Organisation for Economic Co-operation and Development
Directorate for Education
Education Management and Infrastructure Division
Programme on Institutional Management of Higher Education (IMHE)

Supporting the Contribution of Higher Education Institutions to Regional Development

Peer Review Report:

North East of England

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PREFACE

We have written this report with three main readerships in mind. The first is the people working together to nurture the development of the North East of England, a distinct and well defined geographical, administrative, historical, economic and cultural region striving to rebuild itself following massive deindustrialisation, with the help of five universities located in the region, together with the higher education resources of the Open University in the North East and a number of Further Education Colleges that make higher education provision. We hope that the report will help them along the path of what we came to call 'mature conversation' and partnership to accelerate the balanced development of the region.

Secondly, the report is intended to have interest, relevance and benefit to others in England and indeed the United Kingdom concerned about regional development; to those attempting to play similar roles in the other eight English administrative regions which are less geographically and culturally defined and distinct than is the North East; and to some in central government who have the English regions as part of their political interest or administrative responsibilities, and wish to reflect on how the work of their dispensations hinders or assists effective regional development.

Thirdly there is the Organisation for Economic Cooperation and Development, which with the Higher Education Funding Council for England commissioned, and along with the region, 'owns' this review. The interest of these partners is in learning internationally about the role of higher education in regional development across regions in a number of Member States that are taking part, and others that are not. In addition we aim to reach a wider international readership, and to provide something of value to regions both within and beyond the OECD that are not included directly within this project.

Our report therefore attempts to read in a way that will be comprehensible and useful to these readers, and to fellow students of regions and higher education, with a minimum of assumptions about local knowledge, and as few acronyms as possible. As with the other reports in this OECD project, we have had to write for a particular, highly involved and well informed, regional policy and practitioner community; but also for a more 'remote' readership unfamiliar with the local story. Our primary consideration is to give back to the region something of value, something that will contribute to further development and be evaluative in this particular sense. We refer to and have drawn upon the substantial regional self-evaluation report (SER) written by Professor David Charles and available on the OECD website[1]. We make no attempt to reproduce or summarise that work; readers seeking more background data should refer in particular to that study.

It is likely that this report will be relevant, and we hope persuasive, to English central government partners to the extent that it is accurately attuned to their own circumstances, and to the circumstances, recent achievements and current aspirations of the North East region today. It will be useful to the other participating OECD regions in direct proportion to its relevance and resonance for each different region.

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[1] See www.oecd.org/edu/higher/regionaldevelopment

We were impressed by the energy, optimism, and gritty realism that characterised those with whom we met in a busy review week in October 2005 (see appendices 2 and 3). We are grateful for this enthusiasm, as well as for generous hospitality, and hospitality of spirit faced with a kind of inspection. That energy was further shown by the willingness of all those approached to accept our challenge and write case studies, nine of which appear in this review. Our thanks go to these authors in particular.

High expectations were generated by the region's own self-review process, as well as by our visit. We have departed from the initial draft OECD reporting template only insofar as the particular condition of the region seemed to require this, but not, we hope, so far as to make inter-regional comparison problematic.

ABBREVIATIONS AND ACRONYMS

BBC	British Broadcasting Company
BL	Business Link
CABE	The Centre for Architecture and Building Excellence
CETL	Centre of Excellence in Teaching and Learning
CRE	Centre for Rural Economy
CURDS	Centre for Urban and Regional Development Studies
CSDP	Cultural Skills Development Programme
DfES	Department for Education & Skills
DTI	Department of Trade & Industry
ERDF	European Regional Development Fund
ESF	European Structural Fund
ESF	European Social Fund
EC	European Community
EU	European Union
FD	Foundation degree
FE	Further education
FEC	Further education college
FMD	Foot and mouth disease
GONE	Government Office North East
GPD	Gross domestic product
GVA	Gross value added
HE	Higher education
HEBP	Higher Education Business Partnership
HEFCE	Higher Education Funding Council England
HEIF	Higher Education Innovation Fund
HEI	Higher education institution
HERA	Higher education regional association
HESIN	Higher Education Support for Industries in the North
ICI	Imperial Chemical Industries
ICT	Information communication technology
IDI	Institute for Digital Innovation
ILOs	Industrial liaison officers
IMHE	Programme on Institutional Management in Higher Education
IP	Intellectual property
IPR	Intellectual property rights
ISRU	Industrial Statistics Research Unit
IT	Information technologies
KH	Knowledge House
KHIS	Knowledge House Information Management System
LLN	(NE) Lifelong Learning Network
LSCs	Learning & Skills Councils

MIT	Massachusetts Institute of Technology
N 8	Northern Eight, consortium of eight universities in the North of England
NE	North East (England)
NEPA	North East Productivity Alliance
NESTA	National Endowment for Science, Technology and Arts
Net Park	NE Technology Park (Durham)
NHS	National Health Service
NMUK	Nissan Motor Manufacturing UK Ltd
NRN	Northern Rural Network
NStar	Regional exploitation agency for the 5 centres of excellence
NUAS	The Nordic Association of University Administrators
NUS	The Nordic University Association
NVQ	National Vocational Qualification, www.dfes.gov.uk/nvq
ODPM	Office of the Deputy Prime Minister
OECD	Organisation for Economic Co-operation and Development
ONE NorthEast	The Regional Development Agency in the North East
PRT	Peer Review Team
R&D	Research & development
RAE	Research Assessment Exercise
RCID	(Regional) Resource Centre for Innovation & Design
RDA	Regional Development Agency
RIBA	Royal Institute of British Architects
RUS	Regional University Strategy
SER	Self-Evaluation Report
SME	Small & medium-sized enterprise
SSC	Sector Skills Council
SWOT	Strengths, Weaknesses, Opportunities and Threats
UK	United Kingdom
UNIREG	Universities in Regional Development, research project funded by EU Framework 4
Unis4ne	Association of universities in the North East
U4ne	Association of universities in the North East
UT	University of Teesside
W/P	Widening Participation

1. INTRODUCTION

1.1 Evaluation Context and Approach

This review of the North East of England is part of the OECD/IMHE project entitled *Supporting the Contribution of Higher Education Institutions to Regional Development*. The project engaged twelve regions across ten OECD countries in 2005.

The IMHE launched the project in spring 2004 as a response to a wide range of initiatives across OECD countries to mobilise higher education in support of regional development. There was a need to synthesise this experience into a coherent body of policy and practice that could guide institutional reforms and relevant policy measures, such as investment decisions seeking to enhance the connection of higher education institutions (HEIs) to regional communities. Current practice needed to be analysed and evaluated in a way that was sensitive to the varying national and regional contexts within which HEIs operate.

The aim of the IMHE project is to compare and evaluate the efficiency and effectiveness of regional initiatives and partnerships, to provide an opportunity for a dialogue between higher education institutions and regional stakeholders, to assist with identification of roles and responsibilities of stakeholders, to provide advice at national level on the impact of policy initiatives e.g. funding initiatives at a regional and institutional level, and to lay the foundations of an international network for further exchange of ideas and good practice.

Each of the participating regions engages in a self-review process during 2005, followed by site visits by international review teams from October 2005 to April 2006. Participating regions have designated Regional Co-ordinators and Regional Steering Groups to oversee the process. Each regional review is conducted by an International Peer Review Team with two International Experts, one being the Lead Evaluator, as well as a Domestic Expert and Team Co-ordinator. The entire project is coordinated and led through project management at the OECD secretariat and a Project Task Group which is also charged with the task of nominating the members of the Peer Review Teams. Each regional review will produce two independent reports, a Self-Evaluation Report (SER) and a Peer Review Report. All reports will be published online on the OECD project website for the benefit of the participating regions and a wider audience. A final OECD synthesis report, drawing from the experiences of the participating regions and a comprehensive literature review, will follow in 2007.

The focus of the IMHE project is on collaborative working between the higher education institutions and their regional partners. It seeks to establish a regional learning and capacity-building process. The North East review is the first in line. It may serve as a model and a test case for the rest of the reviews.[2]

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[2] Since the overall Project Leader John Goddard and Project Manager Jaana Puukka as well as the representative of the co-sponsor HEFCE, John Rushforth, were all involved, the region was still more of a test case for the other reviews that followed a little later.

1.2   The Conduct of the Evaluation

Self-evaluation as a change and development process

The self-evaluation exercise of the North East was a major project coordinated from within the Universities for the North East (Unis4NE) a higher education regional association encompassing the five universities in the region together with the Open University in the North as an associate member. The learning and capacity building was undertaken through a process of wide consultation within the universities, and in conjunction with regional partners.

The self-evaluation and the capacity-building process were supported by a steering group drawing on representatives of business and regional partners. It was chaired by Peter Allan, the former senior partner of legal services company Ward Hadaway, who hosted meetings associated with the project.

A Working Party representing the universities in the region and including regional partners met monthly and was, in effect, an extension of the consultation process. Separate consultations were held with central government departments, the Higher Education Funding Council for England (HEFCE), the Regional Development Agency, Government Office North East, the Regional Association of Local Authorities and sub-regional partnerships in addition to business, arts, culture, and community groups.

The process began in May 2005 with a regional consultation meeting of about 70 participants representing a broad range of stakeholders throughout the region. The meeting, which was supported by an outside facilitator (Tom Kennie, a director of the Higher Education Leadership Academy), contributed to the identification of key themes and of strengths, weaknesses, opportunities and threats for the region and the regional engagement of its universities. This was subsequently developed into the SWOT analysis in the Self Assessment Report. It and the themes that it generated were carried through to all further consultations. The SWOT analysis was considered further at a significant working dinner held for the business community in July 2005; other stakeholders, sectors and groups were also consulted.

The self–evaluation report

The self-evaluation report was commissioned from Professor David Charles of the University of Newcastle. The Working Party contributed to the self-evaluation report with information and comments to the text. The process of collecting information from a number of partners was designed to ensure wide ownership. This left the report partly anecdotal. Considering that the North East is one of the best researched regions in the European Union in terms of the impact of higher education institutions, there was little evidence in the report of what the region had learned from similar exercises, reviews and evaluations, or about dissemination of research results.[3]

The draft of the self-evaluation report was circulated around the Steering Group, the Working Group, and others consulted for approval. Despite the ownership of the capacity-building process of the participants there appears, mainly due to the constraints of time, to have been only limited interaction between the writing of the report and the stakeholder process.

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[3] This may have been a function of the time pressure under which this long SER was assembled, exacerbated by its coincidence with a simultaneous and overlapping territorial review from another part of OECD.

In these circumstances the Regional Coordinator expressed the wish to have the report rewritten after the review, to benefit from the Peer Review Team's comments and findings. The OECD Project leadership however took the position that this could not be done in any major sense without jeopardising the independence of the work; departing from the agreed project guidelines would also confuse the overall process.

International peer review

The international Peer Review Team (PRT) was established in 2005. Professor Chris Duke was nominated Lead Evaluator, Robert Hassink International Expert, James Powell the Domestic Expert and Jaana Puukka the Team Co-ordinator.

The Lead Evaluator and the Team Coordinator visited Newcastle in August 2005 to agree the procedures for the review with the region, and to give feedback on the draft of the self-evaluation report. This was longer than the guidelines limit, and modifications were recommended. It was agreed that the report should provide a single integrated response to OECD. Different stakeholder views should however be clearly articulated. It was also agreed that the report should include a description of the consultation process, and of the methodology used to ensure the involvement of different stakeholders. Additions were recommended, notably referring to further education.

In September 2005 a revised draft of the self-evaluation report was submitted to the Peer Review Team with additional background material including the Regional Economic Strategy 2003-2005, the North East Assembly scrutiny report on the Strategy for Success, the part of the Regional Economic Strategy mostly involving the universities, information on the Northern Way, as well as a short description of the North East's further education colleges, which in England are located 'on the edge' of higher education and squarely within 'tertiary education'. The Self-Evaluation Report also included a SWOT analysis undertaken by the Steering Group. The SWOT analysis succinctly synthesised the key issues arising from the SER.

The OECD review visit took place between 9 and 15 October. On arrival the PRT received further information including the North East Higher Skills Network, Open University, Aimhigher, and a study on *The Regional Economic Impact of the North East Universities*. During the visit additional material was received on the five universities and other organisations in the North East. We also received the Regional Economic Strategy consultation document and a draft of the *Study of the English Higher Education Regional Agencies* commissioned by the Higher Education Funding Council for England (HEFCE).

We met the vice chancellors as well as the governing body chairs of the five universities (or their nominated substitutes) in the region, the Regional Steering Group for the review, regional and local government representatives, representatives of HEFCE and the Regional Development Agency, One North East. We visited the five universities in Durham, Newcastle (Newcastle University and Northumbria University), Sunderland and Teesside, meeting faculty and stakeholders. We also met with a number of theme groups such as the Widening Participation and Lifelong Learning Theme Group, The Culture Theme Group, Academic Profile and Higher Level Skills Theme Group, Capacity Building Theme Group, and Science and Innovation Theme Group. For all meetings we were accompanied by the Regional Coordinator and the Chair of the Regional Steering Group. The meetings provided valuable insights supplementing the written report.

The Peer Review Team commends the region on the scope and the extent of the capacity-building process. The self-evaluation report is strong on analysis of the past, but stops short of making explicit recommendations for the future.

The Review Team recommends that the region creates mechanisms to ensure that the learning process bringing together the five universities and the regional stakeholders continues. We also recommend that the regional review be followed by a process continuing the SWOT analysis, to build on strengths, address weaknesses, counter threats and exploit opportunities.

To ensure the progress of shared efforts and senior management engagement, we recommend that the review be followed by a re-evaluation in two to three years time, if possible by the same OECD team. The follow-up self-evaluation report should include quantitative information on the performance of the region, a revised SWOT analysis, and a response to each of the recommendations made in the initial review.

1.3   The North East – Key Features of the Region

The North East is the smallest of the nine English regions in both area and population. It is a region of deep diversities at the periphery of the UK and the European Union. It is a small and remote region with extensive rural areas and three river-based conurbations. It has reasonably clear physical boundaries, and strong regional characteristics. The small population of 2.5 million is ageing and – in contrast to other English regions – declining.

During the mid and later decades of the 20th Century the region experienced massive de-industrialisation and economic decline, resulting in widening gap between the North East and the national average. The decline and destruction of the nationalised heavy industries contributed to long term unemployment, sickness and disability, and dependency on benefits. Over the last decade the North East had one of the slowest growing economies in the country.

Today, the North East economy still lags behind the national average on most performance measures. There is clear dependence on national growth, and weakness in the capacity to generate endogenous growth. The region suffers from low productivity within the existing business base, which is predominantly SMEs with low levels of R&D investment. It has a low level of enterprise as measured by the rate of business starts. There are few world-class business clusters or headquarters. Recently there has been a net outflow of foreign investment.

There are great diversities within the region. While Tyneside and Darlington are catching up economically with other regions, Northumberland and Teesside have lagged badly. There are areas of severe deprivation, poor health, and high rates of unemployment and inactivity.

In absolute terms progress has been made over the past decade. Between 1995 and 2004, employment rates increased as a result of the growth of the service sector. While the decline and disinvestment in the private sector continued, there was public sector driven growth.

There are five universities and the Northern Office of the Open University. They are diverse institutions, growing in size and income, with a significant regional presence and an estimated two per cent contribution to the region's GDP. There are two research-intensive universities, Durham and Newcastle, three new universities that were formerly polytechnics, and twenty-three further education colleges. The low level of R&D investment within the private and public sector has made the region heavily dependent on its universities for research. While all universities articulate the desire to implement regional engagement strategies, there is significant inter-university diversity in engagement strategies and emphasis.

The North East lags behind the national average in terms of higher education participation. The causes of low participation and attainment are complex. They relate to peer, neighbourhood and

intergenerational effects. While pupils in the North East perform at or above the national average in national curriculum assessments up to age eleven, at ages 11 to 13 lower attainment shows up in English, mathematics, and science. In addition, a significantly high proportion of the adult population by national comparisons has low levels of basic literacy and numeracy. The high level of worklessness, combined with low skills and low participation in higher education, sharpens disparities within the region.

In recent years however parts of the North East have experienced significant economic growth and a rise in confidence, optimism and pride, with the emergence of knowledge-based high growth technology companies, and regeneration, notably on the Newcastle-Gateshead riverside. As evidenced by the bidding process for nomination as European City of Culture there has been a growth in cultural resources, leading to an increase in visitor numbers and private sector investment and sponsorship. Still, the major economic weaknesses – worklessness, low entrepreneurship and low skills – remain.

1.4 The Structure of this Report

The next chapter sets the scene in terms of the national and regional policy arena. We highlight tensions within UK higher education and regional development, and ambivalence about the status of regions within current UK policies. We raise the question how regional engagement is to be managed within universities in the current UK higher education policy framework, and more particularly within a framework that emphasises so strongly excellence and world class quality.

In Chapter Three we focus on the problematic nature of 'the region' and the distinctiveness of the North East, while examining issues raised by notions of city region and by the Northern Way.

Chapter Four highlights the present key role of higher education in regional economic development, while Chapter Five focuses on wider approaches to development - the social, cultural and civic agenda. We attempt to give a broad sense of the scale and scope of regional engagement strategies and practices across the five institutions, while drawing out commonalities of approach.

Chapter Six considers capacity-building for regional cooperation in the North East. In the final chapter we provide a summary of conclusions for the region and for wider comparison. The OECD template notwithstanding, we do not offer recommendations for individual institutions.

The enthusiasm with which many groups engaged with the Review Team led us to issue a 'challenge' in a number of instances to draft short sketches of what seemed to us to be important initiatives illustrative of what the region's higher education has achieved, and from which other might take interest and ideas. All invitations met with a positive response. The resulting sketches, altered as little as possible, are available in the Annexes.

The Review Team borrowed the expression 'war stories' from Regional Steering Group Chair Peter Allan to convey the need for some collective recognition and celebration of coming through hard times together, of heroic achievements important to the region's sense of identity and pride in what is being achieved.

We end this introductory chapter with a caveat. Our report draws on interviews carried out during a week-long site visit in October 2005, on the findings of the North East Self-Evaluation Report, and using additional information provided to the Peer Review Team. Any review inevitably represents only a snapshot of an evolving process of development. This is particularly true in the case of the North East which, through a wide consultation process, has reached what became, in our shorthand for

expressing a key characteristic, a *maturity of conversation* which in an important respect sets this region ahead of others in England.

2. THE NATIONAL POLICY ARENA – AMBIGUITIES AND TENSIONS ABOUT EDUCATION AND ABOUT REGIONAL DEVELOPMENT

2.1 Whitehall and the Regions

England displays deep, not always well acknowledged, schizophrenia about its regions. In the late 1990s many powers in the highly centralised United Kingdom were devolved to the Scottish Parliament and the Welsh Assembly, with their respective administrations. These are developing their own styles of governance, with various policies and initiatives in higher education and elsewhere which appear to strengthen self-confidence, giving a sense of distinct national identity. Different pathways are being chosen and followed. It is too soon to judge long-term costs and benefits, but the changes appear irreversible.

English administration developed at about this time into nine regions, each with a Regional Development Agency or RDA; in this case One North East. Each has a representative of central government to coordinate national policies and affairs at regional level, known in our case as GONE, the Government Office for the North East. Both the RDA and the Government Office have strong ties and reporting accountability to central government, known familiarly and referred to here as Whitehall. GONE may be thought of as a watchdog for Whitehall. It is accountable to the Office of the Deputy Prime Minister, ODPM. However, the RDA is also strongly connected to Whitehall. It is accountable to and through the Department of Trade and Industry (DTI). The RDAs meet together at DTI in London every six weeks.

Despite its coordinating role, GONE does not enjoy the participation of all the relevant Whitehall departments. In particular, the Department for Education and Skills (DfES) has not signed up to the government's regional agenda, which is seen as driven by ODPM and supported by other central departments, especially the powerful Treasury. This is important for the role of education in regional development. DfES in effect owns and oversees two important arms-length delivery bodies for post-school education: the Higher Education Funding Council for England (HEFCE), and the more recently formed Learning and Skills Councils (LSCs). Although it cannot help having at least indirect planning and steering roles, HEFCE is not constitutionally a planning body. It must work within the framework of government policy mediated through DfES. This means that HEFCE may try to support regional diversity, including development strategies, but it cannot write these directly into its own strategic plan.

The Learning and Skills Councils (LSCs) work at a local and now increasingly a consolidated regional level to deliver a national skills policy, mainly through the further education sector with its further education colleges (FECs), of which the North East has twenty-three. This sector was reported as being in danger of becoming destabilised, and was in some disarray when our review was conducted, awaiting the Foster report that was to appear the following month. The LSCs are set with delivering to targets for national priorities which appear not to be drawn from and do not reflect priorities as seen from within the region. In particular, its currently required priorities are widely criticised for unintentionally weakening adult education and training programmes, including the widening of participation in higher education. These are priorities for the North East with its history of low educational attainment and a need to raise its skills base. A further national arrangement that

needs to be joined into regional economic and labour market needs is the more than twenty Sector Skills Councils or SSCs. The regional planning stage gets crowded with so many actors, yet not all those that should be there from Whitehall are, and many have to face in more than one direction, and satisfy different demands.

2.2 The Post-Referendum Vacuum

Following Scottish and Welsh devolution, ODPM led an agenda for greater devolution to the English regions. A key step would have been to replace unelected and poorly regarded regional assemblies drawn from local government and other nominated regional stakeholders by elected assemblies, in effect regional parliaments. Because the North East is the region with the strongest identity and distinctiveness it was chosen for the first referendum, in the expectation that a 'yes' vote there would lead to elected assemblies here first, and then progressively in other regions.

The 2005 North East referendum voted resoundingly against an elected regional assembly, leaving regional strategy in limbo at the time of this review. Within the region it is now unclear what should be the pinnacle of authority to drive regional priority setting and policy-making (we return to this in later chapters). Nationally there appears to be uncertainty and perhaps deadlock about where to go next with regionalism, which is anyway problematic because of different interests and policies between portfolios, and lobbying by interest groups outside government.

2.3 The Department for Education and Skills, and HEFCE

The Department for Education and Skills has shown little interest in regionalism. It has not bought in to GONE, although following the earlier active interest of a recently appointed Director for Higher Education within DfES[4], two DfES officers travelled to Newcastle to join discussions during the review week, remarking that this was a new interest for DfES, which was starting from a low base of knowledge. DfES is a crucial department for influencing or inhibiting a regional higher education development agenda. It could require HEFCE as well as the LSC more directly to support regional strategies, and to create and expand streams of government funding for higher education through HEFCE (currently totalling six billion pounds a year) towards regional growth strategies.

