

# Partnership, Place and Prosperity: The Critical Role of Universities in Devolution

Building Sustainable Growth  
Through Academic and Regional  
Collaboration



**EASTERN  
ARC** Academic Research  
Consortium



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### **Abbreviations**

- CA: Combined Authority
- DLUHC: Department for Levelling Up Housing and Communities
- EOI: Expression of Interest
- HEI: Higher Education Institution
- ICB: Integrated Care Board
- KCC: Kent County Council
- NCC: Norfolk County Council
- SCC: Suffolk County Council
- SME: Small to Medium-Sized Enterprises
- W2GH: Wave 2 Growth Hub

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# **Executive Summary**

## **Introduction**

This report, commissioned by Eastern Arc—a strategic collaboration between the universities of East Anglia, Essex, Kent, and Sussex—explores opportunities for higher education institutions (HEIs) to engage in regional development and devolution across the Eastern region of England. The evidence base for the report comes from qualitative interviews with fourteen expert informants from within the Eastern Arc HEIs, local government stakeholders across the region and national government. In addition, the findings are informed by a review of the literature on the role and contribution of higher education to devolution alongside examples of innovative practice.

The findings demonstrate that as higher education faces unprecedented pressures, strategic partnerships and participation in regional planning may hold keys to future sustainability and growth. The report provides an outline of the current context for devolution including the status of devolution deals for the eastern region. This is followed by some examples of innovative practice from HEIs outside of the region and ways in which learning from this can be used to strengthen the potential role of the Eastern Arc universities.

The stakeholder analysis explores perspectives and evidence on opportunities and barriers to HEI collaboration and engagement in the context of regional devolution and related policies, such as Levelling Up. The final section has recommendations for Eastern Arc and proposed next steps for sharing the report and its findings with other stakeholders.

## **Devolution policy and implementation**

The driving idea behind devolution is that centralised decision-making tends to lead to more economic disparities and social inequalities than when regions have more decision-making powers over themselves. The literature is mixed on whether this assumption is true; the influential factors appear to be more related to the way in which devolution is managed by the centre and the differing organisational forms and structures that take on control in devolved areas. This can lead to tensions between regional aspirations and ambitions for devolution and central government goals, for example in the role and functions of elected mayors and implications for unitary authorities. Some of these tensions are reflected in the current status of devolution deals in the eastern regions:

- **Essex:** Level 2 devolution deal currently paused.
- **Kent:** Considering submitting an Expression of Interest (EOI) for a Level 3 devolution deal.
- **Sussex:** Not currently developing a devolution proposal.
- **Norfolk:** Accepted a Level 2 devolution deal at the end of 2023.
- **Suffolk:** Public consultation for a Level 3 devolution deal is currently underway. A decision is expected in July 2024.

Economic growth, improved public services, and stronger public engagement and accountability are central to the overarching results of successful devolution deals. There is also cross-party consensus on the need to continue to roll out regional devolution though the exact scope and framework may change.

The geography for devolution across the Eastern Arc area is one of the least well advanced but this is likely to change soon and therefore this is the right time to be reviewing this area of strategy. Based on the current pattern of devolution there are going to be at least four separate deals across the Eastern Arc area, which will add to the complexity of managing a more coherent, collective voice for higher education across the region. The spatial distribution of devolution powers is also variable and this needs to be assessed against the background of local government reform.

Regional devolution has received less attention in recent years, but it will be interesting to see if this becomes more prominent under a new central administration that is likely to be very focused on economic growth. Some of those who contributed to this report view this as the more important aspect of devolution and one where the commercialisation of university research, support for entrepreneurship and business growth and skills could form a much more important part of devolution.

This could potentially form a broader push to devolve part of higher education central funding to a regional devolved area. This would have a specific focus on business growth and skills in support of enhancing productivity for the region and hence nationally. It could be argued that the southeastern region as a whole will drive greater growth and productivity gains in the short term, which will be significant for the incoming administration.

### **Devolution and the role of higher education**

Higher Education Institutions (HEIs) are essential regional stakeholders and anchor institutions that act as major local employers and contributors to regional economic wealth through education and skills, and investment in research. As the lead agencies for higher skills, learning, and research, HEIs can exercise considerable influence in their local region.

The collaborative environment that devolution encourages can benefit universities not only in terms of the planning and strategy development stage but also after regional powers and funding are devolved. An increase in collaboration with local authorities, other anchor institutions, and businesses in the area can broaden the connection of universities and enhance their impact within the region. Business partnerships can also present the opportunity to gain joint funding for new research projects, benefiting the financial health of HEIs and the region in which they are situated.

Examples of successful and innovative practices from a variety of HEIs demonstrates the value, scope and contribution of the sector to regional growth including:

- Higher education has a significant role to play in supporting business growth and productivity, especially for SMEs and entrepreneurship.
- Attracting inward investment to a region's economy is one the functions that HEIs can bring to devolution.
- Collaborations across HEIs alongside further education, business and local government brings additional benefits and supports the scale and ambition of programmes.
- Programmes can be geared towards particular priority sectors for economic growth and productivity through supporting skills and employment.
- Local partnerships are key to success and HEIs can take a lead role in establishing these.

Being able to communicate and raise the profile of local and regional initiatives that sit within higher education are important functions that need to be addressed in supporting devolution.

### **Opportunities**

Devolution presents opportunities for HEIs to strengthen connections with local governments, contributing to economic, social, and cultural development. Enhanced collaboration can broaden the influence and impact of universities within their regions, fostering innovation, human capital, and entrepreneurship.

However, devolution requires a shift in strategy that encompasses more active engagement and participation in strategic planning, policy development and implementation and active partnerships with regional stakeholders. This is in line with the university third mission of being and engine for social, economic and cultural development. This involves HEIs having connections within the region which enables them to diversify their funding and for regional partners to have increased access to knowledge, technology and innovation.

As noted previously this will be a significant area of focus for the incoming government, of whichever party, as business growth and productivity will be the engines of economic recovery and renewal. This will create opportunities for higher education to raise the profile of its wider commercial value and potential linked to a focus on skills and innovation.

The report explores several areas of opportunities including:

**A Collective Voice** - One of the main opportunities arising from devolution is the ability of Eastern Arc universities to provide a collective voice for the higher education sector. This collective approach can strengthen awareness and recognition of the sector's value. It can also be an opportunity for higher education to be a lead influencer in development of plans and implementation. This an opportunity for individual HEIs but also for Eastern Arc as a collective voice and source of evidence and information.

