



Research Policy Analysis
Ymchwil Polisi Dadansoddi

***EVALUATION OF THE EFFECTIVENESS OF LINKS BETWEEN HIGHER
EDUCATION INSTITUTIONS AND SECTOR SKILLS COUNCILS IN WALES***
(T06/HE/2009/10)

FINAL REPORT

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EXECUTIVE SUMMARY

Introduction

Old Bell 3 Ltd. was commissioned in January 2010 by the Higher Education Funding Council for Wales (HEFCW) to “undertake an analysis of, and produce a report on, the extent and effectiveness of links between Higher Education Institutions (HEIs) and Sector Skills Councils (SSCs) in Wales (e.g. one-off project activity, joint initiatives, curriculum development, membership of management/ advisory boards, etc)”.

The Terms of Reference also stressed the importance of taking account of the wider picture of HEIs’ engagement with employers, including best practice examples and alerting HEFCW to relevant conclusions for policy.

The work programme for the study involved:

- Reviewing relevant documentation, including Sector Skills Agreements (SSA) Action Plans, and relevant planning documents of each HEI, notably Third Mission Strategies and plans in respect of HEFCW’s Additional Support for Part-Time Students (so called “Graham” Funding).
- Undertaking scoping interviews with Wales Managers of all 24 Sector Skills Councils to explore their interaction with Welsh HEIs.
- Drawing up a matrix of specific links between each SSC and individual departments/individuals within Welsh HEIs as the basis for further investigation.
- Undertaking 48 face-to-face interviews with staff from 11 Welsh HEIs who had been involved in interaction with one or more SSC.
- Additional in-depth face-to-face interviews with 12 SSC Wales Managers with more extensive involvement with Welsh HEIs, as well as staff within HEFCW and a small number of external stakeholders.
- Presenting emerging findings to a meeting of the HE-SSC Communications Group (open to all HEIs and SSCs) in April 2010 and taking on board comments subsequently received.

Findings

There has been some clear progress in developing linkages between HEIs and SSCs and there are some strong examples of positive collaboration, above all in terms of adding value to the development of new (or in some cases, pre-existing) provision by ensuring it is tailored to the needs of employers.

Where good relationships have developed, this is generally because an HEI perceives a real benefit in engaging with a particular SSC, in particular where:

- the HEI believes it is important (because of the focus of their mission on learning relevant to the workplace) to have external validation for the relevance to employers of their provision;
- the HEI has confidence in the quality of a SSC’s employer engagement; and

- there are no other professional or regulatory bodies which are more obvious partners for the HEI. In reality, for many of the established professions, such bodies do exist and their well-established position with HEIs effectively blocks (and arguably renders unnecessary) engagement with SSCs. By contrast, a driver for engagement has been regulatory or other pressures to upskill “para” or associate professionals across a range of sectors.

More generally, SSCs are respected and valued by HEIs for their expertise with regard to qualification design. Other factors that have driven or facilitated engagement include:

- The proactive role of HEFCW itself (and more recently the Alliance of Sector Skills Councils, the SSCs’ representative body).
- The availability of external funding to support some high profile collaborations (principally again from HEFCW, though the former Knowledge Exploitation Fund also played a role) along with (in the rare cases where SSCs have a levy) SSCs’ own resources.
- The commitment of individuals within SSCs and HEIs to work together.
- In a minority of cases, SSCs believing they can “tap in to” established employer networks developed by HEI departments.

However, while there are some robust relationships which are bringing real benefit, these are the exceptions. Overall, we found relatively few substantive relationships and, in the case of many potential linkages, real collaboration is not on the horizon.

The reasons for this are, for the most part, not about failures which are specific to the question of HE – SSC linkages (though there clearly remains a “culture gap” in many cases) but ones which are much more fundamental and difficult to resolve.

In summary, the barriers identified include:

- The lack of capacity of most (though not all) SSCs in Wales, compared to the expectations placed upon them.
- A widespread perception (not just amongst HEIs) that SSC LMI is not sufficiently robust or useful to inform future learning provision.
- The fact that SSCs are often operating in quite crowded “market places”, particularly in terms of established professions, where professional bodies often have well established relationships with HEIs and where there is insufficient space for them to carve a niche for themselves.
- The fact that both HEIs and SSCs tend to focus their employer engagement on larger employers and that HEIs do not see SSCs (with some exceptions) as having effective networks with SMEs.
- The fact that, for some HEIs, the workforce development market remains a relatively minor part of their portfolio and competes for attention with a series of other demands and expectations: institutions in many cases continue to be driven either by the research agenda or by the financial imperative of filling their mainstream undergraduate and postgraduate provision.

- A widespread belief that HEIs, as autonomous bodies with extensive validation powers, do not necessarily need external endorsement of the qualifications that they offer.
- The perception (particularly on the part of SSCs) that HEIs are not particularly responsive to the expressed needs of employers, in part because of their heavy emphasis on qualifications but in part because HEIs may tend to think that they have a clearer understanding than employers of what skills are needed for the future.
- The relatively large number of Welsh HEIs (compared to population) and the competitive culture within which they operate, with a reluctance to work collaboratively between institutions clashing with the lack of capacity for SSCs to establish relationships with a series of individual HEIs.
- The relatively complex structures of HEIs and the fact that, while systems are generally well attuned to help potential students reach the right person to speak to in any faculty or department, the same is not true for businesses and other stakeholders.

A number of these issues clearly resonate with more recent policy thinking, particularly the moves set in train by *“For our Future”*, the Welsh Assembly Government’s new HE Strategy, to develop a regional agenda for HE based on *“a higher education system approach [which] will target the eradication of nugatory local competition and wasteful duplication of provision”*.

On a more practical level, the HE portal being developed as part of the Academic Expertise for Business (A4B) programme may also help SSCs and others find their way more easily to relevant departments within HEIs.

However, a number of the barriers identified are not yet being addressed including the fundamental problem of most SSCs’ limited capacity and resource base even to fulfil the three core tasks set out in *“Skills that Work for Wales”* (employer engagement, LMI and informing qualifications). While some interviewees pressed the case for funding specifically intended to “oil the wheels” of HEI-SSC collaboration, in reality this would not be of sufficient scale to overcome this barrier.

At the same time, a significant opportunity does exist in terms of the general development of Foundation Degrees and the existence of substantial funds as a result of the Convergence ESF Programme to support the development and delivery of both Foundation Degrees and other Work Based Learning courses within the HE Sector. It is essential that this opportunity is used to develop qualifications and courses which are clearly rooted in employer demand – which, at least in some cases, must and should include clear input from SSCs. While some of the most recent history surrounding the development of these projects has been unhelpful in terms of the relationships between HE and the SSCs, all sides are now clearly committed to moving on, and some important proposals which draw in SSCs are already in development.

Recommendations

The report makes 12 recommendations in all. In summary, these are that:

- While continuing to provide a “way in” to HEIs, particularly in the case where new SSC staff come into post, HEFCW’s support should become more

selective and focused on providing more specific advice, guidance and signposting in response to specific requests.

- HEFCW should work with DCELLS and the University of Glamorgan as the project manager, to investigate whether the ESF-funded projects on Foundation Degrees and Work Based Learning can provide financial support so that a small number of Advocates can be employed to work with HEIs and SSCs to develop specific initiatives under these projects.
- HEFCW should seek to persuade the Welsh Assembly Government of the need for a much closer match between what SSCs are tasked to do and their capacity to deliver, and should use the new SSA Action Planning process to challenge SSCs on the robustness of their engagement with HEIs where this is relevant.
- SSCs must give priority to ensuring that their LMI is tailored to specific audiences. In particular, they need, at a minimum, to produce an annual very short summary of key headline messages from the LMI about high level sector needs in Wales which can be shared with HEIs.
- HEIs need to ensure that their internal validation processes, particularly for Foundation Degrees and other qualifications related to CPD and workforce development, are robust in terms of the bar set to test employer demand. There should be an expectation that SSCs will be involved in the case of all vocationally focused qualifications, except where there are strong and well argued reasons to the contrary. Where necessary, HEFCW should challenge HEIs on the robustness of these processes.
- HEIs need to work closely with HEFCW and other partners to address the issues with regard to “routes in” for businesses and other stakeholders and should also revisit the current roles and responsibilities of their WILOs (or equivalent departments) to ensure that their role vis-à-vis SSCs is explicit, adequately resourced and well publicised within the institution. HEFCW needs to work very closely with individual HEIs and the A4B team, in the context of the regional agenda, on developing a much clearer route in to individual HEIs for businesses.
- HEFCW should work with Higher Education Wales and the Higher Education Academy (which already facilitates UK wide subject groups) to consider how a more coherent pattern of HE subject groups might be developed in Wales which would provide an easier interface for joint working with SSCs.
- HEFCW needs to work closely with the Welsh Assembly Government on overcoming the rigid separation between funding for vocational pathways between HE and FE, particularly in the context of the emerging regional agenda.
- The HE-SSC Communications Group should consider how, in the context of the emerging regional agenda, it can ensure greater synergy between the employer engagement activities of HEIs and SSCs. It also needs to put this collaboration in the context of the capacity for joint working with FEIs and private training providers (through Colleges Wales and the National Training Federation Wales) and the Welsh Assembly Government’s fieldforces of HRD Advisers and Relationship Managers.

1.0 INTRODUCTION

1.1 Purpose of the Report

Old Bell 3 Ltd. was appointed in January 2010 by the Higher Education Funding Council for Wales (HEFCW) to carry out an Evaluation of the Effectiveness of Links between Higher Education Institutions (HEIs) and Sector Skills Councils (SSCs) in Wales.

The objective of the study was:

“to undertake an analysis of, and produce a report on, the extent and effectiveness of links between HEIs and SSCs in Wales (e.g. one-off project activity, joint initiatives, curriculum development, membership of management/advisory boards, etc). In doing so, the contractor will also be expected to take account of the wider picture of HEIs’ engagement with employers in the delivery of higher level skills, i.e. via links that might not necessarily involve SSCs. Best practice examples should be included. Drawing on their analysis, the contractor would also be expected to alert HEFCW to any pertinent policy conclusions”.

Issues which were expected to be examined included:

- The extent to which SSA Action Plans drawn up between HEFCW and individual SSCs have been implemented via direct engagement and activity with HEIs.
- The extent to which HEIs have been demonstrably influenced by SSC priorities in terms of planning for curriculum, course development, etc.
- The extent to which sources of funding (from HEFCW, WAG, ESF, other sources) have been, or are being, used to facilitate activity between HEIs and SSCs.
- Identification of good practice examples of HEI-SSC engagement and the potential to promote such examples.
- The identification of why these particular examples are successful, as well as pitfalls to avoid.
- The broader context in terms of HEI achievement/outcomes in skills development related activity, e.g. delivery that does not necessarily involve partnership with an SSC.
- The extent to which engagement with SSCs is adding value to existing skills development related activity within HE.
- The identification of continuing gaps in skills development related activity and the scope for more effective HEI-SSC engagement in taking forward sector priorities.
- The extent to which partnership with FEIs is delivering on the higher level skills agenda.

- Where appropriate, identification of good practice of HE engagement and achievement/outcomes within a particular SSC sector from across the UK that HEIs in Wales might draw from.
- The extent to which HEFCW's approach has been successful or otherwise in promoting and consolidating links between HEIs and SSCs.
- Any remaining barriers to strengthening still further HE-SSC links, especially in the current economic climate.

