positive relations with their RDAs and how these were not always easily achieved.
- Achieving a 100% membership across a very diverse spectrum of member HEIs.
- Advocacy and promotion work, and a collective voice to those that can influence the environment in which HE has to operate, both within and outside the region. This includes both actions of a positive nature and those which counter unhelpful actions and impressions from occurring.
- Providing a forum for common interest groups around widening participation, learning and teaching and, to an extent, research, reach-out to businesses and other matters.
- Some major successes in spotting opportunities, in collaborative bidding on behalf of members for project and programme funds and in securing and leveraging additional resources.
- Engagement in specific projects such as Aimhigher.
- The management of some large projects on behalf of members and key partners.
- Services for members in areas where 'sharing' is beneficial, for example, the collective experience built-up in some HERAs in the technicalities of managing EU-funded projects, and the economies of responding collectively to external requests for information.

Leadership, management and operations

153 All HERAs provide leadership through a Board or similar arrangement where a committee sets objectives, plans and priorities and monitors progress. For those with a large membership, such a committee often operates through a representative strategy or steering sub-committee reporting to a plenary meeting comprising the full membership. It is clear from the discussions we have had that the leadership provided to the HERA by the Chair and the Board itself are important factors in the character of individual HERAs. The management of

the Executive staff, their perceived role and the approach to operations are also important factors.

154 **Leadership**

The leadership demands made upon the Board and its Chair are substantial. All to whom we spoke were very clear about the narrow line that the Board and Chair has to tread, typically between:

- duplicating the endeavours of other bodies and organisations;
- avoiding at the core any activities that were only of interest to a minority of members;;
- avoiding any distillation that resulted in engagement in activities that represent the lowest common denominator of member interests.

155 All stressed the absolute necessity for the HERA to add value beyond what could be achieved by the member institutions acting independently, and especially within a context of a growing number of intermediary and representative organisations with an interest in HE and the collective costs of membership of all those organisations.

156 Within those parameters the leadership often has to proceed with care. It has to listen carefully to its members and, in particular, be confident that it is in tune with, and has the support of that membership before it can act. There is nothing unsurprising about this for any membership or trade association that exists to represent and promote the interests of its members. But it is precisely this dynamic that governs the 'licence to operate' for the HERA itself – what the HERA can actually do in practice, rather than what it might communicate as a broad set of desirable objectives. This sets boundaries for what is possible and those boundaries are clearly very different for the nine HERAs – each representing a diverse range of member interests: for most regions, they typically ranged from some of the largest to the smallest, those who saw themselves in competition with the world's best and others whose mission focused more on adding value at regional or even sub-regional level. Those boundaries can also change for an individual HERA, from time to time.

157 Identifying and attempting to take a lead, with such a diversity of membership, over common agendas and on matters that implied a need to act collectively in circumstances where values differ and benefits are unclear, is a very difficult act for Chairs and could, on occasions, prove impossible. This is not always well understood by many external partners and stakeholders with un-moderated high expectations of their HERAs.

158 In this context, electing a Chair could be a sensitive and important issue for the effectiveness of a HERA, and again the dynamics of that process differed between HERAs. For some, with a small number of broadly similar member institutions, this seemed to matter less as each of the member institution heads took a turn as Chair within a relatively short time cycle. For others with a large membership it was clear that there had been sensitive intervention to maximise the prospect of a Chair being appointed with qualities acceptable to the broadest membership possible. Usually this meant trying to avoid the appointment of anyone at the extremes of member diversity.

159 There are, nevertheless, certain factors that can bind together or separate institutional members, and therefore pose opportunities or challenges for leadership. These typically

include the opportunity for gain and the existence of a common threat that can galvanise members to act collectively – and we found examples of both.

160 In terms of gain, by far the most common was where there was an opportunity for true ‘additionality’ – where members stood a good chance, by working together, to gain something additional to what they were currently doing without any risk of loss to their existing activities or resources. In these circumstances HERAs were focused and worked well. Such circumstances explain why some of the most cohesive and effective HERAs, at one level, can be found within those regions where opportunities for relatively non-controversial ‘additionality’ exist. Examples include successful HEIF2 collaborative bids for some HERAs, and the Study London initiative promoted by the Mayor’s Office in which London Higher was in partnership with other London bodies.

161 Common perceived threats were seen as presenting a similar opportunity to assemble and lead with a collective voice and action. In London, for example, we found an example where an inappropriate remark about the behaviour of London HEIs by the then Secretary of State for Education and Skills had galvanised the membership behind its leadership in mounting a challenge. One member remarked that that action alone had justified their institution’s membership subscriptions for the following two years!

162 **Management and operations**

All HERAs had in place a sub-structure of standing or task groups to progress business that very much reflected the character and priorities of the HERA itself. For the majority this included an Executive or Operational Committee reporting to the Board. For most this meant a set of sub-committees often mirroring HEFCE’s own priorities under headings for research, widening participation, learning and teaching, and enterprise.

**Table 5
HERA Committees and Task Groups (at November 2004)**

	AUEE	EMUA	HERDA-SW	HESE	London Higher	NWUA	Unis4NE	WMHEA	Yorkshire Universities
Strategic Board									
Executive	⁴²								
Coordination Committee									
Research									
Learning & Teaching									
Enterprise ⁴³	⁴⁴								
Widening Participation								⁴⁵	
European	⁴⁶	⁴⁷				⁴⁸			
ICT								⁴⁹	
Careers									
Culture									
Marketing								⁵⁰	
Healthcare									
Libraries								⁵¹	
Others	⁵²	⁵³	⁵⁴	⁵⁵	⁵⁶	⁵⁷	⁵⁸		⁵⁹

163 We also found significant factors in the management and management arrangements for HERAs. The most common is one shared by all membership organisations – of trying to bring together a collection of people used to being ‘captains of their own ship’, and able to provide only a limited amount of time to the HERA due to other commitments. This could be stressful for CEOs and especially where the limited willingness to commit time by members meant their having to judge whether silence from members, when asked to comment on issues, could be taken as assent. One CEO likened the job to the cat and the rat – where cats could often find themselves proudly bringing back rats they had won that their masters did not want.

⁴² Utilises a Steering Committee.

⁴³ Includes ‘third stream’, innovation, ‘business and the community’.

⁴⁴ The Enterprise function lies with the Business Development Officers’ Group.

⁴⁵ This incorporates a Foundation Degree Forum with six FE Principals and regional partners.

⁴⁶ European and International Officers’ Group.

⁴⁷ Virtual Network.

⁴⁸ Virtual Network and also meets regularly.

⁴⁹ Comprising heads of both information services and libraries, deals with e-learning, broadband and JISC issues.

⁵⁰ A marketing task and finish group was established in May 2005 at the request of AWM.

⁵¹ As note 50 above.

⁵² Social Work Forum and Community Engagement Group.

⁵³ Foundation Degrees.

⁵⁴ Human Resources. Creative Industries.

⁵⁵ Several virtual networks exist.

⁵⁶ Olympic Bid. Other time limited task groups.

⁵⁷ Virtual International Officers Network (under review).

⁵⁸ Sports.

⁵⁹ Several virtual networks exist.

On the other hand members in most HERAs commended the skilful way in which their Chief Executives acted as a conciliator between members.

- 164 Many respondents spoke of past times when regional associations, whilst led by heads of institutions, were very much driven by a second tier of leaders such as Deputies or Pro Vice Chancellors. Some argued this still prevailed and spoke of the important influence of that cadre of senior managers in providing actual ownership and responsibility for strategic direction, high level engagement and delivery via the second tier sub-groups.
- 165 'Licence to operate' is therefore an important issue for most Executives. There are examples where Deputy and Pro Vice Chancellors have been transferred or seconded-in because the heads of member institutions intended that their HERA should be managed by someone, not dissimilar to themselves, that they could rely upon to represent them. There are also examples where the scope of the CEO was limited not because of the calibre of the individual concerned but more as a reflection of the degree to which the members and leadership were prepared to empower their Executive to engage at a high level.
- 166 The scale and nature of HERA operations played an important part in both the choice and priorities of CEOs. Clearly a HERA with responsibility for several million pounds' worth of externally funded projects requires a CEO with a specific set of skills and experience quite different to those where there are priorities and operations that do not involve engaging in project management. In one HERA, with a particularly large turnover attributed to project management, we found those responsibilities for high level representation and project management were split between two senior post holders.
- 167 Whatever the circumstances we found some examples of good practice where the leadership of the HERA:
- works closely with the CEO to keep under review workload and pressure on members of the Executive, especially as the expectations of members and external partners and stakeholders rise within fixed resources. It is also willing to intervene and challenge unreasonable requests or behaviour by members towards the Executive;
 - maintains a balance in the division of labour between the Executive and members represented on the Board of the HERA; and the Executive Committee or Steering Group where there is one;
 - provides opportunities for staff development and training as part of an incentive and reward arrangement to ensure the attraction and retention of high calibre staff;
 - maintains a succession plan for replacing key members of the Executive, if they should leave.

Engagement with members, partners and stakeholders

- 168 The following sections of this report examine the evidence about the relationship and engagement of the HERAs with their membership, with the principal regional organisations, with HEFCE and with further education and schools.

169 **Engagement with members**

The leadership, management and organisational structure of the HERAs, discussed in the previous section, provide the framework for the engagement of the membership with the HERA. Clearly, the HERAs with relatively few institutions are able to engage with members through their membership of the Board and the various committees. For the HERAs with larger numbers of member institutions, which have elected representative Boards or Steering Groups, it is more difficult to engage the full membership. We heard from some members who were unclear what their HERA did.

170 However, engagement is a two-way process, and critical to this is the degree and nature of engagement of heads of member institutions. Several of them seemed yet to be convinced of the importance of the regional agenda to their institution. Whilst most HERAs reported good-to-excellent attendance of senior representatives at key meetings, this often masked varying degrees of actual commitment. Similarly, substitution without proper delegation from an influential head at a key meeting could, in effect, create a veto on business being progressed.

171 The HERAs where not all members are engaged in the main Board because of its representative nature, have adopted the practice of organising regular forums to which all members are invited. At least one of these is usually built around an annual general meeting, but these forums are primarily used to provide opportunities for discussion of important developments likely to be of interest to most members. It is clear from those we interviewed that not all members see the value of these occasions; in some cases this is reflected in heads of large institutions increasingly sending deputies, Pro Vice Chancellors or other staff to these events. By contrast, the heads of smaller institutions tend to value these events more highly as networking opportunities and for gaining new information.

172 Some of the other HERAs hold annual 'away days' for heads of member institutions, to which they invite the principal external partners and stakeholders. These are usually intended to provide the opportunity for discussion of strategic issues. They were generally welcomed by those we interviewed as valuable opportunities for discussing policy developments and for considering future collaboration.

173 Nevertheless there were clear tensions, especially between some of the sets of larger and smaller members, over priorities and interests. This was exemplified by nostalgia for earlier arrangements where there had been separate regional forums of, for example, universities, colleges and other clusters.