Despite its influential position HEFCE is not a policy-making body, and influences the sector by indirect means such as the funding of initiatives, within the broad policy steer of government through DfES. At present HEFCE is, formally speaking, 'region blind', although its widening participation strategic priority plays out locally and more regionally, as does the new Lifelong Learning Networks (LLN) initiative. Uniquely so far, the LLN proposal currently being approved for the North East covers the whole region, so reinforcing region-wide planning and collaboration; other LLNs are more local. In the words of its own Strategic Plan (quoted by Brickwood and Brown, 2005, p. 28, in looking at regional bodies) HEFCE is a national organisation but recognises the 'particular spatial geography' of HE requiring different levels of regional and local engagement'. HEFCE activities should therefore 'help each region meet the specific needs of that region's or area's students, economy and civil society', encouraging collaboration and supporting HEIs 'in working with a range of regional stakeholders'.

Ambivalence about the regions, evident in DfES with its strong national and schools orientation, at present enjoins HEFCE to be circumspect and indirect over HE support for regional development. It may quietly suggest to universities that collaboration over regional initiatives, together and with other regional partners, could attract support of the strategic initiative or infrastructure development kind,

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[4] A new DfES position created in 2004.

but it cannot be directive. HEFCE has developed a system of regional advisers, one for each region. The newly appointed adviser for the North East appears to be adopting a much more proactive and interactive role than the largely reactive and reciprocal reporting role seen hitherto. This is being extremely well received in the sector within the region. HEFCE is thus nurturing regional collaboration and partnership and, insofar as its constitution allows, working around the lack of a formal regional policy.

The Review Team recommends that DfES signs up fully to the regional agenda, joining in with the work of GONE and One North East, and requires HEFCE to provide firm direction and support for HEIs to contribute to regional development.

2.4 Other Costs of Ambivalence over Regionalism

If the 'Whitehall schizophrenia' remains a problem for the education sector, which perceives DfES as interested almost entirely with individual schools and their students in a national setting, it is a problem also for the region and all its stakeholders, as they try to work together for the region. There is a view that the region is lucky in the lead person (and staff) of its RDA; and that the RDA is good at working with partners across the board, and at bending streams of funding reaching the region for not well focused purposes, in directions more fitting to the priorities of the North East.

This applies especially to the important flow of European Community (EC) ESF and ERDF grants that have supported economic development and related efforts from the universities and further education colleges for some years. The imminent demise of these EC income streams challenges Whitehall to be clear and firm in its regional strategy: the North East is anxious to know how the end of EC income streams essential to sustaining regional development can be managed, and what Whitehall might put in its place. The Treasury is seen as the obvious key to this: will the policy of reducing regional economic imbalance be put into tangible effect? Or will the pressure and influence of the more advanced South East continue to prevent 'affirmative action' in favour of the North?[5] [6]

The Review Team recommends that Government give urgent attention to providing continuity of support where the widening of the European Union is leading to termination of Commission funds and where these are still essential to effective and productive collaboration of HEIs in regional development.

Finally, for the universities within the region Whitehall ambivalence plays out into their collective and separate institutional strategies. It places a heavy and ambiguous burden on university leaders, both lay (the Council and its Chair) and executive – the vice-chancellor as chief executive officer of a legally autonomous institution. Should they take seriously the calls for regional collaboration, even to the point of surrendering part of their institutions' autonomy to the common regional purpose and resource base? Or should they heed only the actual behaviour of the funding systems, and the allocations as well as the noises favouring 'world class' from the centre, addressing just international standing via research and overseas student recruitment as their best contribution?

This has the appeal of simplicity, and also of winning support especially from research intensive universities' own more traditionally research oriented academic staff. This schizophrenia applies however to universities from the 'teaching and regional service' ex-polytechnic tradition as well as to

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[5] This political and lobbying dimension leads us naturally into the Northern Way, referred to in the next chapter.

[6] The Treasury is also seen from a regional perspective as the key to higher education advice and policy-making within Whitehall government, rather than DfES or HEFCE.

those strong in traditional research. Serving the region in partnership costs time and complicates life. Universities are told to compete internationally, also but in the main less directly to work with and for their regions, and meanwhile to be successful businesses with a diversified income base. Being good 'regional citizens' costs time and money that cannot normally be recovered. It is an internal cross-subsidy. Vice chancellors do not want to be dictated to by possibly a narrow-vision regional policy; but they do need a clear message and policy framework if they are to lead their universities as responsible partners in a balanced way, while following a long-term institutional agenda in the public interest as well as running sound businesses.

2.5   Investing Adequately in 'Excellence'

Central government appears inseparably wedded to the unspecific language of *excellence* and increasingly, especially *apropos* research, of *world class*. This orientation supports the reality, and the no less powerful mystique, of the 'golden triangle' around Oxford, Cambridge, Imperial College, and University College London in the South East. The reality is demonstrated by the high proportion of competitive research assessment exercise (RAE) 'quality' HEFCE research funds going to the South East[7]. There is mystique in the very term *world class*, and in the fine Oxbridge reputation. In a blunt political sense great stress on 'world class' via the RAE tilts the balance against regions as such, and to the South East in practice. The Northern Way is a natural political reaction on behalf of the less advantaged North of England to general imbalance. The newly formed 'N 8' group is a specific reaction within higher education (see chapter 3 below).

Uniting rather than dividing the higher education sector is a shared view about the absolute and relative level of investment in higher education, which is described in the SER. OECD data show the UK level of investment to be relatively low. We gained the sense that Whitehall is divided over this complex and political matter. It is complex because higher education must compete within the education sector with early years, schools and vocational education (DfES is widely seen as a department for schools); and because public expenditure for education must compete with other spending departments. It is political because the UK seems ambivalent about its universities and their worth. If a public exchequer view prevails that more funds must derive from private sources (business and paying students), then universities feel that central government should at least enhance taxation incentive systems. If government wants high quality research *and* regional development via skills development and the co-production and application of knowledge, then it needs to improve public and aggregated spending on higher education and rise within the OECD tables.

The Review Team recommends that government keeps under critical review its overall investment in higher education, making reference to OECD norms, especially in terms of removing barriers and disincentives to full commitment to regional development strategies.

2.6   The Need for Strong Purpose and Sensitive Hearing

All this calls for public courage in central government to stand up to criticisms distinctive to English culture. The popular media are ruthless in attacking anything not seen as in the middle class interest: for example widening participation strategies for different minorities; participation targets for total intake into higher education; more inclusive curricula and qualifications for secondary education; unfashionable two-year foundation degrees to meet new skill needs. Getting involved in these things puts a university's reputation and recruitment market at risk in a hierarchically inclined society. It is made harder if ministers talk about universities in what might be called snobbish and elitist ways.

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[7] Also by a recent £50m Treasury grant for Cambridge-MIT collaboration outside normal procedures.

The government should make every effort to ensure that the language and behaviour of its members do not unwittingly undermine the valuing of diversity to which it is formally committed.

Finally, there prevails a different kind of schizophrenia. This is induced by one of central government's perceived great strengths in addressing priorities – taking initiatives to redirect development and resources towards ending serious weaknesses. There is enthusiastic support for social amelioration and economic development on the part of all those with whom we met, within and beyond higher education in the North East. There is also deep weariness about government short-term impatience, and the ineffectiveness of initiatives having unrealistically ambitious early targets that ignore the essential but difficult tasks of building trust and partnership, and enabling culture changes. Without this long-term change nothing will last. The view from the remote North East region at 'the other end of the telescope' is of a destructive succession of short-term initiatives. These take time to receive, understand and use. Their replacement wastes resources, undermining trust and respect.

The government needs to understand better the experience and hear more clearly the feedback of the North East as the region tries to carry out agreed economic and social policy intentions but finds avoidable operational frustrations obstructing its way.

3. REGIONS, THE BOUNDARIES OF THE REGION, AND THE DISTINCTIVINESS OF THE NORTH EAST

3.1 Regions – Managing Complexity

The region has become significant for policy planning and implementation in England, as it has too more broadly within and beyond Europe. There is keen interest in joining this OECD project from many of the OECD member states. Identifying one kind of region has become necessary in order to participate in some European Commission programmes for some member counties, such as Ireland, and for others interested in joining the EU, like Turkey. In federal systems such as the German, South African, Canadian and Australian, the province or state is already politically and constitutionally empowered, although these are not necessarily ideal for modern economic and social development purposes. This may raise questions about the relationship between different competencies held at central or regional province level. This in turn may affect higher education, where 'further', community college, or 'tertiary' institutions provide part of higher education but are funded according to criteria different from those for universities. Yet such problems can occur even without regional devolution, as between further and higher education in England. Scotland is combining the funding of these two sectors under a single funding council.

More broadly, the region is seen as a way of managing complexity and diversity by devolving certain powers, resources and responsibilities from the centre to regions. It is a way of trying to give effect to the diversity of development needs and circumstances that are recognised but not well accommodated between regions. The team noted that where responsibility for identifying development priorities and seeking investment is devolved, as to RDAs, there is a tendency for all regions to choose the same fashionable and high status arenas such as nanotechnology, digital design and parts of bio-sciences for research and R&D, without necessarily looking to the unique features and indigenous strengths of each. The absence of a strong central lead in combining national priorities with regional development that plays to complementary strengths within some kind of national master plan allows this understandable sameness.

3.2 Gaining from and Managing Breadth and Diversity

One feature of a strong regional policy would be guided complementarity. Each region would seek to have whatever it needs for its own balanced 'endogenous' development, as well as some distinct areas of great expertise which allow it to succeed on the world stage against other globally competitive knowledge economies. Ideally regionalism also nurtures 'community' commitment and involvement, attuning policy and investment to what local people know and value. It recognises the value of social capital as well as the infrastructure investment and human resource development more narrowly defined as the high skills agenda. It values social networks and works with them to mobilise local and regional energies, working with the grain of the history, politics and culture, as well as more obviously the industrial skill base, economics and geography of the region. It is instinctually oriented

towards participation and inclusion rather than adopting a 'command economy' approach (see also Chapter 5).

One test, albeit intangible, is the extent to which regional government secures support and buy-in from a very wide range of social partners, public, private and non-governmental, voluntary or third sector. A more tangible one on which we focus is the collaboration, buy-in and consequent contribution which the region draws from its higher education institutions. Our finding in the North East is on the lines of 'quite good, becoming better', with prospects of significant further gain as a result of what we came to call the mature conversation already taking place across the social partners in which the universities are centrally included (see Chapter 6).

Another important if also not always easily measured dimension has to do with the scope and meaning of 'development' to a region. Is this narrowly focused on economic dimensions, using familiar indicators such as inward investment, employment levels and productivity? Or is it seen also more broadly, as having to do with social as well as economic development, the quality of civil society, and cultural life? If so, are these seen in strictly utilitarian terms as functional underpinning conditions for sustained economic development? - or also as ends in themselves, to do with the quality of life, health and cultural wealth of the region, and so happiness as well as wealth? We see the universities of the North East as making a very substantial contribution in this larger sense; it is of course less tangible and measurable than what contributes directly to the region's GDP.

3.3 The North East – Strongly Separate and Different

In summary (see Chapter 1 above), we found the North East to be, as its reputation suggests, strongly and self-consciously distinctive, a self-aware region. It has a keen sense of former importance and glory, as a heavy industrial wealth producer, especially of Victorian and post-Victorian England. More recently it shared the experience of devastating de-industrialisation of heavy iron, steel, coal and ship-building, and contraction of the Teesside chemical industry. Its distinctiveness is accentuated by clear physical as well as economic geography. There is little confusion of boundaries: the North East is remote from London, separated from Scotland by wide tracts of fine countryside, but linked by a common sense of disadvantage with England's two other northern RDA regions.

London does indeed seem far away. We have signalled above a need for Whitehall metaphorically to get closer to the more remote regions; there is a sense in the North East of incomprehension in London, for all that influential government leaders have constituencies in the region. The North East is perhaps more introspective than truly inward-looking, frequently researched and reviewed by national and other authorities. Such scrutiny could cause neurosis, but on balance it appears to have created a level of self-knowledge and capacity to reflect as a region which sets it apart from the other English regions.

In other words the North East offers a model for less distinct and less well developed English regions to learn about collaboration for development; and for other universities to learn from those in the North East with their increasingly well exercised capacity to work with each other and with the other social partners. The region's 'mature conversation' is like no other in England, perhaps more closer approached in Wales and Scotland. It probes deeper into broader social issues beyond the tightly economic. It tends to take a rather long view. Universities are well aware of the direct and hidden costs (as well as latent benefits) of being 'good citizens' in the region. They proceed with their eyes open,

The Review Team recommends that arrangements be strengthened, perhaps via both ODPM and HEFCE, for still greater sharing of collaborative experience in regional development involving HEIs.

The 'conversation' here includes the universities being seated at regional 'high table' (see discussion of the Regional Economic Strategy in the next chapter), to the point where they are seen as a vital asset for the region to move forward, if not indeed the most vital. They have learned to work together through, by English standards, a strong and well trusted regional association, Universities for the North East (Unis4NE), which inherited years of cooperative groundwork by a predecessor body called HESIN. Competitive pressures notwithstanding, we see the universities in the North East with their high quality leadership and hard-earned local respect as poised even to pool some elements of their highly valued autonomy and separate resources, in order to win more facilities for themselves and for the common good of the region by working together. The region is still comparatively disadvantaged and hampered by virtue of its lost heavy industry legacy. The need, present everywhere, is very acute here.

3.4   City Regions and Contest within the North East Region

For all its distinctiveness as an administrative region with a clear identity, the North East still raises questions of wider generic interest about regions. *The region* still needs to be 'problematised'. There is a well established scholarly planning discourse about city regions, their capacity for innovation and the importance of and for them of the 'creative classes' as characterised by Richard Florida. Recently a UK minister, David Miliband, has adopted the idea of the city region as the natural focus and vehicle for competitive economic growth. In the North East this tends to favour the development of two industrial metropolitan sub-regions which have had the benefit of development corporations and strategic investment. The larger and more prominent, confident and successful of these is the Newcastle Tyneside and larger Tyne and Wear sub-region; the smaller, and the one hoping to continue attracting European Commission development funds because of its economic disadvantage, is Teesside, to the south.

The city region approach thus tends to divide the region, inviting sub-regional competition rather than region-wide collaboration. It also sharpens another question about intra-regional competition: what about the more remote and rural regions even within the nationally remote North East, notably rural areas without a university in their area? Despite the strong and distinct identity, history and culture of the North East, the boundary to the South is ill-defined for Teesside, which serves and draws from the northern (North Yorkshire moors) part of the Yorkshire and Humberside region. An earlier iteration of the region had the North East as part of a northern region including Cumbria, one expression of which was Northumbria's presence for a while in the new Carlisle campus from which it subsequently withdrew, Cumbria becoming instead a part of the North West region. There are some continuing regional links across the far north of England that a stronger 'great northern' Northern Way affiliation could yet reinforce.

The question of intra-regional privilege, competition and marginalisation was raised in our discussions from the point of view of the over twenty local authorities that would like – and to some extend do have – direct relations with parts of different universities. Only a few have a university presence in their own authority area. They may be threatened and further marginalised if sub-regions loom larger within the present more unitary regional arrangements. Overlapping this is the role played by intermediaries and brokers coming between universities (or larger government authorities), local authorities and their locality communities. We talk about the important part of intermediaries later in this report (see Chapter 6).

3.5   The North of England and Northern Way

As well as looking at the sub-regional level we were also forced to consider a higher level of regionality. This was made necessary by the recent, mainly political, response of the North of England in its efforts to counter the continuing competitive advantage enjoyed by the rest of England, and especially – also especially for the universities – by the South East including London. The response takes the form of the Northern Way, which draws together three RDA regions, the North West and Yorkshire and Humberside, as well as the North East. As the North East Territorial review study by CURDS points out (CURDS 2005 p. 103, see also the Northern Way's *Moving Forward* business plan for 2005-2008) development thinking in the Northern Way tends to focus on its eight city-regions housing 90% of its people, economic activity and assets. The North East cannot but be part of this development, but given the primacy of Manchester and Leeds its involvement is not unproblematic.

Within this larger region the eight traditionally strongest universities across the North have formed a consortium knows as the Northern or N 8. They include, from the North East, Durham and Newcastle, together with Leeds, Sheffield and York to the south and Lancaster, Liverpool and Manchester in the North West. N 8 was strongly featured in *The Times Higher* August 5 2005 with the lead story ('North flaunts strengths') and the main leader ('Northern lights brighten sector'). At about the time of the review visit, the N 8 appointed a chief executive officer, attracted there from the University of Cambridge. The size and critical mass of this new consortium mirrors that of the Northern Way itself, since the collective research weight of the eight (the predominant currency in this competitive national-regional discourse) promises, if common purpose can be sustained, to shift the historic English North-South imbalance that has consistently benefited the latter. On the other hand the very creation of an 'elite' group of eight proves divisive to the more applied universities in the same great northern region, and may introduce a similar tension within the generally harmonious North East.

It is the view of the Review Team, therefore, that the Northern Way and N 8 developments present problems as well as opportunities for the universities of the North East, dividing them 2:3 on familiar research-intensiveness lines, and cutting across the strong North East partnership. The North East itself could scarcely not be a part of the Northern Way, yet it is geographically more remote and separate than the two larger regions adjacent to each other. The new alliance may prove to have the political weight to alter 'Whitehall behaviour' apropos regional imbalance in general, and the funding of universities and their research in particular.

As in the often over-simplified choice that is postulated between being local and regional on the one hand, or international and 'world class' on the other, it would be a false choice to suggest that it has to be either the 'greater north' of the Northern Way or the North East. Every university in the North East considers itself to be in and of the region, with neighbours to enjoy working with and a civic duty to perform. None would be willing to turn its back on a wider, international as well as national, identity. Each is proud of its international work and partnerships. Each is lucid about the ways that this work brings direct and tangible benefit to the region through teaching at different levels, research and partnership, job creation, inward investment and general cultural and economic enrichment. This is demonstrated as forcefully by Northumbria, Sunderland and Teesside, as boxed exemplars later in this report illustrate, as by the longer established universities with their higher international research profiles.

Likewise, the idea of and the energy likely to be tapped and released by city-region perception and planning will not go away. It too requires reconciliation and balance with what will probably remain the 'core' regional identity of the North East. This English case study thus illustrates a wider

proposition: that *the region* is not an unproblematic entity, but one that calls for flexible imagination, and the capacity to tolerate parallel realities in a generous and opportunistic way.

The Review Team recommends that the North East region be active in but also alert to the possible tensions inherent in operating at Northern Way as well as city-region levels; and that the universities of the North East, in participating in Northern Way level ventures, do not destabilise the good relations that are already bringing benefit to the North East. Northern Way as a larger region offers critical mass for a wide variety of specialised ventures for which the North East region may be too small.

4. THE ROLE OF HIGHER EDUCATION IN REGIONAL ECONOMIC DEVELOPMENT

4.1   The Decline of Manufacturing Industry

It was indicated in Chapter 1 that the North East used to be one of Great Britain's main industrial centres over a long period. Industry was based mainly on coal mining in Northumberland and Durham, shipbuilding and heavy engineering in Tyne and Wear, and steel production in Teesside. Since the mid-1970s governmental financial aid for these traditional industries has been declining at a rapid pace, so the already falling number of employees in shipbuilding, coal mining, and heavy engineering had been decreasing dramatically from then on. Regional policy reacted very early to the decline of traditional industries, since the North East became one of the first 'depressed areas' in the country in the early 1930s. Measures from then on were aimed at attracting inward investment. The loss of jobs in traditional industries was partly compensated for by attracting branch plants. In addition, the service sector could compensate for part of the male job loss, although women particularly were employed in this sector. Furthermore, the service activities consist mainly of government administration and retailing, which created in particular low-wage and part-time employment.

With the decline of traditional industries the region lost economic control, since the branch plants attracted are externally controlled. On the other hand the previous mono-structured production was diversified as several new industries were attracted, but the size of the branch plants remained relatively large. This impedes the economic flexibility of the region. Further, because of the increasing number of branch plants the North East lost research and development activities and with it innovative potential oriented towards product innovations. The loss of economic control was also responsible for the North East lagging behind in high-grade production oriented services, such as financial and business consultancy.

The North East possesses few potential customers for such business-to-business services. In addition, the regional economy of the North East has suffered because of the over-representation of externally controlled branch plants and the under-representation of innovative SMEs. Firms have few material links with other firms in the region, thus a network economy only exists to a limited extent. This partly explains why regional policy-makers and researchers recently had major difficulties in identifying clusters that could be supported by the Department of Trade and Industry. Furthermore, firms are faced with a peripheral location, the lack of public research centres in the region, the brain-drain of graduates and the dearth of an enterprise culture, as the relatively small number of business start-ups shows.

4.2   The Response to Economic Decline

The North East of England has a long tradition of solving economic problems by attracting inward investment. As traditional industries suffered early from a decrease in demand, action was needed during the heyday of the traditional regional policy, the 1960s. The aim was to reduce regional economic differences by bringing work to the people. Since the mid-1970s expenditure for regional policy grants has been cut, but some other activities of central government and institutions emerged in the North East instead.

First, central government increased its efforts in improving the situation in the inner cities. Urban policy was equipped with more financial back-up and Urban Development Corporations were installed in the cities with the severest manifestations of urban decline, such as Tyne and Wear. These corporations aim at the promotion of physical development of the inner cities through subsidies for property developers. They are more focused on housing, retailing and leisure activities than on rejuvenating the local and regional manufacturing industry.

Secondly, some new organisations set up in the North East during the late-1980s were partly supported by the central government through quangos – quasi-autonomous, non-governmental organisations. The Northern Development Company was one of the most important institutions within the 'economic development industry'. This company, which started work in 1986, tried to attract inward investment by improving the image of the North. Additionally, it had an important lobby function and devised initiatives to support indigenous firms and authorities. Until the end of the 1990s, the Company received much less financial backing from London than did the Scottish and Welsh Agencies and the Tyne and Wear Development Corporation. Hence, it was not able to co-ordinate regional economic development initiatives very well. This situation improved in 1999 when the Northern Development Company became part of the larger organisation called One North East, one of the nine English regional development agencies established by the UK government.

