



ASSOCIATION
OF COLLEGES

Innovation in Further Education Colleges Summer 2020

AoC survey

Innovation in Further Education Colleges - AoC Survey 2020

The Association of Colleges (AoC) represents 95% of the 244 colleges in England incorporated under the Further and Higher Education Act 1992 and has several associate members.

This survey was developed to support work that AoC is undertaking for the Gatsby Foundation on the role innovation plays within an FE college's strategic planning and employer and local engagement. AoC is particularly interested in how the work of colleges can support business growth and innovation in local areas. Most colleges, we know, have good existing links with businesses that they use to inform their curriculum offer. In this survey, we aim to get a better understanding of what role colleges can and could play in supporting the development of new and existing businesses by providing advice and guidance and supporting innovation.

To innovate in business is to change things for the better. Innovation is often thought of as a transformational process stemming from research and development (R&D) which results in completely new products and processes but incremental innovation – small improvements to existing products and processes – is just as important.

To understand the role of colleges in innovation we wanted to understand what support colleges are currently offering to local businesses and SMEs. In some cases, this business support will lead to innovation. The type of innovation that might be seen in a business could be in:

- The product – the goods or services they provide;
- The process – the way that goods and services are created;
- The marketing methods used by the business;
- The organisation of the business – how the business runs itself and its relations with others.

Executive summary

This paper provides an analysis of the survey undertaken in July 2020 to gauge the level of engagement colleges in England currently have in the innovation landscape, the role they currently play in this area in supporting local businesses and SMEs, their innovation priorities and the barriers to increasing engagement and activity.

The survey showed that colleges have no issues in understanding local, regional and national business needs and that they know their local areas well and have, in the main, excellent relationships with local stakeholder organisations. Demand from local businesses for college support appears to be high.

Colleges were asked to rate their strategic priorities for economic impact and their responses clearly show their mission to meet local and national skills needs, to widen access and participation and support student enterprise and the need to retain skills within their local areas. They also see supporting SMEs and the college's role in attracting inward investment as key priorities and recognise the benefits of knowledge exchange in being a two-way process with both businesses and the college staff and the curricula benefiting. Colleges, along with other local stakeholder organisations, are seen as 'anchor institutions' in their local area and they play a key role on LEP boards, Town Deal Boards and bring local partners together through the facilitation of regional stakeholder and business events.

What was evident is that colleges are committed to partnership working. As well as the strong links they have with businesses in their local area and stakeholder organisations, the survey indicated that many colleges felt that working together with other colleges would better enable them to provide business innovation support to local businesses and SMEs, including the adoption of new technologies.

Whilst there are fantastic examples of innovation activity going on in many colleges, they are held back from doing more by a number of simple barriers, which could easily be overcome. These included three quarters of colleges citing the lack of capital funding to develop innovation spaces within colleges and the lack of financial support to enable colleges to fund business innovation account managers to work with SMEs. Additionally, consideration needs to be given to staff time alleviation in order for college staff to have the time and space to engage in innovation development and research activities.

AoC is recommending that:

- The government should provide support in capital and revenue funding and set out a national remit for colleges to lead in this space to initiate a place-based business and skills innovation revolution.

- Colleges need to secure resources to give alleviation, giving college staff the time and space to engage in innovation development and research activities.
- Better collaboration between further education colleges in local areas should be encouraged to share best practice.

Responses

65 member colleges responded (27% of total).

Type	Number of responses	Number of colleges in England	Percent within type
General further education college	58	168	35%
Sixth form college	2	51	4%
Specialist college	5	25	20%
Total England	65	244	27%
Other*	1		
Total survey responses	66		

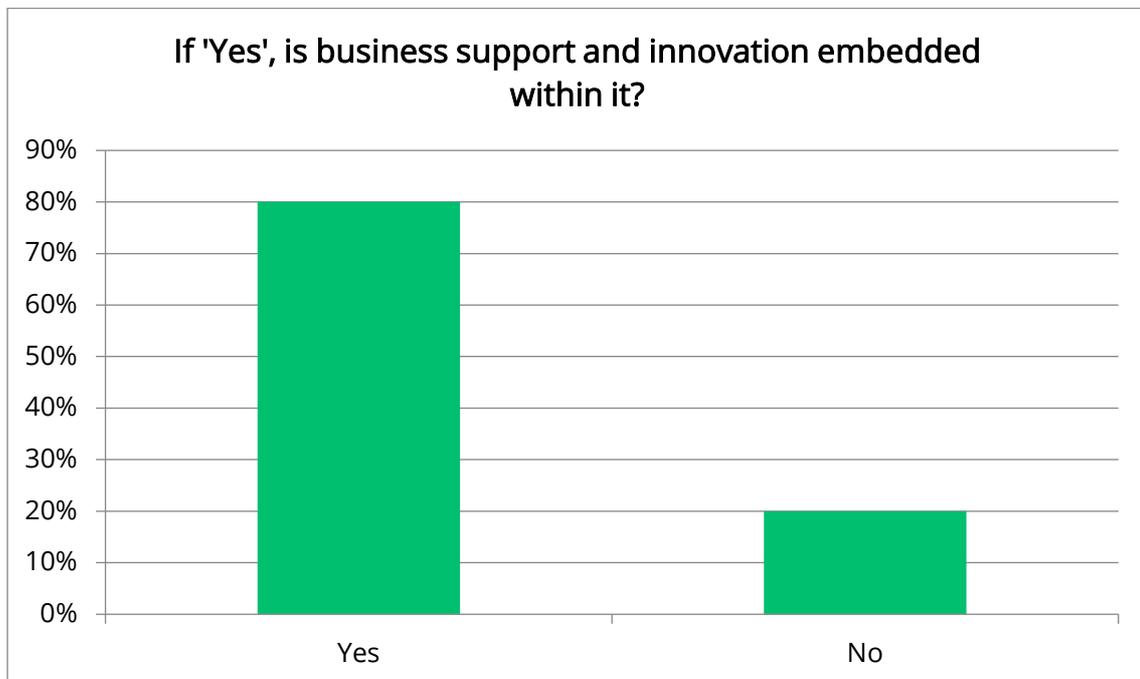
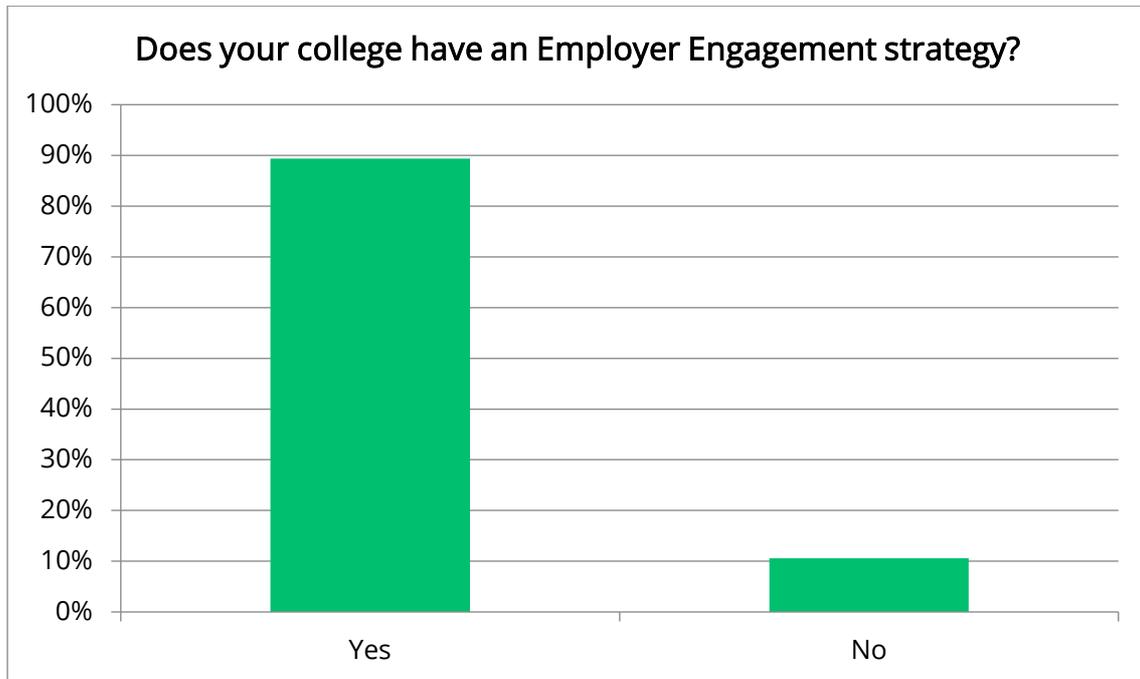
*Independent Specialist College