174 The smaller institutional members we interviewed showed a range of reactions to their membership of their HERA, including some or all of the following features:

- a welcome for the lower level of fees they had to pay;
- a welcome for the opportunity to network with the other members and engage collaboratively in activities that would not otherwise be available to them;
- concerns about the level of involvement expected of them, given their limited central resources to engage with all the representative bodies of which they felt bound to remain members, as well as the HERA;

- concern that the debate within the HERA was dominated by the interests of a few larger members, especially where these related to research funding and the RAE, in which smaller institutions had little interest.

175 The equivalent view also came across from some university Vice Chancellors: that the inclusion of small institutions within the membership had led to a loss of opportunities to meet and share interests with other Vice Chancellors around agendas of more common concern than the agendas now required for a broad membership. This need for a common culture and range of interests also lay at the heart of why there was, with one or two notable exceptions, no enthusiasm for admitting into membership of the HERA the Principals of further education colleges that were providers of HE directly funded by HEFCE.

176 Of particular note was the relationship between HERAs and the Open University (OU). Almost all OU Regional Directors were consulted⁶⁰ and it was clear from what they said that their position vis-a-vis the HERAs could be developed much more and to greater mutual advantage. On the one hand the OU is a very large provider of HE in the UK overall and in each of the regions; values its involvement with the HERAs as a means of accessing other HE providers; plays an active part through its regional offices; and has a huge amount of experience to share with other HEIs, especially with regard to the development of alternative pathways for delivery. By contrast, it suffers from similar difficulties to some of the small institutions in the amount of resources it can be commit from its comparatively small regional offices; it has no direct regional interest in matters to do with research, or the distribution of resources such as ASNs on a regional basis as these are determined by the OU centrally; and does not have full member status in all HERAs⁶¹. The collective commitment by this large national provider of HE to the nine HERAs, by way of representation and member fees, is big. The potential mutual benefits to the OU and other HEIs are considerable, but not currently being secured. To make the most effective use of the ready engagement of the OU regional offices is a major challenge to the HERAs.

177 The key determinants of successful engagements appear to be the number and types of institution, their geographical distribution around the region, the nature of the region itself and the degree of trust established between members. HERAs with a small, or relatively small, number of member institutions with complementary missions distributed around the region, and with a degree of geographical separation, have an advantage in this regard.

178 **Relationships with principal regional partners and stakeholders**

The two principal regional partners with which HERAs engage are the RDAs and the GOs and, since the HERAs were established to a significant extent to respond to the developing regional agenda, we have looked closely at how these relationships are being pursued in the different regions. The RDAs are the principal agents for taking forward the regional agenda, with the GOs holding a watching brief. There are a number of other regional partners to whom the HERAs seek to relate. These relationships are referred to later in this report. The Regional Assemblies established to provide a forum for accountability for the RDAs are also seen as increasingly important by some HERAs and their members. This is particularly true in respect of the exercise by the Regional Assemblies of their regional planning powers for transport and housing. HE and FE are represented on the Assemblies' non-elected partners' group which also includes regional CBI offices and Chambers of Commerce, and as such HE has full voting rights on these contentious planning issues. Nevertheless there was a feeling,

⁶⁰ Not NE and SE.

⁶¹ Associate members of EMUA and Unis4ne.

expressed by some HERAs, that the value of Regional Assemblies was limited due to their domination by elected local authority representatives who often had divergent interests.

179 As we noted earlier, RDAs have been funded by central Government to pursue sustainable improvement in the economic performance of all the English regions and, in the long-term, to reduce the persistent differential rates of economic growth between them. To this end RDAs have been provided with 'single pot' budgets made up from contributions from several government departments to sustain activities within the framework of a Regional Economic Strategy. HEIs are potentially major contributors to some of the economic development activities, including knowledge transfer to businesses and communities within the region, and delivering training to meet the high level skills needs of business and other employers in the region.

180 The potential role of HE as a significant contributor to the regional economic agenda is being given increased emphasis by central government departments. Nevertheless, many of the HERA representatives and RDA representatives to whom we talked identified problems in the development of the relationship to date. Both parties have found it difficult to develop a modus vivendi, and the development of the relationship between HERAs and RDAs has not been straightforward. Part of the problem lies in the relative immaturity of both parties and, in the case of some of the RDAs, either frequent reorganisations or a rapid turnover of key staff.

181 There are two main aspects to the relationship issue:

- the development of mutual understanding of how HE can contribute to Regional Economic Strategies and how that can be brokered
- the availability of funding to attract involvement.

182 The evidence we have collected suggests that RDAs and their officers have shown two main types of approach to engaging with higher education, both of which if pursued in a blinkered fashion are unhelpful in developing an effective partnership between RDAs and the HE sector in the region.

- The first (unsophisticated) approach looks to the HERA to provide the channel to the HEIs individually and collectively. Such an approach can give the impression that the RDA has not recognised the diversity of contribution that HEIs can make, or the continuing pressures of competition in some areas of activity. Ironically such an approach can serve to discourage collaboration rather than encourage it.
- The second (sophisticated) approach takes the diversity of the HE sector as a given, and results in individual RDA officers making approaches to particular institutions based on their assessment of which institutions are most likely to be able to contribute. This approach by-passes the HERA altogether and can pose a threat to HERAs and good relations generally, to which we refer later in this report.

183 These un-thought through kinds of approach have led to two equally damaging outcomes. On the one hand, the unsophisticated approach can lead to too high expectations as to what the HERA can do to deliver its members, as we noted in the section on leadership. This inevitably gives rise to frustration on the part of the RDA. The sophisticated approach relies upon a narrow knowledge base and, in assuming that only a small number of institutions can contribute, risks missing out on some contributions.

- 184 HERAs have also found difficulty in determining how best to work with RDAs. They have sought to ensure that HEIs in the region are represented on the various groups established under the umbrella of the RDA, but very often that representation does not run to being able to offer a collective view on behalf of all the members of the HERA or to commit the HERA to engagement with particular activities.
- 185 We also found some excellent examples of collaboration between HERAs and RDAs.
- 186 All RDAs now have, as members or observers on their Boards, a Vice Chancellor or ex-Vice Chancellor from a university in the region⁶². These are all personal appointments and the relationship of individuals to their respective HERAs varies. Some see themselves in the non-executive director role, bringing their expertise to the RDA table but not formally representing either HE, the HERA, or their own institution. All seek to report back to their colleagues on the HERA.
- 187 Some HERA members remain unconvinced of the importance of the regional agenda for their institutions, and this can seriously limit effective engagement collectively by the HERA. In some cases this has meant that there has been no regular contact between senior officers of the RDA or GO and the main high level committee of heads of institutions.
- 188 Within the constraints imposed by members we found that the HERA Chief Executives had, nevertheless, on the whole developed effective relationships with key officers in the RDAs. There was also more regular contact between operational level committees and RDA officers.
- 189 We observed two developments which we found to be very helpful to improving relationships between some RDAs/ GOs and their HERAs:
- the first is the appointment in some RDAs and GOs of individuals to act as ‘translators’ between the RDA/GO and HE in the region (including the HERA). These individuals can help to avoid the kind of misguided assumptions about the role and contribution of HE that can be very damaging to relationships;
 - the second development is the establishment in some regions of regular bilateral meetings involving the Chair and Chief Executive from the HERA and key RDA officers. This can only help to develop the mutual agenda and promote a better mutual understanding and confidence.
- 190 A significant factor in the strength of relationships has been the capacity of the RDA to fund activities across the HE sector in the region. Support for HE activities related to delivery of the Regional Economic Strategy is only one of several calls on RDAs’ limited budgets. Furthermore, as we noted earlier, the ‘single pot’ budgets allocated to RDAs are formula-based. The formula tends to increase the funding available in more deprived areas at the expense of more wealthy regions. Where RDAs have been able to fund HE collaborative activity, even in the form of modest information-gathering or evaluation projects, this has tended to have a positive effect on the relationship between HERAs and RDAs. Financial support for a single institution or a small group within the HERA tends inevitably to be more divisive, unless the reasons for that selectivity are well understood and there is the prospect of wider benefits to the HEIs in the region.

⁶² See Annex 5.

- 191 Given the continuing degree of priority the Government is giving to improving regional economic performance, with the RDAs as delivery agents, we conclude that the central issue for HERAs and their RDAs to address is how to engage mutually with the big picture. That is, what the collectivity of HEIs in the region offer to support the delivery of the Regional Economic Strategy that is more than the sum of their potential individual contributions, while taking account of real differences. This requires in our view greater sharing of developing strategies between HERAs and RDAs. In some cases we recognise that this will require some strengthening of the HERA's staffing and an increased willingness of the HERA itself to engage more fully with strategic issues than hitherto.
- 192 Examples of existing good practice of working together within the regional agenda include the Study London initiative, the willingness to provide matched funding for HEIF 2 outcomes in the North West, the response to the Rover closure in the West Midlands, and the development of the Knowledge Exploitation initiative in the South West.
- 193 **Relationships with HEFCE**
As noted in the previous section on context, HEFCE has made explicit in the latest version of its Strategic Plan its belief that it can "best secure its objectives by operating through the regions". Yet it is clear that not all heads of institutions accept this regional role for HEFCE, and this colours their view of the extent to which they are prepared to see their HERA used as an agent by HEFCE. Some saw an inherent difficulty for HEFCE in seeking to apply common national funding principles at the level of individual regions because the regional groupings of institutions vary so much
- 194 The moves by HEFCE to introduce a regional element to some of its funding, in response to guidance from Government, and to seek to involve HERAs in implementing that regional element, are clearly controversial for many members of HERAs. We heard widespread concern that HEFCE is "*using the regional agenda to develop a planning role by the back door*".
- 195 The increasing number of initiatives where HERAs are being asked to advise on the allocation of funds between the institutions in their region is seen as evidence of this. On the other hand, a small number of heads of institutions were of the view that HEFCE was effectively already a planning body and their preference was that planning should be undertaken openly and, above all, competently, based on an understanding of what institutions could offer. In this regard they believed that HERAs could contribute more to effective planning.
- 196 These varying views have to be seen in the context of the most recent Skills White Paper⁶³ which specifically charges HEFCE to take regional priorities into account in determining its allocations. The White Paper also requires Regional Skills Partnerships to seek to integrate HE more fully with them.
- 197 It is important in this context to see how HEFCE has responded to these requirements in its method for the allocation of ASNs for 2006 to 2008, set out in HEFCE 2005/14⁶⁴. A significant part of the total numbers being made available is classified as "*proposals for managed growth*". The remainder are mainly for strategic growth and are subject to separate procedures. ASNs available under the managed growth category are to be allocated in a way

⁶³ Department for Education and Skills. March 2005. See para 153 of Part 2.