Thirdly, technology policy aimed at raising the innovativeness of SMEs has become increasingly important. The Enterprise Initiative and later many other aid schemes of the Department of Trade and Industry tried to support innovative SMEs by providing financial investment grants and financial support for business and technological consultancy. In addition a country-wide network of Regional Technology Centres was created to foster technology transfer between institutions of higher education and firms in the regions. These centres advise SMEs on technological problems of all kind and often refer firms with specific questions to professional organisations. Financial aid for technology transfer, though, has been short-term.

There have been a few attempts to set up science parks or technology centres in the North East. As the examples of the Sunderland Technology Park and the Offshore Technology park show, it is difficult to fill these parks with innovative SMEs. A more recent example of a science park is the NetPark linked with the University of Durham. Sunderland's efforts at regeneration with the university playing a central part are featured in box 1 below.

Box 1: Regeneration of Sunderland as a Knowledge Economy City

Sunderland and its University have a history of enterprise, innovation and adaptability to changing circumstances. In the 1940s and 1960s Sunderland was the largest shipbuilding city in the world. During the next two decades it underwent a devastating de-industralisation: The last shipyard and mines were closed at the end of the 1990s. After the disappearance of the traditional industries the local economy transformed into the car industry cluster with Nissan as a key player. More recently knowledge-intensive computer and media related activities have helped to diversify the local economy.

The University has played a key role in supporting each of these transformations. Moreover, it has actively engaged in the regeneration of the city by building a new campus on the site of the former shipyard. Sunderland now recognises that the University is making long term changes in the city by bringing about a new entrepreneurial culture.

For more detail read the fuller case (1) in the annexes.

Recently, Newcastle, the largest city in the region, has received science city status, which means that it is earmarked for support to develop science and technology facilities (see text box 2 below).

Box 2: Newcastle Science City

The Science City Newcastle project is a response to the Government's decision in 2004 to designate Newcastle, together with five other cities in the UK, as a Science City. This multi-million pound project aims at developing both pioneering scientific research and knowledge-based businesses in areas such as nanotechnology, bioscience and molecular engineering at a number of sites in the city, among others the former Scottish & Newcastle Breweries site. Within five years it is estimated that up to 100 new companies could be set up and up to 5,000 new jobs will be created. Three organisations, Newcastle University, Newcastle City Council and One NorthEast, have formed the Newcastle Science City partnership, which leads the initiative. The project also aims at involving other universities, such as the University of Durham, and the University of Northumbria.

For more detail read the fuller case (2) in the annexes.

Both the emergent 'economic development industry' and technology transfer offices in the North East of England consist on the one hand of centrally-led organisations, and on the other hand of spontaneously appearing regional organisations, which often lack adequate government aid. Although the multitude of organisations and the lack of a regional elected body bear the dangers of too much overlap and too little co-ordination and transparency, the situation has improved since 1999 due to the establishment of a more powerful regional development agency.

In a spatially wider perspective, there have been recent attempts to increase political power and critical mass by inter-regional co-operation in the larger area of North of England, through the Northern Way, an initiative led by the three Northern Regional Development Agencies, namely Yorkshire Forward, Northwest Development Agency and One North East (see also Chapter 3). This is focusing particularly on the eight city regions in the area, of which two, Tees Valley and Tyne and Wear, are located in the North East. One of its ten investment priorities, to 'strengthen the North's knowledge base: drive innovation', has a strong university component (see also Chapter 3 on the Northern Way and N 8).

4.3   Recognising and Developing the Role of the Universities

Given recent spectacular cases of disinvestment and out-migration of foreign companies to low cost locations in other countries, the absence of public research establishments, and the low levels of R&D in the private sector, HEIs are increasingly seen as _the_ important contributor to the innovativeness of the regional economy. In the following paragraphs the role of the universities in this process is critically analysed.

Despite this relatively small direct contribution to the regional economy, there are big hopes and expectations that the universities will expand their role, as has been demonstrated in a number of research projects and regional strategic documents in the last decade. In fact, due to the engagement of a number of academics in the field, the North East is one of the best investigated regions in Europe.

The North East of England was one of the first regions in Europe that benefited from the European Regional Innovation and Technology Transfer Strategy Programme to support co-ordination in innovation and technology transfer policies. Since the project was not well managed by the Northern Development Company, however, it cannot be regarded as a success. Later on the region was researched in an EU Framework 4 Programme research project, UNIREG, which influenced the current OECD project.

An important change took place at the end of the 1990s after the Labour Government came into power in 1997 and new regional development agencies were set up. The Northern Development Company became part of One North East with more financial means and broader responsibilities. Like the other English regions, One North East was required to develop innovation action plans as part of the Regional Economic Strategy.

One North East's first and second Regional Economic Strategy, *Unlocking Our Potential* and *Realising our Potential*, had a particular focus on universities as a mechanism to support a knowledge-based regional economy. 'Placing universities and colleges at the heart of the Region's economy' was one of the six priorities in both reports. The idea was developed to tackle the existing weakness in R&D by setting up so-called Centres of Excellence. In the third Regional Economic Strategy, under review during the time of the review visit, universities do not represent a separate priority or chapter, but are embedded in all priorities.

Crucial in recent times was the report commissioned by One North East from Arthur D. Little, *Realising the Potential of the North East's Research Base*. This reviewed the research base in the North East in relation to the needs of the region's key industries. As a reaction to the report One North East produced *Strategy for Success* which forms the basis for current regional innovation policy in the region. On the basis of that report, a Science and Industry Council, a regional exploitation agency, NStar, as well as five Centres of Excellence were established: the Centre of Excellence for Life Sciences, the Centre for Process Innovation, the New and Renewable Energy Centre, the Centre of Excellence for Nanotechnology, Micro and Photonic Systems, and the Digital Centre of Excellence. Recently, One NorthEast undertook a review of the centres, and decided to identify the first three centres as centres with the greatest potential for future growth. The other two centres fulfil an underpinning and complementary role. The Digital Centre of Excellence has shown that these centres can play a role in attracting R&D-oriented foreign direct investment (see text box 3 below).

Box 3: DigitalCity – from Hyderabad to Middlesbrough

DigitalCity is a project strongly supported by the University of Teesside to diversify and modernise the mono-structured local economy of Middlesbrough which is based on the steel and chemical industry. The aim of the project is to foster a fast growing, high-level economic base in the digital technologies sector, with a world-class reputation for creativity and innovation. DigitalCity draws from a set of expertise in games technologies, virtual environments, digital media, design and animation, all supported by industry-linked research and development. Every year over 900 students graduate from the DigitalCity study programmes.

DigitalCity aims to create 130 new businesses and more than 300 more jobs by 2010. Recently Nisai Learning Ltd, part of the Nisai Group, relocated from Hyderabad to Middlesbrough. The company had found that their staff in India were continually being poached by big name companies, and decided to relocate to Middlesbrough. Key location factors in favour of Middlesbrough were the right combination of graduate skills, R&D, and last but not least the local determination to support business.

For more detail read the fuller case (3) in the annexes.

The centres of excellence and their efforts to support spin-offs are mainly based on existing technological competence in the region. Universities, however, have recently also played a role in encouraging the emergence of fairly new areas of economic activities, such as creative and cultural industries, which have been growing dramatically in importance (see box 6, Chapter 5). According to optimistic estimations this sector now employs around 59,000 people in the region, a number that has almost doubled since 1999, when Newcastle Gateshead was identified to develop the region's bid for

European Capital of Culture. The sector outnumbers by far, for instance, the automotive cluster which has around 14,200 employees.

One of the most successful initiatives taken by the universities through Unis4NE is the Knowledge House, a project aimed at overcoming the barriers between SMEs and universities (see box 8 in Chapter 6).In addition to Knowledge House and other technology transfer initiatives mainly aimed at supporting existing manufacturing industries, the recent initiative of the North East Productivity Alliance is a good example of how the universities can help to upgrade productivity which in turn keeps production plants in the region (see box 4 below). Among other companies Nissan has been benefiting from this alliance. The headquarters of Nissan threatened the Sunderland factory to produce a new model elsewhere in plants with lower production costs but, partly due to the Alliance, productivity was raised and the production of the new model secured.

Box 4: University Led Regeneration through the North East Productivity Alliance – NEPA Project

NEPA is a regional alliance of industrialists, academics and government agencies. Established in 2001, it aims to take forward the North East region's manufacturing strategy by improving productivity and competitiveness. The NEPA programme covers four projects including NVQ Workforce Development, Best Practice Improvement Engineering (supported by Industry Forum), Digital Factory, and Engineering Fellows. NEPA is based on the principle of responding to the needs of industry. It has delivered improvements to over 300 firms in the North East. Agreement from Nissan Motor Manufacturing UK Ltd to champion NEPA has been critical to its success. The opportunity for other North East firms to benefit from the collective experience of Nissan and others has proved compelling. Nissan, on the other hand, benefits indirectly from upgrading of its supplier firms in the region.

The University of Sunderland delivers 50% of NEPA's programmes with participating firms. It has gained recognition for its role in helping to facilitate NEPA by seconding and/or recruiting experienced staff in collaboration with industry. The outcomes of NEPA include 5,000 Level 2 engineering based NVQs gained by manufacturing staff, 2,500 Design Engineers trained in digital factory tools and techniques and eight industry-led research projects.

For more detail read the fuller case (4) in the annexes.

Since the end of the 1990s the role of the North East universities in both formulating and implementing regional innovation policies has been significantly strengthened. Universities play their role in four ways: by boosting R&D and technology transfer in areas of existing technological competence in the region; by increasing skills and human resource levels, both training young graduates and employees who take further training courses, and encouraging the genesis and development of new creative and cultural industries in the region; and thereby helping technologically to upgrade more traditional manufacturing activities in the region, so that they do not relocate to low cost countries.

Nevertheless, as documented in the Self-Evaluation Report, a large group of SMEs in the region remain sceptical about the role of universities in supporting them as players in the regional economy. Unfortunately this aspect could not be explored exhaustively during the visit, since that group of firms was not represented among those interviewed.

4.4   Recommendations

The role of universities in supporting the regional economy of the North East is on the increase. Yet the Review Team cautions against too high expectations about their role in solving the structural problems of the region. This might lead to the same kind of fallacy that the region got into in the 1980s, when it tried to solve its structural problems by attracting foreign direct investment. The universities can certainly play a more stabilising role than foreign direct investment did, since this puts a stronger emphasis on developing endogenous potential in the region. At the same time, however, expectations should be tempered, since universities can, in most cases, only trigger off development processes.

Despite the growing involvement of universities in regional economic development, the North East still lags behind other regions in England with regard to most socio-economic and innovation indicators, such as gross value added per person (75% of UK level), unemployment (6.7% vs. 4.9% for Great Britain), proportion of self-employed (7.4% vs. 11.5% in Great Britain), business start-ups (19 start-ups per 10,000 population against 37 in Great Britain), employment growth (+5% from 1992-2003 against +13% in Great Britain), qualification level (15% of population with level 4/5 against 20% in England) and R&D expenditures (0.5% of GDP spent by businesses compared to 1.2% in the United Kingdom).

During the review visit the Peer Review Team was not made aware of systematic efforts made to link internationalisation strategy to regional engagement.

In order to strengthen the role of universities in boosting the regional economy the Review Team recommends making better and more effective use of the international links that universities have with both international research networks and foreign alumni.

Although the strong dependence on foreign students, for example from East and South East Asia, might put the universities in a vulnerable position in the long run, international links also create opportunities for foreign direct investment from alumni now working in large, expanding enterprises abroad. Full advantage should be taken of the universities' global (alumni) networks to attract foreign direct investment to the region, and to publish role models of such cases.

Linked to the issue of benefiting from international links of the university are international city and regional partnerships. During our visit to the North East we heard little about international partnerships, but related to the first recommendation

The Review Team further recommends that the region co-ordinate international partnerships for the benefit of the region. The region should strategically link up with a limited and focused number of co-located partner cities, regions and universities. This might, via alumni, business start-ups, trade links and foreign direct investments, contribute to the emergence of transnational communities.

These co-located partnerships should ideally be with regional economies from which the North East can learn, and which will lead to upgrading the regional economy of the North East. Due to these co-ordinated, co-located partnerships, interregional institutional learning can be boosted between universities, between city councils and between regional authorities or development agencies. Moreover, mutual economic upgrading can result from investments, trade links and technology transfer that take place within trans-national communities. A famous and well-studied example of such a mutually benefiting transnational community is the one between Silicon Valley in the USA and Hsinchu Science Park in Taiwan.

The somewhat *ad hoc* character of these policies in the past is partly caused by the changing policy directions of central government, partly by the lack of follow-up to previous exercises and research on regional innovation policies and the role of universities. The North East region is well researched in respect of regional innovation policies and the role of universities.

The Review Team recommends that the region strives for more continuity in regional innovation policies. We recommend that policy makers and other decision makers in the region achieve more continuity by building innovation policies on previous exercises and analyses, thereby more fully exploiting what has been discovered, enabling the North East to become a more effective learning region.

5. WIDER APPROACHES TO DEVELOPMENT

5.1   A Balanced Perspective

Although regional development tends to be thought of almost entirely in economic terms, the OECD project briefing notes and report templates suggest a wider interpretation. The Review Team were surprised by the extent to which wider and longer term views of development did feature in discussions; more so perhaps than the relevant chapter of the SER led us to expect. That SER chapter on approaches to development describes the several dimensions and areas of wider development as being extensive and multifaceted. It refers to physical aspects – campus and community neighbourhood regeneration - health and social care, collaborative research for community benefit, student community action, cultural development, and sport. Towards the end of the SER the catalogue of development seems to dissipate into a more fragmentary listing that touches on the environment, social inclusion (mainly through particular courses), business and community service.

Arguing for a sense of perspective, the author of the North East SER suggested (personal communication) 'that many parts of Europe have still to take the IP commercialisation route seriously, yet the universities have made immeasurable inputs to the evolution of European thought, democracy etc etc.'

Turning to the question of resources which we refer to below, he added: 'I remain convinced as do most of our regional stakeholders that the growth of the universities in the North East has made a dramatic impact on the culture of the region (culture in the wider sense). And this is not all due to EU funding. We need to get a sense of what can be expected as a natural outcome of having a university, what can be built through sensible local thinking without resources, and what can be done if additional resources are available.'

This chapter reviews the attitudes and practices of the region's universities in relation to these broader dimensions of development, both as means to economic progress but often also as ends in themselves, or as relatively intangible underpinnings to sustainable economic development measured for example by inward investment, productivity, employment and skill levels.

5.2   Wider Aspirations – and their Costs

The Review Team did not have the opportunity critically to explore everything in the SER catalogue, although some powerful examples were encountered (see below). A holistic impression from several meetings was that in general the HEIs and their leaders hold a wide, coherent and quite visionary view of the role of their universities in nurturing and supporting regional development in a balanced and sustainable way, as good 'regional citizens'. The language of partnership, including diverse social partners, and of valuing and building social capital in the region, featured more strongly than might have been expected.

Mission statements and aspirations notwithstanding, however, it was also vigorously represented to us that the longer term and less tangible contributions which have to do with identity, culture, social inclusion, quality of life and the strengthening of civil society did not attract grant support in the way that this is typically available for teaching and research, and increasingly for innovation and business reach-out. Being a good 'regional citizen' was experienced as more like a self-inflicted public duty, to be financed or cross-subsidised by the institution out of other income earned for teaching, research and knowledge exploitation. We were firmly reminded more than once that vice chancellors are chief executives, accountable to governing bodies that are in turn charged with scrutinising successful business operations in tight financial times. This reality, not any failure of vision, will or imagination, sets limits to what 'good citizenship' can be afforded.

Noting the important contribution that universities make to the wider and longer term social, cultural and civic development that underpins and sustains economic development The Peer Review Team recommends consultation between relevant national and regional authorities in England (including especially regional Government Offices and RDAs) about ways of financially supporting these dimensions of universities' regional mission.

We make this recommendation in the recognition that wider approaches play the two parts mentioned above: they are of direct quality of life value in themselves if they result in a better nurtured environment, healthier and happier people, pride in being part of a vigorous and optimistic community in a beautiful location; they are also of indirect economic benefit since without confidence, a sense of one's own and community integrity and identity, one's culture and a viable future, not to mention good health and a clean, safe environment and living conditions, economic success may prove to be unattainable or short-lived. The universities of the North East displayed at the most senior and at operational levels what appeared to the Team to be a clear and widely shared sense of this civic role of the universities. Intangible as it may be, the Review Team judged this to be a vital factor in the successful regeneration of the North East region. The central role ascribed to the universities by the RDA and many in the business community provides an opportunity for HE to contribute strongly in this way, so long as there are minimal resources to finance that mission.

The direction of this discussion takes us back to the role of central government and its grasp of the nature of regional diversity. Narrowly defined output targets within short time frames to which HEI income is then tied militate against building the social as well as economic infrastructure on which sustainable (and measurable) development is based. By virtue of using comparative and often competitive indicators for national purposes they also militate against the kind of regional diversity built on different endogenous strengths and assets which provides an underlying logic for decentralisation. Appreciating this as it is seen within the country's most remote region is the first step towards genuine diversity, and away from the common complaint that all regions, through their RDAs, want just the same four or five things as do all the others. One approach that has apparently gained resonance and some purchase with DfES is the 'wider benefits of learning' approach which at an individual level has been explored through research based in the London Institute of Education and is often officially cited. The same appreciation of wider benefits at regional and community as well as individuals level will assist long-term development in the North East.

5.3 Social Inclusion and Wider Participation

A CURDS report prepared for the OECD Territorial Review (CURDS 2005) notes that the North East is well below the national average for educational attainment, and that the performance gap widens at tertiary compared with school levels. The gap is wider in literacy and numeracy, including adult literacy. Historically, low labour market demand has held back rather than driven up demand for investment in higher education. On the other hand the region is characterised by high levels of kinds of

social cohesion arising from strong homogeneity and 'a distinct lack of confidence that people from different backgrounds get on well and respect each other', offset again by the fact that a high proportion of people feel a very strong sense of local belonging. Despite old-fashioned community strengths, formal civic participation is low. The region thus has traditional strengths to build on; but these are also obstacles to openness in a changing global environment (CURDS 2005 63, 70). It is evident why a sensitive long term 'cultural' approach to development is necessary.

Given the region's historically low levels of educational performance, the most tangible and widely shared area of broadly social endeavour has to do with educational participation and attainment. The Review Team met with people from all universities and from local administrations, on the subject of widening participation in higher education. There is keen support for the Widening Participation agenda, and appreciation that it is an explicit and funded priority for HEFCE, tempered by disappointment that the trend in LSC policy and priority pulls away from this access agenda. The national AimHigher programme is achieving modest but tangible gains in a tough area. It seeks to build deep and sustained links between different levels of educational institutions, especially schools and universities, in order to raise aspiration in predominantly working class communities and neighbourhoods where going to university is virtually alien and unknown. Central to this and other HE efforts is changing the culture and raising aspirations in traditional blue collar communities, while at the same time seeking also to persuade the dominant SME part of the private employment sector that graduates can be an asset to their firms. Given the absence of strong labour market demand for graduates generally (as distinct from particular niches of expertise) changing attitudes and culture are central to W/P, and beyond that to social inclusion and holistic development.

Different universities employ different techniques to raise their profile with 'non-traditional' learners and their communities. These include partnership with further education colleges, 'soft' and non-threatening access and engagement strategies to do with sport and culture (see below), and student volunteering participation in community activities that has a direct educational purpose for the students, as well as a wider community inclusion intent.

Each of the universities, despite their different identities and histories, sees this broader, socially purposeful, community engagement as part of their mission and work. The form that it takes depends on the character and location of the university, and on the particular socio-economic and regeneration needs of the city or sub-region. For Sunderland it relates to the regeneration of the Wearside area devastated by industrial (especially shipbuilding) collapse; for Durham to areas of deprivation and exclusion in and around the city as well as to the new Queen's College campus at Stockton; for the two Newcastle universities to regeneration of the deprived West End and other parts of the city as well as the wider region (for Northern Rural Network see box 9 in Chapter 6).

Teesside has taken a particular approach to, and responsibility for, access throughout its sub-region, working in strong sustained partnership with further education colleges (see box 5 below).

Box 5: Better than its Image – Tackling Inclusion in Teesside

Teesside, originally a new opportunities university, has made widening participation and developing good local relationship in and around Middlesbrough central to its mission. It is also the leader of a partnership with eight further education colleges known as the Higher Education Business Partnership (HEBP). Now twelve years old, the HEBP consortium is both strong and stable. It has developed a collaborative strategy to meet the needs of disenfranchised learners in innovative ways, tackling the deprivation of the area. A key to its success is the full participation of the colleges, a transparency of operations, and the mutual trust this has built up over time.
For more detail read the fuller case (5) in the annexes.

As this case and others demonstrate reflecting a common theme in the Review, all HEIs in the North East are aware of the risks attached to changes in national policy with respect to widening participation, especially apropos HE fees and the priorities of the LSC. On the other hand, no university in the region sees a conflict between its access W/P mission and being a high quality global player, as other boxed case studies in this report show, except insofar as there is pressure for internal cross-subsidy, taking research funds to support community access outreach ventures.

At the time of the Peer Review visit, it was learned that the region-wide Lifelong Learning Network (LLN) that had been proposed to HEFCE in response to a call for interest in this major new initiative was on course for formal approval and funding. That this is a region-wide approach reflects the capacity of the region and its HEIs to work together, and to work with FE, which is essential to the LLN strategy. The immediate focus of these networks is on age 14-19 vocational pathways into HE, but as the name implies the ambition is also much larger. Through many of our meetings we heard about the sheer time-consuming volume of overlapping meetings that were required in order to keep up with initiatives and opportunities for often small amounts of development funding. The network is both welcomed as an imaginative new opportunity and looked on with some doubt as adding yet another set of meetings with much the same purposes and much the same already busy brokers, stakeholders and boundary-spanners.

Realistically, a region-wide LLN will have to operate through overlapping subgroups based on locality, with open boundaries and shared credit progression systems.

