

The Polytechnic of Central London  
City of London Polytechnic  
The Polytechnic of North London  
The Polytechnic of the South Bank  
Thames Polytechnic

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R.19/16

## Committee of Directors of London Polytechnics

X Chairman Dr N Singer X  
Secretary Dr C Adamson

18th June 1980

Dear Mrs Thatcher,

### Future of the Inner London Education Authority

I enclose for your information a paper about the position of the five Inner London Polytechnics which has been prepared by the Committee of Directors of London Polytechnics for the Ministerial Working Party to be Chaired by Baroness Young.

Yours sincerely,

*Nurbent Singer*

The Rt Hon Mrs Margaret Thatcher MP  
Prime Minister and First Lord of the Treasury  
10 Downing Street  
London SW1

COMMITTEE OF DIRECTORS OF LONDON POLYTECHNICS

A STATEMENT OF THE POSITION OF THE FIVE INNER LONDON POLYTECHNICS PREPARED FOR THE MINISTERIAL WORKING PARTY CHAIRED BY THE BARONESS YOUNG BY THE COMMITTEE OF DIRECTORS OF THE LONDON POLYTECHNICS.

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## Introduction

- 1 The five Inner London Polytechnics unlike the other Polytechnics in England and Wales are Companies Limited by Guarantee. They are, therefore, uniquely in a position to accept the responsibilities set out in the paragraphs below.
- 2 In diversity, scale and mode of studies they more closely approximate to the original objectives of Polytechnics than elsewhere. The main concern of the Inner London Polytechnics is to exploit those features, locally, nationally and internationally. This requires a secure basis of funding and an appropriate system of public accountability for the work of the Institutions.

## The Position of the Polytechnics in their Local and National Context

- 3 The five Inner London Polytechnics constitute over one-sixth of the total Polytechnic contribution in England and Wales. Based on preliminary DES figures for 1979-80 the following is the student population in England and Wales:

	<u>FT &amp; SW</u>	<u>PTD/Ev</u>	<u>Evening</u>	<u>Short Courses</u> (approx)
5 Inner London Polys	16,451	8,766	11,420	20,000
England and Wales	118,182	56,809	25,282	60,000
% contributed by the 5 Inner London Polytechnics	14%	15.5%	45%	33%

The five Polytechnics' contribution to full-time and sandwich education and to part-time day and evening students is very nearly one-sixth of the national total. Their contribution of a massive 45% of evening students and about one-third of all short course activity is particularly noteworthy.

- 4 The five Inner London Polytechnics have a local, regional, national and international role to play. It is interesting to note that of their full-time and sandwich students, just over one-fifth come from the ILEA area and just under one-half from the Boroughs and Counties immediately surrounding the ILEA area. The distribution of part-time and evening students is that about half come from the ILEA area and the other half from the surroundings.
- 5 The vast majority of the courses run by the five Polytechnics, whether, full-time, sandwich, part-time or short courses are technical and/or vocational and allow students the very best opportunities to find employment and to improve their prospects in commerce, industry and the professions. The massive contribution which the Polytechnics make in the field of part-time education is perhaps worthy of special note.

## The Cost of the Five Inner London Polytechnics

- 6 It is difficult to assess the true cost of the five Polytechnics in relation to other Polytechnics throughout the country. An estimate can, however, be made. Expressed at November 1979 price levels, the Polytechnic sector's provisional actual expenditure for 1978-79, discounted for Debt Charges was about £320m. During the same period the corresponding net cost of the five London Polytechnics was about £40m. Thus about 15% of the total of Polytechnic education was dispensed at around 12.5% of the total cost.
- 7 Based on those figures the Inner London Polytechnic are efficient providers of higher education, whose quality, measured both by the demand for our students, by employers and student demand for our courses is as good as, if not better than, that of other institutions.

Requirements for the Efficient Working of the Polytechnics

8 It is recognised that since Polytechnics are funded from the public purse it is appropriate that publicly responsible bodies shall:

- (a) state the educational objectives of the institution, including those appropriate to local and to national needs
- (b) set clear limits on the extent to which the costs may be met from public funds.

It is assumed that the institutions themselves will be fully and directly involved in the discussions which will lead to a statement of the conclusions emerging from (a) and (b).

9 Once these parameters have been determined we believe it is in the interest of maximum efficiency and good management to give institutions the maximum of freedom to manage their own affairs. If this is accepted, then the Governing Body will become truly responsible for running the institution.

10 It is perhaps worthwhile setting out in more detail what we mean by the phrase "to give institutions the maximum freedom to manage their own affairs". Specifically this should mean that:

- (a) the institution has a Development Plan, prepared on a rolling basis, extending 3-5 years into the future and agreed with the funding body
- (b) an annual budget is presented on the basis of the plan which may be modified from year to year after discussion between the institution and the funding body
- (c) an annual budget is agreed on the basis of agreed norms for total expenditure of the institution; the budget will include money under the usual heads, eg:
  - (i) academic staff
  - (ii) research staff
  - (iii) non-academic staff
  - (iv) class materials
  - (v) maintenance of premises etc
- (d) once the total sum available to the institution has been established it will be for the Governors to allocate the total sum for the most efficient working of the institution.

11 In this context it should be possible for the Governors to determine, within the limits of national and local agreements, the establishment and grading of both their teaching and non-teaching staff, probably with a ceiling of total numbers and within an overall total budget, ie we would not expect the funding body to have detailed control of establishment and grades of either the teaching or non-teaching staff.