⁶⁴ HEFCE Circular 2005/14 *The Allocation of Additional Student Numbers 2006-08*

that “recognises the needs of each region”. The first stage of this process, to determine an initial set of regional priorities, was carried out by the Regional Advisory Groups. HEFCE will moderate these priorities with a series of national aims to produce a series of “ASN-specific priorities for each region”. The membership of the Regional Advisory Groups has been widened beyond the core membership of representatives from HEFCE, the RDA, GOs and the LSC to include co-opted representatives from HERAs, the Association of Colleges, the Sector Skills Development Agency and Foundation Degree Forward. The document also says:

“There will be no competitive bidding for the allocation of ASNs in each region. Instead, HEFCE Regional Consultants will lead a brokering process to produce one co-ordinated set of proposals for using their region’s ASN allocation. We expect institutions to work closely with HEFCE RCs, with each other and with relevant regional stakeholders to develop the proposals.”

- 198 It is not difficult to see how such arrangements might be seen by those involved as planning. We heard some strongly expressed reservations about the large number of different groups involved in this kind of activity in the regions, even before taking account of the development of Regional Skills Partnerships to include HE and the opportunity costs of such activity.
- 199 HEFCE has agreed within the provisions set out in HEFCE 2005/14 that one HERA, HERDA-SW, should work with the Association of Colleges-SW to develop an agreed regional allocation of the available ASNs, involving both HEIs and FE colleges with directly funded provision. HESE has also managed the most recent ASN brokering process. Although other HERAs are potentially involved in the process, none has gone to the same lengths as HERDA-SW to manage the process across its region.
- 200 This degree of engagement in the brokerage process is somewhat surprising. The one area of activity of a brokerage type in which all the HERAs have worked with HEFCE has been the Aimhigher initiative and its predecessor Partnerships for Progression. This initiative has involved the LSC and schools and colleges as well as HEFCE and the HERAs. In some cases the decision to collaborate regionally pre-dated the establishment of the HERA. In at least one region the HERA actually administers the programme under contract on behalf of all institutions. Widening participation continues to be a major objective for all institutions, and there are clear gains for all in encouraging new demand. Furthermore the brokerage element was fairly limited since the programme operated largely at sub-regional level.
- 201 Some HERAs, particularly those with larger numbers of members, or where competition remains strong, have found it difficult or impossible to secure the consent of their membership to engagement in brokerage on behalf of HEFCE. Others have engaged with HEFCE initiatives such as Lifelong Learning Networks, previous rounds of ASN allocations and the JISC regional networks. Our discussions with HERA members suggest that there are necessary pre-conditions for agreement by HERAs to participate in brokerage of this kind, and this goes a long way to explaining the willingness of HERDA-SW to engage to the degree that it has. These conditions are that:
- the amounts of funding at stake are modest;
 - the initiative is congruent with some existing collaborative activity in the region;
 - those HEIs likely to have an interest are almost self-selecting;

- the area concerned is not highly competitive.

- 202 It is also important that, if HERAs are to continue to be motivated to participate in this kind of activity, the outcomes strongly reflect the inputs that they have provided. We learnt of examples where HERAs had taken bold steps in brokering controversial and fragile bid agreements, only to find that a centrally-based HEFCE panel had finally decided on allocations that seemed to pay no regard to local advice on regional priorities or the degree of collaboration embodied in the bid. Such examples had damaged trust between the HERA and HEFCE, and left serious concerns within the HERAs affected about HEFCE's genuine interest in, and ability itself to deliver on, regional affairs.
- 203 Some HERAs have also been able to work alongside HEFCE and RDAs within the context of widening participation, and the 50% target for participation of 18-30 year olds, to facilitate collaboration in the development of new HE provision in sub-regions or significant areas of population currently lacking a distinct HE presence. Examples include the Combined Universities in Cornwall and the development of HE provision in Ipswich.
- 204 As the current ASN exercise illustrates, HEFCE's Regional Consultants (RCs) are key figures in taking forward the relationship between HEFCE and the HERAs, and in working with the HERAs to engage with the regional agenda more generally. We heard concerns from a number of HERA members that RCs are too over-stretched to be an effective line of communication between the HERAs and HEFCE. They are first a channel of communication between the individual HEIs and HEFCE on strategic issues and aspirations affecting those individual institutions. They are also expected to relate to a wide range of regional organisations with an interest in HE, as well as to the HERAs and to FE colleges that are significant providers of HE in the region. They also have national responsibilities for certain policy areas. We believe these concerns about RCs being over-stretched have some justification even though they now have some support.
- 205 Although some HERAs have now formalised their relationship with their RC through giving them observer status at Board Meetings, the relationship is clearly not always an easy one. It is perhaps inevitable that on some occasions members will allow their general frustration with HEFCE to be vented on the RC as messenger, and we heard of some examples of this. Nevertheless, there is recognition amongst many HERA members that the role of the RC, as the main liaison between the HERAs and HEFCE is, in this respect, potentially very difficult.
- 206 However, it is in no-one's interest that communication between HEFCE and the HERAs should break down. Most of the members we spoke to believe the relationship of HERAs to HEFCE would be much improved if HEFCE were to make a much clearer statement, than that in the current Strategic Plan, about its regional role and policies and its expectations about the role that HERAs might play, while recognising, as HEFCE has already, that 'one size cannot fit all'. Such a clear policy statement appears to be even more necessary now in the light of the Government's intentions for involving HE in the Regional Skills Agenda, as set out in the Skills White Paper and reflected in the procedures outlined in the recent ASN document (HEFCE 2005/14).
- 207 Since the establishment of the RDAs, it has become increasingly clear that the Government expects HE to make a significant contribution to regional economic development and looks to HEFCE to reflect regional priorities in its allocations to institutions. At an early stage HEFCE saw the establishment of voluntary regional groupings of institutions assisting it to deliver the

Government's developing regional agenda. On that basis it provided limited funding to assist in the development of those organisations. The equation that HEFCE now has to consider is whether the existing or likely future contribution of the HERAs to the engagement of HE with the regional agenda represents value for money for the funding invested, or if there is another way of achieving the same ends without operating through the HERAs.

208 While it has not been our task to evaluate the performance of the HERAs either individually or collectively, we believe that on the whole they have made a fair fist of developing the regional relationship. This achievement has to be seen in the context that they are membership organisations seeking in the first instance to promote the interests of their members when, in some regions at least, there has been little prospect of real financial gain from regional sources. As the regional agenda develops further, HERAs are showing signs of recognising the need to engage more effectively. This may give HEFCE greater comfort that its funding invested in the HERAs is providing added value.

209 **Relationships with other partners and stakeholders**

In addition to the RDA, the GO and the HEFCE Regional Consultant, the principal external stakeholders and partners with whom HERAs generally need or might seek to relate are:

- the UK Parliament and the European Parliament;
- the European Commission in Brussels;
- the Secretary of State for Education and Skills and the Department for Education and Skills;
- the Department of Trade and Industry and its Office of Science and Technology;
- the Regional Assembly or Chamber – in London the Mayor's Office and the Greater London Assembly;
- business promotional organisations, including those concerned with any inward investment from overseas;
- principal business sectors in the region;
- the Association of Colleges in the region;
- the NHS - in particular the Workforce Development Confederations and the Strategic Health Authorities covering the region;
- the regional office of the LSC, and local LSCs;
- Sector Skills Councils and regional offices of the Sector Skills Development Agency;
- Foundation Degree Forward
- sub-regional authorities typically responsible for planning and local initiatives;
- other HERAs.

- 210 We found a range of motivations for HERAs seeking to engage with these different external stakeholders. These include:
- their potential contribution to the promotion of, and advocacy for, higher education in the region (eg Parliamentarians and business promotional organisations);
 - as sources of intelligence about future policy developments relevant to HERA members (eg UK government departments and the European Commission in Brussels, other HERAs);
 - as current or potential funders of higher education in the region (eg the European Commission, the Workforce Development Confederation and Strategic Health Authorities within the NHS);
 - as partners who can help lever in funding from the RDA or HEFCE (eg the principal business sectors in the region);
 - as partners in engaging with the RDAs, particularly in respect of the Regional Skills Partnerships (eg the AoC, the regional offices of the LSC and Sector Skills Councils).
- 211 Some HERAs have sought to raise the profile of HE in their regions by organising receptions for MPs and other Parliamentarians. However, the general feeling was that this was likely to be a long-term investment. Other examples in this area include seeking to engage with regional business promotion in the regions. With the exception of London, where London Higher is actively engaged with a number of agencies to promote London as a place to work and study, HERAs have not got involved in promoting their regions as places to study.
- 212 We did not find much evidence of HERAs engaging with UK government departments as a means of intelligence gathering on relevant policy developments; although several HERAs are engaged, through their RDAs, in developing links into the European Commission in Brussels. One example of this, although it is strictly outside the responsibility of the HERA, is in the West Midlands where the institutions pay a subscription, separate from their HERA subscription, to fund the services of a dedicated HE policy person within the West Midlands in Europe (WMIÉ) Brussels Office.⁶⁵ The HERA staff are also able to make use of this resource on behalf of their members collectively.
- 213 Although the NHS is an increasingly important funder of HE, the organisation of its manpower development through 29 Workforce Development Confederations or Strategic Health Authorities (on which HEIs are represented), and the lack congruence with regional boundaries, have tended to make it difficult for HERAs to engage with NHS structures. The tendency has been for sub-regional, rather than regional collaboration, for example in the Birmingham/Coventry conurbation. However, in London, where there are five Workforce Development Confederations, London Higher appears to have overcome some of these problems by establishing a single healthcare education committee, which brings together the large number of healthcare education providers at all levels in London and the Workforce Development Confederations. AUEE has similarly established a healthcare committee to

⁶⁵ The office is supported by a wide range of regional partners; principal members include the West Midlands Local Government Association, Advantage West Midlands and WMHEA.

develop the partnership between the NHS and the institutional providers. In the North West an 'Education Providers Group' exists involving the Workforce Development Confederation and Deans of Health Departments. This is currently outside of the NWUA structure but its future and its relationship to NWUA's Health and Social Care Strategy Group are under review.