**Strategic Partnerships** - Strategic partnerships with local authorities, businesses, and other anchor institutions can lead to new research opportunities, innovative thinking, and career pathways. Devolution can also increase the visibility of HEIs in public policy, reinforcing their role as key regional stakeholders.

**Collaboration** - Collaboration between multiple HEIs can harness a wide range of expertise, skills, and knowledge to benefit the entire region. Devolution provides an opportunity to reduce fragmentation and foster a more collaborative approach, enhancing the overall impact of HEIs on regional development. Building meaningful relationships with stakeholders and balancing strategic and local community engagement are critical for successful devolution contributions. There is a strong desire amongst regional partners for greater collaboration.

**Regional Investment** - Devolution transfers regional powers and funding responsibilities from central to local governments, allowing for more targeted responses to regional needs. This can benefit HEIs through increased funding for research and innovation, improved facilities, and greater financial stability. The literature suggests that successful devolution deals can lead to increased student enrolment and professional development opportunities.

The prospect a renewed focus on regional devolution will greatly enhance the opportunity for new forms of accountability and devolution of central higher education funding. This would likely work best if focused within a narrow remit for business growth and productivity but there is an appetite amongst local government leaders for this to be explored further.

## **Challenges**

The report highlights various challenges for higher education in ensuring their contribution to and involvement in devolution can bring the maximum benefits. These include:

**Financial Constraints** - HEIs in England face significant financial pressures and while devolution may hold some solutions to future sustainability and new income streams these will not be straightforward, nor will they materialise in the short term. The most successful devolution deals take a long-term approach (10 years plus) and this must be factored into financial planning.

**Capacity and Workload** - Contributing to levelling-up agendas may increase the workload and require additional resources, further straining HEI capacities. This will mean managing multiple priorities and potential structural changes. Continuous engagement with local communities, businesses, government, and other anchor institutions is essential for achieving beneficial outcomes.

**Strategic Alignment** - HEIs may need to align their objectives with those of devolution deals to support regional development. Clear aims and objectives are necessary to ensure that contributions to devolution and levelling-up agendas are effective. While this clearly aligns with the third mission agenda, there needs to be alignment and balance across global and regional strategic objectives.

**Autonomy and Regulation** - Successful devolution deals may increase HEI scrutiny by local governments, potentially threatening their institutional autonomy. HEIs must broaden their scope to include regional considerations and other anchor institutions within their strategic planning.

**The Role of Place** - Challenges vary between regions, requiring HEIs to understand and address specific regional needs. Devolution strategies must be tailored to local contexts, as successful approaches in one area may not directly translate to another. A joined-up and collective approach is needed to effectively contribute to devolution and levelling-up agendas in the East of England.

**Organisational Culture** - Differences in work cultures between local authorities and HEIs can hinder collaboration. Faster-paced local authorities may find the rigorous academic research processes of universities challenging. Both parties need to understand each other's structures and functions to facilitate efficient collaboration.

## **Recommendations**

Devolution offers significant opportunities for higher education to contribute to regional growth and development. Eastern Arc universities are well-positioned to provide a collective voice, foster strategic partnerships, and enhance collaboration. Addressing financial constraints, capacity challenges, and organisational cultural differences will be crucial for successful engagement in devolution processes.

The recommendations are designed to assist Eastern Arc in its thinking and planning for strategy on devolution across the region, with a particular focus on how to enhance the collaboration and raise the profile of the sector.

## **Strategic Leadership**

Eastern Arc should appoint a lead responsible officer for strategy on devolution, with experience in devolution and regional dynamics. This role should focus on building strong regional relationships, advocacy, and enhanced strategic planning. A senior single point of contact will help represent the interests of the sector while supporting individual HEIs.



## **A Joint Working Group**

Eastern Arc should establish a working group with senior officers, members and leaders in partnership organisations including local government and ICBs to align goals and priorities. This group can leverage the strengths of HEIs in supporting informed policy and decision-making, enhancing community engagement, and developing a long-term vision for devolution with higher education as a core strategic partner.

## **A Prospectus and Action Plan**

Through collaboration, Eastern Arc can co-produce a prospectus and action plan with local government partners. This unified vision will facilitate stronger partnership working, address cultural and organisational barriers, and establish metrics for monitoring progress and evaluation.

## **Conclusion and Next Steps**

The next steps include socialising the report findings within the Eastern Arc lead officer group through a virtual workshop in July. This will help refine the focus on devolution for the sector and discuss the implications of the report's findings.

All stakeholders have expressed strong interest in the report's findings and have expressed an interest in attending further workshops to discuss the way forward. There is an opportunity, post the election, for Eastern Arc to expand its influence and reach in the region on the important issues for devolution discussed in the report.

# **1. Introduction**

This report was commissioned by Eastern Arc (a strategic collaboration between the universities of East Anglia, Essex, Kent, and Sussex) to explore the opportunities for collaboration with Higher Education on regional development and devolution across the Eastern region. This is an important area of consideration for Eastern Arc as higher education faces unprecedented pressures. The need for greater strategic partnership working and participation in regional planning may hold some of the keys to future sustainability and growth for the sector. This is also a critical time for the future of devolution in the region, as national policy direction for devolution is likely to change with increased opportunities, and the deals for Essex and Kent are stalled in anticipation of renewed focus and energy.

The aim of the report is to provide analysis of the opportunities and barriers to collaboration and engagement for higher education in the context of regional devolution and related policies such as Levelling Up. The evidence for this has been drawn from a small number of expert stakeholders (10) from the universities within Eastern Arc and local and central government. A review of the literature has also been undertaken, considering strategy, policy, and examples of innovative practices from across the country and overseas.

The intention is for the findings from this report to be used to help Eastern Arc frame its strategic direction, taking into account the anticipated direction of devolution plans and learning from other regions. The report contains an outline of the context of devolution and what this means for collaboration with higher education, followed by an exploration of the opportunities and challenges with examples of innovative practice. The final section contains recommendations for ways in which Eastern Arc can strengthen its focus on the opportunities arising from further devolution.

The report is timely as the prospect of a new government with a Treasury that is more focused on business growth and productivity, will lend itself to more opportunities for the role of higher education in devolution. From the perspective of the Eastern Arc region as a whole this could be a more important spatial aspect of devolution.