12 It is also important that efficiency be rewarded. Thus if an institution finds that by using more effective means of teaching and learning it is able either to teach its students at a lower cost than has been estimated by the funding body or that it can take more students by diversifying its teaching and learning modes, or both, then the funds "saved" and/or the extra fees attracted, should be at the disposal of the institution and capable of being carried forward from year to year to be used to develop and work and ambience of the institution.

13 Research and consultancy in all their forms are vital elements of the total provision of the Inner London Polytechnics in support of the degree and post-graduate teaching which forms a major part of our work. It is appropriate that a certain amount of the funding of such work should come from the funding body. We would like to see more public funding of research than exists at the moment.

In addition to the public funding of research the Polytechnics have always sought to fund research and consultancy from business, industry, the Research Councils etc. This process should be made as simple as possible and the Polytechnics enabled to engage in research, development and consultancy work, if possible, so that an income is derived which again can be applied to the development of the institution.

- 15 The Polytechnics as institutions are obviously experienced in providing education at an advanced level, particularly in the areas of business, management, science and technology. This expertise is valued both inside and outside the country. It is a saleable asset. As such it should be possible for the Polytechnics to generate funds by systematically selling their expertise to people able and willing to pay for the costs of their services. Once again such funds should be available to the generating institution for the purpose of developing itself and its services. In this way a considerable amount of non local funds could be generated for the benefit of the institution and the country.
- 16 It must be emphasised that the activities noted in paragraphs 13-15 would be carried out in addition to and after the educational objectives of the institution as specified under 8(a) had been fully and demonstrably carried out.
- 17 The surplus funds mentioned in paragraphs 12-15 would again be those that arose after the educational objectives had been completely fulfilled and any resource of the institution which had been made use of had first been paid for.

#### The Inner London Polytechnics and the ILEA

- 18 The Inner London Education Authority has provided the Polytechnics with some of the conditions necessary for efficient working summarised in paragraphs 8-17. For example:
  - (a) there has been a context of stability in the funding of the Polytechnics which has been beneficial
  - (b) recently, student staff ratios have been agreed on the basis of which staffing levels have been decided
  - (c) establishment of administrative staff up to Grade C has been left to the Polytechnics within a cost envelope
  - (d) virement between heads of expenditure is possible
  - (e) discussions have been proceedings to find formulae, similar to those agreed for teaching staff, to arrive at a total cost figure for non-teaching staff.

An approach has, therefore, begun to be made, in some instances, to meet the requirements for the efficient working of the Polytechnics.

- 19 On the other hand some of the efficiency requirements, as we see them, have not been met:
  - (a) Institutional Development Plans have not been formally accepted by the Authority
  - (b) Formal statement of educational objectives have not been agreed between the Authority and the Polytechnics, although there has been tacit understanding of what these objectives were. Unfortunately, often because of external pressures, this understanding has had to be changed often on the day of the formal meeting to discuss the budget for the coming session, and with little or no warning.
  - (c) Minimal virement has been possible for the Governors between the different expenditure heads for staffing
  - (d) There is very detailed control on the number and grade of academic posts
  - (e) There is very detailed control over the number and grades of administrative staff above Grade C

19 contd.

- (f) There has been very little recognition by the Authority that the Polytechnics need the freedoms and abilities outlined in paragraphs 12-15, although it must be recognised that the Authority was prepared to move towards an agreement for self-funding for short course activity. This concession resulted from very considerable pressure from the Polytechnics.

#### The Future Funding of the Inner London Polytechnics

- 20 If the ILEA remains in existence, either constituted as at present or in a different political form, the Inner London Polytechnics would see no problems so long as the Authority is prepared to allow the Polytechnics, through their Governing Bodies, the requirements of efficient working outlined in paragraphs 8-17.
- 21 If it is decided that the ILEA should not continue, then the exact form and nature of any local funding body seems to us to be of secondary importance provided that the body is able to carry out effectively the objectives in paragraph 8 and, having agreed Development Plans for the institutions, is prepared to fund them through their Governing Bodies along the lines already mentioned in paragraphs 9-17.
- 22 In any solution we believe it is vital to ensure the representation of all the proper interests of the local authorities concerned and of industry, commerce and education.
- 23 Like most of the other Polytechnics we see the logical need for all Polytechnics to be funded nationally. The arguments for this position has been well rehearsed in a number of quarters and need not be repeated here. However, the figures summarised in paragraphs 3-5 show very clearly the need to move from a very local base; similar figures can be produced for all the Polytechnics. Ideally then we would wish the Inner London Polytechnics in common with our sister institutions to be funded nationally on the basis of standard unit costs - perhaps controlled locally or regionally with a national framework.

#### Conclusion

- 24 (a) The five Inner London Polytechnics make a major contribution to Higher Education in the country
- (b) This contribution is made in a cost effective manner
- (c) The requirements for continuing efficiency is that
  - (i) Governing Bodies be allowed the greatest possible freedom within stated educational objectives and an overall envelope of expenditure
  - (ii) institutions are given the greatest possible incentives to use and develop their expertise
- (d) The ILEA has met some of the criteria required by the Polytechnics but also in many ways the Authority has been restrictive
- (e) The five Inner London Polytechnics are uniquely capable of accepting their responsibilities as they are Companies Limited by Guarantee
- (f) The best alternative to funding by the ILEA is to fund the Polytechnics nationally
- (g) Funding through the ILEA is acceptable if the criteria for efficient working of the Polytechnics can be met.