- 214 If HEIs are to make a full contribution to the future development of Regional Skills Partnerships, they will need to engage with some unfamiliar partners such as the regional offices of the LSC and the Sector Skills Councils, which will be responsible in future for accrediting a wide range of vocational sub-degree programmes, including foundation degrees. A recent meeting of HERA CEOs interestingly included a session on relating to Sector Skills Councils. However, above all it is likely to require closer working relationships with FE than hitherto. This is considered in a separate section below. The extension of the membership of HEFCE's Regional Advisory Groups to include representatives of some of these bodies, as well as representatives of the HERAs, could provide a basis for engagement with a wider range of partners.
- 215 **Engagement with further education**
There are three aspects of the role of FE colleges where HERAs might seek to develop relationships with colleges in the region:
- as providers of HE directly funded by HEFCE in their own right;
 - as sources of students, especially local students for HEIs through their range of Level 3 programmes;
 - as partners in providing the full range, from basic education to postgraduate professional qualifications, of post-compulsory education and training programmes to meet the skills needs of the region.
- 216 No HERA currently has any kind of formal membership arrangement with the FE colleges in their regions that are providers of HE in their own right, directly funded by HEFCE. Such colleges are potential partners in any brokerage process for ASNs and in the development of Lifelong Learning Network strategies. The number of such FE colleges, and the share of HE in the region that they provide, vary significantly from region to region. Some HERAs have recognised that if they are to engage fully with the allocation of ASNs they will need (as HERDA-SW has done) to bring these FE colleges into any discussions or groups established to consider ASNs. We understand that under the previous ASN exercise the participation of these colleges was secured through regional foundation degree forums, since most of the ASNs were for foundation degrees, or by some other arrangement to engage FE colleges at a sub-regional level.
- 217 There was a potentially important role here for HERAs to secure a better understanding of the important contribution of these large mixed-economy colleges in the region. We were told of instances where HEFCE's own Regional Advisory Groups did not fully appreciate the position and role of these FE colleges as providers of HE in their own right.
- 218 There are of course, in many of the regions, associate college arrangements involving a central HEI with a network of associate FE colleges which provide HE opportunities locally on a franchised basis from the HEI. Models include Staffordshire University and a large number

of FE colleges in Staffordshire; and a similar arrangement between Anglia Polytechnic University (now Anglia Ruskin University) and a number of colleges in East Anglia. The only involvement of a HERA in any of these arrangements was as a mechanism for sharing information and experience more widely across the region. One Principal of a large FE college spoke of the very high importance of HE to his plans, but of his happy reliance upon the head of an HEI, with whom he enjoyed substantial collaboration, for all practical intelligence on what he needed to know.

- 219 Although, as noted in the previous section, many of the HERAs have had a significant involvement in Aimhigher (and its predecessor Partnerships for Progression), and indeed some actually manage the programme, most of the operational activity within Aimhigher is carried out at sub-regional level working through a partnership involving HEIs, FE colleges, schools and in some cases local LSCs. By and large therefore this has not provided a direct basis for collaboration between HERAs and the regional AoCs.
- 220 However, we have heard from both parties of good and developing relationships between the Chief Executives of the HERAs and their opposite numbers in the regional AoCs. These are seen as of particular importance by the AoC Regional Directors to whom we talked, because the HERAs, and in particular their Chief Executives, are able to ensure that RDAs understand how FE complements HE's contribution to the Skills Agenda.
- 221 One HERA, London Higher, has taken this relationship a step further by re-establishing the Further and Higher Education Partners Group chaired by the Chairman of the AoC London Region. The decision to re-establish this group reflects earlier successful collaboration in the context of the Partnerships for Progression initiative. This spirit of collaboration has been assisted by the strong relationship built up between the Executives of London Higher and AoC London Region as a consequence of their co-location.
- 222 The FE and HE agendas have different priorities, and some of those we talked to suggested that this could make collaboration difficult. Nevertheless, there would appear to be a large commonality of interest in working effectively with the Regional Skills Partnership, especially in relation to the supply of high level skills.
- 223 **Engagement with schools**
The engagement of HERAs with schools in their regions was largely confined to activities under the Aimhigher umbrella. In particular, a number of HERAs were engaged in recruiting for, promoting and organising Aimhigher summer schools across the region's HEIs. With the exception of summer schools, most Aimhigher activities, as we have noted earlier, are delivered on a sub-regional basis.

Threats

- 224 This section considers the threats to the HERAs identified by the HERAs themselves and their external partners and stakeholders with whom we consulted. Perhaps inevitably, given that they are of recent origin, the HERAs themselves tended to identify significantly more threats than opportunities. However, as we observe below, much depends on the confidence and ability of an organisation to recognise the threat arising from some change or event and to use it to create an opportunity.

225 **Threats identified by HERAs**

The threats identified by HERAs themselves fall into four main categories:

- deterioration or breakdown in the relationship between the HERAs and their members;
- deterioration in the relationship with external partners and stakeholders;
- engagement in inappropriate activities, or too wide a range of activities within the resources available;
- actual and prospective changes in the HE environment.

226 Central to many of these threats is the perception that they are likely to significantly reduce the vitality of a HERA to some or even all of its members, and hence lead to a breakdown of the HERA through the resignation of members.

227 **Deterioration or breakdown in the relationship between the HERAs and their members**

There were four main types of threat identified under this category:

- failure by the HERA to provide good value for money (VFM);
- institutional differences and member behaviour;
- loss of real or apparent autonomy;
- governance issues.

228 Failure to provide good VFM. Any widespread perception that individual HERAs are failing to provide good VFM to their members for the subscriptions paid is seen as one of the biggest threats to the HERAs. Many factors can contribute to perceived poor VFM, including:

- a restriction of activities to the lowest common denominator of member interest;
- failure to engage effectively with external stakeholders on behalf of members' interests;
- seeking to engage with too wide a range of activities within the resources available.

229 Poor VFM can also be perceived by members when the business of the HERA appears to have a bias against their interests; for example if small institutions believe the business of their HERA is dominated by big institutions' agendas.

230 Even amongst some of the strongest supporters of the HERAs, there was recognition that it was not always easy for the HERAs to demonstrate VFM. As an example of that difficulty, one Vice Chancellor was reported to have conducted a review that demonstrated that HEIs in their region did not need the HERA to manage and administer collaborative projects, because the expertise and capability already lay within the HEIs. This function represents a particularly large part of the HERA's activity and, if removed, would dramatically alter its financial dynamic. Common with a number of other HERAs of a similar profile, much of the income from project management subsidises other activities. See, for example Table 3, where the cost of the executive at Unis4ne is around £200,000 against an income from members'

subscriptions of just £36,000. This is also starkly evident in London, where London Higher needs nearly £350,000 from member subscriptions to operate, simply because it does not significantly engage in project management.

- 231 Most members spoke of the proliferation of organisations representing HE and of their collective costs. Several heads spoke of their regular reviews of such memberships and, in particular, the added value they provided. Thus far HERAs have to be able to demonstrate to members the advantages to them from membership. During the current year, 2004-05, there are 5 (out of 9) of the HERAs with a top band of member fees in the range £13,000 to £15,000 per annum (Table 5) and one of these has recently decided to raise that top band to £20,000 from next year. Many of the HERAs seek to minimise the burden on small HEIs through differential membership fees. In some cases the fees for the smaller institutional members are disproportionately low, set so that there can be no reason for not being a member.
- 232 Institutional differences and destabilising behaviour by members. Those we interviewed identified a whole nest of threats to their HERA arising from the diversity of membership and from the behaviour of members, particularly when newly-appointed and seeking to steer their institution in new directions.
- 233 Divisions between different types of institution are already apparent, for example with respect to the position of universities and non-university HEIs in some HERAs. Several respondents referred to the then imminent prospect of more HEIs achieving a university title in the coming months, and questioned whether this would have a beneficial effect on the current divisions within their HERA.
- 234 There are many other distinctions between types of institution that create the potential for unhelpful divisions within HERAs: between large and small; research intensive and non research intensive; having a local and regional focus or a national and international one; high quality or threshold 'added-value' quality; specialist or 'polytechnic'; city and non-city location. Individually, such differences are referred to positively as 'diversity' and 'richness', but taken together can create very significant threats to cohesiveness within HERAs. A large, research intensive, internationally focused and broad-based civic university is, for example, unlikely to have a great deal of common interest with a small non-research intensive, specialist HEI with a high FE component that has a mission to serve the needs of a specific local community. Despite this, some respondents saw the balance of the different types of institution within the HERA as contributing to its strength, and had found ways of handling this to positive advantage. On the other hand some respondents saw the lack of naturally occurring common agendas as a threat, as it had a tendency to encourage operation at the level of the lowest common denominator, with consequent loss of vitality.
- 235 Furthermore there are already disconnections. The OU for example is a keen supporter of the HERAs in all the regions and has much to offer to the debates about Lifelong Learning Networks, distance learning and widening participation. But many of those matters, along with research and ASNs, are dealt with by the OU centrally at national, not regional, level.
- 236 However the issue that respondents identified as being the most worrying threat was the impact of strongly differentiated benefits for different groups of members from engaging in regional collaboration. This is perceived as a potentially highly divisive issue in relation to collaborative research funding from HEFCE or the RDA. Research alliances are by their nature exclusive, and have the potential to be divisive. Prospects of 'pull through' for other

institutions are remote at present. This threat is seen as coming to a head within the context of possible research funding through RDAs in pursuit of the recommendations in the Lambert Review. This is reflected, for example, in a plan put forward by just eight research intensive universities across the three RDAs in the North of England under the 'Northern Way' initiative, which was commended by the Government in its response to the Lambert Review. Similar concerns arose in some HERAs over the outcome of HEIF2 where, even with HERA engagement, there were very different outcomes for different universities.

- 237 The establishment by the RDAs of Science and Industry Committees to take forward the post-Lambert agenda to support collaborative research with industry is therefore viewed with concern by some HERA members, especially if this means an even bigger concentration of research funding in some of the larger HEIs. The research intensive universities have secured representation on these committees, and several of them are chaired by Vice Chancellors. Experience in the South East, which established this committee before the other regions, is that engagement with these committees is sufficient to satisfy the interests of some Vice Chancellors of research intensive universities in the region, so they may see less reason for their institution to engage with the HERA.
- 238 Because a great deal of the ability of the HERAs to act effectively depends on trust, the behaviour of a particular member that undermines that trust can be de-stabilising. Such behaviour can take many forms. We were told of examples that had arisen from the appointment of a new head of institution who decides to make his/her mark quickly and independently of other institutions. This is most commonly an issue where that new head does not understand or accept the existing market 'positioning' of his/her institution and decides to 'reposition' it, for example, to become a research intensive when it is not one currently (and may not be able to achieve this). This can lead to non-collaborative behaviour by the head concerned, which can seriously undermine trust and the kind of general 'accommodation' that forms the basis of mutually advantageous collaboration. We were also told of an example, in a similar vein, where a majority of members had put together a collaborative bid only to find that one of the members had been separately developing an alternative and competitive bid without informing the others. This is likely not only to undermine the collaborative nature of the HERA but also the HERA itself. External partners can, under such circumstances, begin to question their confidence in the HERA and its ability to represent the HE sector.
- 239 This kind of threat was least apparent where institutions were comfortable with their present role. Several respondents spoke about some of the institutions in their region having a good feel for what kind of institution they were, and of other HEIs being in a kind of limbo. Often this was as the result of the outcomes from successive RAEs, and the increased concentration of HEFCE research funding, leaving them with the need to re-think their missions.
- 240 The extreme example of putting your own institution's interests first is withdrawal from membership. During the course of the study we were informed of the probable withdrawal of a small number of large universities from membership of their respective HERAs. Upon close investigation, we found this was probably only likely to involve one at the moment. Any withdrawal of a large or significant institution will pose a threat to one of the basic functions of HERAs – that of representing HE in the region. That role becomes undermined when a HERA has to qualify their position as being representative of all HEIs in the region 'except x and y'.
- 241 As we have noted earlier, the leadership provided by the HERA Chair is of major importance to the vitality and operation of the HERA. Part of that leadership role was seen by many

respondents as effectively handling the threats from membership diversity and behaviours, and developing trust between members. Consequently, any lack of effective leadership could, by the same token, seriously undermine the HERA. A serious breakdown of trust between the Chair and Chief Executive of a HERA or head of any key partner organisation would also at least be damaging, if not a similar threat to the future of a HERA.

