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Recent changes by the British government unifying the binary system of universities and polytechnics in the United Kingdom have an obvious relevance to the urban and metropolitan university movement in the United States. To illustrate that relevance, the article discusses briefly the factors surrounding the government's decision, outlines its immediate consequences, and sketches the national and regional contexts which are influencing the role of universities in the UK.

British Universities:

Regionalism and the Metropolitan Mission

In 1992, the British Government abolished what had become known as “the binary line,” which divided the universities, able to award their own degrees under Royal Charter, and the polytechnics, which awarded their degrees under the umbrella of a national body, the Council for National Academic Awards (CNAA). Henceforth, all polytechnics, should they so choose, could award their own degrees and use the word “University” in their title, provided that agreement could be reached with any existing university which believed that such a new title might cause confusion in relation to their own name. All of the former polytechnics have subsequently adopted new titles containing the University epithet, though not without some lively discussions about nomenclature with existing universities!

In taking this step, the government increased the number of universities in the United Kingdom from 46 to 95. At the same time, they also inadvertently brought into sharper focus a number of issues about the purpose or mission of a “University” and its relationship to the locality or region within which it is located. These issues have an obvious relevance to the urban and metropolitan university movement in the USA.

Universities and Polytechnics in the UK

To appreciate the reasons for the government's decision to abolish the binary line, it is necessary first to understand the characteristics of the polytechnics and their role in British higher education. Created by a Labor government in 1969, the polytechnics were intended to be locally based and controlled by local government, encourage wider access to higher education, and relate directly to regional industry, business and the professions. Although from the beginning there were important differences between individual institutions, the polytechnic sector nevertheless de-

veloped a set of distinctive characteristics which included:

- an emphasis on teaching rather than research as their primary function;
- academic programs with a strong orientation to particular professions or occupational sectors, including many courses with a major work placement as a mandatory element (called sandwich education in the UK and cooperative education in the USA);
- a significant proportion of students in part-time study and recruited locally;
- recruitment of full time students from a wide range of groups including mature students (over 21 on entry) and those with “non-standard” qualifications;
- a substantial range of programs at diploma rather than degree level;
- a concern with rigorous quality assurance systems for the validation and monitoring of academic standards, deriving from their development within a national CNAA framework.

The polytechnics proved to be a dynamic and innovative force within British higher education. They pioneered course development and curriculum design in many new areas, such as business and management, media studies, computing, and art and design. More importantly from the government’s point of view, they showed an apparently insatiable appetite for growth. By 1991 there were as many students enrolled in the polytechnics as there were in the university system. In the ten years from 1981 the polytechnics’ student population grew by over 65 percent. This accounted for most of the massive expansion that has taken place in British higher education in the last ten years, with the Age Participation Rate (the proportion of the school leaving population going on to higher education) doubling from 15 percent to 30 percent.

Recent Growth

It is this capacity for growth which has so endeared the polytechnics to the British Government. From the mid 1980s successive Conservative administrations committed themselves to a major expansion of higher education stung by the unflattering comparisons often made between the proportion of the UK population in HE compared to their main industrial competitors. However, this immediately created two significant and related problems — those of capacity and cost. On the first, many universities claimed that they could not expand their student recruitment in any major way without substantial additional capital funding for new buildings and equipment.

This reaction threatened to combine with the other side of the cost dimension of expansion — the need for the government to raise appropriations to higher education in response to a rapidly growing student population. Three elements came into play here:

- the unit of funding for each student distributed to HE institutions by the central University and Polytechnic Funding Councils for annually agreed student recruitment targets;
- the tuition fee for each recruited student paid directly to the HE institution by the local authority (and reclaimed from the national government) in the area where the student normally lives; and
- the maintenance grant paid to students whose parents’ incomes fall below a certain level.

A major expansion of higher education threatened to place considerable strains

on the government purse at a time when the British economy was faltering.