In this Final Report we present the findings of our work.

1.2 Background

Sector Skills Councils are licensed by the UK Government (acting through the UK Commission on Employment and Skills – UKCES on behalf of the Government and the Devolved Administrations) as employer led bodies charged with articulating the current and future skills needs within their sector's "footprint" and ensuring that education and training provision matches these demands. Through labour market intelligence (LMI), the identification of skills needs at all levels and by working with the UK's education and training infrastructure, SSCs aim to increase productivity in UK business and public services. At the time of our fieldwork there were 24 licensed Sector Skills Councils¹.

As UK wide organisations, SSCs are expected to have a presence in Wales, but most SSCs have very limited resources dedicated specifically to working in Wales, as was recognised by the Webb Review in 2007:

*"While there are some excellent examples of SSCs in Wales engaging with employers and training providers, they have a limited capacity to perform this function. Most SSCs have only one member of staff with responsibility for Wales and this is sometimes shared with an English region. With some exceptions, most notably SEMTA and Construction Skills...., their reach is limited"*².

In Wales, SSCs are expected by the Welsh Assembly Government to

"focus on:

- *demonstrably increasing employer engagement, demand for, and investment in skills;*
- *undertaking national analyses of sectoral labour market and skills needs and demands; and*
- *informing the development of new vocational qualifications, to ensure that they meet the needs of business"*³.

¹ SSCs have very recently undergone a process of relicensing which resulted in one of the 25 SSCs (Skillfast UK) being deprived of its licence. Further, the UK Government proposed in "Skills for Growth: the National Skills Strategy" (November 2009) that there should be a "a substantial reduction in the number of separate Sector Skills Councils by 2012, although clearly this may depend on early decisions taken by the new UK Government which came into office in May 2010.

² "Promise and Performance: The Report of the Independent Review of the Mission and Purpose of Further Education", p. 44

³ "Skills That Work for Wales", p. 69

As well as working directly with employers, SSCs are expected to work closely in partnership with Government, trades unions, trade associations, other employer and business representative organisations and with the “supply side” in terms of the providers of education and training. As the Invitation to Tender for this study recognised, this includes a specific requirement to “advise on high level skills needs within their sector based on their Sector Skills Agreements”⁴.

Each SSC’s activities in Wales have to date been based on Sector Skills Agreements (SSAs) developed between 2005 and 2008 from an intensive process of research and negotiation involving the SSC itself and a Project Board established by the Sector Skills Development Agency (SSDA – the UKCES’ predecessor). The Project Board involved all the key public sector agencies with an interest in workforce skills, including HEFCW. Each SSA included action plans agreed between the SSC and each of these agencies. The so-called Checkpoint Review, carried out by Old Bell 3 for the SSDA in spring 2008 suggested that there was good progress in implementing eight of the 11 SSC/HEFCW Action Plans where it was possible to review implementation, some progress in one and little progress in the remaining two⁵, a somewhat more encouraging picture than in the case of Action Plans with other partners. However, it does need to be recognised that many of the Action Plans deliberately set quite modest ambitions, consistent with the relative lack of staff resource within SSCs, while the Checkpoint Review also noted that:

“There is a lack of clarity as to whether the Action Plans are concerned purely with the interface with HEFCW or with Higher Education Institutions (HEIs) in general: HEFCW would prefer Action Plans to try to map and track all interactions with HEIs (even where HEFCW does not itself need to be involved) and this seems a sensible approach”.

Following the review and relicensing of the SSCs by the UKCES, the intention in Wales is to replace current SSA Action Plans with a comprehensive all-Wales Action Plan for each SSC, which will embrace actions across the range of SSC responsibilities and incorporate activity to be undertaken in partnership with a range of stakeholders.

As far as HEIs are concerned, HEFCW’s Third Mission Fund (which from 2010/11 will be re-named the Innovation and Engagement Fund), although arguably significantly less well resourced than funding streams for teaching and research, supports activities which “stimulate and direct the application and exploitation of knowledge to the benefit of the social, cultural and economic development of our society”⁶.

HEIs submit Third Mission Strategies to HEFCW in support of their activities in this respect, in accordance with their institutional vision and mission.

A key focus of HEIs’ third mission activities is engagement with employers to ensure that the HE sector is providing graduates with the skills that are needed to generate economic success for both individuals and society as a whole. While employer engagement can take many forms, the Welsh Assembly Government has made clear through its annual remit letters, that HEFCW must ensure that the HE sector:

⁴ Ibid. p. 62

⁵ At the time of the fieldwork nine SSAs were still being finalised so could not be included, four SSCs were unable to contribute because of key posts being unfilled and one was in the course of being updated.

⁶ HEFCW Council quoted in the “Evaluation of HEFCW’s Third Mission Fund” by Innovas Consulting p. 3

“Engages even more fully with employers/SSCs and other key stakeholders ... to increase higher level skills and the delivery of CQFW level 4/5 skills provision. In particular:

- *a focus on creating strong partnerships between HEIs and employers; and*
- *the need to work closely with SSCs that have specified higher level skills gaps and shortages within their sectors in order to address these skills needs*⁷.

The new Welsh Assembly Government strategy for Higher Education *“For our Future”* makes clear that HEIs in Wales are expected to increase still further their focus on meeting employer needs, and on increasing the flexibility and diversity of programme design and delivery, with a particular focus on Foundation Degrees. In embracing this agenda, HEIs are expected to:

*“take account of the differing contexts of small, medium and large employers and, drawing on the work of the Wales Employment and Skills Board and the Sector Skills Councils (SSCs) and others, ...seek both to address the needs of local businesses and employers, and help place Wales as a destination of choice for large international businesses, because of the quality and accessibility of its higher education providers and the high-level skills of its workforce*⁸.

1.3 Method and Work Programme

This report is based on the following work undertaken between January and April 2010:

- An Inception Meeting with the Steering Group for the study to agree the work programme; secure access to relevant documentation; secure contact details for relevant staff (members of the Wales Industrial Liaison Officers Network – WILOs) in HEIs and SSCs (Wales Managers); and agree protocols for contact with individual HEIs and SSCs.
- Reviewing SSA Action Plans, data from the Higher Education Business and Community Involvement Survey (HEBCIS), HEIs’ Third Mission Strategies for 2008/9 – 2010/11, HEIs’ plans in respect of Additional Support for Part-Time Students [*“Graham Funding”*] 2009/10 and the Annual Monitoring Statements for 2008/9) as well as working documentation provided by HEFCW, in particular to identify specific examples of HEI – SSC interaction cited in these documents.
- Undertaking scoping interviews with SSC Wales Managers of the current 24 SSCs to identify specific examples of collaboration and joint working with HEIs. In eight cases, where there was no or only limited collaboration, the scoping interview was extended to replace the need for a further in-depth interview⁹.
- Drawing on the documentary review and the telephone interviews with SSC Managers, populating a matrix identifying specific departments/staff within

⁷ 2009/10 Remit Letter. Interestingly, however, the 2010/11 Remit letter contains no specific reference to Sector Skills Councils

⁸ For Our Future, p. 16

⁹ These were: Go Skills, Government Skills, IMI/Automotive Skills, Lantra, People 1st., Skills for Justice, Skills for Logistics, Skillsmart Retail

HEIs who have been involved in joint working with SSCs.

- Developing a series of topic guides to underpin fieldwork with HEIs, SSCs and other stakeholders and, using the matrix, identifying an additional small number of potential interviewees within each HEI in addition to the industrial liaison officer (ILO).
- Visiting each HEI, with the exception of the University of Wales, Lampeter¹⁰ (Lampeter) and undertaking face-to-face interviews or small group discussions with a total of 48 HEI staff, including ILO and academic staff with specific experience of working with one or more SSCs, as well as representatives of the Aber- Bangor Skills Centre and the Dragon Innovation Partnership.
- Additional face to face in-depth interviews with 12 SSC Wales Managers to explore in more detail their experience of collaboration with HEIs.
- Undertaking a small number of face to face interviews with other key stakeholders, viz.
 - HEFCW;
 - DCELLS;
 - Higher Education Wales (HEW);
 - Alliance of Sector Skills Councils;
 - Colleges Wales/Colegau Cymru;
 - The National Training Federation for Wales (NTFW).
- Making a presentation of emerging findings to a meeting of the HE-SSC Communications Group (open to all HEIs and SSCs) on Friday 16 April and taking on board comments subsequently received.
- Drafting this final report.

With the agreement of both clients, we have also been able to draw on some of the fieldwork undertaken in the context of two projects commissioned from Old Bell 3 by the Alliance of Sector Skills Councils on Employer Engagement and Stakeholder Views of SSCs Labour Market Intelligence (LMI) in Wales.

1.4 Structure of the Report

In the remainder of this report, we present the findings from our desk research and our fieldwork in respect of:

- existing HEI –SSC linkages (Section 2);
- drivers, enabling factors and barriers to engagement (Section 3);
- HEI-SSC linkages in the context of experience elsewhere in the UK and experience of establishing joint working with Further Education (Section 4); and
- HEI and SSC views on moving forward (Section 5).

Finally, in Section 6 we present our Conclusions and Recommendations.

¹⁰ Both Lampeter and Trinity University College Carmarthen agreed that in view of the imminent merger of the two, staff at Trinity were better able to cover these issues.

Throughout the report we present, in a series of text boxes, examples of good practice, as identified by the HEIs and SSCs to whom we spoke. It should be noted that these are not in every case directly related to the analysis around them.

2.0 FINDINGS: HEI – SSC LINKAGES

Overall, while we identified a considerable number of links between Welsh HEIs and individual SSCs, we found relatively few substantive relationships.

The formal documentation (with the exception of the HEB CIS data) gives relatively little assistance here. SSA Action Plans generally lack specificity – in itself unsurprising as they were drawn up towards the beginning of SSCs' existence – while, with the exception of the University of Wales Institute, Cardiff (UWIC)¹¹ and to a lesser extent the University of Glamorgan (Glamorgan) and Trinity University College Carmarthen (Trinity), there are very few references to specific SSCs in HEIs' Third Mission Strategies, Graham "Additional Support" Plans or Annual Monitoring Statements.

HEB CIS itself asks HEIs simply to "*list which Sector Skills Councils (SSCs), if any, you engage with as part of you institution's Business and Community strategy*"¹². It thus opens the door to HEIs which meet SSC representatives in other fora or contexts or which are in regular receipt of published information materials to tick this box: it is beyond the scope of the survey to give an indication of either the intensity or the quality of the relationships. Perhaps it is inevitable therefore that we found that the HEB CIS data tended to give a picture of a rather more extensive network of linkages than appeared to be the case on further investigation. There were many examples of references in HEB CIS where neither the WILO nor the SSC concerned referred to any ongoing contact or relationship.

It is also clear (as might be expected) that there is also a considerable contrast between different SSCs and different HEIs:

- In terms of HEIs, to some extent the pattern which might be expected of the post-92 institutions having greater links in place held true: for example, Aberystwyth University (Aberystwyth) and Lampeter have relatively few contacts while Glamorgan, Glyndwr University (Glyndwr) and above all UWIC have stronger relationships with a number of SSCs. However, this is not universally the case. The University of Wales, Newport (Newport) and Swansea Metropolitan University (SMU) have relatively few active linkages (though in the former case, some strong ones), while many SSCs have at least some contact with Cardiff University (Cardiff). To some extent, factors such as size, range of curriculum and geography are clearly important factors in terms of the *volume* of contacts with SSCs.
- In terms of SSCs, again there is a wide spectrum from virtually no engagement in the case of around a quarter of the SSCs (for example, IMI, Go Skills, Government Skills) to relatively intense relationships with a range of HEIs in the case of a small number of SSCs such as Skillset and SEMTA.