- 242 A loss of apparent or real autonomy. This was raised by several respondents as a potential threat, with two main areas of risk centred upon RDAs and HEFCE. Whilst high levels of collaboration between HERAs and their RDAs were generally seen to be a desirable, there was also a risk that such high levels of collaboration could be seen to undermine the integrity of the HERA as an independent representative body. Some HERAs are, for example, co-located with RDAs, which could encourage a misperception that the HERA was a 'creature' of the RDA. Some respondents from FE said they thought that the HERAs co-located with RDAs were understood generally, outside HE, to be part of the RDA organisation. Similarly, much of the concern over HEFCE and regionalism centred upon the risk of the HERAs becoming 'agents of HEFCE'.
- 243 Governance issues. Two issues emerged as potential threats for HERAs. The first centres on a common insistence by some HERAs that representation cannot be delegated by the head of institution. Whilst this is intended to preserve the highest level commitment it can, in practice, have the opposite effect, with heads not attending and the member institution unrepresented. This also raises equality issues over, say, the attendance of the Vice Chancellor of a very large university compared to the Principal of a small specialist college. In such instances it might be more appropriate for a Deputy or Pro Vice Chancellor from the larger institution to attend, especially where regional affairs are part of that substitute person's brief.
- 244 A second governance issue centres upon risk, and involves the several responsibilities of all members for contractual obligations entered into by a HERA – especially where the contract is being carried out by a minority of members. Most HERAs have membership contracts that ensure this several responsibility, especially where the HERA is not an entity and conducts its business via a single member institution, but this does not resolve one institution being liable for another's mistakes or shortcomings.
- 245 Some believe the insistence by HEFCE on there being a 'lead' institution, other than the HERA, in bids for grants does not help in these circumstances. We were told how it added to bureaucracy, can promote divisiveness and undermine the HERAs.
- 246 **Deterioration in the relationship with external partners and stakeholders**
Although HERAs seek to engage with a wide range of external stakeholders and partners, the two which are most critical are their RDA and HEFCE. Serious deterioration in the relationship between a HERA and its RDA or with HEFCE could ultimately pose a serious threat to the HERA.
- 247 Being sidelined by the RDA. Some respondents were concerned that their RDA might conclude, for whatever reason, that the HERA offered no advantage to them over dealing with individual HEIs in the region. Respondents appreciated that such an outcome would be a major threat to a HERA, especially when, on both the Skills Agenda and the Collaborative Research Agenda, RDAs were now expected to engage more actively than hitherto with HE. Such sidelining would imply that the RDA could achieve its objectives through direct engagement with individual HEIs across the region without involvement of the HERA. This

would mean that the HERA had failed in one of its principal purposes of engaging collectively on behalf of its members with the emerging regional agendas.

- 248 RDA's 'cherry picking' the HE in the region. This was seen as a more subtle version of the sidelining threat. We learnt of examples where RDA personnel believed they had sufficient knowledge and experience to get what they wanted by making direct contact with specific individuals and HEIs. This might well be appropriate in some instances, and no HERA expressed a desire to add layers or become a bottleneck to accessing information. However, there is a genuine concern over such behaviour – not least because so many of the instances cited were ones where the RDA personnel involved were actually limited in their knowledge of the vast offering, interconnections and contextual aspects of knowledge available from HE.
- 249 All HERAs are able and very willing to provide an informed signposting service for partners and stakeholders and to make more sophisticated referrals if required. Some either run themselves, or can make connections to, some of the most comprehensive knowledge transfer organisations available. To them, ill-informed 'cherry picking' adversely coloured their relationship with the RDA since it was seen not only as posing a threat to HERAs but also more fundamentally to national reach-out strategies.
- 250 HEFCE losing confidence that HERAs can represent the regional HE interest. If HEFCE decided that either individual HERAs or the HERAs collectively could not provide it with the kind of regional view needed to fulfil the requirement on it to make allowance for regional priorities in making its allocations, then it might simply build on its existing Regional Advisory Groups or establish its own forums for getting collective views from institutions. This would presumably imply the withdrawal of HEFCE's current funding for the HERAs. The withdrawal of HEFCE funding might not of itself be fatal, but the signalling of a lack of confidence from HEFCE in HERAs being able to deliver might well be.
- 251 **Engagement in inappropriate activities or too wide a range of activities within the resources available**
All the HERAs have a limited core resource that practically limits the range of activities in which they can engage. Making the wrong choices could severely undermine the future health of a HERA. The following are examples of some of the things that have gone wrong or could go wrong.
- 252 Interfering in the sovereign interests of a member institution, for example, expressing opinions or providing information, not in the public domain, about any particular institution. HERAs adopting a brokerage role where they are a party to judgements affecting differential resourcing of member institutions was seen by many as behaviour that could seriously undermine a HERA. To avoid this threat many HERAs were adopting a very cautious role in working with HEFCE on the allocation of ASNs. Indeed some HERAs had refused to engage. This kind of activity was, in the view of most respondents, a contradiction to a member association and could undermine a HERA's very existence.
- 253 Taking on too many activities. Many spoke of the way their HERA's remit had expanded over time, of the membership's responsibility for this, and of the need for the HERA to prioritise and reduce the amount of work it engaged in. Without such action it was likely to lose the confidence of its membership as it ran the risk of duplicating much of what its members already did; of doing too many things not very well; or of not giving sufficient attention to the more important areas of business. It also ran a high risk of failure due to excessive workload for its Executive. A particular threat was failure to prioritise effectively, with too much

involvement in project work (because it might be less contentious) rather than the more difficult engagement in developing strategic policy for HE in the region. Although many respondents pointed to the need for HERAs to prioritise their activities in favour of strategic policy, they also accepted that this represented a significant challenge in the face of diversity of mission amongst HERA members.

254 Failure to respond to legitimate expectations. The confidence of partners and stakeholders, and even members themselves, in the contribution that HERAs can make can be very fragile. An inability to respond to the legitimate expectations of external stakeholders can readily destroy that fragile confidence. This is irrespective of whether the failure to respond is a consequence of excessive workload, the failure of members to provide information, a failure to secure consensus, or an unempowered executive unable to respond quickly and speak for the HERA when something of importance arises suddenly.

255 We also encountered a broader fear that failure of this kind by one or two HERAs might lead to all HERAs being adversely judged.

256 **Actual and prospective changes in the HE environment**

As we have noted, the developments that the Government is pursuing generally, in the regions and in the area of skills, all have potentially significant implications for HE. Changes in national HE policy may well also have particular ramifications in individual regions. An inability on the part of HERAs to engage with the policy agenda is likely to undermine their overall effectiveness.

257 Increased competition. Several critics of HERAs argued that HE was no longer collaborative, but had become increasingly competitive. Variable fees and associated bursary schemes from 2006 would give added edge to the competition. In the view of these critics, collaboration occurs naturally through strategic alliances where there are distinct advantages to participants and it cannot be forced within artificial regional boundaries. This aspect of competition already affects HERAs to a significant degree where there are a large number of different institutions and/or where competitive elements preclude the HERA from engaging in certain activities. Examples of this would be London Higher and HESE deciding not to engage in promoting regional collaborative bids under HEIF2. Where such a highly competitive environment exists, it would be very risky for HERAs to attempt to develop collaboration against a grain of natural collaboration and competition.

258 Competition from other organisations. These include Universities UK, the Russell Group, the 1994 Group and the Campaign for Mainstream Universities – all of which offer alternative forums for heads of institutions to meet, align, discuss areas of common interest, take co-ordinated action and provide services for their members. The issue here is whether the HERAs are able to provide a service for their members that is differentiated from that provided by other organisations and that is seen to be valuable. An interesting model is Universities Scotland, which is formally part of Universities UK, but as well as drawing a significant proportion of the subscription paid by their members to Universities UK also charges a separate subscription and includes institutions that are not members of Universities UK. At least for the present this suggests that institutions are happy to be members of several groups simultaneously because they offer differentiated value.

259 Changes in European funding. Some HERAs have been able to work closely with their GOs and RDAs in assisting their members to secure matched funding to ESF funding. From 2006 this source of EU funding will largely dry up and, whilst this will be a disadvantage to those

currently benefiting, RDAs will still have the funds available that were used in the past to match the EU funding.

260 **Threats identified by others**

To a significant extent the threats identified by external partners and stakeholders matched the perceptions of members. There were three key threats from the perspective of external respondents: no longer being considered vital and useful by RDAs; being sidelined by HEFCE; and not being considered vital by business.

261 **No longer being considered vital and useful by RDAs**

RDAs are being required by Government to engage with HE increasingly. Most RDAs, to a greater or lesser extent, currently view their HERA as their best single channel to HE in their region. Nevertheless, some RDAs paint a fairly bleak picture: they are concerned that they have to date received relatively little value from their HERA and in some instances have been given short shrift by HERA members. If that situation fails to improve it is clear from what we heard that some RDAs will increasingly sideline their HERA and seek to work directly with individuals and selected HEIs.

262 **Being sidelined by HEFCE**

The RDAs and GOs increasingly see HEFCE as a partner in initiatives such as Regional Skills Partnerships and Collaborative Research Funding with which they need to engage. The attitude of HEFCE to the HERAs is therefore an important barometer for the regional bodies in deciding whether and how to engage with the HERAs. There is a triangular relationship here that if it were to go wrong could leave the HERA out on a limb and less vital to its members. This is what happened in Wales over the Reconfiguration and Collaboration Agenda, where Higher Education Wales found itself excluded from discussions between the Welsh Assembly Government and HEFCW.

263 **Not being considered vital by business**

It is clear that businesses, and intermediary organisations such as Sector Skills Councils representing business interests, welcome the possibility of engaging collectively with HE through HERAs. However, such relationships will need careful management if they are not to raise expectations unduly of what HERA can deliver for them. If expectations are raised too high there will inevitably be disappointment on the part of business when HERAs are unable to deliver. This will, in turn, cause business communities to not take HERAs seriously.

Opportunities and future role

264 We asked both members of the HERAs and external stakeholders and partners what they saw as opportunities and how they viewed the future role for HERAs. Many had been thinking carefully about this and it was clear that opinions were strongly influenced by respondents' view of the HERA's performance to date. Members and external stakeholders were able to identify many opportunities. Those who had a positive view of the achievements of HERAs to date believed that the HERAs needed to become more proactive and strategic in order to secure HE's position in influencing and taking forward the regional agenda. Others, who remained unconvinced of the regional role of HEIs, and who were sceptical of the capacity and willingness of the HERAs to engage in this way, tended to see fewer opportunities and a more modest future role. They took a more minimalist view of the future role of HERAs as providing a flexible network of opportunity for their members to come together when required, and in collaboration at the margins.

