

Creating Something New: Amalgamations and Higher Education

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I am not going to give a paper today of facts and figures. I've realized over recent months that amalgamations are more than anything about people and people aren't cold facts and figures. I've therefore decided to centre my talk principally around a case study, the issue of which will reveal I hope the emotional as well as intellectual and political challenges surrounding amalgamations. I do so because the issue for public sector amalgamations is so complex.

I am the Chief Executive of a pretty substantial SME. My business has identified and successfully cornered a niche market. I have kept my product range tight and yet have reformed it, re-branded it according to market demands. I have resisted the temptation to develop into the sexier areas of my competitive business, except in tangential ways that reinforce my core business. I've kept my staffing levels tight whilst boosting the morale of my workforce. The condition of my plant is excellent with a premises strategy that looks after my customers, potential customers and my staff. I have an outstanding sports centre open to all at an acceptable charge. I have good restaurant facilities serving breakfast, lunch and dinner at a highly competitive price and ambience. These catering facilities include a variety of venues a number of which I've partly outsourced to specialist companies. This is an example of 'a department

store' approach to my premises which has allowed me develop crèche facilities for the children of staff and customers with no risk to my business because that risk is taken by another company. I have done the same with a radical entertainment programme designed not just for staff and customers but for the whole community in which my plant operates, thus attracting new clients. Part of my marketing policy has been to gain the loyalty of those using my organisation. I have even lent my plant's name to a football team whose results gain nationwide television coverage. The quality of my product has undergone external scrutiny and found to be commendable. The financial figures for my business over the last 3 years show a surplus on the revenue account of 5.3% 5.2% and 6.3%. I have only one substantial financial loan which I could write off tomorrow from my reserves without any significantly noticeable effect. I am one of the most efficiently successful SMEs in my business world. I have an annual turnover of £23 million. But my product line is dominated by much larger businesses with turnovers usually in excess of £100 million or £200 million. Proportionally my results are probably better than many of them and my product though not universally known, is sound and satisfies the market I have defined extremely well. In a business world I am ripe for takeover. Any offers?

Let me put it another way. I am the Principal of NEWI which enjoys delegated authority from the University of Wales to offer undergraduate and postgraduate degree courses mainly to a local market. Over 40% of my 6.5 thousand students come from social classes IIIM, IV and V. Last year I received four commendations from the QAA in its special review of higher education in Wales. I believe no institution in Wales received more. I've lent my name to the NEWI Cefn Druids the oldest football club in the Welsh League and work very closely with Wrexham AFC.

Although I have an Independent Student Union I also have been able to exploit the facilities of my Plas Coch campus with a commercial deal with an entertainment company, Eventertainment. NEWI has regular visits from the Welsh National Opera, Liverpool Philharmonic, BBC Wales Symphony Orchestra, Halle Orchestra, and public lectures from leading academics from the Royal Society and from major national and international universities. NEWI stages moreover medium sized pop concerts from the Waterboys to Joe Longthorne and 'sell out' entertainers from Ken Dodd to Max Boyce to Fred Dibner. We've marketed my institution well focussing particularly on our region but politically marketing it within Wales generally as much of NEWI's funding comes from the Welsh Assembly Government. The career figures for NEWI's

graduates are very good averaging 98% in the vocational areas and over 80% in the non-specific vocational. The percentage refers to those gaining meaningful employment within 12 months of graduating.

Ideologically I am able to empathize with the Government in power though I am apolitical. I want what is best for the people of Wales and as a higher education institution about to apply for University status in its own right, I believe in it is a natural duty to advise Government on what is 'best' but equally to help the elected Government realize its economic and social policies.

One of those policies is reconfiguration of higher education. It is enshrined in the Welsh Assembly Government Policy document, *Reaching Higher*. But that policy is an off shoot of a central economic policy document *A Winning Wales*. NEWI has already been able to fulfil many of the targets set by the Assembly, in for example, widening participation or international recruitment. Indeed the vision I have for NEWI in attempting to make it a 'market led, student centred university of international significance which is open to all' broadly equates with Welsh Assembly Government policies for higher education.