Of course, it is very important to qualify this by pointing out that in many instances, where there is no overlap of HEI curriculum with SSC footprint, there would be little or no sense even in an ideal world of each HEI maintaining a relationship with each SSC. In this context, it is doubtful whether some of the targets set by HEIs in terms of SSC engagement which focus on the number of contacts or events with different SSCs are particularly helpful or meaningful.

¹¹ When first referring to a HEI by name we use the full name of the Institution: we subsequently use the abbreviation shown in brackets.

¹² HEB CIS Q. 5

Turning to the quality and intensity of relationships, there are a number of very positive examples of more in-depth collaboration, and we refer to these in the text boxes within the report. These are generally ones which are already well-known to HEFCW, however, and include:

- The Skillset Screen and Media Academies (Box 5);
- The UWIC-led Food Industry Skills Project (with Improve) (Box 1);
- Work between Lifelong Learning UK (LLUK) and Newport on the development of a Skills Framework for teachers in Post Compulsory Education and Training (Box 6);
- The Skills for Health funded Designed for Competence pilot project with Glyndwr and other partners (Box 2);
- Collaboration between Airbus, Deeside College, Glyndwr, and SEMTA on developing vocational pathways in Advanced Materials (Box 8).

Box 1: The Food Industry Skills Project

The FISP came about as a result of Improve presenting highlights from its SSA (which pointed to the shortage of food scientists and food engineers within the sector) at an HEI/SSC conference organised by HEFCW in December 2006. This had led to a subsequent meeting between HEFCW, Improve and UWIC, at which UWIC had endorsed much of what Improve had said as well as revealing that it was having difficulty in filling its food science courses.

This second meeting led to UWIC leading on a “collaborative bid” for support from HEFCW’s Third Mission Fund. Partners in the £238k FISP include Improve, Aberystwyth, Glamorgan, the Food Network Wales (which includes Coleg Menai) and a range of employers.

The FISP had four elements to it:

- The development of a Masters level programme in food technology, which evolved from what was originally envisaged would be a “conversion course” for STEM¹³ subject graduates and which is intended to be delivered largely in the workplace on a modular basis.
- The development of a suite of short courses. These are already in place, though uptake has been limited to date, partly due to the recession.
- The offer of bursaries to undergraduates for employment placements.
- A feasibility study into a potential Food and Drink Manufacturing Academy in Wales.

Employer engagement has been a key feature of the FISP, with both UWIC and Improve drawing on their industry connections to involve them in a Project Steering Group. Companies which have been involved include Kelloggs, Beacon Foods, Dawn Foods, Memory Lane Cakes, RF Brookes and Northern Foods.

However, many other relationships which are in place appear to be relatively slight. Some are focused largely on exchange of information or discussions about potential avenues of collaboration which have not been taken forward as yet: in time, of course, these may prove their value by leading to more in-depth collaboration. Others involve projects which are driven by other partners but where SSCs are involved at the margins. This includes some quite high profile former Knowledge Exploitation Fund (KEF) projects, such as the Wales Energy Sector Training (WEST) project (now supported via the Low Carbon Research Institute), a proposed sister project Built Environment Sustainability Training (BEST) led by Cardiff University, and the Printing and Coating Forum based at Swansea University (Swansea). In some

¹³ Science, Technology, Engineering and Mathematics

instances, the drive to engage SSCs resulted from policy pressure from HEFCW or the Welsh Assembly Government, but by and large we found few examples of dialogue or relationships being undertaken simply to “tick a box”. Where (as in the majority of cases) discussions have not progressed to action, this is not the result of the dialogue having been entered into for its own sake but because of one or more of the considerable range of barriers explored in Section 3.

Moreover, it was clear that in some instances, relationships are essentially commercial or contractual in nature, rather than based on collaborative partnerships: i.e. one side will have identified, either through a formal procurement exercise or less formally, that the other is in the best position to discharge a particular piece of work and has commissioned and paid them to carry it out. This was, for example, the case with a longitudinal study of new entrants to social work commissioned by the Care Council for Wales (with the Association of Directors’ of Social Services) from Swansea University; an Employability Skills Project, bringing together several SSCs but led by SkillsActive where research was undertaken by UWIC; or (in an example of a HEI commissioning work from a SSC) work undertaken by SEMTA for the e-Lean Research Centre at Cardiff on “sizing and levelling” new qualifications which were being developed.

That such relationships are commercial does not necessarily make them less valuable. As one academic said:

“There certainly wasn’t a lot of money involved. But both [research projects] were considered a success. There was a good fit with our overall objectives of supporting the sector in Wales and [the work has been] beneficial in that it feeds into our own work, knowledge and understanding. For example, it showed us that that our graduates were at a certain level understanding-wise, but skills-wise were much lower than where they needed to be ...It was also a good experience for our postgrad students who helped out with the qualitative work.”

Interestingly, however, in this case, the SSC Wales Manager said that while the SSC was pleased with the work of the HEI in question, and while it helped cement strong relationships with the institution, they would be less inclined to use a HEI now because they have built up their own in-house research capacity. This perhaps illustrates the need for HEIs and SSCs to build on their existing links to develop more in-depth collaboration, where the benefits are mutual.

More generally, there are some strong examples of individuals drawn from Welsh HEIs being represented on SSC advisory bodies, for example in the case of Construction Skills, SkillsActive, Skillset, and (most extensively, but less surprisingly) LLUK, but this does not appear to be the case for most SSCs. Conversely, there are very few examples of SSC representatives being involved directly in the work of HEIs through Employer or Advisory Panels for faculties or departments (one such being, however, the involvement of the Lantra Wales Manager as a member of Environment Steering Group for the Aber-Bangor Skills Centre).

In general terms, it appeared from our fieldwork that it has usually been HEIs who have taken the initiative to involve SSCs in partnerships rather than vice-versa. It is notable that although the vast majority of SSA Action Plans (and indeed “*Skills that Work for Wales*”) refer to the SSCs’ undertaking to produce a “*brief excerpt of the Sector Skills Agreement that will highlight issues, priorities and actions relevant to higher education and to which HEIs’ can be invited to respond*”, only a handful have actually done this. Where this has been the case, such as with SkillsActive and Improve, productive relationships with HEIs have developed.

3.0 FINDINGS: DRIVERS, ENABLING FACTORS AND BARRIERS

3.1 *The Role of SSC Footprints and of Professional Bodies*

One common assumption with regard to HEI-SSC engagement is that the intensity of involvement will reflect the importance of higher level skills within the SSC's footprint.

However, our fieldwork suggested that the relationship is by no means straightforward in this regard. While it is true that those SSCs with the least engagement with HEIs are often those with an occupational mix which is strongly focused on lower level skills (for example, Go Skills or IMI or to a lesser extent Skillsmart Retail), the opposite – that those SSCs whose footprints contain a very high proportion of “graduate jobs” are the most visible from a HEI perspective – is much less true.

We found that a key factor here is the role of professional bodies, which, in some cases appear to HEIs to remove or reduce the need for developing working relationships with SSCs and which can lead SSCs to prioritise work with parts of their footprints (usually lower-skilled) which are less subject to existing professional regulation.

Many occupations which have traditionally required graduate entry have very strong professional or regulatory bodies with effective powers to determine or at least influence the content of higher education curricula¹⁴.

These bodies are often significantly better resourced than SSCs, either because they are relatively generously funded as regulators by central Government, or because they are able to charge membership fees.

Moreover, such bodies are usually long-established and well known to academics. By comparison, SSCs are widely seen as having little profile with many HEI staff, even those engaged directly with business. For example, one HEI interviewee within a Business School, who had recently been brought into contact with SSCs as a result of work for the Welsh Assembly Government commented:

“The specific requirements within the contract ...required us to engage with SSCs. I might go further and say that we were actually made aware of SSCs through this project. Prior to this I didn't really understand what SSCs actually did ...”

In practice, then, pre-existing professional bodies sometimes do not allow any space for SSCs – often relatively new bodies – to carve out a niche for themselves in respect of the high level skills which are the focus for HEIs

This same problem occurs in other situations where there are well-established organisations which have a role in defining and developing skillsets of key groups of workers. One example here is the case of HE staff themselves, where the Higher Education Academy was said by LLUK to have a budget of £850,000 per year in Wales alone, compared to LLUK's own budget of £1.6 million for the whole of the UK.

For this reason, it was clear from our fieldwork that low levels of engagement with SSCs cannot be seen as a sign that individual HEIs are poor at engaging with

¹⁴ Examples here include the medical profession, elements within financial services (notably the various branches of accountancy), professions within the built environment (such as architects and chartered surveyors), social work and initial teacher training .

employer or sectoral organisations per se. Indeed, in some cases, for example, Newport in terms of Financial Services training, or Glamorgan in terms of its relationship with the South Wales Police, the institution was able to provide very solid evidence of the strength of its relationships with relevant employers and professional bodies, even where limited contact with the relevant SSCs has not (yet) really contributed to those relationships.

From the SSC perspective, too, the role of professional bodies has often made it difficult for SSCs such as Skills for Health, LLUK or the Financial Services Sector Council, to establish their role in terms of setting occupational standards and influencing the curriculum at level 4 and above. These SSCs have therefore tended to concentrate their focus on parts of their footprint where there have traditionally been far less clear progression routes, usually at lower levels. As one SSC Wales Manager put it, *“you don’t cut your teeth in the most hostile part of the market”*

By contrast, a clear driver for engagement between SSCs and HEIs has been parts of footprints where professional bodies are less well established, though graduate entry is the norm (with the media sector being a key example here) or where occupations are increasingly requiring for the first time higher level qualifications as a *“licence to practise”*.

Examples here include teachers in Post Compulsory Education and Training (PCET), where regulations have only relatively recently insisted on subject experts acquiring a teaching qualification, para-professionals in health, the care sector (where Government is increasingly demanding higher level qualifications for managers within the sector) and independent financial advisers, where the Financial Services Authority is ratcheting up the qualification requirements.

Box 2: Designed for Competence

Designed for Competence was one of 10 demonstration sites around the UK, funded by Skills for Health (SfH). The original concept was simple – trying to develop flexible provision which could address service needs as the provision of healthcare moved from acute settings into the community, based around SfH Learning Design Principles. Through discussion between the partners, the project focused in on managing chronic conditions (above all, diabetes), recognising that in the community the management of these conditions required inputs from a wide range of staff, some of them not even in the health footprint (e.g. social care workers). The aim was to identify who would need upskilling, to identify what was the service need in terms of their skills and then to get the HEI/FEI partners to design appropriate learning pathways to address these needs.

The core partners were three health employer bodies in North Wales (now just one – the new Betsi Cadwallader LHB), Glyndwr and the FEIs in the area (notably Coleg Menai, Coleg Llandrillo and Yale College).