Region	Number of responses	Number of colleges in region	Percent within region
Eastern region	4	23	17%
East Midlands	5	15	33%
Greater London	3	34	9%
North East	4	14	29%
North West	15	42	36%
South East	10	39	26%
South West	9	24	38%
West Midlands	9	25	36%
Yorkshire and the Humber	6	28	21%
Total England**	65	244	27%

** 'Other' type of provider

Employer engagement and support in colleges for business innovation and growth

1. **59 out of 66 colleges** who responded have an Employer Engagement strategy with the **48** of those having business support and innovation embedded within their strategies.



2. Of those colleges providing business support to local SMEs, **51 colleges** said that they offer support through dedicated account managers who work with or offer growth support to specific local businesses and/or SMEs. **51 colleges** also offer access to technical and vocational staff in college with know-how and/or expertise in technical equipment and facilities.
3. Just over half of those colleges responding said that they provide meeting space for local businesses and SMEs to use. **26 colleges** said that they provide space for SMEs to engage with each other to enable innovation stimulation and business ideas.
4. **5 colleges** provided innovation zones exclusively for local businesses and/or SMEs and **7 colleges** seconded their staff to local SMEs or had SME staff seconded to the college.
5. Colleges also worked with employers and local businesses to see where they could support with links to potential apprentices and others used their links with business to support employer forums and business groups and business networking opportunities.
6. In the free text boxes within the survey, some colleges reported having key account managers to work with employers on workforce development, not specifically growth strategies but they clearly have a link.
7. Other colleges have their support staff leaders offer advice to small businesses in professional service areas such as HR, finance, marketing and IT and others support their SME partners in understanding the procurement pipeline and facilitate connecting them to larger organisations.

Are you providing business support to local SMEs in any of the following ways? (Please tick all that apply).		
Answer Choices	Responses	
Provision of innovation zones exclusively for local businesses/SMEs	8%	5
Provision of meeting space for local business/SME use	55%	36
Dedicated account managers to work with/offer growth support to specific local businesses/SMEs	78%	51
Access to technical and vocational staff in college with know-how/expertise in technical equipment/facilities	78%	51
Provision of a space for SMEs to engage with each other and stimulate innovation and business ideas	40%	26
Secondment of college staff to the SME or vice versa	11%	7
N/A	2%	1
Other (please specify)	6%	4
If 'Other', please specify:		10
	Answered	65
	Skipped	1

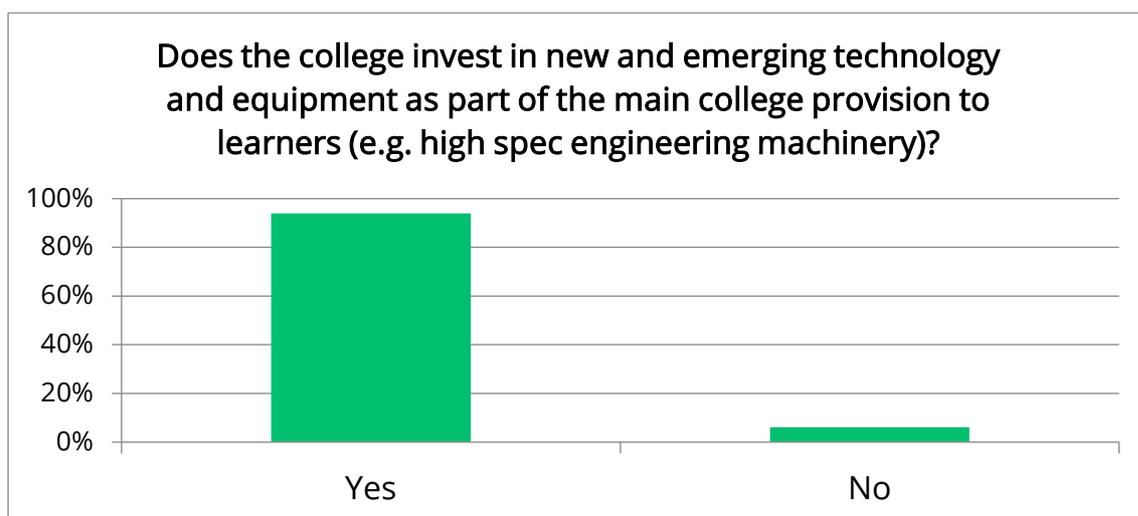
8. Of the 51 colleges that provide dedicated account managers (just under 80% of respondents), **48** said that these roles supported local businesses with advice on local workforce gaps and training needs and **all 51** of those providing account managers said the roles offer support in recruiting new staff.
9. **29** of those colleges providing account managers said that the roles provided specific industry sector technical level support and **30** said that they were key in information dissemination and knowledge transfer.
10. **11 colleges** said that their account managers provide advice on applying for business loans and external business grants and **16 colleges** provide advice on business planning.
11. Where colleges provided account managers, they also were able to provide regular updates on course offers and advice on funding support and were able to signpost to other business support available, e.g. through enterprise companies, local authorities and LEP inward investment teams. These roles were able to support local businesses through explaining the apprenticeship levy and the digital service.
12. One college indicated that the Business Develop Co-ordinators they employ are not qualified or experienced enough to offer high level technical support or growth and that the salary level required for someone qualified to undertake the necessary level of consultancy would be untenable for the college when based on return on investment.

