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**Universities and territorial development: reshaping the regional role of UK universities**

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**Introduction**

Increasingly regions are re-examining the role of universities as players in processes of endogenous or locally based development strategies, and in some cases in the promotion of investment from outside also. The shift in orientation of regional strategies since the 1980s towards supply side initiatives, regional institutional capacity and endogenous development led regional development bodies and agencies to look to universities as providers of a number of inputs to the development process, whether it be scarce resources of skilled labour, technology, or management development. Beyond these issues however the wider involvement of universities in civic or regional life has been perhaps undervalued, both by the universities and regional institutions. In parallel, shifts in the form of governance of the development interests of regions are resulting in opportunities for universities to become involved in the planning and governance of their regions in ways that have never previously been so transparent. In this paper I examine these developments and the ways in which the changing university-regional interface is working out in the UK, and comment on the implications for policy.

There are a number of developments in the contemporary environment of universities which have important implications for the way universities link to their local communities and which suggest that it is important to review this topic at the present time. At least five components of change can be identified:

- changes in central government's definition of the mission for universities within a system of mass higher education (DTI/DfEE, 2001)
- a related increase in the demand for skills and knowledge, in response to increasing competition in a global economy (Lundvall and Borrás, 1997)
increasing rates of technological change and new ways of organising the production and distribution of goods and services, with new demands on the science base (Gibbons et al 1994)

changes in the structure of government, and a greater diversity of bodies having a stake in the governance of territory and the delivery of public services (Tomaney 2000)

new patterns of urban and regional development arising from the greater mobility of capital and labour, the decline of industrial sectors and the emergence of new sectors.

While all of these components have a national and international character, they each have implications for different parts of the university system and how the universities interact with specific local circumstances. More importantly, it is chiefly at the local level that the interaction between all of these forces for change become clearly visible.

Universities themselves are also changing, from self-governing collections of individual scholars to more centrally managed institutions. Relations with the local community are an important part of the operating environment for many aspects of the work of the university, and frameworks for handling these relations are increasingly required. Previously, attention has focused particularly on issues such as the direct economic impact, technology transfer and physical planning rather than the sum total of challenges confronting the universities and which have a local or regional dimension.

Recent UK government policy statements have particularly focused on the role of HE in underpinning economic vibrancy within a context of support for clusters and innovation.

The role of our universities in the economy is crucial. They are powerful drivers of innovation and change in science and technology, the arts, humanities, design and other creative disciplines. They produce people with knowledge and skills; they generate new knowledge and import it from diverse sources; and they apply knowledge in a range of environments. They are also the seedbed for new industries, products and services and are at the hub of business networks and industrial clusters of the knowledge economy. DTI/DfEE (2001)

Other forms of regional engagement can be seen within national policies on access and lifelong learning, and sustainability. But, due to the absence of joined up government, the full diversity of strands of regional engagement can perhaps only be observed by the HE sector itself (Goddard et al, 1994) and the contribution of HE is understated in recent government policy statements on urban regeneration, health and culture.

Shift in notions of the role of HE in society

Why are these issues becoming more significant at present?

Internationally there is a widespread view that the role of higher education in society has shifted to an increasingly instrumentalist position, from a more idealistic position focused on the creation of knowledge (Readings, 1996). This shift is apparent in a number of ways such as through the growing focus on vocational training and employability, the growth of new relations with industrial sponsors (Gibbons et al), and a perceived erosion of the autonomy and authority of academic governance.
These transformations cannot be disconnected from a set of other changes, especially in the UK, notably the expansion of higher education and the emergence of ‘massification’. Expansion to a current level of 35% of school leavers plus increased numbers of mature students has inevitably had a dramatic effect on the character of HE and the wider social mix and aspirations of students, coupled with a demand from government that much HE capacity should be devoted to preparing students for work. With small numbers in HE, a tradition of residential study away from home could be maintained. However, with mass higher education, and a current target of 50% participation, and the retreat from student grants, home-based provision has become much more important and HE is now much more widely distributed across the country. Although a more traditional form of HE remains in certain institutions, the consequence is of a much more diverse and locally based sector than previously, within which community and employer relevance was inevitable. This also has important implications for the local community in that local and non-local students have differentiated effects through their consumption of entertainment and other services (Chatterton, 1999)