While far from problem free, the project (which was due to come to an end in March 2010) has had some successes. Firstly it has helped define what the service needs are likely to be in the context of the major transformation of the way in which this aspect of health care is delivered and has demonstrated how upskilling of those in the existing workforce is critical to meeting the NHS broader agenda. Secondly it has brought about closer collaboration and connections between learning providers and between providers and employers. Going forward, the challenge will be how to fund the provision itself – it will be important to clarify what (if any) elements could be delivered using HEFCW-funded provision and what could be funded by the LHB.

In essence, such changes in the labour market offer a market opportunity to which HEIs are keen to respond and where (certainly in parts of the labour market where the regulators do not themselves have the role of developing occupational standards or where there are not strong professional bodies) SSCs can provide a positive service to HEIs.

3.2 SSC Capacity

Far more influential than the role of the footprint in determining the extent of a SSC's contacts with HEIs is the question of their capacity to engage in terms of staff resources. As one HEI interviewee said:

"I suspect you could predict whether an SSC engages to a greater or lesser extent by looking at their relative resourcing levels."

Lack of capacity (in terms of staff numbers) of many (though by no means all) of the SSCs in Wales was, by some distance, the most frequently cited barrier to effective engagement between HEIs and SSCs. Indeed, this was raised by almost every interviewee.

Thus, HEI representatives tend to point out that the majority of SSCs in Wales are "one-man bands", meaning that they struggle to engage at all with HEIs:

"It's the bandwidth of SSCs – they simply don't have the people to look at all the different aspects of their job properly ... it's a nonsense – one person trying to cover the whole of Wales".

Such comments were generally echoed by SSC interviewees themselves, suggesting that they are not merely a way of shifting blame for the generally limited development of effective links:

"Most of us are probably just one person trying to do everything ... and probably not doing everything very well ... if we had a bit more focus, it would probably be a bit better ... but we are where we are".

The issue here is less the fact that staff resources are so limited, than that there is a mismatch between resources and the expectations of what SSCs are expected to achieve:

[SSC Wales Manager]'s remit is so large – all Wales – and the number of small businesses in this area is huge so how [she] can possibly get around them. It's a very difficult, very lonely job she's doing ...having one person there is slightly crazy".

Moreover, a number of interviewees pointed to what was said to be relatively high turnover in terms of staff within SSCs and even more the apparent lack of collective memory within organisations when there is a change of Wales-based staff (reflecting both the isolation of Wales staff in general terms, but also perhaps the lack of strong requirements for record keeping). In this context, it is striking that all of the SSCs with the strongest linkages with HEIs (for example, Skillset, SkillsActive, Improve, e-Skills, ConstuctionSkills, SEMTA) have had key staff in post since they were first licensed.

As a result of this limited capacity, HEIs tend to see SSCs as lacking in proactivity and slow to respond or drive forward initiatives. Thus, for example, one of the most positive HEI interviewees nevertheless commented that:

“With the exception of LLUK, in each case it has been me and others approaching them in recent times and it’s led from there”.

Similarly, another who felt that the relationship they have with a SSC has been productive still felt that:

“The biggest practical frustration was the timescales. They always seemed to take ages coming back to us. I know that they were going through a period of upheaval and this probably affected them. But things did seem to drag on and there were large gaps”.

HEI interviewees also portrayed SSCs as very uneven in terms of their responsiveness, with one commenting that, in an effort to update their internal matrix of HEI-SSC contacts, they had contacted all SSCs:

“It’s incredible, the different responses you get ...only a handful responded positively, some even didn’t respond ...some people didn’t even come back with ‘no sorry I haven’t got time to speak to you’”.

HEIs outside South East Wales also tend to believe capacity issues have a disproportionately negative effect in terms of potential linkages between SSCs and themselves. One interviewee commented that an attempt to engage afresh with all SSCs in 2007 led to only five of 25 SSCs responding and on this basis the interviewee felt strongly that *“they don’t travel well.”*

To a lesser extent, this was echoed by some SSC interviewees, with one, talking of good links with two South Wales HEIs, commenting:

“I can easily justify a couple of hours to see them – it’s much more difficult to justify at least one day to visit north Wales”.

For some interviewees, relicensing had also been a major distraction, taking SSCs away from front-line engagement with HEIs and other partners.

Recommendations

Recommendation 1: HEFCW should seek to persuade the Welsh Assembly Government of the need for a much closer match between what SSCs are tasked to do and their capacity. There should be a stronger emphasis on addressing current gaps where there are no alternative mechanisms for proofing HE qualifications from the viewpoint of their relevance and appropriateness to the labour market. Correspondingly, there should be less emphasis on having a uniform system across all sectors, even those where professional or regulatory bodies already have a well established role.

Recommendation 2: As a key strategic partner in terms of skills development in Wales, HEFCW should use the new Action Planning process, post-relicensing, to challenge SSCs on the robustness of their engagement with HEIs where this is relevant.

3.3 SSCs’ Key Functions: Qualifications Design

From our fieldwork, it was clear that of the three SSC Core Functions of developing vocational qualifications, employer engagement and LMI, it is overwhelmingly SSCs’ capacity to advise on the development of qualifications which is the focus of most

collaborations with HEIs. For example, one senior HEI interviewee stressed that SSCs are very significant in terms of their ability to validate the content of curriculum development and to assure the relevance of curricula to employers, while a SSC interviewee emphasised that it is qualifications and occupational standards which are the SSC's unique selling point.

Box 3: Foundation Degrees in Sports Science

Both Glamorgan and the Open University in Wales have worked closely with SkillsActive to ensure that new Foundation Degrees reflect the principles of SkillsActive's occupational framework. SkillsActive's Wales Manager was invited to sit on the Validation Panel for Glamorgan's Foundation Degree.

HEIs are awarding bodies in their own right. It is therefore by no means inevitable that, even where HEIs are developing new qualifications which are vocationally focused, they involve SSCs. Rather, the driver of engagement is a recognition by HEIs of the need for external input in terms of curriculum development or validation, and where there are no well-established alternative bodies (again, such as professional bodies or regulatory agencies) who are in a position to provide it.

In these cases, it appears that it is almost always the HEI or a third party who takes the initiative to engage the SSC, perhaps reflecting in part that SSCs find it difficult to keep track of what different HEI departments are doing. Thus, for example, CyMAL (Museums, Archives and Libraries, Wales) brought LLUK into a discussion with Glyndwr and Llandrillo College on developing Foundation Degrees for Librarians, Archivists and Information Service workers, while Airbus and Deeside College originally brought SEMTA to the table with Glyndwr to discuss higher level qualifications on Advanced Materials.

Box 4: PP4SD

Professional Practice for Sustainable Development (PP4SD) was a Knowledge Exploitation Fund (KEF) project led by the School of Environmental Science at Swansea University which involved the development of a range of training materials on sustainability issues targeted at the aquaculture, conservation management, fisheries and land-based sectors. The training programmes focus in particular on integrating sustainable practices into businesses and are particularly appropriate for new businesses. Lantra was a key partner in the Steering Group which oversaw the project and the training programmes are now up and running.

Respect for the importance of SSCs in terms of assuring the vocational relevance of qualifications has thus been a key driver in terms of some important SSC – HEI linkages.

At the same time, most SSC interviewees believe that, in many cases, Welsh HEIs are insufficiently attuned to the need to engage with SSCs to “proof” the vocational relevance of their qualifications.

At the nub of this is the issue of Foundation Degrees (FDs), which are seen by some SSC interviewees as fundamental to bringing about a realignment of higher level provision to meet employers' needs but where, it was widely agreed, progress has been held up by a lack of clarity about policy, at least until the publication of “*Skills that Work for Wales*”:

“This whole debate has been handicapped by the fact there should have been a FD policy six or seven years ago that HEIs and SSCs could react to, and there hasn’t been”.

In this context, it is worth noting that while *“Skills that Work for Wales”* commits the Welsh Assembly Government to *“develop and consult on a policy for Foundation Degrees in Wales”*¹⁵, this has not yet been taken forward, despite the fact individual HEIs in Wales have been quite active in developing such degrees¹⁶.

While our research uncovered some examples of close collaboration between HEIs and SSCs on the development of Foundation Degrees (for example, work between Glyndwr and Llandrillo College and LLUK on Libraries, Archives and Information Services; between Newport and LLUK on Community Development, between Glyndwr and SEMTA on Advanced Materials, between SkillsActive and Glamorgan on Sports Science), it was also clear that a large number of Foundation Degrees have come onto the market without clear input from SSCs (though this is not, of course, the same as without employer input).

A number of interviewees argued that there is more forceful guidance in England and Northern Ireland to ensure that HEIs consult SSCs on the content of Foundation Degrees than is the case in Wales. More broadly, some interviewees believed that HEIs are insufficiently accountable to Government (as their main paymaster) in terms of ensuring that the qualifications are relevant to the labour market. One interviewee noted that whereas FEIs can only provide qualifications which meet National Occupational Standards (NOS), HEIs are under no such obligation and even though the Quality Assurance Agency’s (QAA’s) benchmark standards represent a loose equivalent, in practice the QAA does not even try to police whether HEI courses for a particular subject meet these standards. This interviewee also argued that the CQFW’s separate “pillar” for HE is a retrograde step and that, by failing to make sufficient linkages between this and the other two pillars, the Welsh Assembly Government risks provoking a crisis where HEIs are charging employers for delivering learning to their workforce which they have already covered.

From their perspective, some HEI interviewees did appear to confirm at least some elements of this view, arguing that occupational standards are simply inappropriate for higher education qualifications:

“There’s lots of assessment, but where’s the learning? ...it doesn’t make sense ...it’s not holistic ...there’s no kind of learning philosophy to it at all ...it misses some kind of heart ...it lacks the spirit that an academic would look for when they’re designing a masters or a degree programme”.

Another interviewee argued that much of the discussion about linkages between HEIs and SSCs misses the point that, for at least some HEIs, the market they are seeking to serve is global and that a SSC could not be expected to reflect the requirements of companies worldwide:

“You might also say that engaging with a Wales SSC team is a bit artificial. We are as likely to have links with companies in England or even Dubai or somewhere like that, as we are with a company in Wales. Part of that is down to our approach, our

¹⁵ *“Skills that Work for Wales”* p. 63

¹⁶ We understand that since drafting this report, the Welsh Assembly Government has now invited HEFCW to take forward the development of foundation degrees. HEFCW will publish its policy later in 2010.

scope. Part of it is down to the fact that the Welsh market is small, in global terms Wales is a medium sized city."

Recommendations

Recommendation 3: HEIs need to ensure that their internal validation processes, particularly for Foundation Degrees and other qualifications related to CPD and workforce development, are robust in terms of the bar set to test employer demand. There should be an expectation that SSCs should be involved in the case of all vocationally focused qualifications, except where there are strong and well argued reasons to the contrary.

Recommendation 4: In terms of its approach to HEIs, HEFCW should focus on ends rather than means. In particular, it needs to challenge HEIs on the robustness of their internal process for validating new qualifications, particularly Foundation Degrees (once HEFCW has finalised its Foundation Degree policy) and other provision targeted at the existing workforce. In particular, it should insist on the involvement of the relevant SSC(s), except where the HEI can give a clear account of how alternative sources of expertise (such as professional bodies) have been used: in such cases, at a minimum, the SSC should be informed of the development.

3.4 SSCs Key Functions: Employer Engagement and LMI

In comparison with expertise on qualifications, our fieldwork suggested that HEIs generally have little confidence in the depth and quality of SSC's employer engagement and LMI and that this may be a key factor in the limited engagement between SSCs and HEIs.