The Review Team recommends that the North East Lifelong Learning Network be developed further in this way, building on the excellent work already being done towards widening participation at local and sub-regional levels; that every effort be made through the LLN to rationalise and reduce the number of distinct initiatives and processes which compete for scarce time in administration, audit and coordination; and that it and HEFCE take a broad and inclusive view of the role of the network for <u>*lifelong*</u> *learning and participation.*

5.4   Culture

Cultural development is here understood in the more familiar sense in which Newcastle-Gateshead competed, unsuccessfully but with well recognised incidental benefit, to be named European Capital of Culture for 2008. The bid demonstrated and enhanced the capacity of the region and its universities to work together to celebrate and add to the region's cultural assets. To older world-famous assets such as Durham Cathedral and city centre, and Hadrian's Wall running north-west from Newcastle, may now be added the strategically placed Angel of the North statue, and above all the renovated Gateshead-Newcastle riverfront with the Baltic, the Millennium Bridge, and now, officially opened by the Queen, during the Peer Review visit, the Sage Gateshead music centre.

Each HEI takes pride in contributing to cultural assets and development, including Sunderland which with its superficially unprepossessing legacy of run-down dockyard and mining takes pride in its ancient lineage, its waterfront renewal and its world renowned glass centre. The Newcastle HEIs were important to the City of Culture bid and both emphasise their contribution to the cityscape of Newcastle as they renovate, reorient and add to their facilities. Newcastle University in particular is seeking to 'turn its face round' to engage directly with the city centre, opening up its performance and museum facilities for public benefit and supporting the Centre for Life which, like the Sage Gateshead, is a venue for academic work – teaching, research and extension. Each of the universities identifies a range of specific cultural teaching, outreach, performance and sometimes research activities in the areas of fine and creative arts that serve the region as well as the university and its students.

The Review Team was captivated by a meeting with the Unis4NE Culture Committee comprising representatives drawn from all the universities as well as local government and others involved in culture and the creative industries to discuss the arts, creative industry and media. All six HEIs have strength in one or other areas, and all offer opportunities looking outward to community and region as well as to their own registered students. The meeting, held at the Sage music centre, modelled inter-institutional collaboration, university-community partnerships, and the creative and entrepreneurial energy that such networking collaboration can produce. A case study was prepared for this report, as a result, to a 'challenge' arising from this meeting.

Box 6: Cultural and Creative Industries Lead the Way in Region Building

Newcastle-Gateshead's joint bid to be nominated European Capital of Culture attracted attention to the role of culture in the city region. Although ultimately unsuccessful, the bidding process provided a concrete goal upon which a wide range of public, private and community partners including the HEIs could work together. In the long run, the Capital of Culture bid represents only an episode within a range of high-profile cultural development projects and networks within the region including the Year of the Visual Arts in 1996 and the development of the Culture 10 strategy.

The Universities of the North East have recognised the potential for collaboration, partnership and advocacy in culture and cultural industries which are seen as a major source of growth for the region. They are actively working together to drive the renaissance of local culture and e.g. support the two major developments on the Tyne: The Baltic Contemporary Arts Centre and the Sage Gateshead Music Centre. Each university has its own strengths to drive the cultural agenda. For example, The Centre for Cultural Policy and Management of Northumbria University provides advice, project development and research in relation to cultural policy and is working closely together with the range of cultural stakeholders in the region. In Newcastle the University is leading the partnership of local bodies to establish a Cultural Quarter which will transform the space where the city and the university meet into an area of social and cultural activity.

For more detail read the fuller case (6) in the annexes.

The next chapter has to do with capacity-building. It contains a recommendation that the region and its universities deliberately learn from the example of collaboration for development in this as a 'model arena'. The example is the more revealing, if not poignant, since it is historically marginal and indeed of low status in the modern university, at the opposite end of the conventional spectrum from science and mathematics in academic standing and from business, engineering and applied science for enterprise, innovation and economic development. We turn in a moment to another still more marginal activity, sport, which also manifests in the North East strong engagement, powerful 'soft development' capability, and commendable capacity to cooperate across HEIs.

Let us first note, however, that 'culture' as an agent and arena of 'development' takes three forms. First, there is direct pay-off when the media and creative industries for example become significant, mainly SME, areas of investment, growth, productivity and employment, as was demonstrated to us in the North East. Secondly there is indirect economic benefit – culture as a way of attracting to and retaining in the region what Richard Florida calls the creative classes, these being seen as essential drivers of the new economy and the knowledge society.[8] Is it a place where people want to live and will enjoy living – the place to be? Thirdly there is culture as an end in itself,

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[8] Recently and in more traditionally sexist terms this would have been put in terms of whether there was sufficient cultural appeal to bring executives' wives to live in the region; thus Coventry and Warwick would stress their location in 'Shakespeare country'.

enhancing the quality of life and richness in living to which economic development might be thought to be a means.

Straddling the second and third of these, the universities play a role in reflecting the region's history, culture and identity back to itself and to newcomers, as a place of interest and a place to be. Durham Cathedral is nurtured and used for learning by the university next door. When the Review Team visited Sunderland they were given copies of Matt Parry's *Jarrow Crusade*. This book, just published by the university there, tells the story ('protest and legend') of the 1936 Jarrow March to London, as much a part of the region's history, identity and cause for pride in its own way as are its great physical artefacts, and Newcastle Football Club.

5.5   Sport

As impressive for inter-university collaboration and broad indirect community as the creative arts industries was the approach of the universities to sport. This included combining and blending sport and health benefits to enrolled students, with student service to the local community, with direct and indirect benefits extended to the community in terms of health, education and social inclusion. Our meeting to do with sport was part of the visit to the University of Durham. Here we were particularly struck by the university's decision to bring in to the meeting – their own 'showcasing opportunity'- not just community or local authority representative partners but also colleagues from other universities. The modelling of partnership could not have been more eloquent.

Box 7: University-led Engagement of North East Communities through Sport

The HEIs in the North East see sport not only as important for the development and growth of their students, but as a key way of overcoming barriers between them and their local businesses and communities. Sport is used in helping address disparities, in retaining a well-rounded and educated workforce, promoting social equity and impacting positively on the daily lives of the communities. It is regarded as a great 'leveller' in facilitating knowledge-sharing with universities.

The universities' Directors of Sport have come together to build innovative sporting engagement with local communities. The universities draw on the resources of a student population; students are now working alongside young people in the local communities to help develop leadership and life skills, as well as sporting capability. The partnership is currently in the process of building on the concept of Sport Universities to develop even more inclusive partnering with local communities.

For more detail read the fuller case (7) in the annexes.

5.6   Connectedness, Acceptance, and Broader Engagement

The meetings at Durham where the cooperation in sports was presented made most transparent what was discernible more or less clearly in most of the Review Team's discussions: people's recognition of the interconnectedness of many strands of community and regional development; and recognition also of the need for patience and sustained effort to bring about the deeper changes, especially of a 'cultural infrastructure' kind, on which visible economic progress depended. Thus informal contact and involvement of primary school children with university students through sport was experienced as a way into involving the university with local school, family and neighbourhood affairs, thus altering perceptions about the relevance, utility and accessibility of even a highly prestigious university.

The story at Sunderland was of determinedly 'hanging in' when the early attitude of local authority, business and other local representatives was one of suspicion and even cynicism. The same story was told at Teesside, where the campus gradually changed from a virtual no-go wasteland at night to a place valued and wanted by local and wider metropolitan communities. Each of the universities has had to work on neighbourhood relations; a boisterous and seasonal residential student population is a mixed blessing. Each seeks to make its campus facilities open to, used and 'owned' by those who live in the locality, the region and beyond.

The student volunteering and community services that we heard about are also calculated to change image and relationships as well as enriching the undergraduate curriculum. Behind the thought and leadership exhibited here was displayed a quite widely shared appreciation that the region's aspirations for its universities must be raised at all levels; and that the supportive and demanding voice of engaged families, schools, neighbourhoods, as well as micro and small SMEs must be added to those of the regional leaders. Most of these already see the universities as central to regional regeneration and economic development.

Another manifestation of the sense of universities serving their regions in social and quality of life as well as entrepreneurial and industrial innovation senses was the emphasis placed upon health and welfare services through to neighbourhood renewal and community development. The most obvious and explicit examples were from the medical research and practices of both Durham and Newcastle The region's Public Health Observatory is housed at Durham and works with the RDA to turn regional data into information useful for carrying out successful health policies. The work of the Wolfson Research Institute on Durham's Queen's College Stockton campus 'focuses on research on medicine, health and wellbeing of people and places with particular emphasis on analysing these issues in the North East of England' (SER, 2005). This work was explained to the Peer Review team to illustrate that high quality globally recognised research is in no sense jeopardised by regional cooperation and application.

These forms of 'public service' involvement represent a massive part of the business of the universities as well as the region – the sheer scale of universities' work and engagement across health sector and related areas is often overlooked. This 'community health' work spilled over also into the sports arena just described, into the involvement with rural regions referred to in the Northern Rural Network example (see box 9 in Chapter 6), and into neighbourhood renewal work in Newcastle. Less tangibly, it was pointed out to us, very large numbers of university staff played civic and voluntary roles serving in local government type positions and leading community associations, enriching the region and adding to its stock of both human and social capital beyond their paid employment. This is part of the wider enrichment role that makes ambitious cities want universities along with international airports, and adds to what Richard Florida identifies as essential for successful city regions.

5.7   Measurement and Audit

Problems of measurement and scarcity of resources influence and to some extent blight pretty well all the wider aspects of development found in the region and sketched in this chapter. The need for long-term socio-cultural benefit and change to underpin sustained development and address hard-core problems of low educational attainment, a low skills base, and high worklessness is perceived by scholars, civic and community leaders and administrators almost without exception. Whether or not the particular language was used, the region told us that its distinctive character, special qualities, and rich social capital should be recognised as a basis and condition for successful development; that the universities were at the heart of making this happen; and that national government appeared often out of tune - poor at hearing and understanding.

The Review Team recommends that in the next phase of devolution and regional development following the referendum the national government sustains consultation and dialogue with the region, and responds to initiatives involving the universities severally to support wider and less tangible forms of development, also developing and using sensitive measures of cultural change in preference to short-term numerical targets.

The RDA is well regarded in the North East, but the Review Team notes a mismatch between its economic development remit and the broader regional capacity-building need recognised in the universities, that engages more of civil society. RDA funding is typically project-based, short term and tightly focused on an economic task. Support for wider integrative development sits beyond the present remit of HEFCE, as we have seen.

The Review Team recommends that an interdepartmental Whitehall-generated project and five-year funding package be created. Universities in partnerships could bid against this to deliver a range of agreed outcomes, depending on their particular capacity and the changing local situation. Outcome indicators and accountability measures could be part of required evaluation, built into proposals and developed through the organising unit for the project in Whitehall. The channel could be HEFCE working to Unis4NE. The North East could be one of a pair of regions chosen to pilot this approach.

This chapter has touched on the high quality of HEI leadership that the Review Team encountered. The next chapter addresses this more directly, in looking at capacity-building.

6. CAPACITY BUILDING FOR REGIONAL COOPERATION –VIRTUOUS KNOWLEDGE SHARING

The glass is more than half full

Capacity building is important across several dimensions. It includes the capacity to work together between universities, and indeed between different groups and divisions within each university. It includes the capacity to work with other kinds of regional partners or stake-holders. This may be differentiated as between the capacity for whole-region multilateral collaboration, notably but not exclusively through Unis4NE, and importantly with the RDA, GONE, HEFCE and Whitehall, and the capacity for productive sub-regional and one-to-one relationships.

Earlier chapters have shown the significant contribution that the universities, individually and increasingly collectively, are already making to the region. Here the Review Team, recognising the strengths of the universities, suggests how this can be further harnessed so as to prepare the region to act better in the global knowledge economy. The chapter builds on the now commonly held view that leading edge knowledge, and especially its constructive sharing with business, industry and the community, will be the key driver for economic growth, development in the quality of life of the region's communities, and socially inclusive wealth creation.

The collective spirit of the region's universities to work more closely together for the mutual benefit of themselves and their regional partners is clear. Ways, means and timelines suggested below show how the growing maturity of discussion between all regional stakeholders can be enhanced to ensure early success for all in the region. We believe that this will be best achieved by scaling up key aspects of university-led regeneration to higher orders of magnitude and quality for the good of the region where:

Real, Sustainable and Cost Effective = new Regional Improvements

Developing existing (and future) regional partnerships to tackle problems with solutions suitable for the knowledge economy

\+

Building on the commitment of talented teams willing to work with coincidence of purpose for mutual benefit

\+

Enabling the high quality of regional leadership to focus local knowledge and creative talent on producing solutions of real value as revealed through rigorous evidence

\+

Allocating appropriate resources to develop locally relevant offers, satisfying human demands and needs in order to drive regeneration and renaissance of the region

The Review Team was pleased to recognise that the people and conditions are ready in the North East for economic growth in the knowledge economy. *Passionate people, passionate places* – the new regional mantra – exist here in abundance; they need to be systematically combined and further developed to keep pace with the rapidly changing world.

6.1 Coincidence of Regional Purpose

Discussion with the regional stakeholders whom we interviewed, those who work with the region's universities, showed a coincidence of purpose with respect to the problems worthy of understanding; they also showed potential solutions for wealth-creating regeneration that will assist the region to grow and flourish. The diversity of skills, facilities and ways of working offered by the universities is seen to be complementary, rather than divisive - handling quite different issues in quite different, but highly relevant ways. There were even signs of the HEIs complimenting each other, out of mutual respect, with respect to the offers that each can make to regional stakeholders. Different partnerships are being formed quickly and openly to tackle the high priority issues and, equally, these partnership are flexibly reformed so that the right teams are tackling the right problems in the right way.

A good example of this complementarity in working is the collaboration between all universities of the North East, known as Knowledge House (see box 8 below).

Box 5: Knowledge House

Established in 1995, Knowledge House is a joint effort of the North East universities through Unis4NE to help companies access university skills, expertise and specialist resources. Working together across a wide range of disciplines including industrial design, IT, manufacturing, marketing, life sciences and environmental issues, Knowledge House offers expert solutions for developing ideas and solving problems through collaboration, consultancy, training and research. Originally planned to provide a service to local SMEs, the project has grown to include large companies, and multi-nationals from all over the country.

Knowledge House has a central Headquarters and staff distributed at the partner sites. The network and its operations are supported by a web based enquiry handling/project management and client relationship management system (KHIS). Knowledge House receives over a thousand enquiries from client companies and delivers almost 200 client contracts on an annual basis. Business growth averages 25%.

In contrast to networks providing signposting services, Knowledge House offers a 'cradle to grave' service, stretching from the receipt and circulation of enquiries through project management and delivery to post-completion evaluation. This contributes to improved customer experience, but also to higher operational costs.

For more detail read the fuller case (8) in the annexes.

A detailed case review of Knowledge House, by one of the present reviewers (*UPBEAT*, 2005), reveals Knowledge House to be 'global best practice', with significant impact on the regional economy, high engagement of academics, and profitability and long term sustainability. The Review Team agrees with Lord Sainsbury, UK Minister of State for Science and Innovation that 'the work of Knowledge House is important' and endorses his view that 'it is a role model for other parts of the country'.

Knowledge House is just one important development manifesting collective action among the North East universities. It should be used as a benchmark for other regions for best collective practice.

6.2 Universities of the North East (Unis4NE)

Knowledge House is overseen by the region's higher education regional association (HERA), which is known as Universities for the North East or Unis4NE. With its precursor, the Higher Education Support for Industries in the North (HESIN) founded in 1983, Unis4NE is the oldest such body in England. It a significant association, working for the universities in the region, the Open University being an affiliate. Its board is made up of the Vice-Chancellors of the HEIs in the region. The Unis4NE can justly be regarded as a catalyst and a real strategic strength of the universities, particularly through its Chair Professor Christopher Edwards who is influential both regionally and nationally. Unis4NE played the central role in supporting the OECD regional review and its steering group. By virtue of the funds it handles including the throughput of Knowledge House, its budget exceeds that of each of the other eight regional associations, despite being the smallest in membership.

Unis4NE appears to enjoy high standing and to be treated as a key sector agency by the regional stakeholders. It has several committees, playing a significant role in brokering collaboration within the HE sector and for HE in the region more broadly. These include Sports Committee, Culture Committee, Knowledge House, Aim Higher, Health Committee, Music Committee, European Committee, Research and Knowledge Committee, and Academic Development Committee.

The Review Team had several conversations that suggested the possibility of Unis4NE, based on its record and the trust built up, extending its role and perhaps serving as honest broker and banker for more substantial shared 'community chest' funds for the universities, as well as serving as the vehicle for joint resource bids (for example to Whitehall, HEFCE or the European Commission) that might have a better prospect of success by being regional and multi-institutional rather than by sole institutions or one-to-one partnerships.

A clear future role for Unis4NE is best evidenced by the work, mentioned above, that was done in engaging the NE's universities in identifying the best practices of university impact in the region, and collating them into the SER. Unis4NE also gives a clear sense of identity to the collaborative efforts of NE universities acting collectively.

In terms of collaborative capacity building the Review Team would like to suggest that Unis4NE take the useful data collated as part of their review, and other relevant data that is available, and reprocess it into useful information from which the sector itself, and its partners, can benefit. The reprocessed information could show existing and potential stakeholders the range and quality of the university offers, as well as patterns of provision. By combining this with one stop shop access for potential clients, backed up with useful customer relationship management systems, Unis4NE could put the universities collectively in a position to support the region further. If developed, such a data bank should be fully integrated, coordinated, evidence based and data driven.

Similarly, such patterns of provision, kept current through continuous updating, and especially showing demand trends would give the NE universities a powerful basis for deciding their own future provision. Thus, universities would know more quickly where to preserve and enhance existing good and demanded practices, as shown in the SER, and where to spot fruitless activities earlier, rather than later. This is another reason to see the SER as an interim document leading to its continuation in a more accessible, systematised and useful form. The OECD review work roughly coincided with a review of the HERAs commissioned by HEFCE. In view of this, and the evident high acceptance of Unis4NE,

the OECD Peer Review Team recommends that the example of the North East be considered as a model by the other regions, which do not have such an association for developing their roles and utility for building stronger regional partnership and interdependency; and that Unis4NE continue to reach out, using the HEFCE consultation report as one way of reviewing and further improving its own contribution.

The key messages for HERAs from HEFCE's report are to do with retaining flexibility to serve diversity, treating strategy as more important than operations, and 'unpacking' and relevantly engaging, as appropriate, in brokerage.

The Review Team recommends that HEFCE strengthen arrangements for England's regional HE associations to share good practice, taking particular note of the work of the universities in the North East, including Knowledge House and the role of Unis4NE.

6.3 Benefits from Mature Conversation

It could well be that the *small number* of HEIs in the North East, with very different skills and objectives, has enabled the critical level of conversation required to move each forward in constructive and complementary ways. Larger regions with more institutions have done less well. One of the OECD Review Team likened what is happening to the cross fertilisation of coaching going on between different professional sports, for instance between rugby league, rugby union and soccer. Like many of the present professional sports teams, universities are striving to be the best in their own leagues, and to satisfy the aspirations of different communities in different ways; but they are all increasingly learning from one another for the good of their own perception of regional issues, much as sports teams are trying to win in their own leagues. We leave it to others to decide whether the sporting metaphor above works in relation to the universities of the North East.[9] What is certain is that with respect to this review they presented themselves as a powerful team playing for the region.

The Review Team was impressed to learn how much effort went into preparation of the self evaluation, and preparation for the visit itself particularly on the part of Regional Coordinator Helen Pickering, Executive Director of the Unis4NE. We were also interested to know how far this took the form of appropriate facilitation to enable better mutual working. The total costs of the evaluation exercise are estimated at £150,000. Seventy-seven per cent of this came from Unis4NE, while the Regional Development Agency and HEFCE each covered 10%. Considerable donations were also made from the private sector, particularly by Ward Hadaway, which in addition to offering facilities and hospitality before and during the Peer Review visit, donated the time of their consultant, Peter Allan to the project. If this impression of impact, and of effect in moving the agenda forward proves to have been borne out, then it will be worth reflecting on this kind of intervention for what it says about developing and capitalising on maturing conversation more generally.

The collective effort, together with the sensitive leadership with respect to our visit especially from Steering Group Chair Peter Allan, showed what can be achieved from appropriate collaboration, strategy partnering, forming the right strategic alliances, and creative leadership. We saw these leadership and team characteristics playing out at all levels across the regional stakeholders' relationships with their universities, as examples in Chapter 5 show.

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[9] Playfully, one university might be likened to a leading premiership rugby union team that has spawned a leading rugby league team, while the other three universities strive to top the soccer premiership.

The Review Team recommends that the region builds on this work where it has been successful, and promotes facilitated development of such collaboration where not, by means of cross-arena exchange within and across the universities.

This region should become a 'higher skills learning region', where the universities are equal players in regional decision-making and development with respect to higher level skills support. In this respect the OECD review should be seen simply as an interim phase in the growing maturity of conversation between all regional stakeholders. Many, reflecting on the visit of the OECD to its Review Team members, indicated how they felt the Review itself had spurred them into constructive collective action, enabling them to reveal best practice collaborations to each other, as well as to the OECD.

The speed and quality of the responses to challenges put out by the Review Team to regional collaborators to write concise case studies in support of different arguments being developed by the Team, stands testimony to this capacity for collaborative action. Such collaborative success, through increasingly powerful collective action, could lead to continuous and indeed spontaneous new, constructive change elsewhere in the region from now on.

This is not to suggest that all is perfect in regional attempts to harness university potential from both sides of the reach out agenda. Competition and conflict were also observed between the universities. This is hardly surprising. Differently talented creative players from industry and academe with powerful and well thought out views often compete for the same resources. This appeared to the Review Team to be healthy and natural. Mary Porter Follet, the imaginative researcher of human relations in the workplace, said over a hundred years ago that 'self interest and conflict in organisations is not only inevitable, but energising', adding that such creative conflict should be welcomed, and used productively and constructively to generate new ideas and solutions to meet all parties' needs. The OECD Review Team observed this happening during its visit.

The Review Team therefore recommends to the North East to build on the maturing regional conversation developing in the region to:

- *understand better and to greater depth, just what is working well in the university partnerships in the region;*
- *systematise and extend these best practices;*
- *enrich the virtuous knowledge sharing at all levels of regional university-business-community engagement;*
- *develop harmonising and meshing plans of various regional stakeholders from the bottom up and top down in a timely fashion;*
- *choose the right leaders to take the North East on the next phase of this exciting journey.*

The following sections build on this notion of maturing the relevant regional conversation. They naturally suggested themselves from our observations of existing regional best practices. This observation indicates where appropriate capacity-building is necessary to continue the progress, and indicates how this *engagement moment* is the right time to initiate future change, and how it might be seized to maximise regional return on investment.