The demand for a more massive HE sector has emerged from a wider set of changes in society and the economy, commonly referred to as the emergence of a knowledge-based, or learning economy (Lundvall and Borrás, 1997). The transformation of workplaces and the relative growth of knowledge-based office occupations is manifested through demand for greater numbers of graduates. Additionally the forms of knowledge needed are continuously shifting away from traditional disciplinary lines to new problem-focused themes (Gibbons et al, 1994). Hence within research collaboration and in mainstream training and education there has been a growth in new combinations of expertise and new centres and departments that map onto the needs of employers.

Over the last twenty years there has also been a steady movement of regional development policy away from a concentration on mobile industry towards a new emphasis on knowledge-based endogenous growth (Morgan and Nauwelaers, 1999). The limits of traditional regional policy have been illustrated by the cyclical nature of inward investment, and the weakness of many such plants to subsequent rationalisation and closure (Charles and Benneworth, 1999). Meanwhile, successful regions have been associated with the growth of knowledge based clusters rooted in communities of knowledge (Henry and Pinch, 2000) and featuring high birth and growth rates of small firms, and high levels of public and private research and development (Keeble and Wilkinson, 1999).

HEIs have frequently been seen as core institutions within such exemplar cases of ‘learning regions’ (Florida, 1995) for their importance in labour markets for the highly skilled and as sources of knowledge and new ventures (Lindholm Dahlstrand, 1999, Webster et al 2003). However this model too is perhaps now being recognised as too limited, and the notion of territorial competitiveness is being extended to encompass a broader agenda that extends beyond narrow business performance. However, if we include questions of social equity, sustainability and culture in the concept of regional development, the potential role of the university becomes even more clear (Charles and Benneworth, 2001a).
Universities and local governance questions

So if universities are key players in the development and enhancement of learning regions, and are of critical importance in poorly-adjusted regions, then how do universities engage in the region to ensure a mutually beneficial collaboration?

The legal and institutional basis of the university itself is the first consideration, in that the ability of the university to participate in the governance of a region depends on the degree of independence of the institution from regional and national governments, the nature of the funding relationship and hence priorities set through that mechanism, and the powers, rights and assets of the university (the ability to independently own and develop land for economic purposes for example) (Charles et al 2001).

Second is the will and organisational capability of the university to want to engage with its region. If the will exists, perhaps embedded in the form of the university charter and mission, in the institutional culture or memory, or less institutionalised in the form of the intentions and objectives of current senior management, then this needs to be transferred into a capability for response within the institution, in the form of committees, responsible officers, and mechanisms. Outside the university the openness of local institutional networks to inputs from educational institutions, and the attitudes towards learning, affect the nature of the relationship that develops.

An important process for the localisation of knowledge is the development of human capital (Van der Meer, 1996). Universities have traditionally produced graduates for a national labour market dominated by large employers, with little concern for SMEs or graduate retention in local labour markets. This model has begun to break down in response to changing patterns of employer demands such as the decentralisation of large corporations into clusters of smaller business units and the greater role of smaller businesses as sub-contractors, suppliers, franchisees etc., with consequent implications for the skills required of graduates and the location of the recruitment decision. At the same time, regional agencies are promoting graduate retention initiatives as a way of upgrading the local stock of higher level skills, through placements in small firms and local employer career directories. In parallel with these demand side changes there is a growing number of mature local students on both undergraduate and postgraduate programmes. Notwithstanding these developments, comparatively little is known about the flow of students through higher education into local labour markets and how this relates to the overall economic performance of regions.