In simple terms, the vast majority of HEIs do not believe that SSCs bring much to the table in terms of credible employer input (largely as a result of limited capacity). This perception is not true of all SSCs, however: various HEI interviewees praised some SSCs (most often, Skillset, ConstructionSkills, e-Skills, Improve and SEMTA) for the quality of their employer engagement and for the way in which they articulate the views of employers in their sector.

Otherwise, most HEI interviewees were generally critical of the quality and relevance of SSC published LMI. In particular, they believe that LMI is insufficiently Wales-specific and lacks a regional dimension which (in the view of many of them) is essential to make it relevant for HEIs in planning provision. It needs to be recognised, however, that providing regional level LMI is not part of SSCs' remit from the Welsh Assembly Government, thus suggesting the criticism results either from misplaced expectations or from a failure of policy, rather than inadequate SSC performance.

Even more importantly, SSC LMI is seen as too static and insufficiently focused on future needs and requirements which, given the long lead times of bringing on stream new HE provision, severely impairs its usefulness:

"You wouldn't act on the information available at the moment – it's not appropriate or authoritative enough".

In this context, a number of interviewees also raised concerns that the unrealistic expectations of SSC LMI prevent other organisations, particularly the Welsh Assembly Government, from investing in necessary research:

“One thing SSCs could do for us is reproduce Future Skills Wales. I haven’t seen anything similar to this since the TECs were abolished. I would really like to see the FSW initiative resurrected in order to give us good labour market intelligence”.

Underpinning this criticism was a concern that sector-specific LMI is itself of limited relevance for more advanced technologies, where boundaries between traditional sectors (for example, construction and manufacturing) are being erased (for example, in green technologies, microgeneration, or composite materials) or for leadership and management which is another area in which HEIs have a major contribution to make:

“If you want a regional approach to upskilling, you need a cross-sector approach ... often higher level skills are in cross-over areas ...e.g. ‘green’ skills”.

While criticism by HEI interviewees of SSC LMI might well have been based on unrealistic expectations, it does not appear to be based on ignorance as it is those HEIs who are most engaged with providing learning targeted at the existing workforce (and thus, those with the strongest interest in receiving good intelligence on what employers wanted) who are often the most critical.

An interviewee from one such HEI contrasted the quality of the data on student demand (which enabled any HEI to know straight away what the top 40 most demanded subjects were) with that on employer demand, saying that as an institution, what was needed was a straight answer to the question *“what are the top 40 level 4 demand areas”* from employers. This information just was not there: *“you’d tend to expect the skills gap would have been identified”*. This same HEI felt that SSCs did not even really understand the seriousness of the issues:

“When we’ve asked these questions ...the SSC Managers just can’t seem to understand what we are asking. We’re saying ‘can’t you tell us where the market gaps are at a HE level and then we can start having a dialogue ...but we can’t help you if you can’t tell us where the market needs are”.

Related to this, HEI interviewees generally believe that, with the handful of exceptions already cited, SSCs are not able to bring employers to the table and that this is a critical flaw for organisations which portray themselves as speaking on employers’ behalf. HEIs tend to believe (rightly or wrongly) that they have equal or better employer engagement with larger employers than SSCs: what they hope for from SSCs is to capture the views of, and find ways into, the SME market, which is much more difficult to penetrate, and here they feel that SSCs simply do not have the depth of contacts with SMEs which would make their contribution valuable:

“Lots of employers haven’t heard of SSCs, and it’s particularly acute in Wales because of the lack of large employers ...SSCs don’t appear to engage with small and micro businesses”.

In this context, several interviewees noted that their HEIs had found SSCs could not help with identifying employers in the context of GO Wales or the HEFCW funded Strategic Insight Programme (which funds placements for academic staff with public, private and third sector employers and vice versa), with one interviewee saying that despite attempts to engage SSCs:

“nothing happened. The project was still a success but the way in which we got into companies was through individual academics either having their own projects and

approaching companies directly, or we did as a University. We didn't get any steers or leads from SSCs at all ... that was disappointing".

Unsurprisingly, SSC interviewees did not echo these criticisms. However, several SSC interviewees noted that one reason for seeking joint working with HEIs is to gain access to their networks of local employers within the SSC footprint. For example, one SSC stressed that a reason for getting engaged with a niche initiative co-ordinated by a HEI was that it was a *"route to market"*, or a means of building links with stakeholders, while another was interested in collaborating with a HEI since *"selling"* a new HEI course would offer a way of getting a *"foot in the door"* of employers in the sub-sector.

Other SSC interviewees also themselves stressed the limitations of their own capacity for employer engagement, particularly with SMEs, implying that, to some extent at least, HEI criticisms have some basis in fact, or alternatively that their initial expectations of SSCs' capacity to solve problems for them is unrealistic.

Interestingly, in this context, several interviewees from both SSCs and HEIs suggested that HEIs have better employer engagement than either of them, with one HEI interviewee referring to the fact that within relatively recent times Coleg Morgannwg had had an employer engagement team of 25 - the equivalent of one for each SSC footprint, just to cover a relatively modest part of Wales.

There are, of course, exceptions to this generally negative picture, cases where SSCs' employer networks have been a driver of HEI – SSC engagement. One such exception is Skillset Screen Academy, where the ability of Skillset to bring major Welsh employers to the table was seen as a clear reason for HEIs to work with them.

Box 5: Skillset Screen Academy Wales

The SSAW, along with other Screen or Film Academies across the UK, was formed in 2005 at Skillset's instigation and with funding from HEFCW's Reconfiguration and Collaboration Fund as a centre *"of high level film, animation and screen acting industry-focused training and education, providing Master's level and undergraduate programmes in eight core areas"*.

Unlike Academies elsewhere in the UK, it was based on collaboration between five institutions:

- University of Wales, Newport (International Film School of Wales)
- University of Glamorgan (Cardiff School of Creative and Cultural Industries)
- Swansea Metropolitan University
- The Royal Welsh College of Music and Drama
- Cyfle, as an industry training partner.

The work of the Academy is guided by an Industry Panel which includes a number of major employers within the sector.

Partners in the SSAW offer a range of 16 undergraduate and postgraduate courses. The SSAW adds value to these courses by providing a range of bursaries and scholarships, short course awards, placements, master classes by industry professionals, mentoring, residencies, and international exchanges, amongst other things.

A key area of activity for the SSAW executive team is coordinating work experience opportunities for undergraduates and postgraduates across the four participating universities, using HEFCW's GO Wales programme as a means of securing financial support for work placements where possible. Prior to the establishment of SSAW, work experience arrangements for Screen/Film industry students tended to be far more ad hoc, with some students going through their whole degree without any work experience and, therefore, being less work ready at the end of their courses.

Previously, HEIs competed for work placement opportunities, thus, imposing upon employers with numerous 'marketing' calls. Employers are said to find the work experience coordination service useful because it enables them to access young people on work experience that have the skills they need. By the same token, feedback from employers on the skills which students possess has helped the universities to improve their courses in order to better meet employer needs

As well as generating real benefits for both employers and HEIs, the experience of working collaboratively led to the development by the same partners of a successful proposal to HEFCW's Economic Support Initiative for the establishment of "Academi+", which supports CPD provision for existing employees in the Skillset footprint.

Other SSCs which at least some HEI interviewees believe have relatively good networks with employers were Construction Skills, e-Skills, SkillsActive, Skillsmart Retail and SEMTA.

Thus an academic with strong links to SkillsActive emphasised the importance of SSC engagement as a way of achieving far better integration with employers. For this interviewee, the *"ongoing relationships"* that the SSC link had produced led to a more vibrant and meaningful interaction with employers than had *"the liaison committee for...the great and the good"*, which had been the more traditional model employed to demonstrate employer engagement, where *"people were doing it because they were told to do so"*.

Another commenting specifically on Skillset noted that the quality of the SSC's engagement with the industry, and hence its LMI was critical:

"[it's] really valuable [to have] up to date information to be able to feed back to tutors and to students as to where the industry is at the moment".

Conversely, as we have already noted, in some cases SSCs have found HEIs useful as a way of "tapping into" local employer networks.

In conclusion, then, it is undoubtedly true that both HEIs and SSCs are much more likely to be interested in working together when they perceive their potential partner as having good contacts and networks with employers. Thus one HEI interviewee cited a positive (but, in their view, rare) example of where a SSC was instrumental in establishing a productive relationship between a company and the HEI and where the SSC has been kept in the loop because it is clearly valued by the company. This tied in to what the HEI sees as a more general challenge to SSCs to bring *"real businesses and real opportunities with potential"* to the table.

Recommendation 5: SSCs must give priority to ensuring that their LMI is tailored to specific audiences. In particular, they need to at a minimum produce an annual very short summary of key headline messages from the LMI about high level sector needs in Wales which can be shared with HEIs. As part of the new Action Planning process, SSCs also need to highlight specific issues with regard to gaps or over-supply in terms of higher level provision which require action by HEIs.

3.5 HEIs' Missions and Workforce Development

Some HEI interviewees stressed that their openness to working with SSCs is shaped by the centrality of employer engagement to their mission as a HEI:

“Universities will only engage with SSCs if a) they are told to, i.e. via ‘guidance’ associated with funding; and b) if it is in their interest, i.e. accords with their commercial and social objectives. The latter is much, much, stronger [in terms of] seeking genuine engagement ... The context here is that of a developing employer engagement [strategy] within HE. [Employer engagement] is now recognized in our strategic objectives because the benefits are both commercial and societal.”

However, as has already been noted in Section 2.1, just as any assumption that it is those SSCs with the highest representation of graduates in their existing footprint who are the most engaged with SSCs does not seem borne out in practice, so it is true that there is no automatic link between post-92 HEIs and stronger or more intense relationships with SSCs, even though it was clear from our fieldwork that almost all of these Universities are strongly engaged in providing CPD and other qualifications and interventions targeted at those already within the workforce.

Box 6: A Teaching Qualifications Framework for Wales

Lifelong Learning UK (LLUK) worked closely with the School of Education in the University of Wales Newport to develop a new Teaching Qualifications Framework for Wales for teachers in Post Compulsory Education and Training (PCET).

The work arose from funding provided by the Welsh Assembly Government to LLUK as part of a “Strategic Partnership Agreement” signed between DCELLS and LLUK to develop new teaching standards for PCET teachers in Wales, following the development of separate England-only standards. Although the School of Education was paid for its inputs, Newport’s involvement was driven more by the close engagement of the Dean of the School with these issues (since it is a major provider of both Initial Teacher Training and CPD for PCET teachers) and the fact that Newport was willing to use its large network of franchised FEIs as a way of consulting on and testing out emerging ideas.

The project involved the development of a set of standards and a framework for them, and a range of supporting materials including Applications Guides for discrete modules within them.

From both LLUK and Newport’s perspective this was a really positive experience of collaboration: Newport has already reformed its PCET qualifications to bring them into line with the standards. However, the framework has still to be formally adopted by the Welsh Assembly Government, as the regulator for the profession.

Indeed, while some of the more positive voices within HEIs about the reality and potential of working with SSCs did come from individuals within such HEIs, it is equally true that some of the teaching staff and ILOs in those institutions are amongst the more critical commentators: these interviewees tend to contrast the input of SSCs with those of professional bodies and regulators.