The Review Team recommends that the North East systematises its best present efforts and carefully re-aligns them to the goals of mutual interest and the shared vision for the North East. Furthermore, the North East should build on the groundwork of trust that is beginning to enhance good performance.

6.4   Leadership in HEIs and for the Region

The Review Team recognised high quality leadership in the region's HEIs and in Unis4NE This leadership seemed to relate specifically and fittingly to the different characteristics and needs of each university, its kind of organisation, and its particular vision of appropriate engagement with regional stakeholders. In this way, each university represented its own quite different needs and demands in its own distinctive ways In this respect, the quality of vice chancellorial and senior staff leadership is high, and differently attuned to satisfy different regional needs. Thus visions of each institution, and how each might maximise its regional impact, while differing, seemed locally appropriate.

Each university vision had one characteristic in common: the aim to be world class in whatever it had chosen its developing relationships within the region to be; and especially with respect to each university's desire to become best in practice at implementing its overarching vision. That might be for widening participation, to create research excellence, for local regeneration, or to create a Science City for the North East. Furthermore, from the examples given in the self-evaluation and at the interviews and visits, each university was able to show its own examples of excellence. In order to reveal these best practices further, especially the cross-university partnerships, we have included in this report several relevant cases, each structured to reveal different aspects of leadership in more depth. Each case study shows how individual and collective university leadership is being differently handled. Each portrays some aspect of best practice, for example:

Newcastle's lead of the Science City programme where it is working closely with the City and the Regional Development Agency to regenerate the old Newcastle Brewery site as a hub for city-region science innovation

Durham's leadership of the University Sports Consortium activity, where local communities are being made aware of universities through the common language of sport

Northumbria's leadership in developing regeneration of the region in terms of the cultural and creative industries

Teesside's regeneration of Middlesbrough through its DigitalCity focus and the growth in "spin-in" digital SMEs around the University

Sunderland's Knowledge Economy City initiative and its local and deep developing partnerships with local businesses, especially Nissan

These cases clearly showed to the Review Team the creativity of leadership, from small scale individual projects to cross-university collaborations with industry, local authorities and the RDA. This leadership, which typically goes beyond efficient project management and effective enterprise administration, is often promoted by academic entrepreneurs motivating creative teams to communicate with regional partners. The cases along with other material in the SER show how enterprising academics involve and empower regional stakeholders.

While the Review Team commends the high leadership within the universities we acknowledge that the region building and partnership building is not a completed task.

To sustain the present momentum for collaborative development we recommend that the region builds on the positive experience of the Regional Steering Group of this review by forming a sounding board with the external members of the current steering group and other influential friends of the region. Its ambassadorial role for the universities and the region would cover the national level, particularly the Whitehall. It would act as a 'sister body' to the Unis4NE supporting its work. Strong

links would be created between the two bodies through regular meetings to develop 'Strategies for the Cause'. It would have the authority to harness the universities' and the region's collective and collaborative skills and facilities.

Such ambassadorial working closely together with Unis4NE can ensure that future regional plans and outcomes benefit from the knowledge, skills and commitment of personnel available from the North East's universities. By harnessing Unis4NE and its existing collective subcommittees, it would help focus them towards relevant ends. Such a sounding board is essential to increase regional impact

6.5   Leadership, Cooperative Competition and Celebration

The Review Team recognised creative university leadership at all levels of operation. Teams are tackling issues of mutual interest with business and the community in an integrated way. Such good practices ought to be developed further, and these capacities of creative leadership and team building brought to the fore. The Review Team was particularly impressed by the development of the Unis4NE Cultural Committee (see box 6 in Chapter 5). They put forward in words and actions the importance of cooperative working, showing a collective capability and celebrating their achievements as a means of engaging entire communities in their development programme. Although the attempt failed to have Newcastle-Gateshead become City of Culture in 2008, those involved learned to collaborate differently. This review shows the importance of collaborative competition in harnessing regional potential, while revealing the role and impact of the universities in key projects.

Such collaborative competition has only been possible because leaders of sub-project developments achieved the objectives set for them by the overarching goals of the collaboration. As a result of openly celebrating their achievements, Newcastle, and the North East are now seen as a preferred place to undertake further celebrations, conferences, events, etc. The North East's economy has improved significantly over the last few years as a result of university intervention. For the Cultural and Creative industries alone, this improvement amounts to some millions of pounds a year.

The Review Team recommends that the existing North East universities' best practice in leadership should be used as a benchmark for others within the region's universities, to drive their own creative leadership. As with the development of the SER itself, facilitation and appropriate coaching should be used further to disseminate best practices within the universities.

Recognising Best Regional Practices

The Self-Evaluation Report tells of many good practices in the relationship between universities, business, industry and the community. The Review Team suggests to the region, and to other regions in the present OECD regional project, that such SERs should not be seen just as ends in themselves, summative evaluations simply providing a benchmark for comparing one region with another.

The Review Team recommends that the present Self-Evaluation Report should be taken as a baseline for continuing improvement, and a formative evaluation suggesting better ways of future working. Similarly, benchmarks of best practice from one university Reach Out activity should drive other innovative and useful new practices in different university outreach areas.

The key here is continuous two-way benchmarking, and mutual coaching between development areas.

The Review Team recommends that virtuous knowledge sharing between stakeholders be formalised and systematised for mutual benefit. We welcome the breadth and depth of good reach-out

practices and recommend that the self evaluation report, the cases included in this review, and some aspects of the review itself, be made into a simplified Guidance Note to show good university outreach by the universities to more people.

Best practice would be made more quickly and easily accessible to those charged with maximising the impact on the region.

Such best practice information should be made freely available across the university networks for the benefit of academics and their prospective business and community partners, in a systematic way. Furthermore t*he Review Team recommends that HEFCE supports existing best practice networks, and helps to enhance and broaden their outreach,* for example the Northern Rural Network (see box 9 below).

Box 9: The Northern Rural Network (NRN)

The Northern Rural Network, led by Newcastle University, is a learning network of more than 600 members, including researchers and the rural development practitioners from businesses, public agencies and the voluntary sector. The Network, which was established in 2000, is administered by the Centre for Rural Economy (CRE) in the University of Newcastle's School of Agriculture, Food and Rural Development. The free membership has more than doubled over the past three years. The membership and activities extend from the North East to the neighbouring regions of Cumbria, Lancashire and North Yorkshire.

The NRN is designed to help rural and regional development. It has helped to operationalise a model of locally centred rural development based on the management and development of human capital and intellectual assets. The network involves outreach activities, and knowledge exchange between the universities and micro-businesses, and the businesses themselves. To date almost 360 firms have benefited as a result of students' work. The NRN approach is unique in the way it copes with the low base of aspiration of the micro SMEs and the voluntary sector.

For more detail read the fuller case (9) in the annexes.

The Review Team believes the Northern Rural Network could be consolidated, strengthened and perhaps, using RDA resources, extended to reach all SMEs in the region. The NRN approach seems similar to that of NetworkNorthWest, presently led by the University of Salford, which is presently driving effective learning engagement by SMEs in the North West. The Review Team commends NRN to NetworkNorthWest, and vice versa, in the hope that a Northern Way approach might be developed for the benefit SMEs and micro-businesses in the North of England.

The Review Team recommends that a Northern Way initiative be considered which might yield enhanced resources to drive such networking further forward.

Several of the groups interviewed for this review highlighted the value of celebratory events for engaging business and community stakeholders more deeply in understanding the role of universities in the region.

The Review Team recommends that an enhanced best practice data base as portrayed in the SER could be used for a series of celebratory events, as a means whereby the capability of the universities could be collectively portrayed to the region in a coherent, cohesive and compelling way.

All the universities have expertise in using advanced digital media and ICT in different ways to enrol and engage regional business and community interests. Sunderland and Teesside Universities

appear to have a user-friendly common touch in their use of relevant web-internet approaches to further reach-out to disparate and fragmented stakeholders from business and the community. Such best practice in ICT/digital media is of huge benefit to the universities and their regional partners, ensuring richer uptake of the offer regionally.

The Review Team recommends that collective capacity building be organised, using such capability to get a broader group from business and the community into more useful dialogue with the universities as part of their maturing dialogue.

6.6   Demand and Need to Develop a More Relevant Portfolio of Provision

The HEIs of the North East, both collectively and individually, showed their commitment to understanding regional needs and demands from business and community partners. Labour market intelligence, skills requirement analysis, and other strongly evidence-based market research were seen to be a common pre-requisite of any offer being made at the regional level. This seems to put the North East in a strong position, especially with other regional stakeholders, to define the sort of product and process changes that would make a difference locally. As the Lambert Report (2004) suggests, higher education in the UK is open and flexible in its approach to reaching out to create strong impact in the region.

Our discussion with those involved in higher skills development showed universities to be open to realistic change and understanding of real business and community need. The Aimhigher initiative is clearly taken seriously and there is some excitement about the prospects of the new Lifelong Learning Network (see Chapter 5). However, disquiet was expressed that central government and its agencies were unaware of real learner needs with respect to education for capability. Time after time, different groups highlighted the real learning needs to be in what the Review Team would call higher skills (known as NVQ level 4 and above, whereas funds were available through LSC for qualifications at level 2). The focus of these provisions should be firmly set on capability development, rather than qualification attainment. The North East constitutes a village environment, and the needs and demands of local (regional) people are best known by local people themselves.

Engaging Government to Develop More Relevant Local Provision

The Review Team took the view that regional and national governments, and their agencies, ought to have sufficient confidence in a region's universities, specifically in the North East, to allow them to define and deliver HE provision in the region that will be of real regional value and impact. Presently it appears to the Review Team that remote government agencies are simply unaware of how properly to support regional needs, and demands, and ignorant in this sense about the regions that they serve.

The vice chancellors in the North East proposed several ways for enriched collaborative regional working during the visit. A senior HEFCE officer at the capacity-building discussion with vice chancellors and their council chairs proposed that the North East universities collectively present a Strategic Development Fund bid in order to develop their existing relationships into something firmer, something reflecting this present review and their own SER. This could include the idea of a collective 'community chest' for services of mutual benefit, developing requisite federalism with respect to regional engagement while retaining necessary subsidiarity for separate, differentiated and specialist, academic activities.

This has particular salience, given the approaching end of EU structural funding. The North East's latest (draft) Regional Economic Strategy permits enhanced involvement of universities in agenda-setting and delivery.

The Review Team recommends that the region considers seeking perhaps a £10 million HEFCE development bid aimed at driving further regional engagement.

This should provide a development path for the universities to consolidate their existing position and build on it for sustainability, enabling them to reduce reliance on central government funding in the longer term.

6.7 Growing Strategic Alliances and Useful Partnerships

The North East's universities are well placed and open to forming strategic alliances and partnerships to enhance economic growth in the global knowledge economy. Data in the SER, and in this report, show the range, depth and balance of regionally relevant offerings in terms of research, development, innovation and enterprise development. Such reach-out to business and the communities, and the resulting knowledge exchanges, are not only from the traditional science, technological and engineering areas, but increasingly also from the social, community, cultural and creative aspects of university life. Indeed, as many of those with whom we met stressed, these latter areas of university concern are having a much larger economic, as well as civic, impact within the region.

The universities are also trying collectively to make their burgeoning range of partnerships work in the context of the mixed economy approach needed for the North East's economy to flourish. The Review Team was shown a range of best practices in partnerships and relevant engagements of all types in the region, an approach which they commend to other regions.

The Review Team recommends that the universities undertake a detailed analysis of all their strategic alliances and partnerships, extend what works well, and hone down or stop those which are unproductive.

Excellence in Diversity

All stakeholders exhibited 'excellence in diversity' in much that was shown to the Review Team. Many of the initiatives appear to represent global best practice. A range of models of university reach-out was portrayed. These included traditional technology transfer, knowledge exchange, widening participation, the exemplary Science City, and virtuous knowledge-sharing. The Team was struck by the diversity within this range of world class activity, and commends the North East universities for retaining such breadth of approach. It would be easy to favour just one approach to academic enterprise, thereby failing to engage with other key regional and community needs and demands.

The Noble Art of Regional Academic Enterprise

In the long term the sort of regional academic enterprise being developed by the North East's universities, being both extremely relevant and of international quality, should enable the region's own HE development funding from business and the community. Universities and their partners should each aspire to this. Meanwhile academic staff in the universities must learn to see reach-out and academic enterprise as a noble art alongside teaching, learning and research, if such activities are to become truly sustainable.

Some passionate North East academics are already developing imaginative and daring initiatives. These passionate and informed academics might come to recognise this sort of academic enterprise – aimed at developing important academic opportunities for the region, beyond means currently employed but from high academic standards and based on sound reason – as a noble art that advances the region and the university alike, as well as their own careers.

Time to Develop Sustainability

Both the Self-Evaluation Report and the Review Team visit showed the North East's universities to be soundly based and ready to play an even more active role in university engagement in the region. They can quickly build on a number of exemplary best practices of reach-out to business and the community, with greater effect. Good leadership is already there in the region to harness and direct talent from academe, business and the community, ideally working in creative teams. There are excellent development plans waiting to come into fruition. The needs and demands of the region are known. Significant pump-priming resources from regional and central government, plus some continuity funding to enable sustainable and requisite federalism between the universities, can now yield a good return on investment.

7. CONCLUSIONS FOR THE REGION, NATIONALLY, AND FOR WIDER COMPARISON

In this and the second section of this concluding chapter we draw together for convenience the recommendations embedded in earlier chapters, identifying in which chapter and so context they are put forward. They are not summative judgements and hence should not be read in isolation from the argument in the body of the report. This first section collates points that relate especially to the region itself, the prime intended beneficiary of the work and of course a major contributor to the whole review, by virtue of its substantial self-evaluation, and then the effort put into informing the Review Team.

7.1 Possibilities and Prospects for and in the North East

Among aspects that stand out, reflecting back on the visit, are the region's deft and patient, sometimes ingeniously opportunistic, management of current ambiguities in policies and funding. The region manages a difficult policy environment extremely well. Throughout our report, and in the second section below, we suggest ways in which it might be made easier.

The region displays a remarkable maturity of conversation, especially given the many kinds of pressures and temptations in today's policy environment simply to compete. There are strong instincts favouring collaboration. We have given space to a number of good practical examples in this report. We thought this sufficiently important to stress several times – and to suggest that for the North East now might be 'the engagement moment'.

Collaboration runs all across the public, private and 3rd sectors. The universities are well regarded, highly valued except with a significant but unmeasured proportion of SMEs. They are much involved at 'policy high table', and out in the region's many networks and affiliations, both institutionally and through their active citizens. Our discussions involved a surprising amount of emphasis on community and voluntary bodies, as well as recognition of the importance to the region of the public sector. The universities, as the business corporations that they have to be, are all trying to work out how the SME sector can be supported and graduates incorporated into a high skills economy. They are all also dedicated to the wider health, happiness, quality of life as well as wealth of the region, and would like to do more. There is little sense that this is at the expense of or basically contradicts being 'world class'.

Collation of recommendations

- The Review Team recommends that the region creates mechanisms to ensure that the learning process bringing together the five universities and the regional stakeholders continues. We also recommend that the regional review be followed by a process continuing the SWOT analysis to build on strengths, address weaknesses, counter threats and exploit opportunities. (ch. 1)

- To ensure the progress of shared efforts and senior management engagement, the Review Team recommends that the review be followed by a re-evaluation in two to three years time, if possible by the same Team. The follow-up self-evaluation report should include quantitative information on the performance of the region, a revised SWOT analysis, and a response to each of the recommendations made in the initial review. (ch. 1)
- The Review Team recommends that the present Self-Evaluation Report for this region should be taken as a baseline for continuing improvement, and a formative evaluation suggesting better ways of future working. Similarly, benchmarks of best practice from one university Reach Out activity should drive other innovative and useful new practices in different university outreach areas. (ch. 6)
- The Review Team recommends that the Self-Evaluation Report, the cases included in this review, and some aspects of the review itself, be made into a simplified Guidance Note to show good university outreach by the universities to more people. (ch. 6)
- The Review Team recommends that an enhanced best practice data base as portrayed in the Self-Evaluation Report could be used for a series of celebratory events, as a means whereby the capability of the universities could be collectively portrayed to the region in a coherent, cohesive and compelling way. (ch. 6)
- The Review Team recommends that collective capacity building be organised, using such capability to get a broader group from business and the community into more useful dialogue with the universities as part of their maturing dialogue. (ch. 6)
- To sustain the present momentum for collaborative development the Review Team recommends that the region builds on the positive experience of the Regional Steering Group of this review by forming an ambassadorial and a sounding board with the external members of the current steering group and other influential friends of the region. Its ambassadorial role for the universities and the region would cover the national level, particularly Whitehall. It would act as a 'sister body' to Unis4NE supporting its work. Strong links would be created between the two bodies through regular meetings to develop 'Strategies for the Cause'. It would have the authority to harness the universities' and the region's collective and collaborative skills and facilities.
- The Review Team recommends to the North East to build on the maturing regional conversation developing in the region to:
  o understand better and to greater depth, just what is working well in the university partnerships in the region;
  o systematise and extend these best practices;
  o enrich the virtuous knowledge sharing at all levels of regional university-business-community engagement;
  o develop harmonising and meshing plans of various regional stakeholders from the bottom up and top down in a timely fashion;
  o choose the right leaders to take the North East on the next phase of this exciting journey. (ch. 6)
- The Review Team recommends that the North East systematises its best present efforts and carefully re-aligns them to the goals of mutual interest and the shared vision for the North East. (ch 6)
- The Review Team recommends that the region builds on this work where it has been successful, and promotes the facilitated development of such collaboration where not, by means of cross-arena exchange within and across the universities. (ch. 6)
- The Review Team recommends that the North East region be active, but also alert to possible tensions inherent, in operating at Northern Way as well as city-region levels; and that the universities of the North East, in participating in Northern Way level ventures, do not destabilise the good relations that already bring benefit to the North East. Northern Way

as a larger region offers critical mass for a wide variety of specialised ventures for which the North East region may be too small. (ch. 3)

- The Review Team recommends making better and more effective use of the international links that universities have with both international research networks and foreign alumni. (ch. 4)

- The Review Team recommends that the region co-ordinate international partnerships for the benefit of the region. The region should strategically link up with a limited and focused number of co-located partner cities, regions and universities. This might, via alumni, business start-ups, trade links and foreign direct investments, lead to the emergence of trans-national communities. (ch. 4)

- The Review Team recommends that the region strives for more continuity in regional innovation policies. (ch. 4)

- The Review Team recommends that policy-makers and other decision-makers in the region achieve more continuity by building innovation policies on previous exercises and analyses, thereby more fully exploiting what has been discovered, enabling the North East to become a more effective learning region. (ch. 4)

- The Review Team recommends that the North East Lifelong Learning Network be developed further, building on the excellent work already being done towards widening participation at local and sub-regional levels; and that every effort be made through the LLN to rationalise and reduce the number of distinct initiatives and processes which compete for scarce time in administration, audit and coordination. (ch. 5)

- The Review Team recommends that Unis4NE continue to reach out, using the HEFCE consultation report as one way of reviewing and further improving its own contribution. (ch. 6).

- The Review Team recommends that virtuous knowledge sharing between stakeholders be formalised and systematised for mutual benefit. (ch. 6)

- The Review team recommends that the universities undertake a detailed analysis of all their strategic alliances and partnerships, extend what works well, and hone down or stop those which are unproductive. (ch. 6)

- The Review Team recommends that the region considers seeking perhaps a £10 million HEFCE development bid aimed at driving further regional engagement. (ch. 6)

7.2   Consideration for Future Policy Development and Implementation at National Level

The majority of our comments and recommendations are naturally addressed to the region under review. However, the policy context for that region is national - and indeed as we have seen increasingly European and global. We have described the attitude of central government (Whitehall) as *schizophrenic*. Recommendations reproduced below exhort 'Whitehall', and particularly the education ministry DfES, to buy in more fully and openly to regionalism.

The removal of ambiguity would also allow HEFCE to adopt a more direct supportive role; we have made specific suggestions for relevant initiatives. HEFCE is clearly oriented favourably towards university regional engagement; its Higher Education Innovation Funding has gone beyond a pilot phase to become regular '3rd stream' funding with up to an additional £54m announced for the 3rd round of competitive bidding late in 2005. But as with widening participation, HEFCE cannot outrun Whitehall; inevitably it reflects any general political / policy ambivalence in such areas.

The other general national lesson to emerge from this review concerns short-term policy impatience, over-fixation on early numerical targets, and an – albeit politically natural – reluctance to play a long game. Government is far from joined up, despite the good rhetoric, across Whitehall

portfolios and between the centre and its regional manifestation, let alone down to more local levels. Deep habits and traditions (*silos* to most of us, *stovepipes* to the industrial North East) remain to be broken before strong, sustained and balanced socio-economic regional development comes into the sunlight.