A further question concerns the indirect contribution of universities to the social and cultural basis of effective democratic governance and, ultimately, economic success. Putnam (1993) has claimed a relationship between a civic culture, local institutions and wider socio-economic performance. Regions or localities that are rich in such networks ‘encourage social trust and co-operation because they reduce incentives to defect, reduce uncertainty, and provide models for future co-operation’ (1993: 177). A largely unexplored question in this literature concerns the role of universities in contributing to this wider civic culture. In so far as universities are by tradition classically “civic” institutions in many countries, they may play a key role in the development of the cultural and political determinants of socio-economic success, through for example the development of networks of civic engagement, and in the wider political and cultural leadership of their localities (Charles and Benneworth, 2000).
The **UK policy environment for university-regional interaction**

The public policy landscape supporting university-region interaction has also become considerably more complex in recent years, through a combination of growth in national schemes targeted at universities, increased participation of universities in regional and regeneration programmes, and the effects of devolution through the establishment of parallel but distinct schemes in the devolved nations.

In the UK, a core set of grant schemes and programmes to promote collaborative research, graduate placement and teaching companies has been in operation for many years. These have been accompanied more recently by the development of what is expected to become a permanent ‘third strand’ of funding for outreach and entrepreneurial activity.

Following the DTI White Paper in 1998, ‘Building the Knowledge Driven Economy’, funding was provided for the establishment of 12 Science Enterprise Centres. They provide a focus for commercialisation and entrepreneurship, aimed at both academic staff and students. Associated with this programme, the University of Cambridge joined forces with MIT to promote the international transfer of expertise in commercialisation. In parallel, the University Challenge (UC) initiative was established with funding from the Treasury, the Wellcome Trust and the Gatsby Charitable Foundation, to establish rolling funds to support commercialisation projects through seed funding.

In England and Northern Ireland, this selective approach was accompanied by the Higher Education Reach Out to Business and the Community (HEROBC) Fund, launched during 1999 with a first tranche of £60 million awarded for three-year projects in 87 institutions or consortia. A second round of funding in 2000 resulted in a further 50 awards totalling £22 million. The second round covered many of the institutions that were unsuccessful in the first round, but also included 11 collaborative projects.

Further developments have followed in 2001 with the DTI/DfEE White Paper, ‘Opportunity for All in a World of Change’. This launched a new initiative to establish University Innovation Centres – large, regionally-based, research and innovation centres often focused on collaboration between HEIs.

As part of the shift towards a more permanent structure for third strand funding, HEROBC has now been subsumed into a new HEFCE programme, the Higher Education Innovation Fund (HEIF), which was launched alongside final calls under the SEC and UC programmes. Subsequently it is intended that HEIF will be the main vehicle for core funding for business interaction, incorporating University Innovation Centre projects.

The situation in Scotland and Wales under devolution and with their own funding councils is somewhat different. Although eligible under SEC and UC as UK-wide initiatives, Scotland and Wales have had their own programmes to encourage interaction, notably the Welsh Knowledge Exploitation Fund and the Scottish Knowledge Transfer Grant (see Charles and Conway, 2001 for more details).

In addition to these initiatives by the HE funding bodies, universities are increasingly involved in regionally-based initiatives which assist the development of commercialisation and business interaction activities. Currently in the North West, for example, there is the development of a regional science policy in response to external...
events (A.D. Little, 2001, Charles and Benneworth, 2001b). Other opportunities for universities to engage in regional initiatives include the European Structural Funds distributed through regional partnerships, urban regeneration activities under the Single Regeneration Budget and equivalents in the devolved nations, schemes from the former Training and Enterprise Councils (now under the Small Business Service) and local authority initiatives.

The European Regional Development Fund is worth special mention as the European Commission has been keen to encourage regional partnerships to include elements in their programmes for technology transfer, new technology-based firms, and technical advice to small and medium enterprises (SMEs) – whether on innovation, IT or sustainability. Within such programmes, HEIs have been key delivery agents and have been active participants in the design and management of the programmes.

Much of this support has focused on economic development, but encouragement for regional engagement is also moving into other areas and agendas, with for example the creation of an Active Community Fund, delivered by HEFCE, to provide support for programmes of student voluntary activity in their community.

**Defining the Local Community**

How are universities responding to these developments, in particular how do they imagine the local or regional community as a site for engagement, and what mechanisms are being developed to support generic regional engagement?

The problem of defining a university's local community is both philosophical as well as methodological. Universities are not discrete entities separate from, but interacting with, some kind of spatially defined market. Rather, the university is embedded in many different types of 'community': some local, some global; some overlapping and interacting, some barely recognising each other. In this sense the university is an essential part of local, national and global society, and forms part of how we define our society.