The ability to create stronger synergies across HEIs to maximise business development, support for entrepreneurship alongside regional skills and productivity gains will greatly enhance the recognition of the contribution of higher education to devolution. If this is accompanied by central devolution of some higher education funding this could result in significant new opportunities.

## **2. The Context**

### ***2.1 Devolution Policy and Implementation***

The framework for regional devolution can be traced back to the creation of the London Assembly and elected Mayor in 2000, but it was a further fourteen years before the establishment of the Greater Manchester Combined Authority and elected Mayor. Since 2014, there have been ten further devolution deals, with another three due to commence in 2025. (Source: Wood 2024)

The driving idea behind devolution is that centralised decision-making tends to lead to more economic disparities and social inequalities than when regions have more decision-making powers over themselves.

The literature is mixed on whether this assumption is true; the influential factors appear to be more related to the way in which devolution is managed by the centre and the differing organisational forms and structures that take on control in devolved areas (Tomaney 2026; Harding and Peake-Jones 2023). However, despite some ambiguity on the relative merits, devolution will remain a central tenet of government for the foreseeable future.

For example, in a 2022 White Paper, the Department for Levelling Up Housing and Communities (DLUHC) set out the government's intention to "extend, deepen, and simplify devolution across England". This includes allowing devolution deals to be established in every part of England that wants one by 2030, with more simplified long-term funding settlements and through flexible, tailored pathways (DLUHC 2022). The government has set out four principles that need to be considered when proposing a devolution deal: effective leadership, sensible geography, flexibility, and appropriate accountability (Paun et al. 2023). The Labour Party is also committed to further extending devolution, with every town and city to be given the powers they need to develop their own economic and social plans (Labour Party 2022).

Devolution deals vary in the degree and scope of powers and fiscal control that is devolved, and while most deals have included an elected mayor, this is not always the case. Whilst central government has not specifically outlined the key aims of devolution, it is clear from existing devolution deals that economic growth, improved public services, and "enhanced public engagement and accountability" are central to the overarching results of successful devolution deals (Wood 2024).

Local government leaders are increasingly seeking support and collaboration with external bodies, such as key anchor institutions who have a shared vision of place and an appetite for change, to accelerate regional development in these areas by working together (Wood 2024). Most devolution deals since 2014 have included 30-year investment funds, adult education budgets, business support (e.g. growth hubs), fiscal powers, and more power over public transport and land use to local governments and authorities (Wood 2024). In some deals, additional powers have been granted, such as those concerning housing and health (ibid).

These devolved powers have proved useful in aiding regional development and improving the quality of life in these areas. For example, research by Britteon et al. (2024) found that the Greater Manchester devolution deal made way for regional improvements, reducing alcohol-related hospital admissions by 11.1%, reducing the number of first-time offenders by 1.6%, and reducing the number of school half-days missed by 3.1%. The current levels of devolution and associated powers are:

<b>Level</b>	<b>Description</b>
<b>Level One</b>	Local authorities work together informally. Limited devolved powers and funding.
<b>Level Two</b>	Single institution without elected mayor. Elevated devolved powers and funding.
<b>Level Three</b>	Currently requires elected mayor. Wider set of devolved powers and funding.
<b>Trailblazer</b>	Currently requires elected mayor. Widest set of devolved powers and funding, including housing deals, business retention rates, and increased control over aspects in lower levels.

Regional devolution has received less attention in recent years, but this may change with a new administration where the imperatives for business growth and productivity increase. Having devolved regional powers across a wider cross-sectoral spatial structure could provide stronger economic advancement and hence sooner returns to the national requirement for improvements on investment and productivity. The Eastern Arc region and southeastern area as a whole is likely to have more to contribute than the somewhat limited focus on growth and Leveling Up for the north of the country, where business development will be slower and harder to bring short term returns.

## ***2.2 Why Devolution Matters to Higher Education***

Higher Education Institutions (HEIs) are essential regional stakeholders and anchor institutions that act as major local employers and contributors to regional economic wealth through education and skills, and investment in research. As the lead agencies for higher skills, learning, and research, HEIs can exercise considerable influence in their local region. They are increasingly utilised as crucial institutions for developing regional place-based policies and driving regional development. For HEIs, devolution presents the opportunity to establish stronger connections with local governments and help contribute to economic, social, and cultural development (Raffe 2016). Some of the key contributions made by HEIs include increased focus and investment in innovation, human capital, and entrepreneurship (Incera et al. 2021).

The collaborative environment that devolution encourages can benefit universities not only in terms of the planning and strategy development stage but also after regional powers and funding are devolved. An increase in collaboration with local authorities, other anchor institutions, and businesses in the area can broaden the connection of universities and enhance their impact within the region. Business partnerships can also present the opportunity to gain joint funding for new research projects, benefiting the financial health of HEIs and the region in which they are situated (Centre for Cities 2019).

### ***2.2.1 Devolution in the East of England***

Devolution in the East of England is mixed:

- **Essex:** Level 2 devolution deal currently paused.
- **Kent:** Considering submitting an Expression of Interest (EOI) for a Level 3 devolution deal.
- **Sussex:** Not currently developing a devolution proposal.
- **Norfolk:** Accepted a Level 2 devolution deal at the end of 2023.
- **Suffolk:** Public consultation for a Level 3 devolution deal is currently underway. A decision is expected in July 2024.

Details of the current positions of these county deals are as follows:

#### **Essex**

In September, it was confirmed that Essex will work towards an initial Level 2 deal, with Essex, Southend-on-Sea, and Thurrock making up a new Greater Essex Combined Authority (CA). There would be no elected mayor in this deal, and each authority would remain independent. This will mean that the local authorities of Greater Essex can have more power over and can make collective decisions concerning skills funding, transport planning, and support for businesses to benefit both residents and businesses in the area.

A Level 2 deal would also include devolved powers of the adult education budget (Essex County Council 2023).

“This is a game-changer for Greater Essex which will serve to further strengthen the Essex economy and improve public services for the benefit of residents and businesses across Essex, Southend, and Thurrock.” (Kevin Bentley, Leader of Essex County Council)

It is expected that a devolution bid for Essex will resume after the next general election. The University of Essex has written a letter of support in relation to a devolution deal for the area.