If you ticked to say you provide dedicated account managers to work with local businesses and SMEs what type of support do they offer? (Please tick all that apply).		
Answer Choices	Responses	
Advice on local workforce gaps and training needs	83%	48
Advice on business planning	28%	16
Specific industry sector technical level support	50%	29
Advice on applying for business loans and/or external business grants	19%	11
Information dissemination/knowledge transfer	52%	30
Support with recruiting new staff	88%	51
N/A	9%	5
Other (please specify)	7%	4
	Answered	58
	Skipped	8

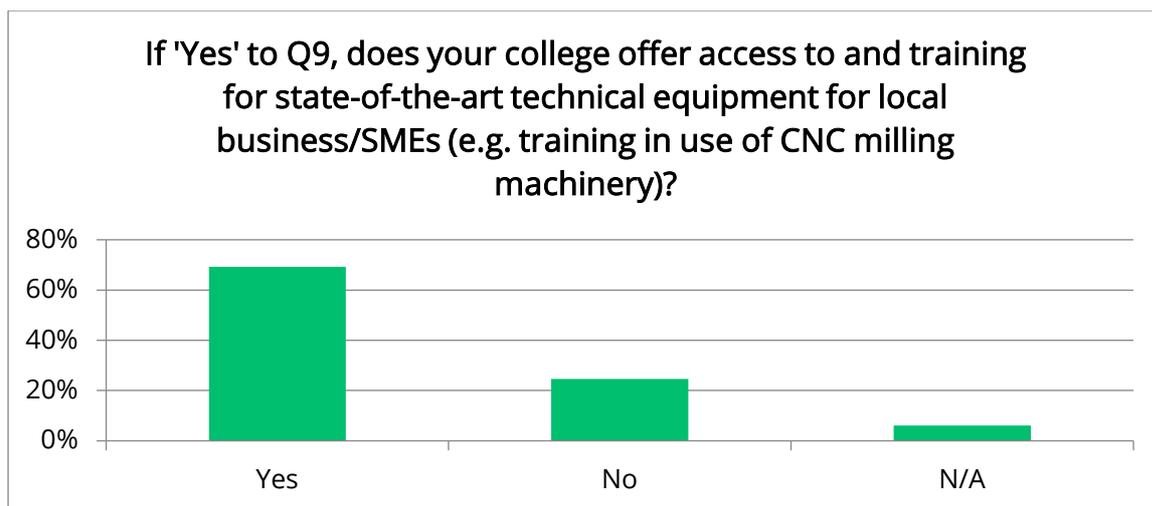
13. In terms of how colleges fund their account manager roles there was a mixed response. Some fund them through their apprenticeship funding, through external funding such as ESF or ESIF, through commercial training income or from the central college budget (or a mixture of any of these).

14. Where colleges have dedicated account managers they are recruited with a variety of professional background requirements. Some colleges look for experience in recruitment, sales, customer relationship and employer support. Others focus more on sector specific experience such as engineering, nursing, childcare, business etc. One college gave the example of an account manager who previously worked for a big local communications company who now supports employers on specific environmental business improvement projects. Some specifically ask for experience in apprenticeships, and whilst most colleges prefer to have prior experience in an FE setting, not all account managers have this. Some colleges recognise that they could do more with additional sector specific, technical staff to provide direct technical support for SMEs and to support innovation and development activity. Lack of funding and limited resources impact on what can be offered.

15. **62 of the 66 colleges** responding (94%) invest in new and emerging technology and equipment as part of their main college provision to learners, such as high specification engineering machinery.



16. Of those investing in new technology and equipment, **45 colleges** offer access to and training for state-of-the-art technical equipment for local businesses and SMEs. Training is offered across sectors including advanced manufacturing and engineering, automotive, construction, health and social care, child care, catering and hospitality, hair and beauty, digital, IT and games development.



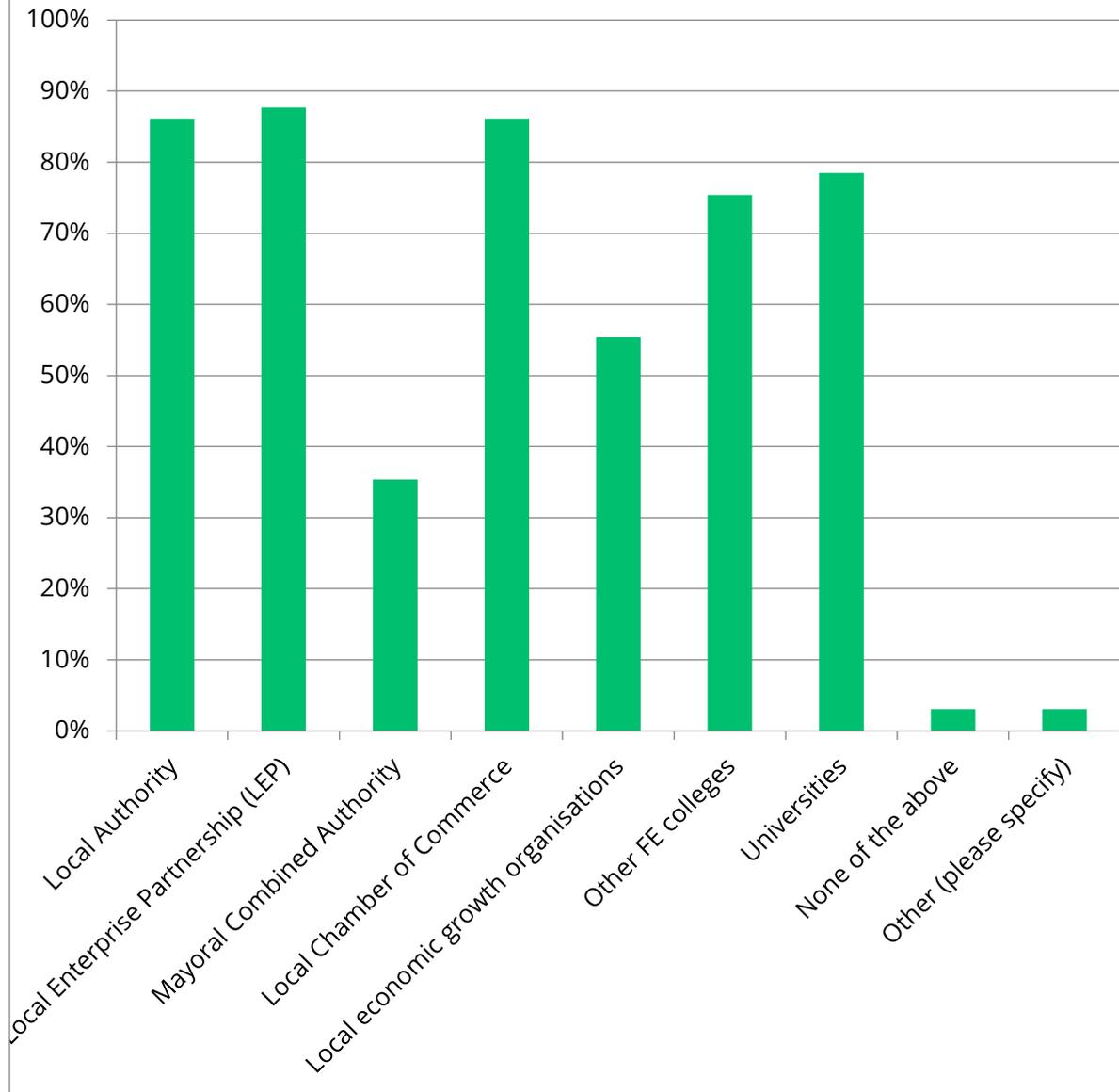
17. Specialised sectors in colleges offering land-based provision are supporting Agri-Tech strategies through food and farming innovation.
18. One college in particular offered very niche support to the British footwear industry.
19. Students and employers alike have access to some colleges' VR and AI simulated training environments and to 3D, green and emerging technologies.
20. Some colleges said that access by SMEs and business to technical equipment has to be limited to outside of normal teaching hours with some offering evening course provision as a way to provide access.
21. As large local employers, some colleges are providing professional services support and advice to small businesses in areas such as HR, finance, IT and marketing functions.
22. Some colleges report benefiting from capital funding which has enabled them to develop leading edge centres supplied with new state of the art equipment and machinery for sectors such as construction and for hi tech and digital. Although others report sector areas where they would really benefit from some funding to upgrade their facilities and equipment in key industry areas.
23. Some respondents felt that colleges investing in state-the-art equipment and machinery should do so primarily for the benefit of students who are undertaking a course in that particular vocational area. Businesses investing in new equipment generally deal with original equipment manufacturers and these have very specific associated training with nuances in how it works. A college could therefore only provide training for businesses that use that specific machinery.