There are four aspects of universities' definitions of a local community we have previously suggested (Goddard et al 1994):

- the relationship between an institution and its physical surroundings as influenced by historical and institutional context
- the different scales at which attributes or impacts of the university should be measured or assessed
- the different geographic scale or territory over which the university provides different types of 'local' service
- the perceptions held by the institution and its management of the local community which is identified in institutional missions.

These four ideas of the local provide scope for a differentiated and contested set of relationships. The current regionalisation of the UK further imposes an externally defined region, taken up by the funding councils (see for example HEFCE, 2000) which may sit uncomfortably with these self-defined regions.

Clearly any study of the university and its communities must take account of the university's perception of what constitutes the local community and over what scale its institutional plan is active. For this purpose within surveys in 1994 (for CVCP),
1997 (for DfEE) and 2001 (for HEFCE) vice chancellors were asked to provide their own definition of their local community (see Goddard et al, 1994; University of Newcastle, 1997 and Charles and Conway, 2001 for more details).

University institutional plans refer to specific local communities. In the case of old universities these may be laid down in the statutes. For example the statutes of the University of Southampton refer to the five counties of Dorset, Hampshire, Isle of Wight, West Sussex and Wiltshire. Several of the new universities were created as multi-site institutions and the distribution of these sites has determined their regions. Other new universities are staking out their regional turf through the creation of new sites. Most new universities are also establishing franchise arrangements with further and higher education colleges and by implication defining their own catchment areas; indeed Oxford Brookes University's plan referred to a "travel-to-study area".

Many universities also have a two-tier definition of their localities. For example, Warwick identified the local area as embracing Coventry, Warwick and Solihull and its region as comprising the West Midlands; Sunderland University identified Wearside as its locality and the North East as its region. Such distinctions may map onto the tiered structure of local government from districts and counties through to the standard regions defined by central government.

In our surveys of 1997 and 2001 we asked university and HE college leaders about the regional or local territories they identified as being of greatest priority for their institutional mission. In the 1997 survey the largest group of universities identified with a region of their own definition, usually expressed as a group of counties immediately surrounding the university and hence differentiated from a standard region either by being a smaller subset or in some cases by overlapping the boundaries of two or more regions (Table 1). Generally a regional or sub-regional level was identified in preference to a locality or even county, although just under a quarter adopted such a definition. The 2001 survey saw a significant shift in the response towards the RDA region with almost 43% identifying this as most important for their mission, narrowly overtaking the university-defined areas. This latter survey included HE colleges as well as universities, so had a larger group of institutions represented, although the colleges were less likely than the universities to identify with the RDA region scale of involvement. Just taking the universities, the proportion identifying with an RDA region increased from 25% to 45% over the 4 years.

Table 1: Regional or local unit considered of greatest priority in the institutional mission

<table>
<thead>
<tr>
<th>Regional/local unit</th>
<th>% responding universities in 1997</th>
<th>% responding HEIs in 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>University defined region (e.g. surrounding counties)</td>
<td>42.17</td>
<td>39.1</td>
</tr>
<tr>
<td>Government Regional Office /RDA area (e.g. East Midlands, South West)</td>
<td>25.30</td>
<td>42.8</td>
</tr>
<tr>
<td>Locality - city, town or rural district</td>
<td>15.66</td>
<td>8.7</td>
</tr>
<tr>
<td>County</td>
<td>8.43</td>
<td>5.1</td>
</tr>
</tbody>
</table>
Regional/local area not of any significance to mission | 8.43 | 4.3

Source CURDS survey 1997, HEBI survey 2001

Looking closer at the regional variations in response for the more recent 2001 survey, there is a notable divide between the northern English regions and devolved territories on the one side, where over 60% of HEIs considered the RDA region to be most significant, and the southern and midland English regions on the other where the emphasis remains more strongly for HEI-defined territories (Table 2).