In this situation, the polytechnics showed themselves willing to assist the government in direct contrast to the university sector. As the growth figures above demonstrate, the polytechnics were willing to expand very significantly by utilizing spare capacity and operating with accommodation utilization rates far in excess of those regarded as desirable by the universities. This meant that very little capital outlay for new buildings was required from the government. Even more important was the willingness of the polytechnics to take in extra students at a lower unit of resource, despite the fact that they began from a far lower funding base per student than that enjoyed by the universities.

The government, working through the respective funding councils, had devised systems designed to encourage maximum growth at minimum cost. Two mechanisms were used. The first was to persuade the Funding Councils to utilise, as part of their annual funding round, a bidding system for extra students which emphasised treating such students as marginal costs, thereby driving down the price each institution received for these additional students. The second device was to alter the balance of funding for students, between the unit of resource for each student disbursed by the Funding Councils and the tuition fee for each recruited student paid automatically by local government. By increasing the tuition fee element, thus guaranteeing a minimum sum for each student separately from any agreement with the Funding Councils, the government hoped to induce a free market philosophy on the part of HE institutions. Each institution could make a judgement about its marginal costs and take in as many students as it felt able to educate at its prevailing unit income.

In this strategy the government were, in overall terms, very successful, as the doubling of the Age Participation Rate demonstrates. However, it was a rather lopsided victory. Almost all of the expansion occurred in the polytechnics. Faced with a government backed scheme to encourage the universities to "bid" for more students at much lower prices, the universities operated as a cartel and agreed amongst themselves not to play the game! While the polytechnics expanded rapidly and in the process experienced a real drop of 25 percent in the unit of resource they received per student, the number of students in the university sector remained relatively static and their unit of resource actually rose by 3 percent! The ability of the universities to operate this strategy depended crucially on the characteristic which continued to differentiate them most sharply from the polytechnics — the level of research funding built into their basic grant. With an average of around 35 percent of their total funding derived from research the universities were able to resist the pressures on them to cheapen the cost of their teaching, an option not available to the polytechnics.

The effect of this rate of expansion on the unit of resource, combined with annual "efficiency gains," such as underindexation for inflation, built into the funding of higher education, can be seen in Table 1 on the following page.

It is in this context that the government's decision to abolish the binary line can be seen as a reward for the polytechnics for making the major contribution to the government's expansion policy and as a sign to the universities that the nature of higher education in the UK is changing. That change is away from a highly selective elite university education for a small section of the population to a much more accessible "mass" higher education experience. This new situation inevitably involves major changes since it will rest on a much lower unit of resource for each student. The experience and characteristics of the former polytechnics are thus much more central to this new context of mass higher education.

Table 1
University Public Funding per Full-Time Equivalent Student

Year	Index	
	<i>Universities</i>	<i>Polytechnics</i>
1979-80	100	100
1980-81	106	99
1981-82	103	94
1982-83	106	89
1983-84	107	82
1984-85	106	79
1985-86	103	78
1986-87	102	79
1987-88	105	76
1988-89	103	75
1989-90	100	100
1990-91	92	
1991-92	86	
1992-93	80	
1993-94	76	

Public funding per FTE in HE in real terms
 (using Nov 1993 GDP) Index on differing base years at 100

An Integrated University System?

To emphasise the bringing together under one system of the two sides of the former binary line, the government has created a set of organisations designed to encourage some degree of uniformity for the new university system. Thus, England, Scotland, and Wales each has its own Higher Education Funding Council which is responsible for all universities in those geographical areas. The Councils allocate funds annually for teaching and research. For teaching, funds relate to agreed recruitment targets for each university. These Councils also carry the responsibility for assessing the quality of courses offered by universities. There is a separate national body funded by the universities which audits the quality assurance systems of the universities. There is also a national Research Assessment Exercise every four to five years organised by the Funding Councils at which the research output of universities is assessed in each subject area against a five point quality scale. The research funding held by the Funding Councils is then allocated by formula in relation to the success of universities in this competition. The former polytechnics, although they were for almost all of their existence funded only for teaching rather than research, entered this Research Assessment Exercise for the first time in 1992.