### **Kent (& Medway)**

Kent County Council (KCC) has not submitted an EOI to the Secretary of State, but the leader of KCC, Roger Gough, along with the chief and deputy chief executive, published a paper (Gough et al. 2023) for the Cabinet to consider whether now would be a good time for KCC to submit an EOI and reopen conversations about a devolution deal for Kent and Medway. Devolution deals have been discussed in KCC previously, but it was decided that “the risk, cost, and disruption of creating a new and additional governance for a devolution deal” was not worth it at the time. However, the paper acknowledges that for Kent and Medway to achieve their levelling-up objectives, they need more resources and the capacity to implement them.

### **Sussex (& Surrey)**

The Three Southern Counties (3SC) - West Sussex, East Sussex, and Surrey - placed a devolution bid in 2015, but this was later put on pause in 2017. Surrey has since made agreements for a Level 2 devolution deal, but a deal for Sussex appears to be off the cards at the moment. Keith Glazier, the current leader of East Sussex County Council, has said that there is “no appetite for devolution in his county as offered under the current framework” along with a spokesperson for West Sussex County Council saying they are “some way off from developing a West Sussex County deal.” (Boakye et al. 2023).

### **Norfolk**

In 2022, Norfolk County Council (NCC) was offered a Level 3 devolution deal subject to ratification (DLUHC 2022b) and this deal was accepted by county councillors at the end of 2023 (Norfolk County Council 2023). The devolution deal would involve having a directly elected leader (Boakye et al. 2023) and includes control of a £20 million per year investment over 30 years, £7 million for the building of new homes, new powers to drive the regeneration of Norfolk, an

integrated transport settlement, and new powers to shape local skills provisions (DLUHC 2022b).

NCC will also deliver the UK Shared Prosperity Fund from 2025, which has the opportunity to increase skills, improve the efficiency of public services, and help protect Norfolk from climate change (ibid).

## **Suffolk**

In 2022, a Level 3 devolution deal was offered to Suffolk County Council (SCC) (DLUHC 2022c). SCC has delayed the consultation of the devolution deal whilst seeking final clarification (Weakley 2023), but if accepted, it will include control of a £16 million per year investment over 30 years, £5.8 million for the building of new homes, new powers to drive the regeneration of Suffolk, an integrated transport settlement, and new powers to shape local skills provisions (DLUHC 2022c). Public consultation for the possible devolution deal began in March 2024 and will continue until May, with a decision expected in July 2024 (Parker 2024).

## ***2.3 Examples of Best Practice from HEIs Outside the Eastern Region***

The following section outlines examples of successful HEI collaborations with local businesses and enterprises that aim to contribute to regional growth and development.

### ***2.3.1 Lancaster University***

Lancaster University acts as an ‘ambidextrous’ university, taking on responsibilities of regional development in addition to research and teaching (Thomas et al. 2023). The Management School of the university carries out projects with local small and medium-sized enterprises (SMEs) and entrepreneurs, making the university a core anchor institution in the area.

The first of these projects was the ‘Wave 2 Growth Hub’ (W2GH) programme, which ran between 2013-2015 (Lancaster University Management School n.d. 1). This was a £32 million project funded by the regional growth fund, which created ‘growth hubs’ in 15 small cities to support local businesses (ibid). W2GH resulted in 4000 new jobs and support for 6000 small businesses (Thomas et al. 2023). In addition, it established a network of support for businesses and professionals and created links between the university and local government (ibid).

The next project is the ‘Entrepreneurs in Residence’ (EIR) programme, which began in 2008 and is ongoing. It involves local entrepreneurs teaching and supporting entrepreneurship students based on their lived experience.

Since its creation, the programme has expanded nationally and internationally, establishing more connections for the university worldwide, with over 100 entrepreneurs in residence around the globe (Lancaster University Management School n.d. 2).

This programme does not require much funding and is based on sharing knowledge between local business owners, entrepreneurs, HEIs, and university students (Thomas et al. 2023).

A final example is a collaboration between Lancaster University Management School, University of Liverpool Management School, and Manchester Business School. This collaboration entailed the creation of the 'Innovation Design Entrepreneurship and Sciences' (IDEAS) programme, which worked with 60 SMEs to support and facilitate growth. The universities held workshops for SME owners, emphasising the importance of how connections and contacts both within and outside their field can help expand their business and lead to economic growth and regional development.

The success of the project resulted in around £13 million of funding for new regional, national, and international support programmes (Thomas et al. 2023). Overall, Lancaster University has made credible contributions to regional development.

The government is investing £40 million in the creation of a 'multiversity' in Blackpool in partnership with Lancaster University and Blackpool and the Fylde College (Lancashire County Council 2023). In addition, a Level 2 devolution deal was signed in November 2023, which includes the establishment of the Lancashire Combined County Authority.

### ***2.3.2 University of Sheffield - Advanced Manufacturing Research Centre***

The University of Sheffield, alongside Boeing, set up the Advanced Manufacturing Research Centre (AMRC) in 2001 as a collaboration of academia and industry (Kempton et al. 2021). In 2021, the partnership of this world-leading research and innovation network was renewed for another five years (University of Sheffield 2021). Over 500 researchers and engineers are employed here, and it is now part of Catapult in High-Value Manufacturing. It gives businesses of all sizes the opportunity to develop their expertise and research in manufacturing, composite materials, and digitalisation. For SMEs, this mainly involves joint research projects and connecting them with specialist supply chains. It also runs an apprenticeship for young people in Sheffield.



### **2.3.3 Teesside University - Leading Growth Programme**

The 'Leading Growth' programme of Teesside University Business School is an excellent example of how HEIs can influence economic development in their region. This programme involves UK HEIs working with SMEs to offer business and development education to owners and managers to develop their leadership skills to help them achieve their maximum potential and value to their business. McCauley-Smith et al. (2020) analysed the results of this programme between 2014-2016.

During this time, the Leading Growth programme was delivered to 50 SME owner-managers from the North East of England, with all participating SMEs having fewer than 250 employees at the time. 70% of these SMEs were either in the scientific and technical, information and communications, or manufacturing industries.

McCauley-Smith et al. (2020) explore the Leading Growth programme in relation to a five-cycle framework established by Wenger et al. (2011) (see Figure 2). They use this framework to produce an understanding of how HEIs facilitate value creation for businesses and development for the region through the Leading Growth programme.