Despite NEWI's present success as an educational SME I know that an institution of our size is going to find it difficult to survive long term in the competitive market in which we operate. We need to grow and probably we can only do that by amalgamation. Is amalgamation however the same as take over? Could it mean the creation of something new and dynamic? Geographically my campus is six miles from the border with England. We're located just off the Wrexham A483 by pass. The NEWI estate is worth a fortune just because of its location. We receive regular enquiries from developers and superstores to buy NEWI out. One suggested that he could build us a completely new University on land he'd purchase elsewhere if we'd give him NEWI's location in return. But like Richard III, "I am not in the giving vein today"; nor for that matter any other day. The location is good for education. It is accessible for students by car. It is near to the railway station and is in short walking distance to town. I have a responsibility to my students, my staff, my community and my elected Government to ensure that in whichever way NEWI grows, the Institution maintains its socially inclusive focus and provides for those students coming to NEWI the same standard of award as they would gain from any other British University. NEWI is able to do that at the moment through the University of Wales but NEWI needs to go through the peer assessment and evaluation review

for the DAPs process. Despite all the success of my institution in meeting Government policies, in reaching out into the community, in educating students to a high standard and in being one of the most financially efficient HEIs in the UK, NEWI cannot hold its own in university company without going through a necessary hurdle.

So don't make me any offers to buy me out, even if you are one of the 14 English Universities or HEIs which is closer to NEWI than is its nearest Welsh HEI, University of Wales Bangor, because I can't listen until I have DAPs. Even then it would be difficult because you come under HEFCE not HEFCW and because you are in England, not Wales. The politics would be too difficult. So I withdraw my suggestion

Over the last two years NEWI has been talking with University of Wales Bangor about the creation of a New Single University of North Wales. It has been a project very close to my heart. It is something to which I am highly committed. Such a University would have the function and purpose of underpinning the politically complex economy of North Wales and promoting social cohesion across the region. As I noted in a speech in Cardiff in October 2003, the creation of such a new University would,

- Strategically plan higher education in the region

- Work with external stakeholders to develop economic growth and social well being
- Focus its research on excellence in pure and applied areas.
- Educate a workforce for Wales which will serve emerging business as well as traditional ones
- Provide intellectual leadership in the region promoting stability but initiating new ideas and business
- Place North Wales on the international map as an area of excellence in education and innovation
- Cater for all students irrespective of their background or wealth.
- Support the arts, sport and the cultural and linguistic heritage, instilling a sense of pride and confidence in the region.

Like NEWI, University of Wales Bangor do not have degree awarding powers. The plan was to create the new University by an amalgamation of the two institutions into a single unit, at first under the authority of the University of Wales. The two institutions then as one would apply for DAPs, RDAPs and University title. The very process of managing the amalgamation and creation of the new University would naturally be scrutinized by QAA as part of the DAPs process. The project had and I

believe still has the enthusiastic backing of Jane Davidson, the Minister for Education and Lifelong Learning, in the Welsh Assembly Government. Her radical agenda for higher education in Wales, *Reaching Higher*, provides an opportunity for us in Wales to ‘break the mould’ of higher education and create a new type of University. So I had a view, a vision which could be summarised as,

The University of North Wales in bringing together excellence and innovation in applied and pure research to underpin the economy will simultaneously educate and train the people of North Wales in a business culture dedicated to the prosperity and social well being of the Region and the Nation.

The new University would be a post modern organization bringing together the best in the traditions of the old with the best in the concept of the modern university. Bangor is in a rural location, NEWI is an urban one 73 miles away. NEWI is 35 minutes from Liverpool, 45 minutes from Manchester, Bangor is 90 minutes or so from Dublin, though there is a sea in between. You can see a horizontal higher education line across three European countries, Ireland, Wales and England in which there will be economic internal competition but more important economic, educational and social co-operation. NEWI’s social inclusion policy

embedded in everything that it does would be helped by the research reputation of Bangor. University of Wales Bangor, in my view, would benefit in its research output and its widening participation policies from the management and governance philosophy of NEWI and from NEWI's financial strengths. It is not a matter of size but of organisation, performance and vision.