265 In this context it was of particular interest that four of the HERAs had completed, or were about to undertake, strategic reviews of their future role. London Higher and EMUA had completed reviews of their organisation and strategy. HERDA-SW and Yorkshire Universities had similar reviews planned.

266 **Opportunities and future role identified by HERAs**

There were five areas identified by HERA members and Chief Executives:

- being more proactive on behalf of member interests and providing a collective strategic engagement with the regional agenda;
- providing a flexible framework for collaboration;
- opportunities to act collectively:
- providing brokerage;
- entering into strategic partnerships with other sector bodies.

267 **Being more proactive on behalf of member interests and providing collective strategic engagement with the regional agenda**

The majority of the interviews for this study took place during the period in the run-up to the General Election, during which a number of respondents were concerned that the future direction of regional policy could be substantially affected by the outcome of the Election. On an assumption that the regional policies of the previous Labour administration would broadly continue, two particular opportunities and one general one were identified by HERAs:

- an enhanced role for the RDAs in supporting business-university collaboration. The appointment of Science and Industry Committees to take forward that agenda was seen as an opportunity for HERAs to ensure proper representation of HE on those committees and, in due course, to be a source of information from across the spectrum of their institutions;
- the Government's requirement that Regional Skills Partnerships should engage more fully in future with HE providers on the higher level skills agenda was seen as an opportunity for HERAs to engage on behalf of their members. Until now, the Skills Agenda had been seen as largely about the supply of lower level skills, and of much more interest to FE colleges than to HEIs. Since the Skills White Paper⁶⁶ explicitly broadens the scope of higher level skills to include securing research departments that are important to regional economic strategies, the agenda is clearly expected to impact on all HEIs;
- one HERA also recognised that the transfer of responsibility for the Business Links to RDAs might offer opportunities for increased engagement in the future between HEIs and the small business sector via Business Link, especially for the non-research intensive HEIs. That HERA, through its 'third stream' funding group, was already seeking to engage with the new structure which the RDA was establishing for Business Link in the region.

⁶⁶ March 2005.

268 Several respondents spoke of a need for HERAs to engage with ‘commitment’, ‘passion’ and more energy – not reluctance. In order to be more proactive, HERAs needed to approach the regional agenda in a much more positive and strategic way than hitherto and to develop more strategic partnerships with RDAs and other regional players.

269 Other respondents were concerned that the members of their HERA were unlikely to be persuaded of the wisdom of adopting a proactive role. Their HERAs did not have the resources to undertake this role and could only do so with a substantial increase in member subscriptions. In some cases respondents questioned the value of such an approach while their RDA had yet to demonstrate that it properly understood and recognised the contribution that HE collectively could make to the Regional Economic Strategy.

270 Nevertheless the two HERAs that had completed their reviews – London Higher and EMUA – have both decided to pursue a more proactive and strategic role. There were 12 recommendations in the report of the review of London Higher, of which the first was that:

“The next phase in London Higher’s development should be a bold step forward that addresses the agenda it has itself already identified. That new phase of development has to have, at its heart, the vision to make ‘London the Knowledge Capital of the World’ as set out in the aims of Vision and Excellence launched in January 2005 at the House of Lords.”

At its AGM on 9 June, the membership endorsed this along with all other recommendations.

271 One of the outcomes of the review undertaken by EMUA was to revise the objectives of the association. The first objective is now:

“Development and delivery of policy in the region. To develop joint policies and approaches to the regional agenda. To ensure that HEIs are active participants in the development and delivery of the regional agenda.”

EMUA is holding a meeting in November 2005 to determine what the strategic priorities should be.

272 Whilst for some the future for HERAs lay in less controversial areas than brokerage – such as procurement, increasing the range of project management, or in non-competitive knowledge transfer – we encountered a significant alternative, strong and far more radical voice. At the furthest end of this spectrum is a brokerage situation where few HERAs have yet ventured but which offers the greatest opportunity for HERAs to enhance and maintain their vitality. It is also the path that several of those we spoke to identified as the way forward for HERAs – where they should be aiming for. What is envisaged is a situation where HEIs, through their HERAs, take an active stance and engage in facilitating collaboration between members on core business. This forms one of several threads in the role for HERAs of providing a framework for collaboration.

273 **Providing a flexible framework for collaboration**

Many respondents saw the HERAs as potentially providing forums, or enabling networks, for members to tap into or ‘plunder’ as they wished. HERAs provided the opportunity to explore the potential benefits of collaborations that would not necessarily have arisen in the absence of the HERA, since the institutions’ paths would not necessarily cross. HERAs provided neutral territory where natural competition could be set aside, provided there was a sufficient

degree of trust between members. As new and cross-cutting alliances built-up over time, HERAs felt it would become much more possible for them to demonstrate how they were adding value by facilitating a situation where the whole of their membership, acting through the HERA, was greater than the sum of the individual member parts. Collaboration between member institutions has been seen as part of the core business of HERAs. The supporters of HERAs tended to see an enhanced role in future for HERAs as a facilitator of collaboration; although in some regions there were concerns about such a role on the part of small institutions, where rationalisation could be an issue. Some examples of potential opportunities included:

- enabling smaller institutions to participate in collaborative knowledge transfer projects where their lack of experience would otherwise prevent them from putting themselves forward or being considered by other partners. In many instances those smaller institutions can make a specialist contribution not replicated within larger institutions;
- providing the opportunity for the regional offices of the OU to integrate more closely with the totality of regional HE provision and to engage more readily with the other HEIs. All of the regional offices of the OU are members of their HERAs and have much to offer from their experience to more traditional HEIs;
- facilitating the development of institutional partnerships, with HEFCE and the RDA, to develop new HE centres in communities without HE provision. Examples cited included Ipswich, Cornwall and Southend;
- providing mechanisms that encourage and persuade the developing alliances of research intensive universities to share their proposals with the non-research intensive institutions, on the grounds that there will be 'pull through' for them and potential added benefits for all. Such a prospect provides opportunities to allay the concerns expressed by some HERA members that these alliances are potentially divisive, if the only objective is that of delivering significant benefits to the partners in the alliance.

274 As noted above, some respondents went so far as to suggest that HEIs, through their HERAs, should take a much more active role in facilitating collaboration between members on core business. More generally their view was that there was a need for a much higher level of engagement in areas such as the recruitment of students – a topic several described as one which either binds together or separates HEIs in regions. Some predict increased fees could seriously affect those regions that have a high capacity and recruit from outside. Others believed that HERAs could provide a mechanism to ensure that the different bursary offers in different HEIs in the region were fully and properly explained to potential students.

275 Those that identified this kind of role for their HERA appreciated it might be viewed as a threat initially to the sovereignty of member institutions, but equally argued that this need not be the case. The HERA offered a ready made mechanism for undertaking this kind of exercise: it had all the key players, all the information required and experience of the region. Respondents also pointed to numerous examples where different degrees of rationalisation had occurred between institutions without a murmur of dissent (Chemistry in the South West, Music and languages in the North East). It was a job that needed doing in several areas, often to preserve rather than lose provision in the region, and who else could do it? The snag most accepted was that this was unlikely to happen except in a defensive mode because of initiatives and pressure from outside.

276 Again the new objectives set by EMUA as a result of its review give prominence to its role in collaboration. New Objective 2 states:

“Collaboration to promote co-operative activities in the region and seek external funding to support these activities, including national and European funding that will bring benefits to the region. To identify areas where internal collaboration would benefit university operations.”

277 Another commonly held view on the role of HERAs in collaboration was that they should provide a ‘network of opportunity’ that was flexible, ‘light on its feet’ and could be activated readily as and when required. We learnt during the study of an occasion when a small self-selected group of universities had gathered together independently of the HERA, but with its support and blessing, to discuss matters of interest to them alone and not the broader membership. Many of those we interviewed made clear that it was not essential to the health of the HERA for every collaborative activity to involve all member institutions.

278 Those respondents who were unsupportive of HERAs argued that the future of HE lay in alliances based upon a complementarity of interest, for which HERA involvement was not essential. Northern Way and other initiatives that spanned several regions were cited as examples. But not all suggested this need preclude HERAs, just that they had to operate differently within a climate of independent and competitive HEIs.

279 **Opportunities to act collectively**

Many of the external agencies such as the RDAs and GOs clearly prefer to be able to deal with HEIs in their region collectively rather than having to deal with several individual institutions. This preference is a basis for the HERA to provide a collective voice, and in a sense is at the heart of the purpose for having HERAs. Nevertheless, in practice it has proved difficult to always provide such a collective view, particularly by those HERAs representing a large number of members. Despite the continuing practical difficulty, most respondents believed this to be important for the future of HERAs. Developing a collective voice included:

- promoting the region as an attractive place to study and to work. London Higher has been particularly successful in this, working with its RDA and business promotion agencies, in targeting home and overseas students and inward business investors;
- providing a collective response to policy proposals issuing from HEFCE or other agencies where there are implications for regional HE – as opposed to the interests of individual institutions, on which they would respond individually;
- being able to respond with reliable up-to-date quality information from members to requests from the RDA and others in the development of policy. This requires considerable forethought about the type of information to be collected and how bringing it together can add value. A number of respondents made clear that they saw little point in simply assembling comprehensive data and then sharing it passively through a website. What is needed is an information base that shows up, for example, the collective strengths of the regional HEIs, their contribution to the economy, and success stories to which targeted audiences can readily relate. Such areas are not new, but equally the importance of continually updating and conveying those messages cannot be underestimated. Although built up from data provided by individual institutions, they can

give the kind of up-to-date overview which neither the institutions nor national statistics can readily provide. One relatively simple but effective example of this we were told about was the briefing on HE achievements that HERDA-SW distributes every Monday morning, via a 'screensaver', to its RDA with which it is co-located;

- several respondents saw the need for HERAs to provide a collective voice as essential for HE to hold its own, alongside business, as a major contributor to regional economic development;
- 'strength in numbers' was another important feature of a collective voice, described by several respondents – especially as a weapon against common perceived threats as reflected in the comment that:

*"Associations work best during times of threat when a sector has a common enemy."*⁶⁷

280 **Providing brokerage**

The provision of brokerage was one of the most contentious issues for the future role of HERAs. Attitudes of members and executives to their HERAs engaging in brokerage ranged from outright rejection through to a degree of 'gung ho'. Most however expressed a degree of caution, as well as discomfort, with pressure upon them over this matter both from within the HERA and from outside. There was certainly a wide range of experience of having engaged in forms of brokerage and an equally wide range of understanding of what it entailed. Opinions about the brokerage role were also strongly influenced by the coincidence of our study with HEFCE embarking upon a new ASN allocation exercise on a regional basis. As we noted earlier, HEFCE Regional Consultants were heavily engaged in this process, working through their respective Regional Advisory Groups, and were seeking engagement from HERAs.

281 We therefore considered it to be vital to 'unpack' what was meant by brokerage and, in particular, what it might entail for HERAs.