In general, the HEI mainly acted as a knowledge source for the SME owner-managers and transferred this knowledge to contribute to regional development and provide both tangible and intangible value for local SMEs. The programme facilitates a better return on investment for local SMEs, helping owner-managers develop the skills they need to combat future challenges and create a sustainable business (McCauley-Smith et al. 2020).

### **2.4 The Role of UKRI and Local Policy Innovation Partnerships (LPIP)**

Local Policy Innovation Partnerships (LPIPs) were launched by UKRI to incentivise cross-sector collaborations that will help build innovation-led and sustainable local economic growth (UKRI 2024). The £23 million LPIPs programme has been designed to support local and national policymakers in tackling levelling-up challenges, driving sustainable and inclusive economic growth, and reducing regional disparities in the UK. It has been developed as part of UK Research and Innovation's (UKRI) creating opportunities and improving outcomes theme. The scheme will build cross-sector partnerships that aim to address policy challenges that matter to local people and communities by:

- Generating insight and understanding into local challenges and opportunities

- Working with stakeholders to implement evidence-informed actionable solutions

The 10 LPIPs that have received phase one funding are hosted by:

- Aberystwyth University
- University of Birmingham
- University of East Anglia
- University of Glasgow
- University of Leeds
- University of London
- University of Plymouth
- University of Stirling
- Ulster University
- University of the West of England

The LPIP hub is a national consortium led by the City Region Economic and Development Institute at the University of Birmingham. The hub will work with the 10 phase one LPIPs to deliver high-quality collaboration with local and national partners, developing the evidence for further investment in phase two.

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#### ***2.4.1 University of East Anglia LPIP***

The University of East Anglia's LPIP has supported the Partnerships for East Coast Communities (PECCs) led by Professor KJ Daniels, University of East Anglia. Partnerships for East Coast Communities is an initiative led by the County Councils of Essex, Norfolk, and Suffolk, and the Universities of Suffolk, Essex, and East Anglia. The aims are to generate sustained action to build good jobs in the coastal economies and strong coastal identities around East Anglia in Norfolk, Suffolk, and Essex.

PECCs will bring together local communities, civil society, and business institutions with county and borough councils and East Anglian coastal universities to investigate how to:

- Improve work inclusively by considering high skill sectors and low wage sectors along the east's coastline
- Develop a sustainable green economy along the east's coastline
- Protect and renew the coast
- Improve health outcomes along the eastern coast

While not having a specific focus on devolution, the LPIP and PECCs areas of activity do speak to the agenda for devolution in terms of economic growth, good work, coastal renewal, and sustainable health outcomes.

What this demonstrates is how national research funding under UKRI is being used to support regional economic development in keeping with the Department for Science, Innovation, and Technology's ambitions set out in the Science and Technology Framework. In particular, securing the UK's position as a globally leading research and innovation nation with outstanding institutions, infrastructures, sectors, and clusters across the breadth of the country (Department for Science, Innovation, and Technology 2023).

## ***2.5 Learning from best practice***

There are many more examples of best practice from HEIs in supporting regional growth and development. The selection above highlights how significant this can be and the value, scope and scale of programmes and initiatives. The key learning from this can be summarised as follows:

- Higher education has a significant role to play in supporting business growth, especially for SMEs and entrepreneurship.
- Attracting inward investment to a region's economy is one the functions that HEIs can bring to devolution.
- Collaborations across HEIs alongside further education, business and local government brings additional benefits and supports the scale and ambition of programmes.
- Programmes can be geared towards particular priority sectors for economic growth through supporting skills and employment.
- Local partnerships are key to success and HEIs can take a lead role in establishing these.

Being able to communicate and raise the profile of local and regional initiatives that sit within higher education is one the important functions that needs to be addressed in supporting devolution.

## **3. Opportunities**

### **3.1 A Collective Voice**

For Eastern Arc, one of the main opportunities arising from devolution is the ability to provide a collective voice for the higher education sector that strengthens the awareness and recognition of the value that the sector has to offer. This was raised by stakeholders within Eastern Arc who thought that the region's HEIs would benefit from being more visible as a collective:

"There is value in what we can do in terms of collaboration, advocacy, and the support of research culture across the four universities." (Eastern Arc HEI Stakeholder)

This can also provide a counterbalance to higher profile HEI groupings, as there is a perception that the Eastern Arc universities are sometimes 'in the shadow of and overlooked' by Russell Group universities. Eastern Arc HEI stakeholders thought that there is a need to make sure their place is understood in the region:

"Devolution presents an opportunity to make the connections between universities and local stakeholders more visible." (Eastern Arc HEI Stakeholder)

According to regional stakeholders, areas within the Eastern Arc are already undertaking projects to benefit local communities and contribute to regional development. For example:

- The HEIs in Eastern Arc have developed the Coastal Health Data (CODA) network, which has brought together members of the local authorities to share best practices.
- The University of Essex has established a Centre for Coastal Communities situated in a new campus location in Clacton.
- The University of East Anglia is one of the ten national LPIPs (see above).

### **3.2 Strategic Partnerships**

Contributing to devolution at an early stage provides unique opportunities for HEIs. It brings local authorities, HEIs, local businesses, and people closer together, presenting the potential to expand the local university network and develop future frameworks that can aid place-based working and development within the HEIs themselves, building upon practice and evidence (Wood 2024).

"It is not just devolution of funding but devolution of strategy." (Eastern Arc HEI Stakeholder)

This is especially important in the early stages of development when strategy and objectives for a devolution deal are being agreed. Involvement in the planning for devolution will allow HEIs “to have more of a voice” and reinstate the importance and necessity of smaller research-intensive universities:

“There is always value in speaking with a collective voice and you are taken more seriously. Whether it be on a regional basis within a huge area or a region speaking into the national agenda, it will amplify their voice on a national basis.” (Eastern Arc HEI Stakeholder)

The relationships with institutions and people outside of the academic sector can provide future opportunities for new research, innovative thinking, and the creation of career pathway opportunities (Syed et al. 2023). In addition, striving to reach the third mission for addressing societal and economic challenges requires actions that can facilitate the wider recognition of HEIs both nationally and internationally, further providing the opportunity for broadening their network and research opportunities (Kempton et al. 2021).