24. Some colleges have dedicated employer facilities. One cited their rapid prototyping lab within their innovation zone where employers can book time on any of the kit that is used in training (i.e. CNC). Sometimes this is to support the SME's development work prior to them winning a contract or buying kit for themselves.
25. Outside of specialised training of staff and curriculum development, the most commonly requested areas businesses ask for help with are apprenticeship advice (including understanding the funding/levy), short courses for employees including health and safety and mandatory legislative training, connectivity with young talent, advice on applying for grants, advice on recruitment at different levels and HR support and marketing and social media support.

Working in partnership with local partners

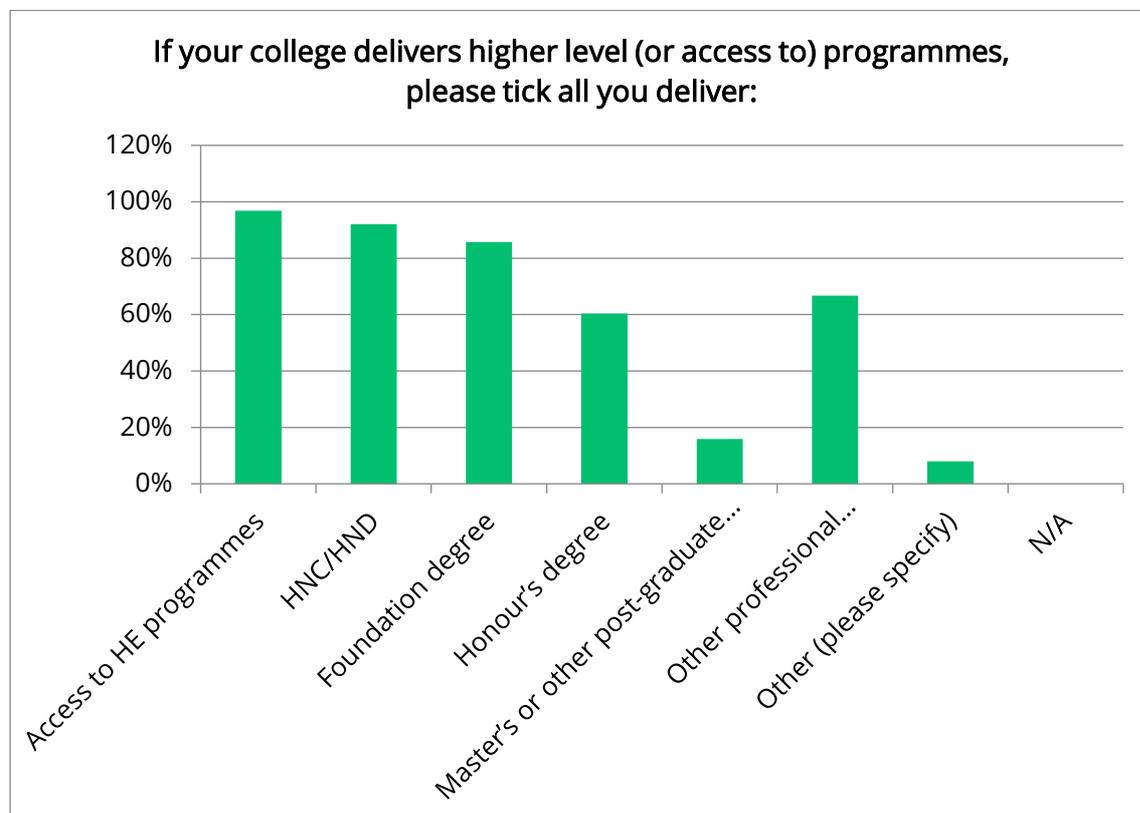
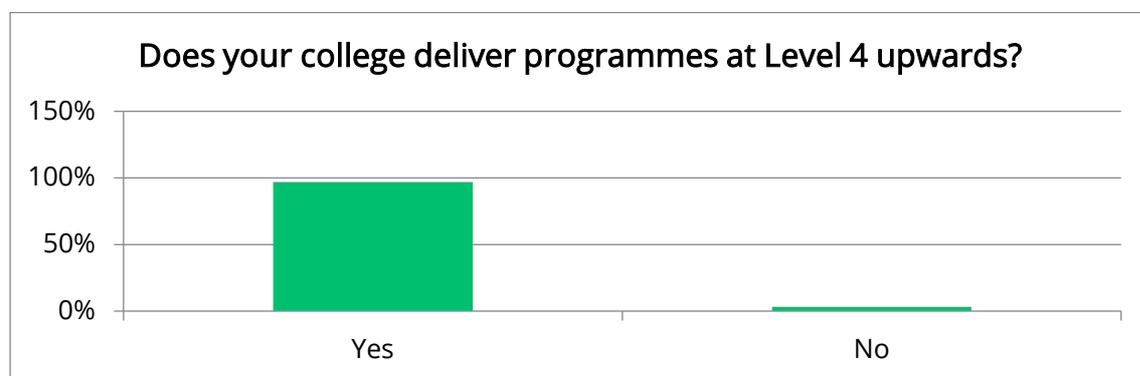
26. There is a willingness to work collaboratively in local areas to support business growth and innovation. **56 colleges** work collaboratively with their local authority, **57 colleges** with their LEP and **56 colleges** with their local chambers of commerce with many working together on strategies to attract inward investment into the area. Much of this work centres around local workforce planning, employability skills, job opportunities, the focus on low carbon and green agendas at a local level and Industry 4.0 and emerging technologies. Many colleges facilitate local and regional business and employer forums hosting business breakfasts and other similar networking events and most college Principals sit on local business groups, for example BID boards, Towns Deal Boards. Some colleges did say that it was important to note much of this activity isn't funded therefore it is additional to the responsibilities of many staff in colleges (teaching, support and leadership) that make it happen. Lots of good work appears to be happening between colleges and their local care sector and NHS trusts in terms of progression of existing staff.
27. Additionally, **49 colleges** are working collaboratively with other colleges and **51** with partner universities in this business growth space. Partnerships with universities are very important for many colleges who responded in terms of validation agreements and progression for FE students into HE.
28. **23 colleges** work with their Mayoral Combined Authority and **36 colleges** work with local economic growth organisations.