More generally, a fundamental barrier to HEI – SSC engagement appears to be a deep-seated and genuine lack of clarity about the significance of the role of HEIs in terms of upskilling the existing workforce (as opposed to “pre-skilling”, i.e. preparing young people for entry to the labour market).

A number of interviewees from within the HE sector admitted that enthusiasm for real engagement with workforce development issues is variable across and within HEIs. Thus one, contrasting his institution with others, and commenting on the reason for the success of the engagement with a particular SSC, said:

“What has been crucial is having the time and belief within the university. The belief is driven by the pride that we have in preparing our graduates for the world of work”.

Other interviewees in more traditional HEIs argued that there are competing pressures on them, not least from HEFCW, and that institutions in many cases continue to be driven either by the research agenda or by the financial imperative of filling their mainstream undergraduate and postgraduate provision. In this context one interviewee commented that *“if a bright young academic wants to progress their career rapidly”* they would be ill advised *“to spend a lot of time engaging with businesses”*.

If HEI interviewees admitted that engaging with businesses to meet the development needs of their workforce is only one of a wide range of priorities, SSC interviewees generally believed that, in many cases, HEIs are simply not committed to developing courses and qualifications which respond to employers’ needs but are rather focused on “selling” existing or marginally changed products.

A particular concern here is that HEIs are concerned with delivering qualifications (*“everything has to be a masters”*), whereas employers are seen to want skills and to be relatively uninterested in qualifications:

“A significant amount of level 4 to 7 training isn’t done by HEIs ...a significant amount of spend by companies in Wales isn’t related to qualifications ...they want the skills not the qualifications ... they use consultants with a name, a reputation”.

One SSC interviewee argued that the sort of provision needed even for high level skills is likely to consist of bite-sized short courses delivered on site, with a strong emphasis on skills/knowledge and a lesser emphasis on qualification outcomes, which HEIs are not well equipped to deliver. Explaining the difference in culture and values, she cited the example of one SME owner who had taken an MA course almost to completion, but had not seen any benefit in producing the 20,000-word dissertation needed to gain the final qualification as he felt he already had gained the knowledge he required from the course. From the HEIs point of view, she noted that the individual would be recorded as a drop out and a “failure” but from the point of view of the owner/employer, it was a successful intervention.

3.6 The Role of HEFCW and the Alliance

In terms of enabling factors, the vast majority of the interviewees we met believe that HEFCW has played a positive role in terms of offering opportunities to make linkages between HEIs and SSCs. This view was voiced by both SSCs and HEIs:

"[HEFCW staff are] very professional, things happen"

"Nothing would have happened if we hadn't had the help and support of the Higher Education Funding Council ...and the fact that they helped to facilitate that meeting [with a key HEI] for us helped me a great deal".

Indeed, there is a strong view that HEFCW has done more than could reasonably have been expected to ensure that doors are opened between the two sets of organisations (with a corollary for some that it does not need to try to do so much in future). One interviewee went further, questioning why a funding body should have taken on this responsibility, noting that in the case of the FE Sector it was Colleges Wales, the FE colleges' association (and thus the parallel body to HEW), rather than the funder which provided the interface with SSCs.

At the same time, some SSC interviewees believe that the strong personal commitment shown by individual HEFCW officers most involved in working with SSCs is not necessarily reflected throughout HEFCW as a whole. These more negative views of HEFCW as an organisation are in large part based on a lack of understanding of, or sympathy with, HEFCW's current role and remit. A number of SSCs commented on their frustration with what they see as HEFCW's lack of ability to mandate provision which, from their perspective, fatally undermines any opportunity for SSCs to shape provision on the ground. Thus, several interviewees pointed to examples where they believe there are strategic gaps in provision in different parts of Wales, but where it is impossible to use HEFCW to exert pressure on HEIs to fill the gaps, given their autonomy over deciding which courses to run.

A small number of interviewees (predominantly ones who are new to their current job role) felt that there is a need for more or continued opportunities to provide a "speed dating" service for HEIs and SSCs¹⁷ but others felt that a law of diminishing returns is operating, with the most recent attempt (at Carmarthen in 2009) to bring together all SSCs and all HEIs having been less successful than earlier meetings.

"I don't think that anything came out of this for us – a lot of time was spent on discussing what projects were going on and sharing views".

Some interviewees also praised the role of the Alliance¹⁸ in helping to build bridges between HEIs and SSCs, with one HEI interviewee praising the Alliance for directing her to the right people within SSCs and also acting as a "filter" for information, commenting:

"[The Alliance] has been great ...especially in passing information on to [SSCs] ...because she says they get bombarded with information ...so if we go via [their] office, it comes through as something they need to pay attention to".

¹⁷ Where HEFCW arranges an event to facilitate introductory discussions between HEIs and SSCs

¹⁸ The Alliance of Sector Skills Councils is the network of SSCs and was established on 1 April 2008. The Alliance was set up to represent the collective interests of the SSCs and to influence policy at the strategic level on their behalf.

HEFCW and indeed the Welsh Assembly Government are generally seen as encouraging joint working between HEIs and SSCs, though some interviewees believed that there is a lack of sanctions (on each side) against those who fail to collaborate.

Recommendation 6: HEFCW has probably done as much as it can in terms of making initial introductions and providing opportunities for HEIs and SSCs to meet and exchange views. HEFCW will need to continue to provide a “way in” to HEIs, particularly in the case where new SSC staff come into post, but the support should now be more selective and focused on providing more specific advice, guidance and signposting in response to specific requests.

3.7 Identifying Partners In HEIs

It was quite clear from our fieldwork that, in most cases, successful relationships between SSCs and HEIs rely heavily on good personal relationships between individuals: as one HEI interviewee commented:

“I think much depends on the personalities involved and their motivation for getting together and looking at joint projects. I have an excellent relationship with [SSC] Wales Manager”.

Similarly those SSC Wales Managers who feel that they have developed positive relationships with one or more HEIs often see this as the result of having found one advocate within the HEI who could drive forward collaboration and make links:

“The secret is getting to know someone in there ...finding someone in there who can open doors for you”.

SEMTA in particular was able to point to the fact that a secondment under the Strategic Insight Programme (which provides secondment opportunities for HEI staff to work in an external organisation and vice versa) opened doors to other parts of the University. Conversely, where staff moved on (either from the SSC or the HEI) the link could be broken as a result.

Box 7: ICT and the Open University in Wales

The Open University in Wales (along with the OU more generally) has worked closely with e-Skills to secure endorsement of its Foundation Degree in ICT. Building on this, OUIW has developed a course to deliver the e-Skills Professional Programme, a postgraduate qualification which is intended to increase the contribution of IT professionals to business growth during the early years of their careers. Although the Programme has been available in England through a small number of HEIs, the OUIW's Programme is the first time it has been provided in Wales.

Some interviewees suggested that these personal relationships are more likely to work where academic staff are more “outward facing”, for example, where they have themselves come from “industry” and are thus more attuned to the needs and constraints of learning in the workplace. One manager, for example, contrasted two teams within her School, both related to vocational subjects: in one case, all the individuals within the team had been teaching within the University for a considerable period, and had very limited relationships with the relevant SSC; in the other, where a

majority of the lecturers had relatively recent industrial experience, relations with the relevant SSC were much closer.

More generally, however, it was clear from the fieldwork that SSCs in particular find it difficult to find their way into HEIs.

A key issue here is the extent to which the ILOs are seen to be fulfilling their role as the first point of contact for SSCs within HEIs. While, particularly in smaller HEIs, ILOs generally appear to have a reasonable awareness of linkages between individual departments and faculties and SSCs, this is clearly not always the case. Some HEI interviewees freely admitted that while ILOs and other central teams are willing and able to signpost SSCs (or other businesses) when asked, they are not in a position to drive forward linkages in a proactive way because of the lack of a strong central administration:

“ Academics are by nature quite independent. Many probably wouldn’t see the need either for us being that central co-ordinating point or even, for that matter, having to engage with [organisations] like the SSCs ...we think a lot more can be done in developing the team as a central point or gateway for employers and other external organisations like SSCs wanting to engage with the schools. If they approach the academic schools directly they tend to either have problems identifying the best person or they go to the wrong person. Our role, as we would like to develop it, would be to be the point of contact for employers and related organisations like SSCs. We could then sign post them to the best people within the schools”.

Another interviewee put it more succinctly, saying that *“it’s a miracle if you reach the right person – it’s all a bit random”*.

One ILO in a small HEI noted that his opposite numbers in other HEIs have a range of responsibilities, including those relating to knowledge transfer and the Academia for Business (A4B) Programme, and that skills issues (and hence SSCs) are relatively low down their agenda. Similarly, a SSC Wales Manager with considerable experience described ILOs as *“hidden secrets ...they are very loath to be too visible ...they’re not proactive, they’re not marketers”*.

Indeed, some interviewees both within SSCs and even within HEIs appeared to be ignorant of the whole concept of the ILOs, with one well-established SSC Wales Manager advocating the need for clearing houses within HEIs to provide a first point of contact for SSCs:

“It would be really good if there was someone who was specifically charged with being the first point of contact for SSCs”.

This is quite striking, given that the ILOs have, on the whole, identified themselves as being able to fulfil this role, and that HEBCIS shows that all HEIs in Wales have long-established dedicated enquiry points for SMEs. It suggests that this, in at least some instances, is neither working effectively nor well understood.

A number of long-standing ILOs also admitted that they are no longer particularly proactive in trying to promote SSCs to academic colleagues because of poor experiences in the past:

“In many respects, from the LMI and employer engagement angle, ...the amount of time I’ve spent trying to work with SSCs, I might have been better going to the employers or other institutions themselves. Because in a sense my role has been

more politically driven by HEFCW ...At the outset I had an open mind, that we should participate and get engaged with these SSCs and could more honestly speak to colleagues and encourage them to get engaged, but now I feel a little reticent ... because we haven't seen the benefits".

More generally, several HEI interviewees admitted that, for SSCs and indeed businesses in general, the lack of clear "information portals" (other than those directed at potential students) in their institutions makes it difficult to identify and develop good partnerships.

Given these issues, it is not surprising that, while a handful of interviewees pointed to the importance of good central co-ordination and signposting within individual HEIs as an important enabler of HEI- SSC relationships, some SSCs simply believe it is too difficult to find their way into Universities, particularly in the light of their very limited resources:

"It's really difficult to identify the right person to speak to ... given how small Wales is you would think they could coordinate a bit better, so we don't have to have the same conversation 12 times over".

Some SSC interviewees also complained that, even where they have found their way to the right department, they have found staff who are not interested in meeting them or very slow to respond to requests to do so.

Thus, for SSCs, the difficulty of finding their way into, and around, Welsh HEIs is a major barrier to engagement, with the intention that the ILO network would form a point of entry apparently not always working in practice, partly, it would appear, because of the range of functions which ILOs are expected to fulfil.

Recommendation 7: HEIs need to work closely with HEFCW and other partners to address the issues with regard to routes in to them for businesses and other stakeholders. They should also revisit the current roles and responsibilities of their WILOs (or equivalent departments) to ensure that their role vis-à-vis SSCs is explicit and adequately resourced and is well publicised within the institution.

3.8 Finding a Common Language

Our fieldwork suggested that difficulties in developing relationships are not only practical but also cultural.