Devolution can also make higher education more visible to local and central government in public policy and reinforce the HEI as a key anchor institution of the region, allowing HEIs to have a more active role in policy decision-making for their region (Raffe 2016). Additionally, there is potential for the connections between HEIs and local stakeholders to become more visible and valued:

“I do see higher education as being the facilitator and catalyst for innovation and I think there is a lot of value that universities can bring to the local economy, for example, through support for SMEs and knowledge exchange. Each university is doing it to a certain extent but if we had more power to address regional development it would be really valuable.” (Eastern Arc HEI Stakeholder)

The connections and relationships built during the preparation for devolution can also be utilised once a devolution deal has been awarded to contribute to regional development and research goals (DLUHC 2022a).

### **3.3 Collaboration**

Stakeholders agreed that the real strengths of higher education come from the collaboration of several HEIs when contributing to devolution. This includes the collation of a wide range of expertise, skills, and knowledge from multiple HEIs being brought together to benefit the whole region.

“Universities have a convening power. HEIs have a wide range of expertise, skills, and knowledge that can be brought together with the needs, experiences, and approaches across the whole community. Being able to gather people together to explore these things is something that universities can do and do very well.” (Eastern Arc HEI Stakeholder)

However, stakeholders also mentioned how these collaborative interactions do not happen as much as they should:

“There is good collaboration with local government on a number of project areas, and the university is represented on the higher forums and boards that consider devolution, but this does not go as far as it could or should.” (Eastern Arc HEI Stakeholder)

Devolution could provide the opportunity for less fragmentation within and between HEIs, allowing for a more successful collaboration. This ‘working together’ approach also provides a learning opportunity for HEIs, enabling them to gain a better understanding of the decisions made at different levels within the region. As per regional stakeholder comments, becoming more involved in regional levelling-up discussions can be a huge opportunity for HEIs:

“Now that local authorities are creating new boards, this will allow for more collaboration between universities.” (National Government Stakeholder)

When several HEIs are located within the same region, this can also provide the opportunity to establish new connections and expand the network between institutions, allowing them to work together towards levelling up their region, as well as expanding the opportunity for collaborative research relationships (Kempton et al. 2021). Devolution can strengthen this and also forms part of national policy directions for higher education:

“UKRI is very keen to encourage joined-up working in places like Greater Manchester and West Midlands who do encourage a joined-up way of thinking where the mayor has more authority over how the whole region works, with HEIs being part of this conversation.” (EARC HEI Stakeholder)

### ***3.4 Regional Investment***

By transferring regional powers and funding responsibilities from Whitehall to regional local governments, this provides the opportunity for more targeted and specific responses to regional issues and needs, which have the power to also benefit university institutions. For example, devolved funding for regional development means that it could be possible for research and innovation funding to increase if a regional devolution deal is secured.

As anchor institutions, HEIs are in an ideal position to receive a portion of regional development funds to aid the levelling up of their region (Sandford 2024). If HEIs partner with local government and other anchor institutions within their region, HEIs may be able to obtain more funding and grants, allowing for more financial stability:

“There is funding that comes with devolution deals, especially level three, which can benefit universities.” (Eastern Arc Local Government Stakeholder)

Devolved funding can also be used to develop regional infrastructure, which can improve HEI facilities (Local Government Association n.d.). As a result, this can increase student capacity, in turn increasing university income (ibid).

The nature of regional development means that devolution poses the opportunity for regional projects to receive more funding and support that may not otherwise be available when regional powers and funding are controlled by central government.

Further opportunities arise once a devolution deal is successful. For example, there is an opportunity for increased funding with the potential to lead to increased student enrolment and professional development (Kempton et al. 2021).

### ***3.5 Perception Amongst Stakeholders About Opportunities***

Analysis of the stakeholder feedback reveals three core areas perceived as the strongest areas of opportunity:

1. **Devolution and Strategic Partnerships (25%):** Devolution offers significant opportunities for streamlined administration and increased funding. Universities are pivotal in these processes, serving as strategic partners in regional development plans.
2. **Universities as Economic Anchors (20%):** Universities play a crucial role in regional economies, contributing through workforce development, research initiatives, and large-scale projects. Their presence as anchor institutions underpins many regional economic strategies.
3. **Community Engagement and Collaboration (20%):** Active engagement with local communities and authorities is essential. Universities contribute to community resilience and development through various projects and partnerships, emphasising an inclusive and collaborative approach.

The feedback from stakeholders underscores the critical role of universities in the regional development within the framework of devolution.

By focusing on strategic partnerships, community engagement, and effective use of funding, universities can significantly contribute to regional economic growth and resilience. Additional areas of strength highlighted by stakeholders include policy influence, innovation, and data alignment, all of which will further strengthen the impact of the sector and ensure that regional strategies are well-informed and forward-looking.

## **4. Challenges**

Contributing to devolution and levelling-up agendas also comes with challenges for HEIs, the most prominent of which involve potential changes to organisational culture, strategic direction, leadership, and the capacity to cope with increased demands that will arise from more engagement with regional devolution (Harrison & Turok 2017).

### ***4.1 Financial Constraints***

Currently, HEIs in England are facing significant financial pressures and constraints:

“The biggest barrier to collaboration is the scale of their financial pressures. The tone has darkened over time, and they have basically unsustainable financial structures that eat up most of our time, attention, and headspace.” (Eastern Arc Local Government Stakeholder)

The cap on domestic student tuition fees and coinciding reduction in government funding for universities and their students have meant that maintaining world-class research and teaching standards is becoming increasingly difficult. Whilst the cap on tuition fees has made receiving a higher education more accessible for students, it means that student fees do not reflect the national inflation of the past seven years since fees were capped. The funding per student is the lowest it has been in 25 years (Universities UK 2024).

Inflation and the current cost of living issues mean that maintaining high-quality teaching, research, and innovation is becoming more challenging. However, new financial challenges will also arise if student fees are increased, such as a reduction in student numbers. The normal pressures and demands faced by HEIs do not go away, meaning that it is likely that contributing to devolution agendas will increase the workload of HEIs (Tewdwr-Jones & Kempton 2021), with the use of new approaches and the need for increased collaboration, resources, and time (Wood 2024).



## **4.2 Capacity and Workload**

HEIs will need to ensure they can ‘juggle’ multiple things at once and have the capacity for potential structural changes if they want to successfully contribute to regional development. The extra workload only poses challenges for HEIs if they are not able to facilitate an approach that can encompass their core missions in an integrated way and potential changes to university management and infrastructure (Cerver Romero et al. 2020). Although it should be noted that unless the ability to integrate strategy is already in place, it is not uncommon for adapting a suitable approach to take time.