Which organisations does your college work with locally/regionally regarding support to local business growth and innovation? (Please tick all that apply).

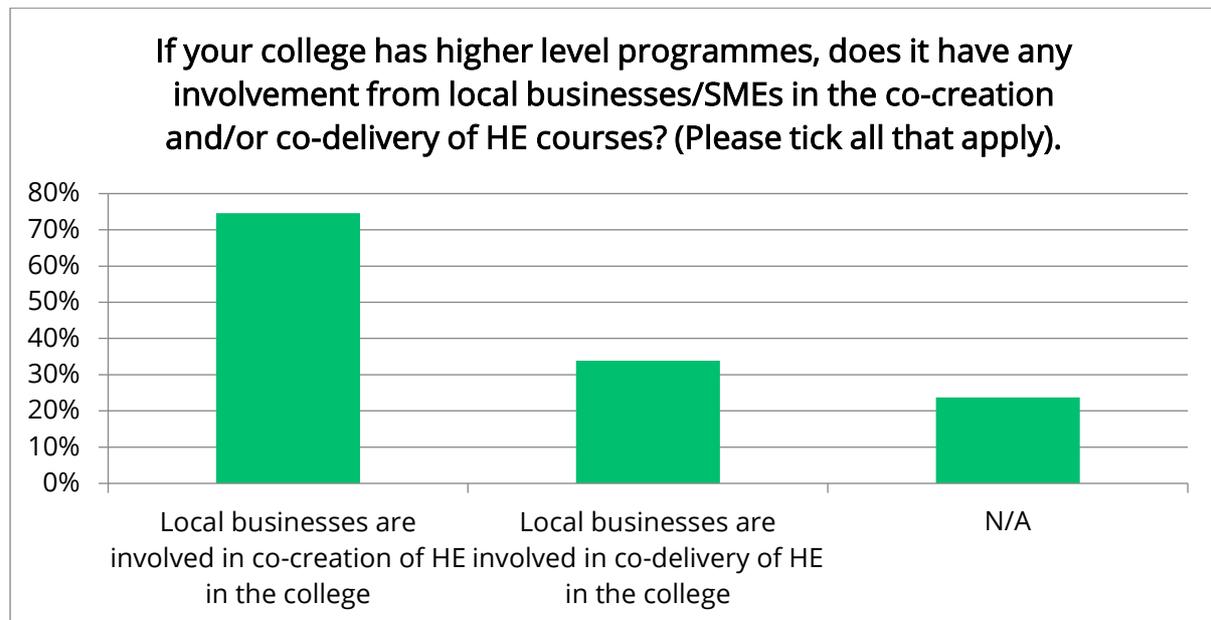


Engagement of businesses/SMEs in creation and delivery of higher-level programmes in colleges

29. **63 of the 66 colleges (97%)** deliver programmes at Level 4 upwards, with **61 (97%)** of those delivering Access to HE programmes and **58 (92%)** delivering HNCs and HNDs. **54 colleges (86%)** deliver Foundation degrees and **38 (61%)** deliver Honour's degree programmes. **10 colleges (16%)** deliver master's degrees or other post-graduate programmes and **42 colleges (67%)** are delivering other professional qualifications which include higher level and degree apprenticeships as well as professional qualifications such as CIPD, AAT, Level 4 Counselling and management and coaching qualifications.



30. **44 colleges** said that local businesses and/or SMEs are involved in the co-creation of HE in the college. **20 colleges**, however, reported that businesses are involved in co-delivery of HE. Over half of respondents said that, where co-creation or co-delivery of HE happened, it was stronger in some departments than others perhaps indicating where certain vocational areas had stronger working relationships with employers.

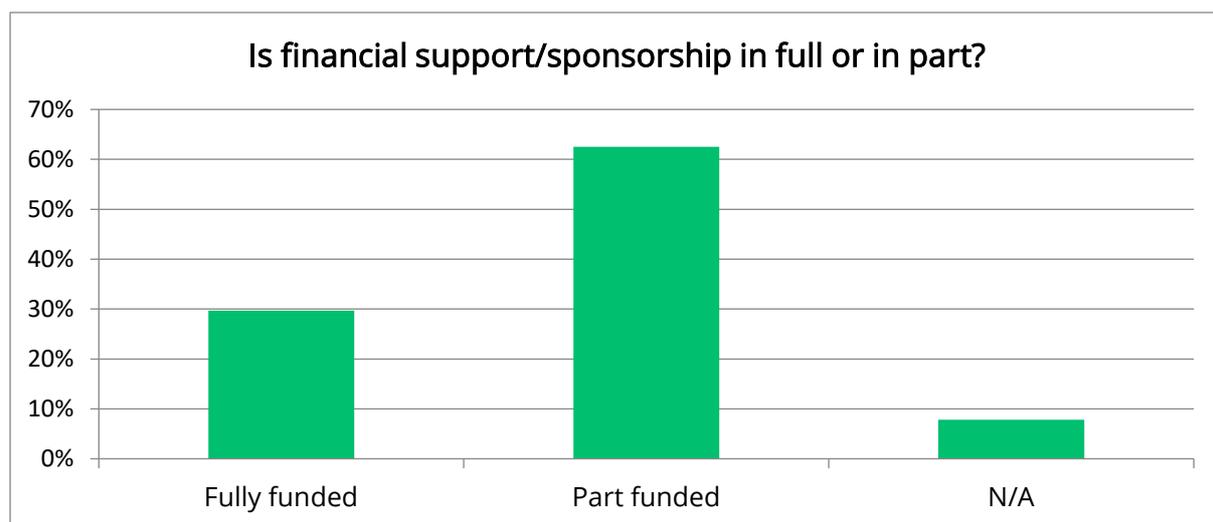
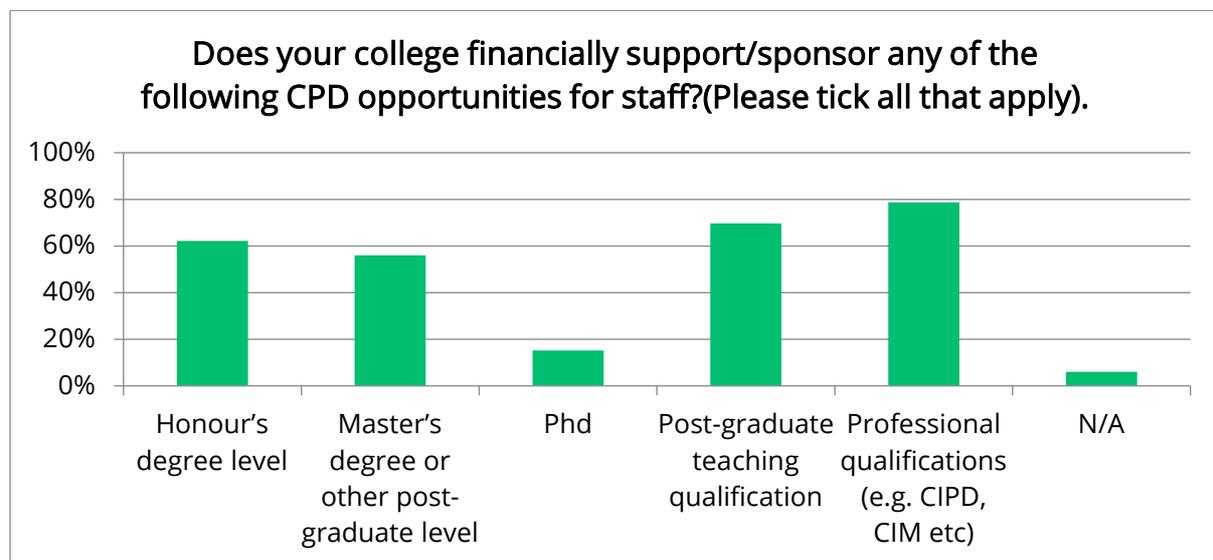