Collation of recommendations

- The Review Team recommends that DfES signs up fully to the regional agenda, joining in with the work of GONE and One North East, and requires HEFCE to provide firm direction and support for HEIs to contribute to regional development. (ch. 2)
- The Review Team recommends that government gives urgent attention to providing continuity of support where the widening of the European Union is leading to termination of Commission funds and where these are still essential to effective and productive collaboration of HEIs in regional development. (ch. 2)
- The Review Team recommends that government keeps under critical review its overall investment in higher education, making reference to OECD norms, especially in terms of removing barriers and disincentives to full commitment to regional development strategies. (ch. 2)
- The government should make every effort to ensure that the language and behaviour of its members do not unwittingly undermine the valuing of diversity to which it is formally committed. (ch. 2)
- The government needs to understand better the experience and hear more clearly the feedback of the North East, as the region tries to carry out agreed economic and social policy intentions but finds avoidable operational frustrations obstructing its way. (ch. 2)
- The Review Team recommends that in the next phase of devolution and regional development following the referendum, the national government sustains consultation and dialogue with the region, and responds to initiatives involving the universities severally to support wider and less tangible forms of development, also developing and using sensitive measures of cultural change in preference to short-term numerical targets. (ch.5)
- The Review Team recommends that arrangements be strengthened, perhaps via both ODPM and HEFCE, for still greater sharing of collaborative experience in regional development involving HEIs. (ch. 3)
- The Review Team recommends consultation between relevant national and regional authorities in England (including especially regional Government Offices and RDAs) about ways of financially supporting these dimensions of universities' regional mission (ch. 5)
- The Review Team recommends that HEFCE take a broad and inclusive view of the role of Lifelong Learning Network as networks for lifelong learning and participation. (ch.5)
- The Review Team recommends that an interdepartmental Whitehall-generated project and five-year funding package be created. Universities in partnerships could bid against this to deliver a range of agreed outcomes, depending on their particular capacity and the changing local situation. Outcome indicators and accountability measures could be part of required evaluation, built into proposals and developed through the organising unit for the project in Whitehall. The channel could be HEFCE working to Unis4NE. The North East could be one of a pair of regions chosen to pilot this approach. (ch.5)
- The Review Team recommends that the example of the North East be considered as a model by the other regional associations for developing their roles and utility by building stronger regional partnership and interdependency (ch. 6)
- The Review Team recommends that HEFCE strengthens arrangements for England's regional HE associations to share good practice, taking particular note of the work of the universities in the North East, including Knowledge House and the role of Unis4NE. (ch. 6)

- The Review Panel recommends that HEFCE support existing best practice networks, and help to enhance and broaden their outreach (ch. 6)
- and that a Northern Way initiative be considered which might yield enhanced resources to drive such networking further forward. (ch. 6)

7.3   Learning Internationally – Contribution to OECD Inter-Regional Learning

Just before the OECD Peer Review visit to the North East took place in October 2005, IMHE OECD that month joined forces with NUS and NUAS at Karlstad University in Sweden and others to hold an international seminar on the theme of this project. Peter Arbo of Tromso University presented there a well-received keynote paper on the subject *What does the literature tell us?* He concluded with a kind of typology of what he called Regional Trajectories, suggesting four positions:

- the dynamic, interacting and learning region with increasing governance capacity
- the region with flourishing industry and/or universities, but without important regional links
- the region with close co-operation between industry, higher education and government, but which is locked-in and losing out, and
- the failing and non-coordinated region.

This 'Arbo typology' attracted quite some discussion and disagreement within the North East Peer Review Team. There was a desire to adopt and use it as a way of ordering, summarising and even theorising what we had learned, offset by a view that the typology really did not work for us and the region. Partly this reflected differences of orientation and interpretation between the team – is the glass half full or half empty? Does the indisputably bleak and 'failing region' recent past prefigure and represent also the future of the region.

The tension is discernible in this Report and we have made no attempt to mask it. Our optimistically upbeat note especially in the 6th chapter reflects the value we place on the 'mature conversation' the capacity to work together despite disappointments and despite an institutionalised mandate to compete. In the spirit of the bruised fighter who says 'yes, but you should have seen the other fellow' we judge the North East to be well ahead of other English regions in its capacity to work together and to take its universities very seriously - hence the difference of mood between our 'retrospect' and our 'prospect'. A less optimistic attempt to adopt the typology literally would have us see the North East as in the 3rd position as likely to move down as up.

The reference to Arbo is made in part to connect the North East study to the wider OECD project. There has been concern as to whether this essentially developmental, policy-oriented study has sufficient theoretical rigour and empirical base. We freely acknowledge the limited base in hard data, while recognising that there is a wealth of studies of the North East. Our recommendation to this point that more value be extracted from knowledge thus gained surely has wider generalisability. OECD and its collaborating members may be no better than others in terms of completing projects and rushing on without digesting and fully using the gains. As to the grander theory, the difficulty is in not getting drawn into one or other particular disciplinary perspective or paradigm which loses sight of the connectedness and the complex often interactive causality of development, as too of benefit to universities and to other parties in the process. Accuracy of observation and recording with an open mind and a watchful eye may be a more realistic ambition.

There are many themes from this regional review that can be compared across other regions. It will be important to consider how far the particularities of history and geography, of politics and culture, shape and distinguish what happens in one country and locality from others. Finding the

generalisable in social science is problematic in a different sense than is generally experienced in the 'hard' and even the applied natural sciences. There is the danger, in the quest for common 'scientific' laws and theory in these social arenas requiring plural disciplinary perspectives, and especially in the wish to be evidently 'useful', to draw analogies, models and conclusions that tempt policy-makers into shallow-rooted development strategies that are doomed to fail. It is futile to transplant working models that do well in one place without understanding well the milieu, the full cultural environment, that allowed them to flourish. In this Report we have sought to convey these important elements of the study in preference to attempting to describe and explain everything. The self-evaluation review – itself evidence of how powerful and persuasive such an OECD intervention can be – stands behind our shorter report as evidence for our conclusions and recommendations.

An important finding from the North East deserves wide comparative discussion in the OECD project. This has to do with the effect of this kind of 'intervention' on the region and on the self- and other perceptions and behaviour of the universities and the other partners and stakeholders in regional planning. External intervention changes the situation. It will be useful to compare this across the dozen studies in this international project for what it may tell us about regional behaviour and valid intervention strategies in difference places and phases. The relevance may extend beyond territorial and education matters to the role of OECD reviews more generally.

ANNEXES TO THE MAIN REVIEW REPORT: CASES OF BEST PRACTICE

Case 1 - Regeneration of Sunderland as a Knowledge Economy City

Jeffrey Brown, Sunderland University

Sunderland (and its University) has a history of continual renewal through innovation, and of continuous physical and knowledge regeneration. This stems from its geography, its geology, its manufacturing prowess through to the 'weightlessness' of today. The University and its forerunners - the college of arts and science founded in the middle of the 19th century, the local authority's teacher training college, the School of Art and Design and Sunderland Technical College - all had close connection with industry, business and other organisations.

More recently the University has become 'world class' at widening participation. This is significant since widening participation is the most important contribution that universities can make to economic development, particularly in a city such as Sunderland with a low SME start-up rate and low participation in HE. This ethos of providing opportunity to individuals from a wide range of social, educational and cultural backgrounds makes us believe we must be a research-productive university, with relevance to society: to do otherwise would serve to perpetuate disadvantage. We do not sacrifice quality in order to broaden access.

Sunderland's Geography – the river and associated human activity is the key geographical feature. Sunderland grew because it was the natural crossing point of the River Wear estuary. The Venerable Bede, the first English scholar, was born on the south side of the river over 1300 years ago. At 14 years of age he crossed the river to join St Peter's monastery, adjacent to where the University campus now stands. The monastery, like our campus, was brand new and part of a 'twin campus' – the other site being St Paul's monastery in Jarrow.

Sunderland's Geology – Sunderland lies on the Durham coalfield, so it grew as a mining centre as well as a port. Because sand was brought in as ballast, a glass industry grew up, part of a continuing association with glass; St Peter's monastery saw the first use of architectural glass in England. Today, the University is internationally renowned for glass art, and has substantial facilities in the National Glass Centre adjacent to the campus, that are unique in Western Europe: a resource for practitioners as well as for University research and teaching.

Sunderland's Manufacturing Prowess – due to its geography, geology and port, the growth of shipbuilding was natural. A century ago Sunderland was building the most tonnage of any shipbuilding centre in the world; it was still strong in the 1950s and 1960s. The site of the St Peter's Campus was first an engine works, then a ship repair yard, then a shipyard. Sunderland Technical College, a forerunner of the University, attracted overseas students especially from Greece and Norway, as well as UK students, due to its expertise in naval architecture. But all Sunderland shipyards closed in the 1980s. This was a dark period for Sunderland, but with typical resilience the Nissan plant, built at around this time, became the most efficient car plant in Europe. Today more

people are employed in Nissan and its supply chain than had been employed in mining and shipbuilding combined. The University was and continues to be an active partner in the regeneration, e.g. via its work with the North East Productivity Alliance (NEPA) [*see case 4*], especially Nissan and its supply chain companies. to retention of this activity. This applies to people too. In the past Sunderland leaked talented individuals; now it is increasingly retaining them.

Weightlessness – location, so important in the past, is less relevant in the 21st Century; Sunderland has become one of the world's most (IT) 'intelligent cities'. The Leighton group is an example of the new companies for which geography is irrelevant; it is just as easy to work with clients in Newcastle in Australia as in that other Newcastle 15 miles up the road. The University has strength in computing; supply of talent is an essential feature for the weightless economy, as is the environment. The David Goldman Informatics Centre not only has state of the art facilities but was selected by the Centre for Architecture and Building Excellence (CABE) as one of five examples of university buildings with a 'wow factor' in its study of 'design with distinction, the value of good building design in higher education'.

The media industry has necessarily been at the forefront of weightlessness. The University is a centre of excellence for media teaching, research and connection with the industry. The Media Centre, opened in 2003 by Estelle Morris, Secretary of State for the Arts, former Secretary of State for Education and now Pro Vice-Chancellor of the University, is the physical manifestation of this. It has state of the art facilities and the University is one of a very small number of European universities to be a partner of SONY, which has made some investment in the Centre. There is a strong working relationship with the region's journalism, public relations, TV and radio professionals. These provide hundreds of student placements in their newsrooms and offices every year, and most of their senior executives have given lectures or taken part in student workshops. The journalism and PR courses are professionally accredited. Also, the Media Centre is the location of TyneTees TV's Sunderland newsroom and the BBC's Chief News Correspondent, Kate Adie, who is from Sunderland, is an Honorary Professor of the University. The journalism students even write a page each week in the city's evening paper. The University also has a record of support for the digital media companies in the region, including in the past through its Digital Media Network which formed the springboard for development of Codeworks – the region's centre of excellence.

The University, particularly since its designation as a University, has been a key contributor, possibly *the* key contributor, to the change in Sunderland over the recent past from a town in decline into an energetic university city. For example, in terms of regeneration the Sir Tom Cowie Campus at St Peter's was designed as a civic statement – a signpost to Sunderland's future as a centre for enterprise in the weightless knowledge economy. Built on the site of a shipyard, next to the site of the monastery where Bede lived and worked, the campus is built for the needs of the 21st century knowledge economy.

The campus opened in 1994, with the Sunderland Business School, now the Reg Vardy Centre, and the Prospect amenities buildings, followed by the Informatics Centre in 1996 and the Media Centre in 2003. There are some student residences on the south bank facing the campus across the river. The University has invested £60 million in the Campus and there has been substantial philanthropic contribution from home-grown entrepreneurs such as Sir Tom Cowie who founded the Sunderland-based company Cowies, now renamed Arriva.

Only the best is good enough for Sunderland; the campus has been planned and designed accordingly. Part of it has been selected by CABE as an example of 'wow factor' and other elements have been awarded the Royal Fine Art Commission and *Sunday Times* University Building of the Year

award (1995), RIBA Architecture Northern Region Award (1995) and the Civic Trust award (1998) for outstanding contribution to the environment.

Considering the entrepreneurial past, it is not surprising that the University is committed to encouraging enterprise. The University has been chosen by the National Council for Graduate Enterprise as enterprise champion for the North East's universities. This builds on a record of supporting entrepreneurship through hatcheries in academic buildings, e.g. the Reg Vardy Building, the Media Centre and the National Glass Centre, and the more recent establishment of the incubator facility of St Peter's Gate, opened in 2004. The incubator has been a real success, achieving its occupancy targets ahead of schedule.

In summary, Sunderland and the University and its forerunners have a history of enterprise, innovation and adaptability to changing circumstances. In the weightless economy of today, where knowledge is the key commodity, the University is recognised as an essential player in Sunderland's future. In return, the University's philosophy is to listen to the needs of partners in order to best deploy its expertise to solve problems collectively in a two-way process. The Sir Tom Cowie Campus at St Peter's is a physical embodiment of this commitment, through partnership, to knowledge regeneration.

Case 2 - Newcastle Science City

Source: University of Newcastle

*Newcastl*e Science City is a new integration of science, business and economic development. It is establishing new approaches to translating scientific research into applications, particularly by business. It is creating an environment where science and business can work together and develop together to become more competitive. It will establish new facilities for scientific research, teaching and business. It is effecting major improvements in the participation and achievement of young people in science. It is being taken forward by a unique Partnership. It is transforming the City of Newcastle and the City Region.

At the heart of the City of Newcastle and the City Region are Universities, businesses, research centres and hospitals developing and applying advanced science. The regeneration of Newcastle / Gateshead provides an environment for innovation and creativity.

The announcement by the Chancellor of the Exchequer in December 2004 that Newcastle was to be one of the first Science Cities in the UK, provided a catalyst to build upon these strengths. The Chancellor invited One NorthEast (the Regional Development Agency) to work with key partners in the City Region to develop detailed plans.

Newcastle Science City will be developed as a new driver for the economic, social and scientific development of the City Region, the North East, the Northern Way and the UK as a whole. It will explicitly seek to establish Newcastle and the City Region as an attractive investment location for science based activity. It will pioneer new structures and approaches to scientific development and its exploitation for economic benefit. It takes account of the analysis of Business-University Collaboration undertaken by the Lambert Review and the long-term commitment represented by the Ten-year Investment Framework for Science and Innovation. It is based upon the recognition that science and technology is a key driver of economic and social development, and that enhanced linkages between scientific research and the appliers of this research, particularly business, will provide a new dynamic for Cities such as Newcastle and regions such as the North East of England. Specifically, the approach is based on a recognition that a step change in science and business linkages is possible, and that greater economic benefit can thereby be gained from the substantial planned National and Regional investment in science and technology.

The key elements of this new approach underpinning Newcastle Science City are:

- A unique partnership, bringing together our universities, focussed on the University of Newcastle, our Local Authorities, primarily Newcastle City Council, our Regional Development Agency, One NorthEast, our NHS, key institutions such as the Centre for Life, and businesses. The Partnership is led by business.
- The integration of the differing but complementary strengths of the Universities of Newcastle and Durham, which in combination creates one of the UK's leading sources of scientific research and teaching, initially through multi-disciplinary research initiatives.
- The further development of new approaches and procedures by the University of Newcastle to establish a new type of University in the UK which is 'open for business and regional development' – where business, academic activities, and the development of the Region are inextricably linked to mutual benefit.
- The development of new approaches and institutional arrangements to enable businesses and other organisations concerned with the application of research, to shape research

programmes at an early stage in their development, thereby ensuring that research is particularly oriented to the requirements of envisaged applications.

- The further development of business support infrastructure and services, to continue to enhance the environment for investment in science and science-based businesses.

- The development of major new physical spaces, providing advanced facilities for research, teaching and the integration of business, based upon proposals to establish a 'Science Central'.

- The nurturing and attraction of people to work in science and learn science, including the attraction of top researchers and the widespread promotion of participation and excellence in our schools.

- Explicit focus on the economic and social development of the City Region: by developing scientific research, teaching, and business to meet Regional needs; the integration of the physical development of Science City with the wider regeneration of the City Region, particularly the western area of Newcastle, one of the City Region's most disadvantaged areas; and specific measures to overcome social exclusion through participation in science.

- Sustained investment in people, facilities, research, teaching, commercialisation and business, bringing together public and private funding. Public funding could include regeneration, science and educational funding and the realisation of the value of publicly owned assets. Such funding would be brought together and utilised in innovative ways.

Case 3 - DigitalCity - from Hyderabad to Middlesbrough

Janice Webster, TeessideUniversity

DigitalCity has its roots in a longstanding commitment to active partnership. Its strength comes from the shared vision of stakeholders of a new signature industry that can stand alongside the traditional powerhouses of steel and chemicals to provide real and meaningful economic opportunity in an area blighted by thousands of job losses over the last 20 years. That the University of Teesside is leading the project, with the support of a wide range of partners, demonstrates the robustness of strategic and working relationships across organisations and across sectors.

The aim of DigitalCity is to realise the Tees Valley's potential to generate and sustain a fast-growing, high-level economic base in the digital technologies sector, with a world-class reputation for creativity and innovation. It is founded on:
- A unique set of expertise in games technologies, virtual environments, digital media, design and animation, supported by industry-linked research and development and producing over 900 graduates per year
- A strong track record in business generation and support, along with dedicated business and knowledge transfer personnel
- Buy-in from a longstanding network of stakeholders, partners and supporters who are committed to its success

From its inception in 2002 the project was guided by a Partner Steering Group, chaired by the University of Teesside. Its key stakeholders are the Tees Valley Partnership, Middlesbrough Council & Town Centre Company, and One North East. Partners are drawn from a range of backgrounds, and include Business Link, Arts Council, NESTA from the public sector; and large and small companies, from Onyx Internet and Trinity Mirror, to Atomic Planet (games) Qurios Entertainment (animation), Amazing Interactives (VR) and most recently NISAI (e-learning, virtual learning).

DigitalCity's targets are to grow new businesses, create jobs, raise skill and attainment levels, and regenerate the place for local people and inward investors, in order to make the North East competitive in a rapidly changing global economy. By 2010 there will be 130 new businesses and more than 300 more jobs. Already DigitalCity has achieved some early wins – student retention, business and job creation, inward investment, PR – that have helped to establish its credentials as a major strategic driver for the economy of the Tees Valley and the North East region. The project has in effect been conceived as a pipeline, from early education through business development to international showcasing, supported by people with the knowledge and commitment to make it a success.

The Nisai Story

One company that has been particularly attracted to the pipeline of initiatives that is DigitalCity is Nisai Learning Ltd, part of the Nisai Group, which has company offices in West London. Nisai originally set up a team of 40 in Hyderabad to develop interactive online 'games-playing' software for their Virtual Academy – an Academy that allows pupils excluded for whatever reason from mainstream schooling to keep up to date with class work through the internet. Dhruv Patel, CEO, found that his staff were continually being poached by big name companies, so decided to relocate. Middlesbrough was one of the UK venues that he investigated; and as Stephen Briggs, the Learning Manager, explains, alongside the ready availability of the right kind of graduate skills, R&D, and levels of business support, what clinched the move to Middlesbrough was the determination on

behalf of all concerned to make it happen. 'They asked us the right questions to persuade us to locate here', says Stephen, 'and since then have supported us through recruitment stages, networking and with high level profile opportunities; a true partnership. We were made to feel part of the region from day one.'

Nisai has been a major confidence boost to DigitalCity and the region and given us all greater optimism about further inward investment opportunities. The company has contracted with local and regional companies, and is a major player in regional partnerships for e-learning.

Current plans with Nisai include validation for other Nisai products, namely business training, by the University of Teesside Centre for Lifelong Learning. DigitalCity will also support their next recruitment drive, with a projected expansion to 120 jobs.

Why has DigitalCity achieved so much?

DigitalCity has had total support from within the University, from the vice chancellor down; from strategic public agencies like the Tees Valley Partnership, and from the digital industry itself. It builds on a strong academic and technology transfer track record, along with a clear vision on the part of the Project Director, her team and her partners, of how to make a difference in the Tees Valley. It will succeed just because so many people believe in it. Nisai will be the first of many.

Major highlights

- Initial funding of over £1m by the RDA for the start-up phase, 9 new businesses, 18 jobs, 57 learning opportunities more than 30hrs, 157 workforce learning opportunities.
- Funding of £6 million through the Tees Valley Partnership from One North East towards DigitalCity fellowships, festivals and a new £11m Institute of Digital Innovation (IDI). The University of Teesside is the other major funder and prime stakeholder for the IDI.
- Additional Funding of £2.5m for DigitalCity Business, forging a strong link with Middlesbrough Council and the town. Refurbishment of Victorian buildings is planned to accommodate the growing digital cluster.
- Recognition by NESTA (National Endowment for Science Technology and Arts) for DigitalCity to run the North East NESTA Insight Out Academy.
- Commitment from Middlesbrough Council to lead on the DigitalCity Business Cluster that includes the development of business accommodation for the sector, at the heart of Middlesbrough Creative Quarter
- Also commitment by Middlesbrough to chair the feasibility stage for the proposed Museum of Digital Media (working title only, may become a visitor/tourism attraction)
- One North East choosing DigitalCity as a key driver for economic development in the sector and promoting the 'people' as part of the campaign (Passionate people, passionate places)
- World-class animation work screened in Hollywood, Fantasy Festival, Germany and Edinburgh Festival.
- And importantly a range of activities that address the support and nurturing of people and businesses plus the regeneration of place.

Case 4 – University-led Regeneration through the North East Productivity Alliance (NEPA) Project

Authored by the University of Sunderland and approved by NEPA Chairman, John Cushnaghan, CBE (former Managing Director of Nissan Motor Manufacturing UK Ltd)

NEPA is a manufacturing Advisory Board to the North East Regional Development Agency (One North East). It is a regional alliance of industrialists, academics and government agencies. Established in 2001, NEPA aims to take forward the North East region's manufacturing strategy by improving the region's productivity and competitiveness. NEPA provides an excellent example of the region's key industrialists coming together with local government agencies to align policy and funding so as to improve the economic performance of the manufacturing sector.

The NEPA programme covers four projects including, NVQ Workforce Development, Best Practice Improvement Engineering (supported by Industry Forum), Digital Factory, and Engineering Fellows.

Industry engagement and the key role of NMUK Ltd

NEPA is based on the principle of responding to the current needs of industry. By developing a programme of interventions, genuinely led by industry for industry, NEPA has delivered improvements to over 300 North East firms. Agreement from Nissan Motor Manufacturing UK Ltd (NMUK), the most productive car plant in Europe, to champion NEPA has been critical to its success. However, NEPA is not just based on Nissan's experience; it is tailored to individual firms' requirements and encompasses best practice from other leading firms. In short, the opportunity for other North East firms to benefit from the collective experience of Nissan and others has proved compelling.

NMUK is by far the largest manufacturer in the North East. Its importance to both Sunderland and the region's economy is considerable. It is the cornerstone of the region's automotive sector, employing 4,000 people directly, and generating £170 million in wages every year. For NMUK, the motivation to participate is based on their interest in the region as a large employer and the desire to access funding for the region's wider automotive and manufacturing sector that would help all participating firms to up-skill their workforces and also deliver cost reductions to improve competitiveness.