Engagement with local communities, businesses, government, and anchor institutions must be continuous and upheld by all parties in order to manifest beneficial outcomes for levelling-up and devolution within the region (Wood 2024).

Regional levelling-up may also mean that stakeholders expect more from the HEI, including that their expectations and needs are met. Whilst this is not necessarily a negative thing, it can place additional pressure on HEIs in that they need to ensure they can cope with this. HEIs must be consistently engaging with a range of partners including local government, business and industry, other educational institutions etc., to ensure the development goals for both the region and HEIs are met (Gordon 2016).

Stakeholders highlighted the importance of the quality of the relationship between HEIs and regional partners:

“The key is that these relationships need to be at the right level.” (Eastern Arc HEI Stakeholder)

They went on to discuss the necessity for HEIs to build meaningful relationships with stakeholders and not just build as many relationships as they can:

“The universities haven’t been that directly involved because the discussions so far have mainly been political rather than engaging with partners about the details of the deal. There have been some discussions but not in a lot of detail as of yet.” (Eastern Arc HEI Stakeholder)

The relationships need to pose potential benefits to the region in terms of economic value and also facilitating beneficial impacts for local communities:

“There are two different dimensions to engagement. There is the strategic engagement, and we need to give partners more time for this.

It can be difficult to get right as you can get work hijacked, but there is also the very local community engagement like preventative health initiatives, so we need to be thinking about a form of double engagement for devolution.” (Eastern Arc Local Government Stakeholder)

### **4.3 Strategic Alignment**

Contributing to devolution and levelling-up agendas may also mean that HEIs have to adapt their objectives to be in line with those of devolution deals to support regional development (Thomas et al. 2023).

Although devolution has the potential to broaden international connections, HEIs should be aware that to assist in a successful devolution proposal initially, their attention should be on regional development:

“Despite having one of the largest LEPs (Local Enterprise Partnerships), it was never a functioning economic area. The hope is that we might land with a better structure for the region as an area with devolution.” (Eastern Arc Local Government Stakeholder)

This means that opportunities such as national and international networks will not be an immediate benefit (Thomas et al. 2023). However, stakeholders commented on how the value of HEIs in the region is “very outward and global,” implying a need for clear aims and objectives to be agreed upon before contributions to devolution and levelling-up agendas are proposed:

“Devolution policy thinking is superficial because the government has set out a very clear framework, so the officials are reluctant in Whitehall to say we can only have certain things. They are open for a conversation, but the discussions tend to go back to the framework very quickly.” (Eastern Arc Local Government Stakeholder)

In the same light, HEIs should not expect immediate returns from their investment into the region, as the benefits to HEIs, although possible, will most likely be reaped once a shift in regional development has occurred (Tewdwr-Jones & Kempton 2021).

Another challenge in line with HEI involvement in devolution deals as a stakeholder involves establishing the extent to which a successful devolution deal can contribute to economic development, depending on the level of the deal proposed. Two stakeholders commented on how a mayoral structure in line with Level 3 devolution deals does not necessarily complement the geography of regions encompassed within the Eastern Arc.

For example, the geography of Essex does not match that of other areas with existing high-level devolution deals, such as Manchester, meaning a mayoral approach may not be best suited to this area. However, lower-level deals, such as Level 2, may not devolve powers and funding for aspects that are crucial to regional development in the East of England:

“I hope any future national government recognises that geographically and economically we have a coherent area with a strong identity, and it is co-terminus with police, fire, health, and education, who all view their region with a coherent sense of place.” (Eastern Arc Local Government Stakeholder)

#### ***4.4 Autonomy and Regulation***

If a devolution deal is successful in the region where a HEI is situated, there is a risk that HEIs will be subject to an increase in scrutiny by local government compared to the central government (Raffe 2016). Regulations over the HEIs may be tightened, potentially threatening their institutional autonomy as the missions and objectives of the HEI are made more visible to local governments (ibid).

A place-based approach to regional development and contributing to regional devolution deals means that the scope of thinking of HEIs needs to broaden to include the region and other anchor institutions within the region if these aspects are not currently incorporated in current plans and discussions.

#### ***4.5 The Role of Place***

The challenges faced by the region and local stakeholders vary between regions, so it is important that HEIs are aware of the challenges specific to their region in order to best tackle these and promote regional development. The speed and scale of devolution will vary between different regions in England, and different regions have different needs and require different operating models. So, whilst it is beneficial to analyse and learn from previous and existing devolution deals, the needs and potential benefits to the HEIs' local area should be kept at the forefront as successful outcomes from one area in England may not directly translate into benefits for devolution in another area:

“The UK Shared Prosperity Fund has gone through districts, which tended to be harder on the more strategic initiatives because they were more focused on local place making. Looking at taking things forward, we need a greater level of consistency and work being done at the right strategic level.” (Eastern Arc Local Government Stakeholder)

This means that anchor institutions, including HEIs and local government, need to be aware of and understand their 'place' and the challenges it faces, and have meaningful discussions concerning this in order to establish the most successful way to approach this. There is no one 'off the shelf' approach in terms of an operating model for devolution and levelling-up that will be successful across all regions in the UK (Wood 2024). HEIs should also bear in mind that they are usually expected to take the lead when it comes to employer engagement (Hodgson et al. 2019).

This is closely linked to the orthodoxy of 'skills supply', where HEIs are expected to supply employers with the skillsets they need by teaching this to students (ibid).

Stockholders recognised the lack of coherency in the current views on devolution within the East of England, stating that "the Eastern Arc area is very patchy in how they want to embrace devolution". This suggests that a more joined-up and collective approach is needed to successfully contribute to devolution and levelling-up agendas in the East of England:

"If universities are more structurally part of the conversations, this is a huge opportunity. There might also be small-scale funding that comes as part of devolution, but there is more value in being part of the conversation." (Eastern Arc HEI Stakeholder).