However, the apparent uniformity of administrative and funding arrangements disguises some key differences within the new university system which echo much of the debate in the USA about the nature and function of universities. The most crucial areas are in relation to research and the primacy of teaching and learning in "mass" higher education, the implications of public accountability, and pressures towards a greater regionalism. It is worth examining each of these in turn so as to understand the particular tensions which have been heightened in the UK by the creation of a newly enlarged and more heterogeneous university system.

Implications for Research

Turning first to research as a characteristic of the mission of a university illustrates the diversity of institutional characteristics in the UK. The former polytechnics for almost the whole of their history were quite explicitly **not** funded for research. They were expected to concentrate on teaching as their primary mission. By contrast, the “old” universities had research funding built into their baseline allocation at a level which accounted for over one third of their gross funding. Only in the mid 1980s, faced with the growing problem of controlling the increase in higher education spending as the system expanded, did the government introduce the first Research Assessment Exercise as a means of making research allocations to universities more selective. Henceforth, funding for research would be increasingly concentrated in those institutions which scored best in the research competition every four to five years. An illustration of the effects of this very different inheritance can be seen from the fact that in 1991/92 research income to the universities amounted to £1,646 million, whilst the polytechnics received £46 million.

In this situation, one consequence of integrating two such disparate sectors is to create considerable instability for many institutions in defining their role in relation to research and, by implication, teaching. Traditionally, UK universities have tended to see teaching and research as equally important. In a few cases universities describe themselves in terms of the primacy of research. However, for many of these institutions, that situation is now under twin threats. On the one hand the allocation of research funding is becoming more selective over time. As a result some universities will find their claims to research excellence progressively falsified by the results of the Research Assessment Exercise. Since such funding once accounted for over a third of average institutional funding, the consequences of the increased concentration of research funds may be serious indeed for some institutions. In addition, a second threat is posed by the entry of the former polytechnics into the competition for research funds. Although their previous history of little or no research funding places these “new” universities at a colossal disadvantage in an open competition, the mere fact of there being more institutions competing for the same funding results in a dilution effect that will reinforce the adverse funding consequences for those “old” universities whose research performance is comparatively weak.

Furthermore, the juxtaposition of the university title and its traditional expectations, with the prospect of major additional funding to be won by competing in the research game, is drawing many of the former polytechnics in the direction of rethinking their mission to give greater prominence to research. Thus, at a time when some of the “old” universities may be forced to weaken their attachment to research and seek a greater proportion of their funding from teaching activities, a number of the “new” universities are moving in the opposite direction! In this sense the messages emanating from the newly integrated sector are somewhat confusing.

Public Accountability

The second major factor influencing debates about mission and role in the enlarged university sector in the UK is the growing demand for public accountability. This is a phenomenon common to most western industrialised societies where a deepening fiscal crisis for governments has led inexorably to pointed questions being asked about the functions and value for money of publicly funded activities, whether this is the nature of welfare provision or the contribution that higher educa-

tion makes to national economic prosperity. In the UK for universities the question of public accountability is taking various forms, including national systems of quality assessment and quality audit, the ranking of research output through the Research Assessment Exercise, the demand for sectoral Performance Indicators, and an increasingly intense regime of internal and external financial audit.

It is no longer feasible for universities, either individually or collectively, to assume that their role in society is a taken-for-granted public good. One recent example of reactions to this pressure is the study commissioned by the Chief Executives of the university sector which focused upon "Universities and Communities" in an attempt to demonstrate (to the public and the government) the many contributions that universities make to the wider society. Similarly, the government's definition of the nation's research agenda in the 1993 White Paper "Realising Our Potential" placed its emphasis squarely upon the funding of research which is most likely to support wealth creation and to improve the quality of life. As a result, universities are having to confront some difficult questions about their role, for what and to whom they are accountable, and the nature of the teaching and research that they undertake.