The University of Sunderland's relationship with Nissan Motor Manufacturing UK Ltd and NEPA

The University of Sunderland's relationship with NMUK has evolved into an effective partnership based on knowledge exchange, where both sides have a vested interest in achieving each other's objectives. The University delivers 50% of NEPA's Programmes with participating firms (two from its four projects) and is responsible for engaging the region's other four universities. The University has gained significant recognition for its role in helping to facilitate NEPA at the outset by:
- Managing State Aid clearance for a £10m programme (at that time)
- Translating industry ideas into effective bidding documents to secure public sector funding
- Seconding and/or recruiting experienced staff in collaboration with industry
- Managing the role of the region's other universities with the aim of providing a more coordinated and pragmatic response

Furthermore, the University of Sunderland in its subsequent role as a Programme Manager for the Digital Factory and Engineering Fellows projects has gained a reputation for delivering high impact for participating firms. For example, a firm saved £2m following an engineering design training course, and another firm's product was re-engineered, providing the opportunity to sell into new oil and gas markets.

Enablers

- Creating an effective forum, with strict terms of reference, bringing together academia, economic developers and industry with the common aim of improving manufacturing productivity
- Effective leadership and genuine commitment from the region's most senior industrialists to drive NEPA forward
- Consulting with managing directors of key manufacturing firms with a focus on identifying the barriers preventing them from achieving their firms objectives over next 3 years
- Synergy achieved by building an integrated programme of interventions
- Making it easy for firms to engage by creating a one stop shop type organisation for manufacturing productivity support

Future challenges

In its first four years, NEPA has had significant impact in helping firms to reduce their costs to improve their ability to compete globally. The next challenge is to continue making further demonstrable cost reductions and also to champion innovation with a greater focus on improving profitability.

Highlights of success

A clear and coordinated strategy from manufacturing staff to senior executives has resulted in:

5,000 Level 2 engineering based NVQs gained by manufacturing staff

2,500 Design Engineers trained in digital factory tools and techniques

8 industry-led research projects

Case 5 - 'Better than its Image' – Tackling Inclusion in Teesside

Chris Duke, OECD Peer Review Team

Graham Henderson, Vice-Chancellor of the University of Teesside UT), is one of the region's 'passionate people'. He has worked at several different North East HEIs, is emphatic that the region is better than its image, and notes that people for ever telling themselves how grim it is does not always assist. He is also the first to acknowledge that Teesside in particular suffers very deep deprivation even compared with the rest of this least advantaged English region, and that this presents a big economic and social challenge to the University and its partners, prominent among whom are the further education (FE) colleges of the sub-region. The Teesside partnership works to address long-term problems of low educational participation and attainment which underlie the economic disadvantage that may lead to Teesside continuing to attract ERDF funding for the EC, when such funds cease for the rest of the region in 2006. [For an example of more direct economic development partnership, see case 3 'DigitalCity – From Hyderabad to Teesside'.]

Teesside was born out of a local polytechnic as a 'new opportunity university' in the nineties. It has broadened its mission to add high academic achievement to widening participation (W/P), and to attract more non-local including international students in the course of its rapid growth. UT has the second largest student numbers among HEIs in the region. It has more part-timers than any other university in the land, apart from the two specialist institutions, Birkbeck College and the Open University. These high part-time numbers are part of a central purpose: raising aspiration among the most disadvantaged. The changes to national funding from 2006, with a normal full-time undergraduate fee level of £3,000 a year and no *pro rata* arrangements for part-time students to defer payment, threaten to decimate this work - or bankrupt the University in trying to keep it going on low fees.

Currently UT has 2,000 students taught by FE staff within FE colleges, and a further 2,000 in other off-campus localities where the university provides the teaching itself. Unlike much of the HEFCE-supported HE work delivered within FE, almost all the HEFCE funds come through UT, which through the Consortium plans for the sub-region as a whole. There are university centres in six Teesside colleges and four in Durham, two of these being also in the Tees consortium. Echoing the common spirit of collaboration between universities in the North East, UT sees Durham and its new Stockton Teesside facility as working together in a non-competitive way. The consortium thinks in terms of *inclusiveness* and general aspiration-raising rather than W/P. It attracts excellent local students by an innovative approach to curriculum renewal that seeks relevance, to be an institution of choice, not of last resort. It performs well above its HEFCE-set benchmarks on both W/P and retention, and excels also in student satisfaction measures.

The core UT plus eight FE colleges Higher Education Business Partnership (HEBP) is strong, stable, and now twelve years old, within a wider group of 14 institutions. It has widened out from the original collaboration which was to deliver Higher National Diplomas in Business Studies. A key to stability is the full participation of the colleges, transparency of operations, and the mutual trust that this has built over time. The partnership continues to grow, using new IT capacities and encouraging the sense that all within the UT 'footprint' have a right to benefit from their university. Fifteen-year-olds for example can gain a 'passport to UT'. This inclusive approach allows access to HE for people who would otherwise never dream of such a prospect. It is irritating that honours degrees classified as lower second class (2.2) won by these disadvantaged 'school 6th form failures' are then defined as failures: so much for 'value-adding' in a hierarchical society! It is a sign of the strength of the consortium that some colleges can now offer HE programmes in areas which UT itself does not offer,

for example performing arts; quality assuring these is not easy, but the intention is together to meet the region's needs as fully as possible.

UT and its FE partners find the current policy orientation of the LSC deeply worrying. Its 'Coventry rules' and specific targets heavily favour lower level work known as 'level 2' over the upper secondary school and undergraduate level work known as levels 3 and 4, which the region wants and needs. They find the national LSC agenda irrelevant to local economic needs. Local reality is for instance that the Chemical Engineering Foundation degree developed with the employers that succeeded ICI on Teesside must run courses in triplicate to cater for 14 different shift systems! Put bluntly, LSC is merely a channel for carrying out a DfES policy that is deaf to the region. So the key partner Middlesbrough College will see its part-time numbers fall from 13,500 in 2005-06 to 11,000 in 2006-07. Given the low educational attainment of today's adults there is a huge need for adult skills catch-up for the knowledge economy but relevant capacity-focused courses for older workers are being prevented. The consortium is exercising what agility it can to repackage its level 4 (degree level) work as rebadged HE awards, such that HEFCE can fund it. Deftly massaging what is needed for capability into qualifications packages is not the best way to proceed; better have fit-for-purpose rules than bend the rules to half work for you.

Case 6 - Cultural and Creative Industries

Chris Bailey, Northumbria University

In establishing its Culture Committee, Universities for the North East recognised the potential for collaboration, partnership and advocacy in an area of growth and strategic importance for the region. Its academic members, who are all senior managers, represent the Universities of Durham, Newcastle, Northumbria, Sunderland and Teesside, and the Open University in the North East. Almost all have direct experience of the sector as practitioners, advisors or board members. They saw that there were opportunities to be grasped through working collectively in partnership with cultural agencies and arts organisations, and through advocating the role of Universities in developing the cultural and creative sector.

The Committee also includes, as invited members, senior managers of key organisations in the cultural sector, providing a useful forum for dialogue and a communication channel for institutions individually and collectively. Meetings have included staff from cultural organisations, including BALTIC and The Sage Gateshead, Arts Council England, and North East Museums Libraries and Archives Council Arts Council, Culture North East and One North East. The region's cultural agencies had long had a tradition of linking their agendas to major social policy initiatives and budgets, using mechanisms such as Local Authority Development Agencies to build capacity to engage in major cultural projects. Powerful advocacy documents, such as *The Case for Capital* developed by Northern Arts in the 1990s, impressed on national government as well as regional bodies the need to induce a step change in the region's performance. The development of regional policies by the universities brought about a natural overlap of interests.

Although successful bilateral relationships had existed between arts bodies and universities over many years, for instance to provide both Literature and Composer Fellowships at Newcastle and Durham, the external perception was that universities were hard to influence. Universities, on the other hand, felt that they had a huge impact on communities, the workforce and the intellectual life of the region, but that they were not seen as part of the 'real' economy. A turning point in correcting this view came in 1996, when the region hosted the Arts Council's Year of Visual Arts, having argued that, without any major single concentration of visual arts facilities, the entire region and its organisations would become a vast interconnected exhibition space. Universities responded enthusiastically by throwing open their gallery spaces, by mobilising the arts practitioners amongst their staff and students, and by providing research expertise. Symbolised by the proposal to install Anthony Gormley's Angel of the North on a reclaimed coalmining site in Gateshead, the year showed that a national profile through culture was an achievable objective for the region. The universities, despite their very different histories, adjusted to participating together in the 'bidding culture' which was, by then, a common feature of local authority regeneration strategies.

Partnership with higher education was written into the major Lottery funded capital projects in the region that grew out of *The Case for Capital*, and the role of intermediary fell naturally to Unis4NE. In the case of The Sage Gateshead, discussions with HEFCE led to additional student numbers being released to establish a unique folk music degree course at Newcastle University, while the universities as a group joined an HE Projects Committee, supported by a Development Officer, whose job was to establish complementary links with all six institutions. This undoubtedly stimulated the universities to review, and in one case to revive, their music provision. This in turn provided a readymade platform for a bid to HEFCE's Centre for Excellence in Teaching and Learning. The success of this bid, one of only two in music, stemmed in part from the agreement that all institutions

be involved in some way, creating a spectrum of activity ranging from ethnomusicology to professional development, and from composition to digital technology and music in education. The availability of capital and revenue funding through the CETL allowed each institution to enhance its own provision, and provides the infrastructure to support communication across the network. The fact that each project involves at least two universities, and often more in partnership with The Sage Gateshead, has led to an energy and spirit of innovation that has broken down some previously entrenched institutional approaches.

The regional development agency, One North East, recognised the cultural and creative economy as significant in its regional plans, and accorded it sufficient support to make its case through mapping and feasibility studies. Arts Council England's Cultural Business Venture programme, the success of graduates from creative courses in gaining awards and finding space in university 'incubator' units, and the findings of a report to One North East on the need for high level skills education, sustained the phenomenal growth of creative industries fuelled by improved retention and critical mass in many parts of the region. Under the aegis of Arts Council England's Cultural Sector Development Initiative, the universities pooled their separate projects for professional development to bid for EU funding under Objective Two. The first phase of the Cultural Skills Development Programme (CSDP), worth £1.6m and led by Northumbria, included complementary strands from Newcastle, Sunderland and Teesside. Phase Two runs from 2005 to 2007 and is led by Sunderland. Whilst on Teesside the CSDP helped consolidate the emerging cluster of digital animation businesses, at Northumbria the funding supported online MA courses in cultural management and, in partnership with the region's new writing theatre, the Northumbria Live Theatre Academy, a unique MA course giving drama graduates the experience of creating three fully professional productions. At Newcastle it has fostered a range of creative programmes in Music, Fine Art and Creative Writing.

The universities' role in deepening understanding, commencing with research commissioned for the Year of Visual Arts, expanded to give depth to the widely admired bid by Newcastle Gateshead to become European Capital of Culture in 2008. Although unsuccessful, the Cultural Research Network established for this purpose, composed of researchers from universities and elsewhere, is linked to the Regional Cultural Agencies Research Group, managed by Culture North East, and charged with defining the research agenda for the sector as a whole. A number of flagship projects, including the ten year longitudinal study of the impact of cultural investments and strategies in Newcastle and Gateshead managed by Northumbria, helped to make the case for a Regional Cultural Observatory. The stimulus of the bid also encouraged universities to develop their own cultural strategies, leading to the development of a Newcastle Cultural Quarter in partnership with the City Council.

The transition from externally funded initiative to mainstream provision is hazardous in any sector. The greatest threat to sustainability for university-led activity in this area is the termination in the near future of EU funding to the region, at least at the current level. Constraints on university funding mean that full economic costing will normally be applied in an area where risks and benefits are less well understood than the 'traditional' economic sectors. Nonetheless, every university is currently investing in considerable capital developments which will directly enhance the contribution. The range and scale of activities of universities in support of the cultural sector is being recognised by the Partnership Agreements which Arts Council England - North East is currently discussing with each institution.

The challenge now is to address some structural problems. Typically the cultural and creative sector is composed of micro-businesses and sole traders. It lacks a strong voice in strategic debate. Regional agendas are generally defined according to inappropriate industrial norms, and key committees are dominated by those industries. Sources of mainstream funding are often unavailable because they are not designed for such a fine-grained sector, or cannot be accessed because

intermediaries lack expertise. Although there are excellent examples of culture led-regeneration linked to enterprise activity in universities, there is often no formal mechanism for sustaining, let alone replicating, them. Removal of these barriers could revolutionise the use of 'third stream' funding to universities working with the sector. A coalition of the willing can overcome the problems faced by the sector, and release the energy of individuals committed to connecting the agendas of higher education and regional development.

Case 7 - University-led Engagement of North East Communities through Sport

Peter Warburton, University of Durham

The universities of the North East have a shared vision and commitment to regional development as represented by their missions and in their Corporate Plans. They acknowledge that they have a clear role to play in helping to address economic disparities, in retaining a well rounded and educated work force, promoting social equity and impacting positively on the daily lives of the communities in which they are based.

At first sight sport may not seem the natural home to help build this regional harmony, but over the last ten years it has proved itself outstandingly effective for this agenda. The power and influence of the joined up thinking underpinning university sport has been greatly helped by the endorsement of the senior management of all five universities.

Four of the five Directors of Sport now in post were appointed to their institutions at similar times in the mid 1990s. It became apparent from the outset that a working partnership was the way forward to ensure maximum progress. Up till then sport had not been a major voice when set against the core business of the universities. It was felt that greater opportunities would manifest themselves through a common strategy. Also at this time, outside communities showed considerable scepticism as to how university sport programmes could be integrated into wider regional agendas. In the face of this a united message was essential.

In the early days the group worked together to share ideas and to look at best practice within each institution. Actively working together often manifested itself around events between universities as with the Stan Calvert Memorial Trophy, a multi-sport event between Newcastle and Northumbria Universities, and the Northumbrian Water University boat race between Newcastle and Durham. The partnership gradually increased in strength and was gaining greater credence through inclusion within the committee structure of Universities for the North East, which provided a formal structure and a mandate for collaboration.

The inclusion from the outset of the Director of Sport England (NE) on this university group inevitably moved the group's thinking away from internal co-operation to wider community issues. This was crystallised by an in-depth audit of sport provision, undertaken in 1999, which demonstrated the contribution that universities could make both internally and externally on wider sporting agendas. From that time refocusing has resulted in the universities playing an integral part in community sports development.

Partnerships and Community Engagement

This change has been recognised and endorsed through increased support from outside agencies, for example the RDA's and the GONE's support of Northumbria University in delivering a European Social Fund Programme, 'Women into Sport', the Tees Valley Partnership support of Durham University in underpinning a project to increase participation in the local community, and Sunderland University's involvement with wider partners in the development of the Water Sports Centre at the Marina in Sunderland.

The universities' potential actually to promote and lead projects on behalf of the region, rather than being only contributors, became evident with the introduction of the County Sport Partnerships. These Government resourced and led programmes sit at the heart of sports development in this country, evidencing the authority now being delegated to regions in terms of the delivery of the wider

sporting agenda. Teesside University hosts its sub-regional partnership. Northumbria and Durham take lead roles within their respective sub-regions. Close involvement in the County Sport Partnerships has led to the universities becoming involved in an ever-increasing number of local initiatives. These have ranged from Education Action Zones, Sport Action Zones, Active England, Everyday Sport, Active Sports, School/Club links, and School Festivals to Step into Sport Conferences. As one specific example of good practice the University of Durham hosts the sporting hub within the City, an initiative described by the Minister for Sport as 'the best example of its kind in the country of a higher education institution engaging with a multi sport club.' The impact of universities working in this way should not be underestimated in respect of the positive influence they have on the widening participation agenda.

In contributing to delivering the government's agenda within the region, the universities can draw on the invaluable resource of their student population. The students provide a bright, articulate and sympathetic workforce able to relate to young people in their communities. In return they are able to develop leadership and life skills that can be taken into their career pathways. The added value to students of community sport programmes should not be underestimated. It is fully supported by Sir Kenneth Calman, Vice Chancellor of Durham University, who has stated that students 'should not let their degree programme get in the way of their education'.

Next Steps

The sporting agenda in the five universities is now being moved to the next stage of development with the introduction of Sport Universities, North East England. This new structure has been endorsed by the Minister for Sport, Sport England, Unis4NE, British University Sport, University and College Sport, and the Regional Sport Board. Specific funding to underpin the project is being provided by One North East, the Regional Sports Board, Sport England nationally, and the five universities. This revitalised project will focus on inclusion, increased participation, and the development of performance potential within and outside the universities. It will address the broader agendas of health and well-being, and skill-enhancement.

The driver behind this new agenda can be found in the universities working on single projects across the partnership rather than in small groups, the preferred method of delivery in the past. The pilot project presently being developed involves the universities working with the Government Office North East drug intervention team. It aims to re-engage drug users into society through the medium of sport. Newcastle University was the first to pilot the scheme, followed by Teesside. The programme will be delivered across all five universities in the next twelve months.

In order to sustain and develop the Sport Universities concept, an audit and feasibility study was commissioned by the universities in 2004. This identified a set of objectives to be implemented through the leadership of a shared appointment that would co-ordinate and drive the initiative. Funding will be essential for future progress; note that the universities have often taken lead roles in community sport programmes that have been funded internally. Whilst they have on occasions been successful in drawing down partnership funding, it is lack of long-term financial support that more than anything else threatens to hold back this partnership.

Conclusions

The North East is a sport-obsessed region. The collective passion of the stakeholders has made this partnership successful. The partnership is built around mutual trust, and a vision for the future incorporating the needs and expectations of the region. Its greatest strength has been its commitment

to review its work, and where appropriate to re-invent itself, to meet the needs of the ever-changing local and regional agendas.

Case 8 - Knowledge House

Alan Sanderson, Knowledge House

Knowledge House (KH) was established in 1995 with funding from the NE England Objective 2 Structural Funds programme, and supported by all the region's five full universities as well as the Open University in the North. This followed a relaxation by HM Treasury in 1994 which allowed HEIs to bid into EU Structural Funds.

Originally conceived as a physical drop-in centre for SMEs located in Newcastle, the model was expanded to one of a virtual network to capture the combined offer of all of the region's HEIs. The original proposal was also a reaction to the establishment (by former Minister Michael Heseltine) of the national Business Links (BL) network of one-stop-shops for business support, and was intended to support the technology and innovation requirements (broadly defined) of BL client companies. Although proposed as primarily a reactive service it quickly became clear that the key to the future success of KH was to adopt a more pro-active stance, which the organisation did 18 months after its inception.

KH has not looked back since this time. Business growth currently averages around 25% p.a. KH receives over a thousand enquiries from client companies and delivers almost 200 client contracts on an annual basis. At any time KH has around 150 contracts in progress.

The KH model operates on a hub and spoke basis with a central HQ and KH staff distributed at all the partner sites. KH differs from most other comparable services in other regions and countries by offering a 'cradle to grave' service, stretching from initial receipt and circulation of enquiries through project management and delivery to post-completion assessment of the service offered. Many other networks offer mainly signposting services. This makes KH relatively expensive to operate, but offers a much improved client experience.

The network and its operations are supported by a web based enquiry handling/project management and client relationship management system, the KH Information Management System (KHIS), which was commended in a cross-departmental audit of EU programmes undertaken by the UK government.

Today KH operates using effectively the same model as that originally conceived, notwithstanding refinement and continuous improvement activities. Whilst the service has no legal status, its activities are overseen by the Universities for the North East3 Board (the vice chancellors of the participating universities). KH has been cited as an exemplar in many reports (including Dearing and Lambert) and was recently described as best in class by Roland Berger International Strategy Consultants.

At present KH is funded by a combination of the HEFCE HEIF2 initiative, EU Structural Funds and, of course, the universities themselves. The intervention of the former has relieved KH from the SME eligibility constraints associated with the operation of EU Programmes, and KH now works with a wide range of companies regardless of size and location. This said, the bulk of KH activity still focuses on regional economic development, and most contracts are delivered to regional clients. The cumulative economic impact of KH activity has been estimated (using conventional methodology) as being in excess of £35 million (a 6-fold return on the investment in KH). By the same token KH is well positioned to respond to the RDA's objectives and the Regional Economic Strategy, but at present is not supported financially by the RDA.

Increasingly, KH is being strategically re-positioned with the support of the partner universities - most particularly with the migration of KH's financial support from ERDF to national programmes such as HEIF2. It is the vehicle for such specialist activities as inward investment and export support. Further proposed specialist functions are planned including the development of regional higher level skills brokerage and support for the cultural and creative industries. Traditionally KH has acted and continues to act as a strategic and operational point of liaison with partners, regional and national, from all sectors including private sector representative bodies such as the Chamber of Commerce, the Institute of Directors and the Engineering Employers Federation.

The nature of work undertaken by KH is extremely broad (all academic disciplines barring veterinary science are represented in the Region) ranging from fine art restoration to the design of medical devices. Insofar as there is a common denominator this would be design; some 37% by number, 47% by value, of KH contracts are design-related. An example of a KH mediated and managed project follows:

> *E.J. Badekabiner are a manufacturer of modular/pod fully assembled bathrooms in the construction industry. The products are fully completed including furniture and fittings, and then packaged for delivery to site where they are craned into the building construction itself.*
>
> *Knowledge House managed a collaborative project with two universities and three teams within the universities. The Agility Group (Durham) concentrated on process optimisation, Resource Centre for Innovation and Design (RCID, Newcastle) focused on aspects of product and tooling design, and Industrial Statistics Research Unit ISRU (Newcastle) provided relevant staff training in the areas of SPC and Six Sigma.*
>
> *Work undertaken involved introducing a communication and operational structure which enabled improved pod planning and management though the hall. The project was successful in that the company are now producing around 30% more in 50% of the physical space previously required. Work in progress has reduced by around 51%, lead time reduced by 30% and direct man hours on pod manufacture increased by 70%. Consequently all of the build requirements to customers are now being achieved.*

The main issues facing KH currently involve the imminent demise (ERDF) or re-focusing (HEIF3) of the major funding streams supporting the network. KH has traditionally mostly worked in areas of economic regeneration described variously as 'public good' or 'non-profitable'. This may well force a re-focusing to a more overtly commercial business model in which case it would be mostly the Region rather than the HEIs which would lose out.

This lies alongside the perennial difficulty, identified by Lambert amongst others, of low demand from the private sector and in particular the SME population. A significant component of which has been attributed in the recent OECD Economic Survey of the United Kingdom (OECD Policy Brief, October 2005) to the need to 'help the economy to absorb innovations' through the implementation of policies which raise the general skill level of the workforce.