31. There were examples given of employers being very involved in the design of HE courses for delivery in colleges, including foundation degrees. Vocational areas which appear to lend themselves well to this model across several of the colleges responding are Health and Social Care, Engineering and Construction, although other vocational areas were mentioned by others. Colleges cited the requirement to have a certain level of employer engagement in the design of HE programmes in order to meet the HEI criteria.

32. Co-delivery appears to be less common due to the need of teachers requiring certain levels of qualifications in order to delivery HE Level programmes. There are good examples, however, of employers and businesses coming into colleges to share practice through Masterclasses. One college reported having created a Care Academy for the region that brings together hospitals, care providers, ambulance service etc. where staff deliver master classes to students. College staff are invited to participate in some of the employers in-house CPD to update their own knowledge.

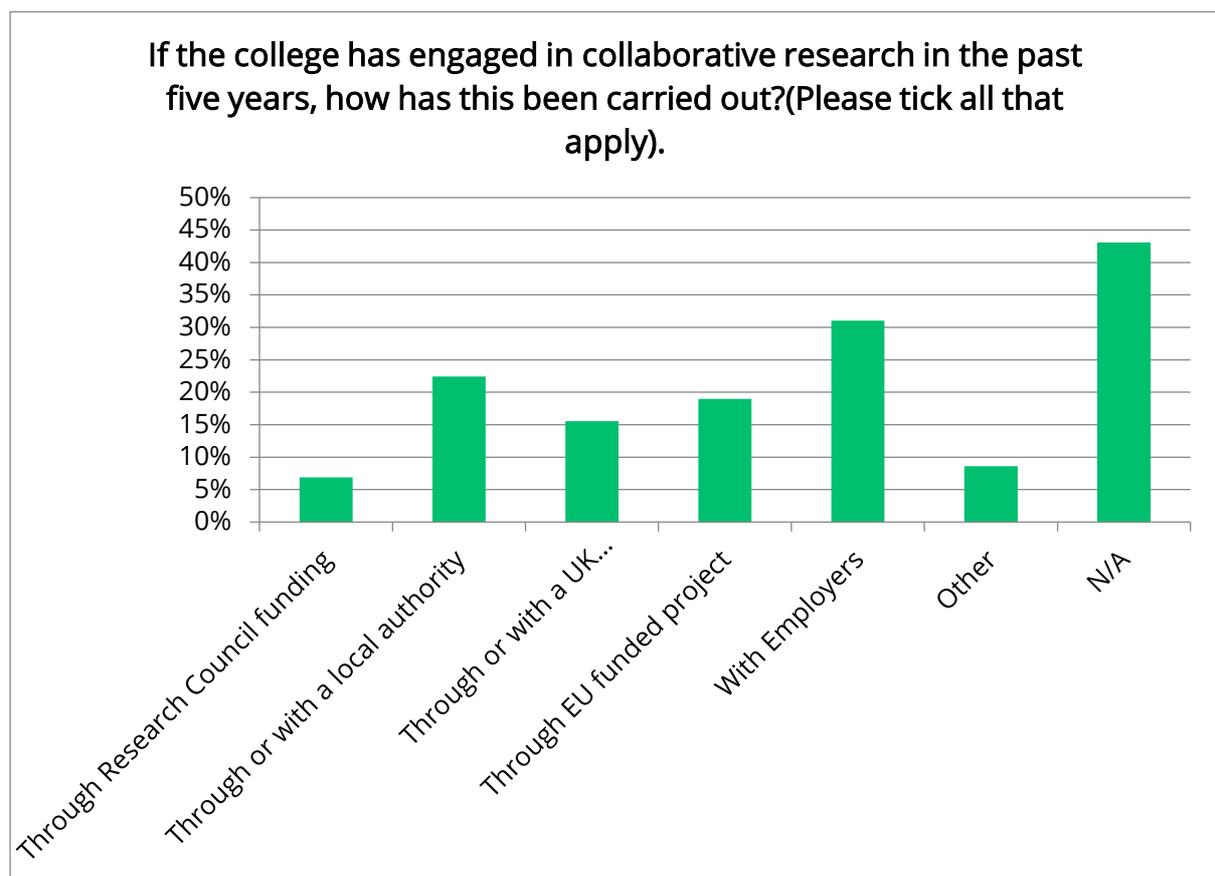
College staff – continuing professional development (CPD)

33. Colleges are supportive of staff undertaking professional development with **52 of the colleges responding** saying they either financially support or sponsor their staff to take professional qualifications such as CIPD and CIM. Over half of colleges additionally sponsored staff to undertake degree level programmes at either Honour's (**41 colleges**) or Masters Level or other post-graduate level (**37 colleges**) and also post-graduate teaching qualifications (**46 colleges**). **10 colleges** sponsored their staff to undertake a PhD. **19 colleges** fully funded and **40 colleges** part-funded staff CPD.