British Universities and Regionalism

One major arena within which these questions are being posed is the region or locality which provides the geographical base of the university. There are various factors in the UK which make the regional context an especially significant focus. At the national level, the UK has been governed since 1979 by a succession of Conservative administrations which find it difficult to accept easily the concept of the region as a legitimate locus for decision-making. Part of this unease derives from the historic position of the Conservative Party as the party of Union, advocating the basic unity of the United Kingdom. In addition, the support of all the main opposition parties for more devolution or federalism reinforces the aversion of the Conservative Party to regional government.

Yet the European Union is essentially composed of regions, a fact that continues to generate tensions within the Conservative Party over its stance toward European integration. Much of the funding distributed by the European Parliament is aimed at regions and their particular characteristics, rather than at national governments. Moreover, within the UK, the stance of the European Union is reflected in internal debates. The government itself established separate funding councils for England, Scotland and Wales. Just as much European funding comes to regions, many of the UK agencies of economic development are based on regions. For example, the Northern Development Company acts as the representative arm for economic development for a wide range of public and private sector bodies in the North of England.

Within this context, the UK since 1979 has seen its economy mostly in recession with serious effects on economic performance and unemployment throughout the country. These effects are monitored and discussed at the national level in terms of their differential impact on **regions**, strengthening the salience of the locality for political and economic debate. At the same time, Conservative governments after 1979 have systematically weakened the influence of local government by reducing its independent revenue raising powers and setting up new bodies like Training and Enterprise Councils and Development Corporations, which carry out key economic functions in regions but without being bound in to the local political apparatus.

The Regional Role of the Universities

It is this wider situation which is forcing the universities to examine and re-define their relationship to their region. First, in a situation of economic stagnation, the universities have often been one of the few growth industries in the geographical area. For example, although the national growth in employment between 1987 and 1991 was only 1.4 percent, in the universities it was 12.6 percent. A second related point is that many universities find that they are one of the major employers in a particular city or region. Third, major growth over the last ten years has often led universities into conflict with the local planning authorities, creating the need to provide very detailed justification of their importance to the local economic structure and also to engage in long term political lobbying at the local level to win key interests over to their viewpoint. Fourth, the decline of local government and the fragmentation of the local decision-making structure has created a situation in some regions where the university may be one of the few large organisations locally with a sufficiently broad interest to act as a coordinator or broker for regional development. For all of these reasons, the universities have found themselves, often with considerable reluctance, placed at the centre of regional influence.

It might be expected that the former polytechnics would be best placed to adopt a central role regionally as a natural extension of their development. Until 1989 the polytechnics were governed and financed by local government. Their recruitment base, with large numbers of part-time students, has tended to be heavily regional. They have often developed strategic links in their area with Further Education Colleges, the nearest UK equivalent to Community Colleges in the USA. Many have missions which express their commitment to the locality quite clearly. The University of Northumbria, for example, has a mission statement which declares its intention "to have a powerful commitment to, and a special concern for the educational needs of the North of England and to contribute to the cultural, social and economic growth of the region."

It has a detailed regional policy that outlines a range of actions to be taken in support of the region in which it is located. It has also developed its geographical base within the region so that since 1992 it has added new campuses 20 miles north and 57 miles west of its original base in the city of Newcastle. Other former polytechnics have also shown an inclination to develop "outreach" or satellite campuses, sometimes in partnership with Further Education Colleges. Some, in adopting a University title, chose to stress their place within their community. Thus, Leeds Metropolitan and Manchester Metropolitan Universities came into being in 1992.