#### **4.6 Organisational Culture**

Stakeholders highlighted differing organisational; cultures as a significant barrier that needs to be addressed in order to elevate the contributions of HEIs to devolution and levelling-up agendas in the East of England. Stakeholders discussed the challenges of the different work cultures between local authorities and the HEIs, and how a lack of cooperation regarding these differences can hinder the involvement of HEIs in contributing to regional development:

"There are some fairly consistent challenges in collaboration, such as differences in working cultures. Universities like to take their time when researching, and it is rigorous, but we often don't have time for that; we are under budget pressures to deliver. We don't want to wait three years for a research programme. It needs to be orientated less to an academic audience and more towards a political audience." (Eastern Arc Local Government Stakeholder)

There was recognition that as local authorities and universities are both such large and complex organisations, there is currently a lack of awareness by both parties about how the other organisation is structured and how they function:

“No one can see the full picture because of how large both organisations are. We tried to identify all the points of collaboration with the university, but we never quite landed with this. If we can establish this, we can frame our work better.”  
(Eastern Arc Local Government Stakeholder)

This can hinder the relationship between local authorities, leaving the need for both local authorities and universities to gain a better understanding of how the other organisation works to allow for more efficient collaboration:

“The cultural barriers are quite significant. Our need for research collaboration is pretty fast paced, but the universities like peer review and rigorous research, which doesn't always work for us. There is definitely a role for longitudinal work, but we need to create a balance of both aspects. We need to find a middle ground and a way that will work for both parties.” (Eastern Arc Local Government Stakeholder)

The fast-paced nature of local authorities means that often they need research collaboration to be faster and targeted towards a more political rather than academic audience:

“We need to find a middle ground and a way that will work for both parties.”  
(Eastern Arc Local Government Stakeholder)

## **5. Recommendations**

The following recommendations are for Eastern Arc, based on the qualitative feedback from stakeholders and findings of best practice and innovation in the literature.

### **5.1 Recommendation One: Strategic Leadership**

In order to ensure that there is a strong collective voice with clear visibility, Eastern Arc should appoint (or identify from within) a lead responsible officer for strategy on devolution. The person should have experience of devolution and an understanding of the socio-economic dynamics for the region. Key functions of the role should include:

- Building strong regional relationships
- Advocacy and representation
- Enhanced strategic planning

This role sits best at the Eastern Arc level rather than with individual HEIs because the collective voice brings authority and strengthens the visibility of the sector. A position within Eastern Arc will also have the freedom to operate across multiple areas and institutions and will be able to focus on the bigger eastern region imperatives and opportunities.

With a senior single point of contact, Eastern Arc will be able to best represent the interests of the sector while simultaneously supporting and enabling the individual HEIs to coordinate their focus and strategy in an informed way. This will ensure that the thinking and development of strategy across the four Eastern Arc HEIs is collaborative and maximises the strengths of the whole.

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### **5.2 Recommendation Two: A Joint Working Group**

Eastern Arc should use the combined convening powers of its HEIs to establish a working group with the senior officers, members and leaders in partnership organisations including local government and ICBs. This will help to ensure that there is better alignment of goals and priorities between and across local government and the HEIs. The working group will be attractive to partners as it plays to the sector's strengths in supporting informed policy and decision-making, for example by bringing research and innovation to enhance the evidence base behind strategic priorities.

Each of the Eastern Arc universities is well-situated to bring additional value to community engagement for devolution, and this can be part of the considerations made by the working group.

Recognising the expertise and experience of the HEIs in community engagement will be valuable for all partners as devolution deals are progressed and implemented.

Coming together in the working group under the banner of Eastern Arc will help ensure that the combined expertise of the HEIs is brought to bear on the development of a long-term vision for devolution with higher education as a core strategic partner.

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### **5.3 Recommendation Three: A Prospectus and Action Plan**

Through the combined efforts of the Eastern Arc SRO for devolution and the working group, it will be possible to co-produce a prospectus and action plan with local government partners. This will ensure that there is a unified vision and goals that all partners can sign up to.

Development of the shared prospectus and action plan would help establish stronger partnership working and address some of the issues that were raised in this report about navigating the sector and overcoming cultural and organisational barriers to devolution and partnership working.

While the prospectus will include the particular strengths and opportunities that each individual HEI brings, the basis of co-production will ensure that planning and actions arising from this are inclusive. The establishment of a clear shared prospectus and action plan will enable the right metrics for monitoring progress and evaluation to be established at the outset.

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## **6. Conclusion and Next Steps**

Devolution for the Eastern region has produced mixed results to date, with a variety of views about which model best suits the ambitions and goals of the various stakeholders. Some key deals have been stalled while awaiting a new government, but the appetite for more and improved devolution deals remains strong.

The region's universities have already played a key role in supporting devolution deals and are valued as important anchor partners in delivering the opportunities and growth that devolution promises. Higher education is essential to ensure that there is a skilled workforce for the future and that research and innovation can drive the engine of growth. But this is not a one-way street; devolution can also benefit the sector by providing a stronger strategic partnership role that will enable new opportunities.

Eastern Arc is positioned to provide a collective voice for the sector across the region, raising the recognition of what higher education can provide and supporting local partnerships to maximise the contribution and collaboration that will drive economic and social growth.

At the heart of Eastern Arc's mission is the recognition of the unique challenges and opportunities that the region faces. Each of Eastern Arc's strategic themes is very relevant to devolution:

- Culture, connection, and creativity
- Health systems, social care, and wellbeing
- Human rights, equality, and conflict
- Sustainability, natural resources, and food

Stakeholders recognise that universities are significant strategic anchor organisations for regional prosperity and growth, but this does not always translate into effective collaboration and cooperation for regional devolution. It is common for universities to provide letters of support for devolution and senior officers to participate in various strategic planning forums. However, local government is not always clear about the extent of the contribution that HEIs can make to devolution, and there are some barriers to collaboration, including different organisational cultures and strategic aims.

Eastern Arc is in a valuable position to provide a stronger collective voice for higher education in the context of planned devolution and to make the benefits of collaboration and cooperation more visible and clearer to all partners. This enhanced role fits within existing strategic priorities for Eastern Arc but requires some additional focus and clarity to maximise the potential going forward.

Engagement, collaboration, and innovation are key to the delivery of the strategy, and within this, it is possible to create an exciting, shared prospectus that will support devolution. This report has highlighted some of the opportunities and challenges and provided examples of how the higher education sector has helped lead regional growth and development elsewhere.

The next steps are for this report and its findings and recommendations to be socialised within the lead officer group for Eastern Arc. This will be done through a virtual workshop in July. The workshop will enable the thinking and focus of devolution for the sector to be considered and to discuss the implications of the findings in this report for Eastern Arc. There has also been interest expressed by national and local government stakeholders in the findings and outcomes from this report. All stakeholders have requested to see the final report, which could be done following the July workshop.



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