| Table 2: Regional or local unit considered of greatest priority in the institutional mission - regional groups of universities (% within each regional grouping) |
|---------------------------------|-----------|-----------|-----------|-----------|
|                                 | LDN/SE/East | WM/EM/SW | NE/NW/YH | S/W/NI    |
| Regional/local area not of any significance to mission | 9.8 | 3.3 |          |          |
| Government region/RDA area     | 21.6 | 43.3 | 60.7 | 62.1 |
| County                         | 3.9 | 3.3 | 10.7 | 3.4 |
| Locality - city, town or rural district | 17.6 | 3.6 | 6.9 |          |
| Area defined by the HEI (e.g. surrounding counties) | 47.1 | 50.0 | 25.0 | 27.6 |
| No. of cases                   | 51 | 30 | 28 | 29 |

Source: HEBI survey 2001

The economic development of the local region was identified as of continuing importance to HEIs in 2001 (Table 3). Almost sixty per cent said that it was a high priority within their institutional mission, and only seven per cent said it was a low priority. This compares with previous CURDS surveys in 1993 and 1997 (although on previous occasions restricted to universities only). In 1997 the figures for universities were very similar to the current survey, with older universities tending to score a little lower and new universities a little higher, but the difference between the two surveys was not really significant.

Economic development tends to be a higher priority for post-1992 universities with over 86% rating it so, compared with just over 50% of older universities and 44% of colleges. None of the post-1992 universities rated economic development as a low priority. Even within the older universities there was only one broadly based institution that gave a low priority to the economic development of their region, whilst all of the others indicating a low prioritisation were specialist institutions.

| Table 3: Importance of economic development of the region in the institutional mission (universities only) |
In the previous study for CVCP we devised a scale by which the local or international orientation of universities could be described (Goddard et al 1994). This sought to provide a spectrum between locally-oriented institutions and those with purely international research objectives. The earlier findings essentially differentiated between new universities that largely classified themselves as ‘an institution seeking to contribute to the local area and also develop international strengths’ and the old universities that regarded themselves as ‘an international research institution seeking to provide support to the local community where it does not conflict with international research excellence’. This divide, which to some extent reflects attitudes and aspirations rather than always stating an accurate position, is nonetheless an important sign of the framework within which university policies are developed. Four years on, in the 1997 survey, attitudes were not noticeably different, with a sharp distinction between old and new universities.

Table 4: Descriptions of the university’s strategy towards the local area/region ( % )

<table>
<thead>
<tr>
<th></th>
<th>Post-1992 universities</th>
<th>Pre-1992 universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>A community-based institution serving the needs of the local area/region</td>
<td>6.25</td>
<td>0</td>
</tr>
<tr>
<td>An institution seeking to contribute to the local area and also develop international strengths</td>
<td>87.50</td>
<td>15.69</td>
</tr>
<tr>
<td>An institution seeking to contribute equally between international research and support to the local area</td>
<td>3.13</td>
<td>15.69</td>
</tr>
<tr>
<td>An international research institution seeking to provide support to the local community where it does not conflict with international research excellence</td>
<td>0</td>
<td>56.86</td>
</tr>
<tr>
<td>An international research institution with no particular ties to the local area/region</td>
<td>0</td>
<td>3.92</td>
</tr>
<tr>
<td>None of the above</td>
<td>3.13</td>
<td>7.84</td>
</tr>
</tbody>
</table>

Source: CURDS survey for DfEE 1997

University mechanisms and structures for regional engagement

The changes in the perception of the importance of the region as a site of interaction for universities has also been turned into action through a variety of mechanisms and structures developed within the universities over the past few years. Even in advance of the availability of new funding for outreach activities there was an emergence of new regional offices and dedicated regional staff. In some cases these activities grow out of existing technology transfer or industrial liaison offices, but in others the stimulus was the need to better manage interaction with regional Structural Funds partnerships, supporting community engagement or co-ordinating placements.
The 1997 survey found that two thirds of universities had a central unit that managed regional collaborative funding, and that one third had some form of special regional development committee. This situation has subsequently been reinforced by HEROBC and related programmes. Taking the example of the North East, all five universities have some form of regional development support unit. In Newcastle there is a Regional Development Office led by a Regional Development Officer and with specialist staff to advise on regional grant applications, and engage in business development (assisted by HEROBC funding). Northumbria University has a European and Regional Office that manages regional interactions and ERDF applications. Durham has a REDS office and so on. All of these devote considerable time and effort to the management of interactions within the region, sending staff to regional partnership meetings, liaising with the government office, RDA, local authorities etc, and supporting academics in bidding into regionally based funding sources such as ERDF.