282 For some, and particularly those without too much experience, brokerage was synonymous with a situation where HERAs took an active part in decisions over which of their members would be 'winners' and which would be 'losers' in the allocation of resources. This, for them, struck at the heart of what a member association stood for and, as a consequence, they could not see it as anything but a troubled path that seriously undermined the HERA and could lead to its demise. Others had formed a quite different and cautiously optimistic view. All were very aware of the potential importance of this role for HERAs – of the risks in participating and of even greater risks in not participating if that meant some other, less informed, agency having an influence on decisions that would affect them.

283 Those that were optimistic were generally drawn from a category of HERAs that had built up confidence over years in assembling successful collaborative bids and responses to initiatives on behalf of their members. For them brokerage was largely about trust between members, being as even-handed as they could, and securing the best benefits for all of their members over the long term – not just from any one particular opportunity.

⁶⁷ The Business of Representation. The Modern Trade Association – a report to the Trade Association Forum. Alastair Macdonald. Publ. DTI March 2001.

284 Examples of existing brokerage activity that we learnt about fell into a number of groupings and across a scale that included the following.

- Providing quantitative information, otherwise in the public domain, but not necessarily easily accessible to organisations unfamiliar to HE. All HERAs do this as a routine service for partners and stakeholders. The information is usually of a fairly neutral nature and can typically involve advising on subject coverage or some other aspect of HE, for example which HEIs offer courses in organic chemistry or have expertise in European policy. This is by far the simplest form of brokerage. The key features here are that the HERA has taken little initiative itself and provides no qualitative information.
- Providing information to external agencies of a promotional nature. Most of the information, whilst edited and targeted at particular audiences, is quantitative. It will therefore be selective on any given occasion but generally representative of all members of the HERA. In this instance the HERA may have taken the initiative. The overall intention over time is to promote the HE sector within the region. There should be no bias towards any particular part of the HERA's membership in the long term.
- Assisting in the identification of opportunities against which bids can be prepared and made by the HERA for some or all of its members. The HERA knows, at the outset, that in most instances only some of its members are eligible and can therefore benefit. The HERA might be uniquely placed to spot the opportunity and to put together the bid because of its relative impartiality. By its actions it can raise the prospects of some of its members benefiting. The key feature here is 'additionality'. Not all members are equally eligible against criteria determined by the outside body responsible for the initiative. With careful preparation and presentation there should be a minimum degree of competition. The creation of Centres for Excellence in Learning and Teaching and collaborative bids to JISC Distributed Learning Networks, and the development of proposals for Knowledge Exchanges and other collaborative bids under HEIF2 were cited as examples where some HERAs had achieved a relatively high degree of success in this mode for their members.
- Providing advice to others who will make decisions where there will be 'winners' and 'losers' from the process amongst the HERA's membership. This is not dissimilar to situations where an external adviser is called in to assist in, say, a staffing appointment or the award of a contract. The key feature here is that the HERA does not make the decision: it simply passes on information about the applicants so that those responsible for providing the benefit have the best information possible to make a decision according to their own criteria. The risks here arise because those representing the HERA are governed by a process that is outside their control (other than them deciding whether to participate or not); the process is conducted in a 'closed' manner; and whilst the HERA should not be held responsible for the final decision they are bound by it and seen to be part of it. If decisions emerge that prove controversial or unpopular, the HERA can find itself closely associated with the outcome and damaged by it, albeit unfairly.

285 Interestingly, the current debate and process of determining ASNs by HEFCE in the regions is falling within the latter two examples. For some HERAs, those decisions are hardly controversial. As a consequence of careful preparation, they have found that the number of their members eligible, typically due to HEFCE rules or individual circumstances, reduces to a point where there is little or no competition. By contrast, it is also in the area of ASNs that we found the greatest degree of disagreement within the HERA over whether there should be

any engagement in the process by the HERA and, if so, what that should be. Even within the same HERA we found extremes of opinion: some argued strongly that HERAs simply had no choice but to get on and decide the matter, regardless of the concerns expressed by some of their members; and others refused to accept their HERA had any authority whatsoever to do so.

286 Whilst accepting the concerns, we felt that those HERAs that had not already done so should examine carefully the full range of brokerage and decide what is appropriate for them given their circumstances. There are risks in any level of involvement of this kind, but probably even greater risks if the information that drives those decisions is provided by others less capable than HERAs, and as a consequence the HERAs become sidelined and less vital.

287 **Entering into strategic partnerships with other sector bodies**

Of significance was the number of respondents that referred to Universities UK and steps taken recently by the Chair of its England and Northern Ireland Council. He had invited the Chairs of all the English HERAs to join Universities UK' Regional Task Group, which he similarly chairs. Several argued a need for better co-ordination of, for example, lobbying efforts made by national and regional bodies, and a follow-through of national issues coming up from the regions, such as top-up and part-time student fees.

288 More generally there was a plethora of regional and national bodies with which HERAs might seek alliances on behalf of their members. Some HERAs had moved further in developing such relationships and this was clearly an area where the sharing of experience was likely to be beneficial.

289 **Opportunities and future role identified by partners and stakeholders**

The main opportunities and future role identified by external partners and stakeholders included:

- contributing to regional economic planning and getting more engaged with the regional agenda more widely;
- above all, to 'step up' and play their part in the region.

290 HERAs should also be very clear about what they should not do. In particular respondents considered that HERAs should not:

- engage in the sub-regional agenda;
- duplicate the efforts of others.

291 **Engagement with the regional agenda**

The strongest view to emerge from external partners, especially RDAs and GOs, was that HERAs must play their part in regional economic planning. It was neither desirable nor possible to leave the HE component of regional economic planning to serendipity. To meet this challenge HERAs must, at their heart, be more strategic and less operational bodies. It was commendable where HERAs had picked up significant project management work but not if this left too little time to address strategy.

292 However, some of the external partners we interviewed had doubts as to whether HERAs really understood their core role or had even properly addressed the question. These respondents were unsure therefore whether HERAs could deliver very much. In some cases

there were doubts whether sufficient members wished to pursue more proactive engagement within a thought-through strategy, or whether they had the resources to undertake it.

- 293 The shift in emphasis in the Government's Skills Strategy towards higher level skills, including research skills, needed HERAs to engage fully with Regional Skills Partnerships. Until now these Partnerships, although the responsibility of the RDAs, had largely been dominated by the LSC⁶⁸, regionally and locally, with their planning responsibilities for FE and for work-based learning. Since HEFCE did not have an equivalent planning role, the work on higher level skills would require the HEFCE Regional Consultant to work in partnership with the HEIs (and FE colleges that were HE providers in their own right). Active collaboration between the Regional Consultant and the HERA appeared to offer the most effective way forward to balance the LSC's existing dominance, but some continued to have doubts as to whether HERAs as membership organisations could take on this role of effectively promoting planning.
- 294 While everyone accepted that research intensive institutions should be involved in the decisions about the allocation of the collaborative research funding proposed by the Lambert Review through membership of Science and Industry Committees, some expressed concern that this would tend to favour RAE scores as the basis of allocation. There were two bases for this concern. The first was that any reliance on RAE scores would tend to lead to London, the South East and East of England gaining the lion's share of the funds at the expense of other regions. This ran counter to the Government's policy of seeking to reduce the disparities in economic growth rates between the south east and the rest of the country. This concern lay behind the 'Northern Way', a proposal developed by the research intensive universities in the three northern regions with the three RDAs, for investment of £100 million for collaborative research with industry.
- 295 The second concern was that research of direct value to industry was not necessarily found only in research intensive universities or in departments rated 5 or 5* in the RAE. HERAs could play an important role of ensuring that all relevant research activity in the region, wherever it occurred, was considered for funding.
- 296 Although many recognised the existing role that HERAs had played in Aimhigher, some believed the potential role that HERAs could play in helping to understand patterns of access, the potential contribution to social inclusion, and retention of graduates within the regions was likely to be even more important in supporting regional economies. Within all regions there were hot and cold spots for HE student demand. HERAs could take responsibility for growing demand in their regions. The current summer schools, within Aimhigher, which some HERAs managed on behalf of their members, were an example of this.
- 297 Finally, several respondents believed that HERAs should promote collaboration between their members for the purpose of engaging with the regional agenda. Collaboration between those with greatest interest was likely to be more beneficial than relying on competition. One example of this is the Health Services Education Committee of London Higher, which brings together not only all the HEIs involved in the education and training of health service personnel, but also the five London Workforce Development Confederations and Strategic Health Authorities. One of the first jobs the committee has undertaken is simply to identify and present the contribution of HE in London to the development of health service personnel.

⁶⁸ In the North West the driver has been the NWDA.

298 **To 'step up' and play their part in the region**

While several respondents believed that what HERAs did currently was 'OK', they also considered that HERAs needed to 'raise their game' to address some of the regional challenges that are really important to the region – such as high level skills and collaborative research. To this end HERAs needed to re-examine their role, consider why they were engaging and find out what excites their members and partners. Many considered that there was now a unique opportunity for HERAs to hold-up a mirror to themselves. HERAs needed to be able to think longer-term, beyond 2006, about what they thought their members working together could provide for their community and its long-term economic health. In particular HERAs would in future need to:

- operate at a high level (currently some were seen as becoming too much like a provider themselves and too involved in detail);
- be externally focused upon regional partners, and become more customer focused;
- be an effective intermediary to rationalise the constellation of initiatives for the benefit of its members;
- be an effective delivery agent.

299 Nevertheless, there was recognition by some respondents that this more ambitious and proactive brokerage role they sought from HERAs might dilute the central mission of HERAs in promoting their members' interests.

300 Other respondents believed that RDAs could make greater use of HERAs. In particular RDAs might use HERAs as their agents for particular RDA responsibilities, providing funds to the HERA and expecting the HERA to manage the necessary resources. This would go beyond brokerage.

301 However, as one respondent put it, the best contribution that higher education could make to the region was to be successful. The role of HERAs should be to contribute to that success by encouraging productive collaboration.

A menu of 'good practice'

302 One of the key expectations of this study has been that its outcomes should be of value to HERAs and their stakeholders and partners. In particular there was an expectation that 'good practice' would be identified that had the potential for transfer between HERAs and be of value to them. Certainly during the conduct of this study and the review of London Higher we found much excellent practice with that potential. However, as with all findings throughout these two investigations, so much of that good practice is peculiar to the different circumstances of the individual HERAs and their regions, and may not be transferable. We decided therefore to compile, in an open form a 'menu of good practice' for HERAs to review, adapt and adopt as they consider appropriate for their own circumstances, under the following headings:

- Separating out strategy from operations;
- Listening to members;

- Inducting new members;
- Flexibility of operations to respond to particular and changing circumstances;
- Transparency of operations;
- Shared planning;
- Empowerment of Executives;
- Effective liaison at leadership level;
- HERA representation on RDAs;
- The appointment of ‘translators’;
- Effective integration of the OU.