The "old" universities have traditionally been less explicitly intermeshed with their locality, except in the purely pragmatic sense of having a particular physical base and a consequent need to make the best use of that base. Indeed, some of the institutions which have historically dominated a location, such as Oxford or Cambridge, have expected the city to accommodate their needs rather than vice-versa. More commonly, the idea of a research based university has often been seen to imply a national and international role. In this context, a regional role has been perceived as unduly parochial. An illustration of these important differences in self-perception comes from the "Universities and Communities" study conducted in 1993. When asked to classify their role in relation to the region, the differences between the "old" and "new" universities were striking. Table 2 indicates that while over 85 percent of former polytechnics defined their role with an emphasis on their regional base and function, over 75 percent of "old" universities rejected such a view of their role.

Table 2
University Self Definition

Old Universities *New Universities* *All Universities*
(percent select by definition)

A community-based institution serving the needs of the local area/region	0.0	11.1	4.6
An institution seeking to contribute to the local area and also develop international strengths	18.4	74.1	41.5
An institution seeking to contribute equally between international research and support to local area	18.4	14.8	16.9
An international research institution seeking to provide support to the local community where it does not conflict with international research excellence	55.3	0	32.3
An international research institution with no particular ties to the local area/region	2.6	0	1.5

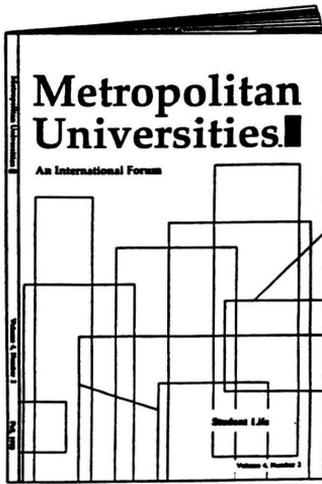
Regionalism and Diversity

If Table 2 appears to confirm the major differences between the “new” and the “old” universities in terms of their commitment to their region and its development, then it also disguises the volatility and potential for significant change within the newly integrated university system in the UK. Most obviously, some of the “old” universities face the prospect of a major loss of research funds as the allocation of such funding becomes highly selective and is spread between more institutions. They must also deal with government pressure to adapt to a higher education system geared to accommodating more students on a much lower unit of resource, with implications for radical changes in methods of course delivery. In addition, they must confront the need to develop a role locally which might maximise a new kind of support. European funding for higher education, for example, can only be ac-

cessed where it can be shown that the projects involved contribute to regional objectives and are undertaken in partnership with other regional organisations. Already there are signs that some realignments are taking place. Sheffield University, an "old" university, has established a regional office within the university to coordinate its contributions to the locality and has also launched an aggressive strategy of forming alliances with Further Education Colleges both within its region and outside it.

On the other hand, the "new" universities are also confronted by new questions raised by the abolition of the binary line. Although their history and characteristics ought to place them in a strong position to build upon their well established regional base, it is clear that some of the "old" universities will be moving onto the same territory, often with a stronger funding and research base. Other aspects of the external environment also offer some challenges. In an integrated university sector the former polytechnics need to attract students in competition with the better established names and prestige of the "old" universities. The most obvious strategies are to try to play these universities at their own (research) game or to differentiate their product in distinctive ways that play to their particular strengths. The former strategy involves overturning decades of funding advantages for the "old" universities. The latter means turning their local base into a positive feature of their teaching and research at a time when the competition for that local resource may be becoming ever more fierce. It is not too difficult to see a UK equivalent to the Urban and Metropolitan university movement emerging as a response to these pressures.

At the level of the new university sector the very fact of integration has generated new pressures and tensions that are likely to lead to instability as institutions try to come to terms with the changed realities of funding and student numbers. The creation of common funding and quality mechanisms was intended to emphasise that this was to be a cohesive new sector which would not allow the very different pasts of the two sides of the binary line to get in the way of a new agenda for higher education in the UK. It remains to be seen whether such overarching organisational arrangements can contain and make sense of a sector composed of radically different universities each seeking the competitive advantages which will enable them to survive in changed circumstances. The regional dimension is likely to be one of the most hotly fought arenas as these universities redefine their missions.



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