Collaborative Research

34. Over half of responding colleges said that they had engaged in collaborative research in the past five years. Collaboration models and funding was fairly evenly spread across a number of avenues, with **13 colleges (22%)** saying this was done with their local authority and **18 colleges (31%)** saying this was with their employer partners. Only **4 colleges (7%)** said they had accessed Research Council funding, **9 colleges (16%)** worked through a UK Government department, **11 colleges (19%)** worked through EU funding and **5 colleges (9%)** worked with other partners such as ETF and university partners.



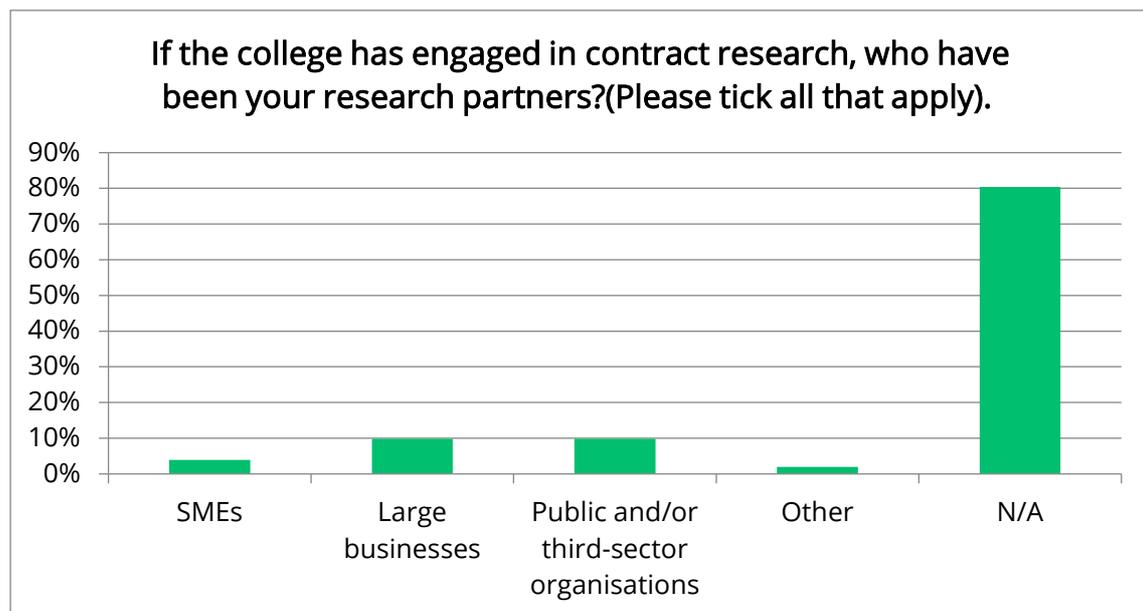
35. Examples of the types of collaborative research engaged in include:

- research into skills gaps in certain industries;
- development of new accident repair processes in partnership with motor vehicle manufacturers and the creation of associated training packages;
- working with EU partners on digitising learning objectives to support the development of maths skills;
- research into environmental technology;
working with a range of local partners to evaluate assisted technology methodology to be used to support carers working with an ageing population;

- e) working with national and local government partners in bidding for IoT status in order to support regional growth and skills;
- f) working with multiple partners through EU funding to research precision agriculture;
- g) working with a national food manufacturer brand to research potato farming methods.

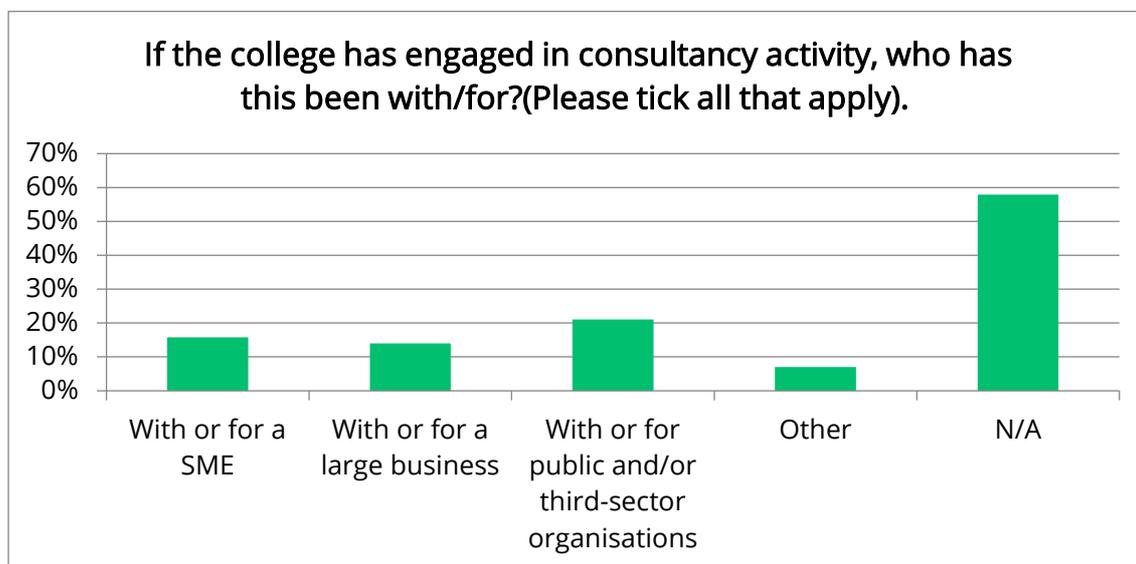
Contract Research

36. A smaller number of colleges reported having engaged in contract research. Of those that did **5 colleges** worked with large businesses and **5 colleges** worked with public sector or third-sector organisations with only **2 colleges** saying they engaged with contract research with SMEs. An example of contract research that a college had been involved in was with a leading provider of agronomy services, technology and strategic advice on crop trials research.



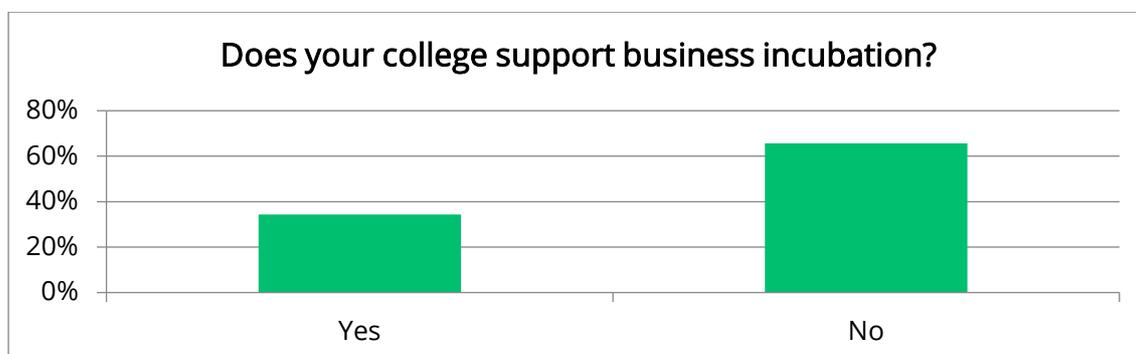
Consultancy Activity

37. Just under half of colleges that responded said they engaged in consultancy activity, with **12 colleges (21%)** saying this was with or for public sector or third-sector organisations, **9 colleges (16%)** with or for either a SME and **8 colleges (14%)** with a large business.