On the one hand, a large minority of HEI interviewees argued that SSC Wales Managers are not confident in dealing with HEIs. Many SSC staff are felt to have a strong background in FE or private training providers (with one broadly sympathetic interviewee nevertheless talking of *"the FE-ness of their outlook"*) while SSCs as organisations are seen as predominantly focused on lower level skills:

"If you look at a lot of their programmes, they don't emphasise high level skills ... usually they tend to focus on low level skills".

These interviewees (ironically, perhaps, particularly those with a strong interest in CPD) believed that SSC staff generally have little grasp of the way in which HE operates: it was argued that SSCs often have an outmoded view of HE, in that they see its interaction with the workforce as being purely relating to the flow of new

entrants into the labour market and are unaware of the extent to which HEIs already offer “bite-sized learning” for those already in work. For example, one commented:

“[SSCs] tend to think the end product [of an HE course is] the degree, the graduate, rather than CPD which ... could be set at any size from five credits upwards”.

Another pointed to what they said was the fact that of recognised qualifications in Wales, it was only NVQs at Level 4 and above that were not fully mapped against the Credit Qualifications Framework for Wales (CQFW), which, in their view:

“speaks volumes about the understanding of the relationship between applied, vocational and theoretical learning .. which as a post-92 institution is our bread and butter”.

While most SSCs have HE experts on their national staff, it seemed clear that these are somewhat remote, find it difficult to develop a good understanding of the Welsh context and are treated with a degree of suspicion at least from some of the HEIs.

By contrast, SSC interviewees tended to portray many of their encounters with HEIs as ones which have left them feeling that University staff have little understanding and interest in SSCs’ fundamental role of ensuring that qualifications are attuned to labour market needs. This easily comes over as arrogance, with one SSC Wales Manager commenting:

“They talk as if they’re in a sci-fi novel ...industry doesn’t understand them”.

In an acute comment, one SSC interviewee pointed out that:

“There’s this notion of academic privilege ...academics feel, why should we be running around asking what employers want when they should be listening to us about what they need for the future”.

On the other side, an academic interviewee within a research-led HEI who has had a broadly positive experience of working with a SSC, nevertheless felt that there is a gulf in terms of culture:

“Their remit was about promoting awareness in the sector of skill needs, shortages and gaps and so on: very practical things, very practical information ...There was no vision as to how HEIs like us would fit into this ‘practical’ remit. You felt that they didn’t really understand that HEIs like us are research led which means our provision is based upon the findings from that research ...I don’t think there was ever that connection. And perhaps this explains why things sorted faded away”.

A small number of SSC interviewees complained in particular that HEIs had no interest in lower level skills (though this does perhaps betray a degree of naivety about the HE sector).

Underpinning these views of each other as fundamentally unsympathetic is the recent difficult experience of the development of the ESF projects on Foundation Degrees and Work Based Learning¹⁹, where SSCs clearly felt that they had been used as window dressing by the HE sector. While HEFCW, the Alliance and Glamorgan as the lead partner have moved to address this, for some SSCs, this has “done a tremendous amount of damage” and has left a legacy of mistrust.

¹⁹ See Section 3.10 below

3.9 The Structure and Culture of HEIs

A further barrier cited mostly, but not exclusively, by SSC interviewees was the broader issue of the structure and the culture of the Welsh HE structure. To a large extent, these criticisms would appear to echo some of the concerns contained within *“For Our Future”* with its aim of *“creating a higher education system approach [which] will target the eradication of nugatory local competition and wasteful duplication of provision”*²⁰.

In particular, many interviewees believe that the number of separate HEIs in Wales, and their unwillingness to work together collaboratively, compounds the difficulty for SSCs in terms of developing meaningful linkages.

Thus, one SSC interviewee pointed out that:

“In Northern Ireland, they’ve got 1.5 million people and two HEIs; in Wales, we’ve got 3 million people and 12 HEIs, so effectively we’ve got relatively speaking three times as many HEIs to engage with as our colleagues in Northern Ireland”.

Another argued that HEIs are often too competitive, too concerned to build market share and to steal a march on other institutions, rather than working genuinely in partnership to solve problems. For this interviewee, this meant that, particularly where the target market was within the public sector workforce, what they offered could end up *“being to the detriment of the public sector as a whole”*.

The view that Welsh HEIs are deeply competitive in their approach to one another was also echoed by a minority of HEI interviewees, with one noting that a knock on effect of this is a reluctance on the part of SSCs to work with one HEI for fear of burning bridges with others and another commenting:

“I think also HE doesn’t do collaboration very well. It does competition well. The funding system pushes HE in this way. Maybe there are too many small universities in Wales”.

The lack of collegiality (combined with the lack of powers of HEFCW to intervene in provision put on by HEIs) was seen by several SSCs as a major issue in terms of the use of LMI, since the same data could be used by several HEIs to put on new provision thus leading to an over-supply of qualified people. This point was even made in respect of Skillset, where it was said that there have been disagreements between the employer members of the Screen Academy’s Industry Panel and the HEIs over the number of undergraduate places available in Wales which, in the employers’ view, exceed demand within the sector²¹.

Another SSC Wales Manager pointed to an example of a specific masters course which is about to be launched in one HEI, while another - within an hour’s drive – could not fill the places on a similar course.

In this context, one SSC argued strongly that HEIs should be obliged to at least inform relevant SSCs of new courses being developed.

²⁰ *“For Our Future”* p. 12

²¹ Although it needs to be recognised that neither the Welsh student market nor the labour market are closed or operate in isolation.

The lack of dialogue between HEIs was contrasted by interviewees with the ability of subject specialists across FEIs, aided by subject fora facilitated by Colleges Wales, to work together, thus forming an easy point of entry for SSCs. While some examples of joint working across Welsh HEIs were cited – for example, the Higher Education Built Environment Forum (HEBE) and UCET (the Universities' Council for the Education of Teachers) Cymru – these were felt to be the rare exceptions rather than the rule.

Recommendation 8: HEFCW should work with Higher Education Wales and the Higher Education Academy (which already facilitates UK wide subject groups) to consider how a more coherent pattern of HE subject groups might be developed in Wales which would provide an easier interface for joint working with SSCs.

3.10 Funding and Access to Resources

In many ways funding was not raised during the fieldwork as frequently as might have been expected. This might reflect the fact that that few HEI – SSC relationships appear to have progressed to a stage where there are concrete ambitions or plans to take forward.

However, access to funding has been for some an important enabling factor (or even a driver). Thus, one HEI interviewee commenting on Skillset's work in developing the Skillset Screen Academy for Wales said:

"The money makes people's ears pick up and engage".

More particularly, a number of HEI-SSC linkages appear to have their origin in former Knowledge Exploitation Fund (KEF) projects, where there was pressure from funders to ensure the engagement of SSCs. As one HEI interviewee put it:

"Part of the deal with KEF was that we had to engage with SSCs as a means of identifying Welsh SMEs and appropriate contacts within them".

At least one SSC very explicitly used its opportunity to comment on KEF bids as a way of identifying HEIs with whom it should work.

With KEF having come to an end, a minority of interviewees (from both HEIs and SSCs) believed that the suite of HE European Social Fund (ESF) projects which have recently been approved, in particular the University of Glamorgan led Foundation Degree and Work Based Learning projects, represent a potential opportunity for HEIs and SSC to work in partnership to develop new "products", and both SEMTA and Creative and Cultural Skills were said to be already working with Glamorgan and other partners on applications.

Otherwise, relatively few collaborations between HEIs and SSCs appear to have accessed (or sought) significant external funding. Exceptions are:

- the Skillset Screen and Media Academies which have accessed funding from HEFCW's Reconfiguration and Collaboration Fund, Strategic Development Fund and Economic Support Initiative;
- the Food Industry Skills Project which has received funding from HEFCW's Third Mission Fund;
- LLUK which secured funding from its Strategic Partnership Agreement with the Welsh Assembly Government (as regulator of all teaching professions in

- Wales) to undertake the work with Newport on the PCET teaching qualifications framework;
- Skills for Health's Designed for Competence pilot which was funded from monies made available for a series of similar pilots by the UK Government.

There were also said to be a number of examples of SSC engagement with the Welsh Assembly Government's A4B collaborative (research) networks and centres.

A further positive factor in encouraging closer working between HEIs and SSCs is where the SSC itself could bring resources to the table. In practice, this has been quite rare, applying mostly obviously to those SSCs with a statutory (Construction Skills) or a voluntary (Skillset) levy.

For other interviewees, the lack of easily accessible funding is seen as a barrier.

Several HEI and SSC interviewees raised the lack of specific funding to facilitate direct linkages between HEIs and SSCs, with one in particular arguing that there is a need for HEFCW to fund SSCs directly in order to bolster their capacity to work with HEIs. Another argued that, building on the experience of the Strategic Insight Programme, there should be more opportunities for secondments from HEIs to SSCs in order to build bridges and open doors, while others were less specific in their views but still insistent that lack of funding is a barrier:

"I think the whole thing relies too much on the goodwill of the HEI. There is some funding from WAG that I can use to engage with employers but we are not talking significant amounts ...in truth there's lots that we'd like to do but without funding there's not much that we can do."

However, this was by no means a major focus of comment by SSCs while HEI interviewees, as we have seen, have more fundamental concerns about the value of engaging with SSCs at all.

A somewhat more common source of comment was the problem of the lack of coherence between funding for learning up to level 3 and beyond level 4, due to the rigid separation of DCELLS and HEFCW funding, with several interviewees pointing to the fact that the Sector Priorities Fund Pilot specifically excludes higher level skills. The contrast between a policy which emphasises the need for developing seamless vocational pathways and the present funding system is seen to be telling, with SSCs also believing that accessing funding from DCELLS is more straightforward:

"I can get £0.5m to do apprenticeships ... but it's more difficult to get money to do anything with HE"

This was echoed by a HEI interviewee who said that funding available to SSCs for project activity appears to have been limited to collaboration with FE, adding *"why speak with HE when you have funding for FE"*.

Recommendation 9: HEFCW needs to work closely with the Welsh Assembly Government on overcoming the rigid separation between funding for vocational pathways between HE and FE, particularly in the context of the emerging regional agenda. The development of seamless progression routes between the two cannot be achieved without either fundamental funding reform, or at least some co-ordination of budgets so that each can provide funding towards initiatives which provide progression routes between FE and HE.

3.11 The Role of FEIs and Other Intermediaries

Finally, we asked about the extent to which collaboration between HEIs and SSCs also involve the FE sector.

We found some examples where the FE sector appears to have formed a bridge to encourage these linkages. This appeared to be particularly true in the context of SEMTA's work where good relationships with the FE Colleges Heads of Engineering Network have led to SEMTA being brought into discussions between FEIs and HEIs on progression routes (most notably, the Advanced Materials Group, though this was only one of several examples). While FEIs are involved in some other cases in trilateral working, there is little evidence of FEIs forming a bridge between HEIs and SSCs in other sectors, though one stakeholder, referring to recent developments with the regard to HE regional planning²² believed that *"HE/FE collaboration is clearly rushing up the agenda"*.

Box 8: The Advanced Materials Group

As a result of initial discussion involving Deeside College, Glyndwr and Airbus, SEMTA was asked to join a group initially on composites which turned into the Advanced Materials Group. The group wanted to develop a fundable framework for Apprenticeships up to higher levels on composites which would meet the needs of Airbus, as one of the largest employers in North Wales, and their suppliers. SEMTA assisted Glyndwr to develop a Composites Degree and Masters, ensuring that this matched framework requirements and National Occupational Standards – building on work which SEMTA had already done with Airbus on level 2 and level 3 qualifications. SEMTA argued, and Glyndwr agreed, that it was important to make sure that even HE courses were also mapped clearly to the CQFW and to ensure that there was no duplication with training already delivered at lower levels. From SEMTA's perspective, working closely in this way with both employers and providers also increased its own understanding of employers' needs.