Case 9 - The Northern Rural Network (NRN)

Neil Ward, University of Newcastle upon Tyne

The Northern Rural Network (NRN) is a learning network of more than 600 members, including researchers and rural development practitioners from businesses, public agencies and the voluntary sector. The Network was established in 2000 and is administered by the Centre for Rural Economy (CRE), a social science research centre in the University of Newcastle's School of Agriculture, Food and Rural Development. Around 40 University staff and researchers are associated with CRE, which was established in 1992. NRN membership is free of charge and the membership and activities extend from the North East region to include parts of neighbouring regions (especially Cumbria, Lancashire and North Yorkshire). This fuzzy boundary reflects the fact that professional networks in rural development transcend the Government's regional boundaries, which are metropolitan-centred.

The NRN's origins lie in the mid-1990s. Following the designation of England's Northern Uplands as an EU Objective 5b area, CRE convened a series of events to help develop a shared analysis of the area's rural development challenges and opportunities. It became clear that a University-based research centre could play a valuable role as an independent body in bringing together different sectoral interests (*e.g.* farming and tourism organisations, environmental and community groups, and local and regional authorities). In particular, participants valued the opportunity to reflect with academics on the evidence base and lessons from elsewhere on good practice in rural development, especially as there was little knowledge or experience in the region of how other EU regions were addressing rural development problems. These regional engagement activities were formalised under the Northern Rural Network in 2000, and the Network has since gone from strength to strength. Funding from a combination of the Northern Rock Foundation, One North East and County Councils was secured in 2001 to develop the NRN. One of the objectives of the North East's Regional Economic Strategy at that time was to place the region's universities at the heart of economic regeneration. This inspired CRE to develop a programme to transfer research ideas and findings into policy and practice in the region, and to facilitate work experience for postgraduate students and improve graduate retention.

There are two linked components: research and development work on behalf of rural businesses and agencies. To date, almost 30 students have been involved and approximately 350 firms have benefited as a result of the students' work. In 2002, one student conducted research for Northumbria Larder, a new regional food group. The study included customer profiling work for an organic meat producer (Northumbrian Quality Meats) which proved very helpful in developing the direct sales and marketing strategy for this expanding business. In another case, two students worked with the Teesdale Enterprise Agency, an agency involved in rural economic development in Teesdale, County Durham. Shaun Stewart, the Chief Executive of Teesdale Enterprise has explained how the survey work carried out (on farm diversification and on ICT needs) provided a valuable evidence-base which enabled the Agency successfully to bid for two rural business support officers in the District. Subsequently, the work of these officers has created or safeguarded more than 300 jobs in a local rural area with a fragile economy.

These links were in place to help the region when Foot and Mouth Disease hit in 2001. (FMD began in the North East and the region was among the most devastated by the disease). CRE's links with rural businesses and organisations meant the first systematic evidence of FMD's widespread rural economy impacts could be swiftly compiled and presented to Government, which helped nationally in planning remedial and recovery measures.

The Northern Rural Network has been a unique initiative designed to help progress rural and regional development in accordance with regional and sub-regional economic development strategies. It has also helped operationalise a new model of 'neo-endogenous' (or 'locally-centred') rural development based on the management and development of human capital and intellectual assets. The success of the project has hinged on the continual strengthening and development of relationships between CRE and a wide range of research users and practitioners in the rural North.

The CRE's philosophy underpins the thinking behind the project. The Centre's mission is *to advance the study and practice of rural development, nationally and internationally, through high quality research, scholarship and postgraduate training*. Among its core values is to *use research to engage, inform and make a difference to others*. CRE seeks to do this by: **'***doing***'** rural development through *studying* rural development; using experience from the north of England to inform UK and EU-wide debates, and vice versa; and by pioneering University-region links through its distinctive approach to researchers and practitioners 'thinking and learning together'. Crucially, CRE's approach to regional engagement sees the links between universities and regional economies as not just about high-tech clusters and spin-off companies, but about utilising universities to enhance human and organisational capital, deepen and extend knowledge transfer, and bring together practitioners and researchers to foster mutual learning. It is through the continual development of this 'learning network' approach that the capacity of rural businesses like Northumbrian Quality Meats and public agencies such as Teesdale Enterprise is enhanced.

Membership of the Network has more than doubled over the past three years and stakeholders express strong support for the enterprise. The project was externally evaluated in early 2004 by independent consultants and is being further developed as a result. A new web-page was launched in October 2005 to strengthen the dissemination of learning from student placement projects and from NRN workshops and short courses. A key driver in the Network's success is the continual effort to generate leading social science research agendas and questions out of the regional engagement activities. This is therefore not just an exercise in 'outreach' but an effort to develop a virtuous circle of knowledge production and mutual learning through bringing together the study and practice of rural economic development.

Further details about the CRE and the NRN, including a recent independent evaluation report, can be found at: http://ncl.ac.uk/cre

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APPENDIX 1. THE OECD REVIEW TEAM

Lead Evaluator

Chris Duke is part-time Director (Higher Education) for NIACE in the UK, part-time Professor at RMIT, Honorary Professor of Lifelong Learning at Leicester and Stirling in the UK. He worked at the Universities of Greenwich and Leeds, then as founding Director of Continuing Education at the Australian National University, and Foundation Professor Continuing Education at the University of Warwick, serving as Pro-Vice-Chancellor there, then President of the University of Western Sydney Nepean, Professor of Lifelong Learning, University of Auckland and Director of Community and Regional Partnership at RMIT. He has worked for thirty years in higher education, organisation behaviour and change, the role of education in development, recurrent education and lifelong learning, equity and poverty reduction issues, and sustainable development with the OECD and other international organisations. He is the Executive Officer of the Pascal International Observatory on Learning City Regions.

International Expert

Robert Hassink holds a PhD in Economic Geography from the University of Utrecht, the Netherlands. After finishing his PhD in 1992 he worked at several research institutes and universities in the Netherlands, Germany and South Korea. Currently he is an associate professor of economic geography at the University of Oslo. Over the years he has carried out research projects on regional innovation policies and industrial restructuring in Western Europe and East Asia which have been sponsored by, among others, the German Research Council, the European Commission, the World Bank and the OECD.

National Expert

Eur Ing Professor **James Powell** OBE is a Chartered Builder, Pro-Vice-Chancellor of Enterprise and Regional Affairs, and Professor of Academic Enterprise at Salford University. His areas of expertise are sustainability, community finance, design, team building, business process engineering and multimedia communication, in particular research focused on the use of advanced digital media to nurture innovation for wealth creation in small enterprises. He is now exploring benchmarking academic enterprise to drive for best practice. He has published over a dozen books and a hundred refereed papers. He was made an OBE in the Queen's 1996 Birthday Honours.

Team Coordinator

Jaana Puukka is the OECD consultant managing the IMHE project on 'Supporting the Contribution of HEIs to Regional Development'. She has experience in regional development as a ministerial and local government adviser, program manager, practitioner, and evaluator. She is the Regional Development Manager of Turku Polytechnic, the biggest professionally oriented HEI in Finland, and has been involved in the evaluation of Turku University's external impact and the subsequent re-evaluation. She has worked for the Ministry of Education for the review of master's programs with funding from the EU structural funds.

APPENDIX 2. REGIONAL COORDINATOR, REGIONAL STEERING COMMITTEE, AND THE AUTHORS OF THE REGIONAL SELF-EVALUATION REPORT

Members of the Regional Steering Group of the North East of England

Peter Allan (Chairman)	Consultant, Ward Hadaway Solicitors
Professor Peter Fidler	Vice-Chancellor and Chief Executive, University of Sunderland
Professor Christopher Edwards	Vice-Chancellor and Chief Executive, University of Newcastle upon Tyne
Professor Kel Fidler	Vice-Chancellor and Chief Executive, Northumbria University
Professor Sir Kenneth Calman	Warden and Chief Executive, University of Durham
Professor Graham Henderson	Vice-Chancellor and Chief Executive, University of Teesside
Chris Pywell	Head of Innovation, Industry and Science team at One NorthEast
Chris Roberts	Regional Director, Learning & Skills Council
Professor David Charles	Author of the Self-Evaluation Report, University of Newcastle upon Tyne
Jean Tennant	Consultant and Report Writing Support
John Cuthbert	Chief Executive, Northumbrian Water plc - Business
Jonathan Blackie	Regional Director, Government Office
Mark Robinson	Executive Director, Arts Council England North East
Nicola Oates	Regional Consultant, HEFCE
Pat Ritchie	Director of Strategy and Development, One NorthEast
Paul Callaghan	Chairman, Leighton Group – Business
Helen Pickering	Regional Project Co-ordinator and Executive Director of the Universities for the North East
Alan Sanderson	Universities for the North East and Knowledge House

Substitutions

Andrew Lewis	Deputy (Economic Group), Government Office North East substituted for Jonathan Blackie
Doris Smith	Head of Learning Policy, Tyne & Wear Learning & Skills Council substituted for Chris Roberts

APPENDIX 3. PROGRAMME OF THE REVIEW VISIT

9-15 OCTOBER 2005

Sunday 9 October

      Panel Private Meeting

Monday 10 October

10.00 - 11.15am   **Chair, Regional Co-ordinator, and Report Consultant**
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Executive Director, Universities for the North East and Regional Co-ordinator for OECD Project
Professor David Charles, University of Newcastle and OECD Report Consultant

11.30am – 1.00pm   **Academic Panel to discuss North East Region**
Professor Ray Hudson, Director of Wolfson Research Institute, Durham University
Professor Tim Blackman, Durham University - *apologies*
Professor David Charles, University of Newcastle and OECD Report Consultant
Professor Chris Bailey, Associate Dean, School of Arts, Northumbria University
Professor Neil Ward, Director of Centre for Rural Economy, University of Newcastle
Dr Tony Chapman, Assistant Dean, School of Social Sciences & Law, and Director of Social Futures Institute, University of Teesside
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

2.00 – 3.45pm   **The Steering Group**
Peter Allan, Chair of OECD Project Steering Group/Ward Hadaway
Professor Sir Kenneth Calman, Vice Chancellor, Durham University
Professor Graham Henderson, Vice Chancellor, University of Teesside
John Cuthbert, Managing Director, Northumbrian Water / Chair of Regional Skills Partnership
Andrew Lewis, Deputy (Economic Group) Regional Director, Government Office North East
Paul Callaghan, Managing Director, Leighton Group
Chris Roberts, North East Regional Director, Learning & Skills Council
Chris Pywell, Head of Innovation, Industry & Science Team, One NorthEast

Mark Robinson, Executive Director, Arts Council England NE
Professor David Charles, University of Newcastle and OECD Report Consultant
Helen Pickering, Regional Co-ordinator for OECD Project

4.00 – 5.30pm   **Regional/Local Government Representatives**
Andrew Lewis, Deputy (Economy Group), Government Office North East
Margaret Fay, Chairman, One NorthEast
Melanie Laws, Director, Association of North East Councils
Paul Rubinstein, Chief Executive, Tyne and Wear Sub-Regional Partnership/Head of Economic and Cultural Affairs, Newcastle City Council
John Lowther, Chief Executive Tees Valley Sub-Regional Partnership/ Director, Tees Valley Joint Strategy Unit
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

5.30pm   Panel Private Meeting

Tuesday 11 October

9.30 – 11.00am   **Widening Participation and Lifelong Learning Theme Group**
John Cuthbert, Managing Director, Northumbrian Water/ Chair of the Regional Skills Partnership
Dorothy Smith, Head of Learning Policy, Tyne & Wear Learning & Skills Council
Nicola Oates, North East Regional Consultant, HEFCE
John Hogg, Principal, Middlesbrough College
Alan Dixon, Regional Director, Association of Colleges
Richard Townend, Skills Strategy Manager, One NorthEast
Michelle Fraser, Director of Higher Education, Newcastle College
Dr David Knight, Regional Director, Open University in the North
Shona Paul, Regional Manager, Aimhigher NorthEast
Lynn Parker, Director of Educational Partnerships, University of Teesside
Sue Reece, Associate Director, Corporate & Recruitment Service, University of Sunderland
Nick Hall, Head of Access & Continuing Education, Northumbria University
Lesley Braiden, Director of Student Recruitment, University of Newcastle
Matthew Andrews, Director of Undergraduate Recruitment. University of Durham
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

11.30am – 1.00pm   **Academic Profile and Higher Level Skills Theme Group**
Professor Jeff Brown, Deputy Vice-Chancellor, University of Sunderland
Professor Bob Cryan, Pro-Vice-Chancellor (Learning & Teaching), Northumbria University
Dr David Knight, Regional Director, Open University in the North
Professor Ella Ritchie, Pro-Vice-Chancellor, University of Newcastle

Professor Leni Oglesby, Deputy Vice-Chancellor (Academic), University of Teesside
Professor Alan Bilsborough, Pro-Vice-Chancellor (Teaching & Learning), Durham University
Dr Oisin MacNamara, Head of Regional & European Office, Northumbria University
Michelle Fraser, Director of Higher Education, Newcastle College
Nicola Oates, Regional Consultant, HEFCE
Richard Townend, Skills Strategy Manager, One NorthEast
Judith Taylor, Partnership Manager, Sector Skills Development Agency
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

2.00 – 3.30pm   **Representatives from the RDA**
Alan Clarke, Chief Executive, One NorthEast
Pat Ritchie, Director of Strategy & Development, One NorthEast
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

4.00 – 6.30pm   **Culture-Led Regeneration Theme Group**
Andrew Dixon, Chief Executive, Newcastle Gateshead Initiative
Mark Robinson, Executive Director, Arts Council England NE
Pauline Beaumont, Executive Director, Culture North East
Jim Beirne, Executive Director, Live Theatre
Mark Adamson, Creative Industries Specialist Advisor, One NorthEast
Paul Rubinstein, Head of Economic and Cultural Affairs, Newcastle City Council
Dr Eric Cross, Dean of Culture, University of Newcastle
Professor Chris Bailey, Associate Dean, School of Arts, Northumbria University, & Chair of Universities for the North East Culture Committee
Professor Gerda Roper, Dean of School of Arts & Media, University of Teesside
Professor Flavia Swann, Dean of School of Arts, Design, Media and Culture, University of Sunderland
Professor Peter Manning, Head of Music, Durham University
Dr Liz Manning, Assistant Director, Open University in the North
Professor Roy Boyne, Co-Editor, Theory, Culture and Society, Durham University
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

6.30pm   Panel Private Meeting

Wednesday 12 October

9.00 – 11.30am   **Northumbria University**
Professor Kel Fidler, Vice-Chancellor, Northumbria University
Gavin Black, Chair of Governors, Northumbria University
Professor John Ditch, Pro-Vice-Chancellor (Research), Northumbria University

Dr Peter Slee, Pro-Vice-Chancellor (Student & Staff Affairs), Northumbria University

Professor Charlotte Clarke, Associate Dean (Research), School of Health, Community and Education Studies, Northumbria University

Professor Lynn Dobbs Associate Dean (Research & Consultancy), School of Arts and Social Sciences, also Director of Centre for Public Policy, Northumbria University

Ceridwyn Bessant, Associate Dean (Corporate and Management Development), Newcastle Business School, Northumbria University

Professor Bob Evans, Director of Sustainable Cities Research Institute, Northumbria University

Dr Oisin MacNamara, Head of Regional & European Office, Northumbria University

Laurence Smith, Education Commissioning Manager, Tyne & Wear Strategic Health Authority

Peter Allan, Chair of OECD Project Steering Group

Helen Pickering, Regional Co-ordinator for OECD Project

12.00 – 1.30pm	**HEFCE Representatives**

John Rushforth, Director of Widening Participation, HEFCE
Nicola Oates, North East Regional Consultant, HEFCE
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

2.00 – 4.30pm	**University of Newcastle**

Professor Christopher Edwards, Vice Chancellor, University of Newcastle
Professor John Goddard, Deputy Vice Chancellor, University of Newcastle
Olivia Grant, Pro-Chancellor and Chairman of Council, University of Newcastle
Paul Rubinstein, Chief Executive, Tyne and Wear Sub-Regional Partnership/Head of Economic and Cultural Affairs, Newcastle City Council
Chris Pywell, Head of Innovation, Industry & Science Team, One NorthEast
Dr Eric Cross, Dean of Culture, University of Newcastle
Tony Pender, Chair, The Sage Gateshead Music Centre
Simon Taylor, DfES
Denise Elwood, DfES
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

6.00 – 7.30pm	**Capacity Building Theme Group**

Professor Christopher Edwards, Vice Chancellor, University of Newcastle
Professor Graham Henderson, Vice Chancellor, University of Teesside
Professor Peter Fidler, Vice Chancellor & Chief Executive, University of Sunderland
Professor Sir Kenneth Calman, Vice Chancellor, Durham University
Professor Kel Fidler, Vice Chancellor, Northumbria University
Professor John Goddard, Deputy Vice-Chancellor, University of Newcastle and OECD International Project Team representative
Professor David Croisdale-Appleby, Council Member, Durham University
Gavin Black, Chair of Governors, Northumbria University
William Ault, University of Sunderland

Sandy Anderson, Chairman of Board of Governors, University of Teesside
John Rushforth, Director of Widening Participation, HEFCE
Nicola Oates, North East Regional Consultant, HEFCE
Andrew Lewis, Deputy (Economy Group), Government Office NE
Simon Taylor, DfES
Denise Elwood, DfES
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

8.00 – 10.00pm   **Dinner hosted by Professor Christopher Edwards**
Professor Christopher Edwards, Vice Chancellor, University of Newcastle, Chair of the Unis4NE
Professor Graham Henderson, Vice Chancellor, University of Teesside
Professor Peter Fidler, Vice Chancellor & Chief Executive, University of Sunderland
Professor Sir Kenneth Calman, Vice Chancellor, Durham University
Professor Kel Fidler, Vice Chancellor, Northumbria University
Professor John Goddard, Deputy Vice-Chancellor, University of Newcastle and OECD International Project Team representative
Mark I'Anson, Council Member, University of Newcastle
Professor David Croisdale-Appleby, Council Member, Durham University
Gavin Black, Chair of Governors, Northumbria University
William Ault, University of Sunderland
Sandy Anderson, Chairman of Board of Governors, University of Teesside
Andrew Lewis, Deputy (Economy Group), Government Office NE
Professor Sir Miles Irving, Chair, The Newcastle upon Tyne Hospital NHS Trust
Paul Callaghan, Managing Director, Leighton Group
Alastair Balls, Chief Executive, International Centre for Life
Tony Pender, Chair, The Sage Gateshead Music Centre
Chris Jobe, Director North East, Northern Rock
Andrew Dixon, Chief Executive, Newcastle Gateshead Initiative
Jamie Martin, Chair, CBI North East Regional Council
John Rushforth, Director of Widening Participation, HEFCE and OECD International Project Team
Nicola Oates, North East Regional Consultant, HEFCE
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

Thursday 13 October

9.00 – 11.30am   **Durham University**
Professor Sir Kenneth Calman, Vice Chancellor, Durham University
Professor Philip Jones, Deputy Vice Chancellor, Durham University
Lee Sanders, Registrar, Durham University
Professor Tim Burt, Dean of Colleges & Student Support Services, Durham University
Professor Ray Hudson, Executive Director, Wolfson Research Institute, Durham University
Katharine Ridley, Head of Regional Regeneration, Durham University
Dr Peter Warburton, Director of Sport, Durham University

Ian Elvin, Director of Northumbria University Sport
Mark Hawkings, Head of Sport and Recreation, University of Teesside
Joe Docherty, Chief Executive, Tees Valley Regeneration
John Lowther, Director, Tees Valley Joint Strategy Unit
John Wilkinson, Director, North East Public Health Observatory
Steve Wright, Queen's Campus
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

1.00 – 3.30pm	**University of Sunderland**

Professor Peter Fidler, Vice Chancellor & Chief Executive, University of Sunderland
Dr Pamela Denham, Deputy Chair of Board of Governors, University of Sunderland
Professor Jeff Brown, Deputy Vice-Chancellor, University of Sunderland
Professor Andrew Slade, Director, Research, Development & Innovation, University of Sunderland
David Donkin, Assistant Director, Research, Development & Innovation, University of Sunderland
Chris Rushton, Head of Journalism and PR, University of Sunderland
Professor John MacIntyre, Associate Dean, School of Computing & Technology, University of Sunderland
Paul Callaghan, Managing Director, Leighton, and Governor of University of Sunderland
Mr Steve Pallas, Training & Development Manager, Nissan Motor Manufacturing (UK) Ltd
Mr Paul Gough, ex Operations Director, ASSA
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

4.00 – 6.30pm	**Science and Innovation Theme Group**

Alastair Balls (Host), Chief Executive, International Centre for Life
Professor Sir Miles Irving, Chair, The Newcastle upon Tyne Hospital NHS Trust
Chris Pywell, Head of Innovation, Industry & Science Team, One NorthEast
Jonathan Gold, NStar
Alex Shiel, Partner, Ward Hadaway
Professor Phil Jones, Deputy Vice Chancellor, Durham University
Professor Jeff Brown, Deputy Vice Chancellor, University of Sunderland
Professor Mike Smith, Deputy Vice Chancellor (Research & Enterprise), University of Teesside
Professor Malcolm Young, Pro-Vice-Chancellor (Strategic Development), University of Newcastle
Dr Douglas Robertson, Director of Business Development, University of Newcastle
Dr Oisin MacNamara, Head of Regional & European Office, Northumbria University
Alan Sanderson, Director of Operations, Universities for the North East/Knowledge House
Peter Allan, Chair of OECD Project Steering Group
Helen Pickering, Regional Co-ordinator for OECD Project

6.30pm   Panel Private Meeting

Friday 14 October

9.30 – 12.00am   **University of Teesside**
                              Professor Graham Henderson, Vice Chancellor, University of Teesside
                              Professor Mike Smith, Deputy Vice Chancellor (Research & Enterprise),
                              University of Teesside
                              Laura Woods, Director of Academic Enterprise, University of Teesside
                              Lynn Parker, Director of Educational Partnerships, University of Teesside
                              Janice Webster, Director of Virtual Reality Centre, University of Teesside
                              John Lowther, Chief Executive of the Tees Valley Joint Strategy Unit
                              John Hogg, Principal of Middlesbrough College
                              Stephen Briggs, Nisai Learning, Nisai Group Limited
                              Helen Pickering, Regional Co-ordinator for OECD Project

1.00 – 6.45pm   Panel private meeting

7.00 – 10.00pm   Informal review and debriefing