At the same time HEFCE has been supporting the emergence of regional consortia or associations for each of the English regions. The development of regional level HE consortia is a relatively recent phenomenon, beginning with the establishment of an association in the North East of England in 1983, Higher Education Support for Industry in the North (HESIN), established to provide a collective endeavour to meeting some of the problems of the region through industrial training, technology transfer activities and such like. In 1999 HESIN was relaunched as Universities for the North East with a broader remit, linking also into the new regional Economic Strategy developed by the RDA, One NorthEast, within which one of the six priority actions was ‘Putting Universities and Colleges at the heart of the regional economy’ (ONE, 1999).

This initial regional universities association model was followed in 1993 by the Yorkshire and Humberside Universities Association (YHUA), and subsequently HEFCE, has been promoting the formation of regional associations or consortia with pump priming funds from the Restructuring and Collaboration Scheme. During 1999 and 2000 all of the remaining English regions established such consortia. The advent of the Government Regional Offices and then the RDAs have encouraged the formation of consortia that map onto the RDA boundaries, and in some cases the consortia have been preceded by informal grouping of vice-chancellors that met with the regional director of their Government Office.

The initial North East model was exclusively university based, and that region has no HE colleges, but elsewhere associations have incorporated HE colleges as well as universities, and in the case of the North West two associations were established to represent universities and HE colleges respectively, albeit operating from the same offices.

<table>
<thead>
<tr>
<th>Region</th>
<th>Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East</td>
<td>Universities for the North East (unis4ne)</td>
</tr>
<tr>
<td>Yorkshire and the</td>
<td>Yorkshire and Humberside Universities Association (YHUA)</td>
</tr>
<tr>
<td>Humber</td>
<td></td>
</tr>
<tr>
<td>North West</td>
<td>North West Universities Association (NWUA) and Higher Education North West (HENW)</td>
</tr>
<tr>
<td>Region</td>
<td>Association</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>East Midlands</td>
<td>East Midlands Universities Association (EMUA)</td>
</tr>
<tr>
<td>West Midlands</td>
<td>West Midlands Higher Education Association (WMHEA)</td>
</tr>
<tr>
<td>East of England</td>
<td>East of England Universities Association (EEUA)</td>
</tr>
<tr>
<td>London</td>
<td>London Higher Education Consortium (LHEC)</td>
</tr>
<tr>
<td>South East</td>
<td>Higher Education South East (HESE)</td>
</tr>
<tr>
<td>South West</td>
<td>Higher Education Regional development Association for the South West</td>
</tr>
</tbody>
</table>

In the main these new geographical groupings of universities reflect the emerging regional partnership arrangements in England, although there are boundary issues in some places. A number of institutions in recent years have been establishing additional campuses often across regional boundaries, giving them a foot in more than one region. A small number of these institutions have committed themselves to two separate associations, but in most cases there is a primary affiliation and a recognition of permeable boundaries. De Montford University although primarily based in the East Midlands has a campus in both the South East (Milton Keynes) and East of England (Bedford) and is a member of all three regional associations.

**Conclusions**

Regional engagement has perhaps become more important to universities now than anytime since the days of the engineering schools in the 19th century, although we must remember that such so-called third strand activities are very much smaller than the mainstream teaching and research missions. The nature of this engagement though is becoming increasingly insinuated in many aspects of university activity, as has been demonstrated in recent studies (Charles and Benneworth, 2001a). The position of university managers on this is partly to stress its importance in formal terms, as contributing to the mission and as a source of new marginal income, but also to be unaware of the complete range of activities undertaken by individual academics.

It is easy though to overstress the regional agenda, and many within universities retain a lack of interest or even disdain for the idea of regional engagement, preferring a model of indifference to locality and a global research orientation. Nonetheless there are a range of strategies and mechanisms developing, including a number of experiments in regional partnership that represent new opportunities for both universities and their regional partners to forge closer links.

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