303 **Separating out strategy from operations.**

Many of those we spoke to, who were critical of the way their HERAs had developed, pointed to the growing demands made upon the Executive by ‘project work’, and how the consequential high workload was inhibiting it taking a more active role in promoting the HERA’s contribution to regional development at a strategic level. For some HERAs, where the potential for conflicting demands exist, this has resulted in specific and sometimes separate arrangements being made for project work, without necessarily diminishing it. In the North East, the very large knowledge transfer partnership, Knowledge House, remains part of Unis4ne and reports to the same strategic board but has a separate Director and administration. In the East of England, AUEE leaves the management and administration of its collaborative project work to ‘lead’ member institutions. With the prospect of increased work for HERAs in project management, delegated from RDAs, a degree of separation of the kind these HERAs exercise should be of interest to other HERAs, and especially those with operations dominated in resourcing by their project and programme work.

304 **Listening to members**

Engagement with the membership is vital to the continuing health of a membership organisation. Many of those we interviewed, especially the heads of smaller institutions, thought it important that the Executive should find time to contact members to understand their interests better. They were particularly appreciative where this had happened. London Higher, with its very large and diverse membership, is establishing mechanisms for regularly and systematically listening to the concerns and needs of its members via a membership management strategy that is independent of its standing events and committees.

305 **Inducting new members**

Assumptions can easily be made that newly appointed heads of institutions will quickly gain an understanding of the regional context, and of the history and development of HE and its relationships in the region. In too many cases, we found those assumptions had not helped the potential for collaboration between members, especially in HERAs with a large membership. Again, in London, we were impressed by the adoption of a target for its Chair

and Chief Executive to meet with each new head of institution within three months of them taking up their appointment.

306 **Flexibility of operations to respond to particular and changing circumstances**

We found much evidence to suggest higher levels of member satisfaction with their HERA where the HERA had been responsive and flexible. Examples included:

- an extension of geographical boundaries to ensure key players can be included in the business of the HERA. Typically, this occurs where an HEI sits close to the geographical edge of their region and sees natural collaborative partners in neighbouring regions. It also occurs where an HEI has campuses in more than one region;
- notwithstanding the need for effective governance, encouraging members to treat the HERA as an enabling framework, rather than some rigid structure into which they must fit. We were informed of several examples where members with a common interest had used their HERAs to meet together and with others under the auspices and with the support and assistance of their HERA, despite the fact that neither they as a group, nor their topic of interest, mapped onto any of the HERA's standing arrangements;
- being flexible over representation and the attendance of members. For all kinds of good reasons, HERAs can be highly sensitive over who attends their events, and can interpret substitution or representation other than by the head as a dilution of input and a signal of waning interest, but this may not always be the case. Some have taken a flexible stance in not insisting on the attendance of, say, the Vice Chancellor of a very large university where the Pro Vice Chancellor with the 'regional brief' is probably more appropriate – and the person likely to make the most effective contribution in most instances;
- being sensitive to the demands upon small member institutions. Our investigations showed a very wide range of different expectations, contributions and benefits amongst members, and were repeatedly told about a natural drift towards the agenda of large, rather than small, institutions. 'One size does not fit all' across HERAs nor within them. We were therefore impressed by arrangements within some HERAs, with particularly diverse memberships, where specific steps had been taken to accommodate and provide value for smaller member institutions. These included providing open networking events; charging specific members or officers to act in a liaison capacity; moderating expectations and demands upon them for their engagement; and, on a day to day basis, simply moderating the volume of communications sent to them.;

307 **Transparency of operations**

Many, but not all, HERAs have the facility to extend co-option and regular observer status to key partners and stakeholders so that they can attend and contribute to meetings, including the most senior strategy boards. Practice varies between the HERAs on the extent of this practice, which certainly helps communications and understanding, and offers opportunities for early soundings to be taken of respective organisations' interests and intentions. London Higher, in particular, currently has the following co-options to its Steering Committee if not elected by some other route:

- members serving on the London Development Agency's Board and its Council for Science and Technology;

- the Chair of the London Healthcare Education Group.

It also extends observer status to the following on its Steering Committee:

- the HEFCE Regional Consultant;
- the most senior person at the London Development Agency with responsibility for HE;
- A representative from the business community (who is also a Board member of HEFCE).

308 **Shared planning**

It was clear to us that where HERAs prepared plans covering more than just one year ahead, and shared these with their RDA, it was very much appreciated. Both HERAs and their key partners and stakeholders are committed to maximising opportunities for collaboration and are very aware of the enormous mutual benefits that can accrue. The key to this is planning but, at present, there are few instances where respective planning processes are synchronised. This can and does lead to complaints from both parties about being ‘bounced’ over propositions with very short lead times, despite relatively high levels of engagement from cross-representation on each other’s committees. The alignment of planning cycles is unlikely to happen but it is clear that where there is a sharing of forward planning between HERAs and key partners, such as their RDAs and GOs, this is beneficial.

309 **Empowerment of Executives**

The Board is responsible for strategy and the maintenance of enabling frameworks as well as having overall management responsibility for the Executive. Members decide ultimately on what the organisation should do. It is the job of the Board to provide support to those processes but above all to manage the progression of tasks. In general we found a patchy situation with regard to the relationship between Boards, their Chairs and CEOs, and in particular the CEO’s licence to operate. Where this has been established over time from trust, confidence and a general maturing of relations, HERA operations benefit enormously. The alternative was clear to us – of overworked Chairs and a cascade of demoralised and demotivated people within the organisation. We would commend all HERAs to examine examples of best practice across the HERAs that encourage the empowerment of Executives and especially CEOs in a number of areas to include:

- general representation. Where the Board has delegated to the CEO some of its responsibility for representing the organisation and has made this clear to external partners seeking representation from the HERA;
- taking action within agreed policy frameworks. We heard of several examples of ‘hands on’ Chairs effectively micro-managing their HERAs;
- financial delegation within reasonable limits.

310 **Effective liaison at leadership level**

In some regions regular bi-lateral meetings involving the Chair and Chief Executive from the HERA are held with similar leaders from the RDA, GO or similar key organisations. These have proved highly successful in the development of mutual agendas, better understanding, the removal of unwelcome ‘surprises’, and an atmosphere of trust and confidence that has paved the way for more effective collaboration at CEO and officer levels.

311 **HERA representation on RDAs**

All RDAs have some kind of attendance at their Boards of a person from HE⁶⁹. In all but two of these, in the North West and in London, that person is a Vice Chancellor of a university and a full member of the Board. In the North West the representative is an ex Vice Chancellor, and in London the President of a university has observer status. However, as these appointments to RDAs are personal appointments, much will depend on the strength of the relationship between the HERA and the RDA. If that relationship is strong it is likely that the HERA may have some influence on the appointment.

312 **The appointment of ‘translators’**

The appointment of individuals to act as ‘translators’ between the RDA/GO and HE in the region has proved particularly beneficial to all parties in some regions. In each case these individuals are based in the RDA/GO, have substantial experience of HE at a senior operational level and are playing a highly effective role in helping to avoid the kind of misguided assumptions about the role and contribution of HE that can be very damaging to relationships. At present appointments have occurred in just three regions – North West, South West and Yorkshire & the Humber – and could be beneficial elsewhere.

313 **Effective integration of the OU**

Behind the relatively small regional offices of the OU lies one of the largest providers of HE in the UK, with a huge potential to work with other HEIs in the regions to mutual advantage. That potential is appreciated by the OU, but less so by most of the HERAs themselves. In addition to the experience it can bring to the development of alternative pathways for delivery at regional level, the OU can offer links into some of the further education networks it is more familiar with, that flourish at sub-regional level.

314 There is an appetite within the OU to collaborate with other HEIs and via their respective HERAs. Equally this may be something that would benefit from a pan-HERA perspective, now made possible by the recently reconstituted Regional Task Group of Universities UK.

Messages from the findings

315 We believe these findings translate into a small number of key messages for the HERAs and their principal partners.

316 **For HERAs and their members**

- Retain flexibility. This will accommodate better the diversity of interests of your members. Avoid building inflexible organisations.
- Prioritise strategy over operations.
- Unpack what ‘brokerage’ means for your HERA, and engage as appropriate.

⁶⁹ See Annex 5.

317 **For RDAs (and GOs)**

- Understand better the values of, and benefits to, HE of engagement in the regional agenda, and manage expectations of what can realistically be delivered and in what timescale. Look to Yorkshire and the Humber and the North West for examples of good practice, and more recently to the South West, where people with experience and appropriate skills have been appointed by RDAs and GOs.

318 **For HEFCE**

- Decide what you need to achieve in the regions, how you plan to do that, and especially the role that HERAs can play. Expect different levels of involvement and contribution, not just initially, but also probably into the longer term.
- Communicate those intentions to HERAs, their members and principal partners and stakeholders. Align those communications with a reiteration of HEFCE's Strategic Plan and especially those parts that identify the Government's requirements of HEFCE.
- Decide the level of funding you are prepared to provide for HERAs, and whether it is a grant with no 'strings attached' or a sum of money for which you require services in return. If the latter, decide what those services are to be.

List of abbreviations

AoC	Association of Colleges
ASNs	Additional student numbers
AUEE	Association of Universities in the East of England (HERA)
AWM	Advantage West Midlands (RDA)
CEO	Chief Executive Officer (of the HERA)
CMU	Coalition of Modern Universities
DfES	Department for Education and Skills
DTI	Department of Trade and Industry
EEDA	East of England Development Agency (RDA)
EMDA	East Midlands Development Agency (RDA)
EMUA	East Midlands Universities Association (HERA)
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
FE	Further education
FEC	Further education college
FHEPG	Further and Higher Education Partners' Group
FTE	Full-time equivalent
GO	Government Office (for regions)
HEFCE	Higher Education Funding Council for England
HEFCW	Higher Education Funding Council for Wales
HE	Higher education
HEI	Higher education institution
HEIF	Higher Education Innovation Fund
HERA	Higher Education Regional Association
HERDA-SW	Higher Education Regional Development Association - South West (HERA)
HESA	Higher Education Statistics Agency
HESE	Higher Education South East (HERA)
LDA	London Development Agency (RDA)
LH	London Higher (HERA)
LLN	Lifelong Learning Network
LSC	Learning and Skills Council

NHS	National Health Service
NWDA	North West Development Agency (RDA)
NWUA	North West Universities Association (HERA)
OFFA	Office for Fair Access
One North East	(RDA)
OST	Office of Science and Technology
OU	Open University
RAE	Research Assessment Exercise
RAG	Regional Advisory Group
RC	(HEFCE) Regional Consultants
RDA	Regional Development Agency
RES	Regional Economic Strategy
RSP	Regional Skills Partnership
SCOP	Standing Conference of Principals
SEEDA	South East England Development Agency (RDA)
SR	Spending Review
SRB	Single Regeneration Budget
SSC	Sector Skills Council
SWRDA	South West Regional Development Agency (RDA)
Unis4ne	Universities for the North East (HERA)
UUK	Universities UK
VC	Vice Chancellor (of a university)
VFM	Value for Money
WDC	Workforce Development Confederation
WMHEA	West Midlands Higher Education Association (HERA)
YF	Yorkshire Forward (RDA)
YU	Yorkshire Universities (HERA)