Such a relationship many people have said will be impossible. Perhaps they are right. But I have a vision and I don't easily give up on visions. We have presently a hiatus, a fracturing of the potential relationship. Some unfortunate things have been said, some negative meetings have taken place, misunderstandings have occurred, personal agendas have got in the way. For the moment we are at a halt. What we shouldn't do is be precipitous. What we shouldn't do is enflame each other or blame each other through provocative actions. If these occur, as unfortunately they have, then we have to take a deep breath and wait a while. We have to be patient. Sooner or later the vision will be realized. I hope it will be sooner because personally I have leading stake in it and I only have a maximum 10 years left to retirement. I'm realistic enough however to know that my enthusiasm alone cannot prevail over those who have a genuine concern about what such a future would bring in comparison

with the apparent safety of the past and the present. But that safety is only 'apparent'.

Recently I read the historical novel, *The Secret Room*, by the Welsh writer, Marion Eames. It deals with the persecution of the Quakers in Dolgellau at the time of the Restoration of the Monarchy. In it she demonstrates the growth of realization in the main character, Rowland Ellis, that what he believes is secure is actually endangered by his own belief-system. He has to discover his need to let go of what he has since it cannot sustain him or protect him. He grows eventually to understand that he has to accept William Penn's advice and cross the sea to America. Higher Education Institutions are not secure. Decisions have to be made about how we are to proceed if we are to continue to pursue and communicate knowledge for the benefit of our communities. We might not have to go across to America but we do have to cross cultural barriers built often on the false sentimentality of tradition and self interest.

I found for example some of the recent debates on higher education over the HE Bill, fatuous because they appeared to me to be about the preservation of some institutions image, status and self regard rather than the challenges of the 21st Century. Certainly topics such as the necessity

of global competitiveness were used, in my opinion, as a defensive mechanism for self protection. I had to question in my own mind therefore the legitimacy of their use when I saw that the philosophy manifestly appeared to be inwardly self protective, not outwardly radical.

Let me throw a little fact into the pot. In 1900 only 1 in 70 children in the UK progressed from elementary school into secondary school.

Secondary school was not for the majority. It wasn't required for their jobs. What would happen to all the blacksmiths, or the farm labourers or the factory workers or the miners? Their manual work was what was required by society not education. It was of course an elitist view perpetrated by a ruling class which we would ridicule today. But how many times over the last 2 years have I heard people who have enjoyed a university education, exclaim that what we need is more plumbers not more people in higher education.

Just as we had to gain a new mindset about secondary education in the early twentieth century, so we have to gain a new mindset about university education in the 21st Century. An elitism still prevails. A possessiveness of knowledge, as one of the oldest myths in our civilization demonstrates, leads to revolt, "the happy sin" of Adam and

Eve against the Almighty. They disobeyed by eating from the tree of knowledge.

But in that sin, that revolt, that challenge, was grief. When I was asked today to talk about mergers and reconfiguration I thought I'd be talking about a successful outcome of the NEWI/Bangor discussions and possibly about my experience of merger and amalgamation since I began my professional life in higher education almost thirty years ago. That was in September 1974 with my first post in Sunderland College of Education. Within a month of my appointment I had met the newly appointed Dean of Humanities, Ray Cowell, at the relatively new Sunderland Polytechnic and I had been reprimanded by my Principal at the College, for going to the meeting. A merger was on between the College and the Polytechnic and clearly the Principal was generally unhappy with the idea and particularly with me and my precocious action. The merger however went ahead and launched my career.

In my experience it was the most successful of mergers. The Faculty of Humanities at the Polytechnic was a new creation with an influx of new staff from the red bricks and 60s universities, joining former employees of the college. The latter were a talented group mainly Oxford and

Cambridge educated, plus me raw out of postgraduate research, eager to write my first book and to introduce the then revolutionary Text and Performance approach to Shakespearean Studies. I found myself therefore in Sunderland amongst a mixed group of radical and conservative scholars that became intrinsically involved in what became known as the Crisis of English Studies. Indeed our writings were predating the Colin McCabe Cambridge crisis, by about five years.