General support for innovation in FE

38. Only **22 of the 66 responding colleges** said that they currently supported business incubation. Of those colleges that do offer business incubation some have purpose built centres through recent college capital projects and others have a number of SMEs with a 'licence to occupy' an office space on the college campus or a business centre that supports space for new start-ups. However, some colleges said the return on investment would be minimal resulting in colleges finding it difficult to invest in this area and, where some had offered business incubation, they had seen little take up and therefore are planning to withdraw the offer.



39. In terms of strategic priorities relating to business innovation within colleges, **53 colleges (80%)** said meeting national skills needs was a high priority. **64 colleges (98%)** said meeting local and regional skills needs was a high priority. **59 colleges (89%)** said that widening participation and access was a high priority. Others had the following high priorities: **55 colleges (83%)** in supporting SMEs , **59 colleges (89%)** in developing local partnerships and **61 colleges (92%)** in skills retention in the local area. Fewer colleges felt the following areas were high priority: **31 colleges (47%)** on knowledge exchange; **28 colleges (42%)** on supporting business innovation; **36 colleges (55%)** on supporting student enterprise; **32 colleges (49%)** on attracting inward investment to the region and **36 colleges (55%)** on facilitating regional stakeholder networks. Lower numbers thought that the following areas were high priority: **15 colleges (23%)** on commercialisation activities and **25 colleges (38%)** on supporting scholarly activity amongst college staff .

40. **32 colleges (48%)** said the provision of business incubation was a low priority and **27 colleges (42%)** said research collaboration with industry was a low priority for them.

How high a strategic priority each of the following areas are in terms of economic impact for your college?			
	Low priority	Medium priority	High priority
Meeting local/regional skills needs	0	0	64
Skills retention in local area	1	3	61
Widening participation and access	0	6	59
Developing local partnerships	1	5	59
Supporting SMEs	0	11	55
Meeting national skills needs	1	12	53
Supporting student enterprise	1	28	36
Facilitating regional stakeholder networks	8	22	36
Attracting inward investment to the region	10	20	32
Knowledge exchange	11	24	31
Supporting business innovation	8	30	28
Supporting scholarly activity amongst college staff	10	30	25
Commercialisation (e.g. spin-off activity or licensing)	23	27	15
Research collaboration with industry	27	24	13
Provision of incubator support	32	24	4

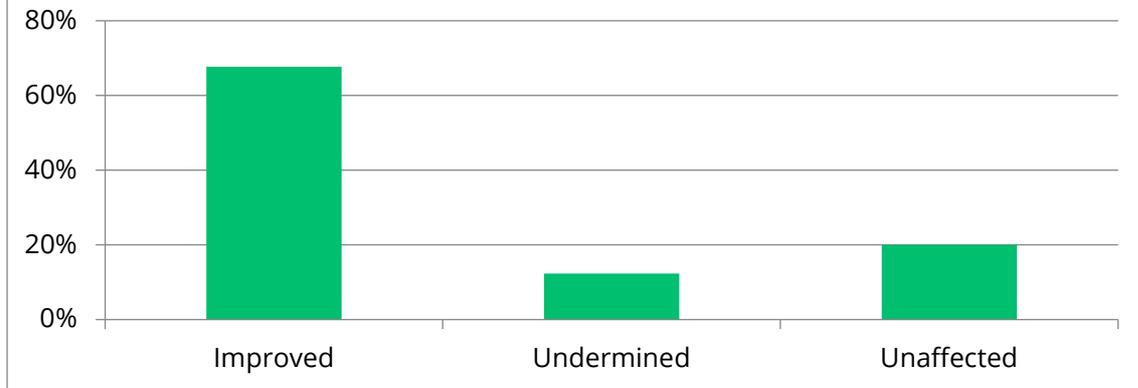
Barriers to increased support for innovation in colleges

41. Colleges were asked to consider which barriers would have to be removed in order for them to consider increasing support for business innovation. The main barriers for colleges are the lack of funded support for high-spec, state of the art equipment with **49 colleges (75%)** citing this as a major issue. Other major barriers were as follows: **49 colleges (75%)** on the lack of capital funding to develop business innovation spaces; **47 colleges (72%)** on the lack of financial support to fund specific business innovation account managers and **44 colleges (67%)** on lack of staff time to engage in innovation development activities.
42. It was clear that some potential barriers were not seen by colleges to be major issues, especially around understanding local and national business needs and relationships with local stakeholders. Only **4 colleges (6%)** cited a lack understanding of local business needs and national and international innovation trends as a major issue and only **2 colleges (3%)** saying poorly developed relationships with local stakeholder organisations was a barrier to increasing support for business innovation locally, demonstrating that colleges know their local businesses well and have an excellent understanding of national and international innovation trends and that they have strong relationships with local partners.
43. Local demand from businesses for college services was also strong with only **4 colleges (6%)** saying that a lack of demand is a major issue.
44. Only **2 colleges (3%)** reported a lack of interest from staff in undertaking higher qualifications or having an interest in developing research as a major issue and the majority of colleges who responded had flexibility to adapt curricula to meet business needs with only **12 colleges (18%)** confirming this was a major barrier.

If the college were to look at increasing support for innovation for local businesses and SMEs, what barriers would have to be removed first? Please indicate the level to which the potential barriers listed below could pose an issue for the college.				
	Minor issue	Moderate issue	Major issue	Don't know
Lack of funded support for high- spec, state of the art equipment	3	11	49	2
Lack of capital funding to develop innovation spaces/buildings	4	11	49	2
Lack of financial support to fund specific business innovation account managers	2	13	47	3
Lack of staff time to engage	3	19	44	0
Allowing FE teaching staff time alleviation to develop research activity	5	15	43	0
Difficulty in recruiting teaching staff for HE programmes with research profile	4	27	29	1
Unable to financially support staff CPD for degree/post- grad/professional qualifications	15	22	23	1
Lack of knowledge in how to access innovation/research funding grants	18	25	15	2
Lack of freedom to change curricula to meet business needs	28	20	12	2
Lack of in-house knowledge/expertise	11	47	6	0
Lack of understanding of local business need or of national and international innovation trends	31	20	4	1
Lack of demand from businesses for college services	32	21	4	4
Poorly developed relationship with local stakeholder organisations	40	7	2	0
Lack of interest from staff in undertaking further higher qualifications and/or developing research	33	17	2	1

45. Finally, colleges were asked if they felt that their ability to provide innovation support to local businesses and SMEs would be affected by working with other colleges in their local area. **44 colleges (68%)** felt it would improve the situation, **13 colleges (20%)** said it wouldn't affect the situation, with only **8 colleges (12%)** feeling it might undermine the situation.

To what extent do you feel that the college's ability to provide innovation support to local businesses and SMEs would be improved, undermined or unaffected by working with other colleges in your area?



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