Bliss was it in that dawn to be alive

But to be young was very heaven

At that time I might not have even dared quote Wordsworth as it would have associated me with the Canon of literature. I was after all publishing my first book which was on John Marston, the then little known contemporary of Shakespeare, not on Shakespeare himself.

For a key period that initial merger of the old and the new produced in “backwater” Sunderland some of the most radical English, Communications and Cultural Studies output in the UK. We and our postgraduates eventually dispersed, as happens, and I joined another organisation at a time of radical change, Leicester Polytechnic that was to become De Montfort University.

De Montfort University was audacious, arrogant and aggressive. I loved it. It took risks. It didn't mind punching beyond its weight and it was described by Stephen Heyneman of the World Bank as the 'fastest growing university in Western Europe'. Amalgamations were plentiful. The Scraftoft College of Education had already joined. The Charles Frears College of Nursing was later to follow. In the meantime De Montfort University initiated a number of mergers: Lincolnshire College of Art and Design, Lincolnshire College of Agriculture, which itself was an amalgamation of two colleges; Bedford College of Higher Education. It also created a new campus in Milton Keynes. When I started in 1989 De Montfort had two campuses and 8,000 students. When I left in 2000 it had 13 campuses with 31,000 students plus locations in South Africa and Malaysia.

The lessons learned at De Montfort however were of how mergers do not always work. I had joined as a middle manager. When I became a member of the Executive I was used as a trouble shooter for the amalgamated colleges first in Lincolnshire and then in Bedford/Milton Keynes. In my view we didn't get the size of the operation right. We underestimated the need for local fiscal and educational management. We lost a sense of respect, identity and focus within local communities.

We became too detached from local issues. We overstretched on too little resource. We learned that you couldn't have a singly centrally located finance department, HR department or Academic Registry because the location needed and demanded personal contact and availability.

The concept of the distributed university was a great idea and one from which the sector could learn but the problems that De Montfort University encountered, should equally give lessons to us all. In the end De Montfort withdrew from Lincolnshire and from Milton Keynes. It downsized.

For amalgamations to work there has to be:

1. Vision
2. Clear unequivocal Leadership from the start
3. Empowerment
4. Fiscal and Administrative Pragmatism
5. Trust
6. Clarity of the Language being used in Negotiation
7. Respect for Varying Traditions

8. Scholarly friendship and respect: a bottom up approach
9. Patience
10. Respect for Individuals and an Understanding of their
Vulnerability as Individuals within Defined Societies

Of these ten the last in particular troubles me. Mergers can bring about personal casualties. In the business world the effects of such casualties can be ameliorated by large financial packages. These are not available in the public sector and therefore it is hard to produce incentives for individuals. I have seen some well respected senior colleagues destroyed by the process. If we are in education for anything, it is surely for the respect of individuals within a society. Where mergers really work is where we crack the problems relating to individuals and to local cultures. If you don't solve those two then the merger will collapse at one point or another.

NEWI's negotiations with University of Wales Bangor have not yet solved those particular problems. I don't think they have even overtly identified them. In many ways all the other issues relate to them but can circle around them in some level of fantasy of belief. As one colleague from Bangor said at a critical meeting in December 2003, "You see this

has become all too real". It took me by surprise but I understood the context. In fact, the most positive thing to have happened in recent months over these stalled discussions is that there has been little acrimony, if any, because there is a genuine attempt to find out what has been going wrong. I have a belief that in time with the build up of trust and patience a resolution can be found. But it is going to take time. I may be proved wrong but we have been given a clear indication by the present Deputy Vice Chancellor at Bangor that we probably can't get back to the table for about 5 years whilst his institution works on internal cultural, management and governance issues.

The Vision however remains greater than the problems and I believe it will eventually prevail. In the meantime, NEWI has to prove its credentials amongst its peers, which in itself is a process that will take time. Enthusiasm and Vision in themselves are not enough to found a successful new university. They do however complement to the entrepreneurship that I believe will have to be more firmly embedded in the new universities, and the old, as the 21st Century develops. We are in an age of radical change. Eventually radical change will occur.

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