Likewise, the few interviewees able to comment did not generally feel that other partnership bodies such as sectoral fora have helped cement relationships between HEIs and SSCs. Rather, in the view of one:

"I couldn't articulate what the linkages are between the fora and, e.g., SEMTA and how any of that helps HEIs to determine what they should be doing and who they should be talking to ...there's quite a lot of duplication".

²² *"For our Future"* clearly flags up the intention of developing *"a regional dimension to the planning and delivery of higher education"* with HE providers forming *"a wider and more coherent system of providers including FE colleges as well as HE institutions, working together, and equipped to deliver sustained higher education"*. At the time of our fieldwork HEFCW were consulting on proposals for *"Developing a Regional Dimension to the Planning and Delivery of Higher Education"* through Circular W10/06 HE.

4.0 FINDINGS: HEI/SSC LINKAGES IN CONTEXT

4.1 Wales and the Rest of the UK

In the course of our fieldwork, we asked interviewees about their views of ways in which HEI – SSC linkages in Wales compared with those in the rest of the UK.

In general HEI interviewees had very little information to offer on this subject. Even one of the few comments which was made was based on an absence of evidence rather than definite knowledge, though the fact that the individual concerned is active in a number of UK wide networks in his field is relevant here:

“It’s an SSC problem, I think, not a Wales one ...I’ve not heard people saying things like, what a fantastic job they are doing for us. They are often seen as a necessary evil, a regulatory function, setting standards and frameworks ...you’d hear wouldn’t you, if people thought it was really good?”

SSC interviewees were much more likely to offer comment, though even here, many Wales-based interviewees felt that they have only limited information to go on, perhaps reflecting the low profile of HE issues within their work or the fact that they are overwhelmed by work at lower qualification levels.

While one or two offered specific examples of HEIs in England which have particularly close working relationships with their SSC, the common view was that the situation is little different in England than in Wales, despite the existence of the Higher Education Funding Council for England (HEFCE)’s Employer Engagement Funding which was referred to by only a handful of interviewees, perhaps reflecting the fact that many of the projects funded by this funding stream are generic rather than sector specific²³.

SSC interviewees generally stressed that the culture of HE is very similar in the two countries, though three felt that their linkages in Wales compared favourably with colleagues in England:

“I’d like to think that we’ve got a good track record compared to England”.

One SSC, however, felt that SSCs lack clout in Wales compared to England because of what was said to be a clear policy with regard to Foundation Degrees in England which is more assertive in terms of insisting HEIs work with SSCs when developing such qualifications.

Elsewhere, many SSCs felt that relationships with the HE Sector in Scotland are probably closer than in Wales, which is attributed largely to a view that SSCs are better resourced and the HE sector less fragmented than in Wales. It was not clear however, how far this is based on real knowledge, though in a number of cases, SSCs have dedicated Qualifications Managers in Scotland which they do not have in Wales. One SSC in particular felt that, partly because of the integration of HE and FE in Scotland, Scottish HEIs are much more alert to the need to offer employers flexible

²³ HEFCE have to date invested over £60 million in “a range of transformational employer engagement projects focused on the development and delivery of HE programmes co-funded by employers”. While some of these projects appear to involve collaboration with one or a small number of specific SSCs, many appear involve developing generic employer engagement teams or centres for employer engagement, which aim to increase the interaction between the funded HEI and employers more generally.

learning provision and to accredit prior vocational learning than their Welsh counterparts – a model which may become relevant in the emerging regional agenda within Welsh HE.

In terms of Northern Ireland, as already mentioned, a number of SSCs referred to the very small number of HEIs in the province as a significant advantage for SSCs and one or two SSCs also referred to Northern Ireland being further down the road of developing Foundation Degrees with a strong SSC input.

Very few interviewees were able to identify any collaborative approaches which are working well elsewhere in the UK which could and should be transplanted to Wales.

4.2 Comparing HE with FE

In general terms, the majority of SSCs quite clearly found it easier to engage with FEIs than with HEIs. This was attributed to a number of factors:

- The fact that FEIs generally do not have Awarding Body status and are dependent on external validation of their qualifications (which usually necessitates engagement with SSCs): one SSC Manager argued strongly that the FE sector is much more “*proactive*” in making contact with the SSC as well as being “*on our back*” to get involved as they require the SSC to endorse their provision in order to satisfy DCELLS funding mechanisms. In comparison, the HE sector is seen as much more autonomous, with no “*real need*” to engage with the SSC to the same degree.
- A view that FEIs are more concerned with meeting employers’ expressed needs (or “wants”), with one experienced SSC Manager arguing that, in contrast to HEIs, HEIs tend to think that they know better than employers what skills are needed for the future and therefore try to “sell” pre-packaged courses to businesses, rather than provide them with “solutions” to the problems they face. This interviewee thought that HEIs’ reluctance to engage in a meaningful way with SSCs and employers could lead to FEIs “*stealing a march on them with Foundation Degrees ...because they speak to employers ...FE is actually filling in the gap that polytechnics left*”²⁴.
- A view that FEIs are much more willing to work collectively together: a number of SSCs (and other stakeholders) pointed to the existence of subject groups across the FEIs which form a natural point of contact for SSCs, with one suggesting:

“In some respects we are at the stage with Universities now that we were with Colleges ten years ago ...when the Colleges didn’t really want to talk to us. It’s a trust thing – they are not quite sure whether to divulge things to us or not”.
- A view that FEIs are quite simply “*not precious*”, less aloof and less concerned with their independence, than HEIs, and that they are more likely to proactively contact SSCs, rather than only doing so when they needed to for funding purposes.

²⁴ It needs to be recognised, however, that while the way is open for FEIs to become accrediting bodies for Foundation Degrees this is likely to take some time.

- A perception that FEIs tend to be smaller and have stronger corporate centres.

5.0 FINDINGS: MOVING FORWARD

5.1 Overview: The Importance of Context

In this section, we consider the views of interviewees on the way forward in terms of HEI – SSC linkages.

In doing so, it is perhaps important first of all to stress that, while only a few interviewees explicitly recognised that *“there’s no magic answer”*, in reality the barriers which are generally seen as impeding good HEI – SSC linkages (and which are discussed at length in Section 3) are not ones which are specific to this issue, but rather are ones which are fundamental to the current *modus operandi* of SSCs and (to a somewhat lesser extent) HEIs.

These include:

- The lack of an adequate resource base for most SSCs in Wales to undertake even the core tasks expected of them as laid out in *“Skills that Work for Wales”*:

“There must be some addressing of the resourcing issue within SSCs. One or one and a half people are not going to do a good job covering a sector across an area the size of Wales and the west of England. It’s not their fault as SSC managers. The system is just making it impossible for them to do a good job. And when they don’t then it also has a knock on effect on credibility across all SSCs. People start questioning the whole concept”.

- The lack of “space” for SSCs to operate in some footprints and parts of footprints, given the pre-existing roles of professional bodies and others in terms of setting standards for HEIs: leading to in some instances, questions about the overall rationale for SSCs:

“I think it is unrealistic to ask the SSCs to be focusing on engaging with HEIs in Wales at a time when people are questioning their very existence”.

- The perceived lack of effectiveness of many SSCs in producing LMI that is meaningful for HEIs, articulating what employers want from the HE sector and bringing employers to the table and a consequent view that despite the fact SSCs are expected to be the “voice of employers”, many are not able to fulfil this role:

“It’s a bit frustrating that certain parts of the Welsh Assembly Government say that HE is out of touch and not delivering what the market wants; when we go to SSCs ...we don’t get the answers that we want”.

- The ability (given the inflexibility of funding mechanisms and competing priorities), and to some extent the commitment, of HEIs to reorientate themselves towards a stronger engagement with upskilling and CPD, and to see Foundation Degrees as necessitating a significant change of approach in terms of seeking external validation of vocationally-orientated qualifications.
- The relatively large number of HEIs and the highly competitive culture between them.

- The generic difficulty for business (and hence SSCs) in identifying the right people within HEIs to talk to.

One stakeholder summed up the extent to which the odds are stacked against SSCs developing good links to HEIs by saying:

“To take the most extreme example, take an SSC Wales Manager working out of their back bedroom, who has little knowledge of HE and who is confronted by a system where its extremely difficult to identify who to speak to and where the attitude is not particularly welcoming - is it surprising if contacts with HEIs keep on slipping to the bottom of the to do list?”.

Given this, it is perhaps not surprising that many interviewees struggled to identify action that could be taken specifically to improve the width and depth of HEI – SSC linkages.

5.2 HEFCW and Making Linkages

In terms of HEFCW’s own role, a small number of interviewees (almost invariably ones who are relatively new in post) called for more opportunities to be provided for networking. A larger number (including some of those who already had established good working relationships between HEIs and SSCs) felt that little more could be done in terms of direct support:

“It has been useful for HEFCW bringing HEIs and SSCs together [but]... its getting like a stuck record”.

More practically, many interviewees felt that SSCs would benefit from a more generic effort to ensure that HEIs are less impenetrable to businesses, with many commenting that while information systems (including websites) within HEIs are well geared up to steer potential students to the right contacts, this generally do not extend to other interests seeking to engage with HEIs:

“At a practical level I think that one of the things that forms a barrier for SSCs wishing to approach individual universities is that very rarely do those universities have ‘a point of contact’. Here we have five academic schools each pursuing their own research, teaching and third mission agendas. There is co-ordination in the strategic sense but day to day ...it is very much up to the academic schools. I think this makes it unattractive, or at least not easy and efficient for SSCs to approach the HEIs in Wales, especially given their own resource limitations. It’s something HEIs should recognise and act on”.

One stakeholder interviewee noted that work is underway within the A4B project to develop a HEI portal for businesses, and felt that, although this is principally targeted at knowledge transfer, it might also be relevant to the field of skills development. However, at least one interviewee warned against combining the two.

Recommendation 10: HEFCW needs to work very closely with individual HEIs and the A4B team, in the context of the regional agenda, on developing a much clearer route in to individual HEIs for businesses, which in turn ought to ease in a structural way, the difficulty which SSCs have encountered in identifying appropriate contacts within HEIs.

5.3 Funding

As we have seen, HEI interviewees generally pointed to more profound barriers to engaging with SSCs than lack of specific funding to do so (above all, the lack of real conviction that SSCs could help them in terms of defining and responding to employers needs in terms of HE provision). Indeed, some interviewees specifically made the point that since the development of new courses is a fundamental activity of HEIs, then engagement with SSCs would happen naturally if HEIs felt that they could add value to this process.

Nevertheless, a relatively large number of HEI interviewees did suggest that some sort of funding would help “oil the wheels”.

However, one HEI interviewee, who was critical of the extent of SSCs’ contribution to his work in comparison with that of employers and trade associations, suggested that the culture of some HEIs was sufficiently “funding-led” that funding schemes might generate applications for activities where the participation of SSCs was little more than window dressing:

“if we have to demonstrate involvement with SSCs then we’d do it”.

SSC interviewees, though vocal on the need for greater resources to support their core activities, were generally less likely to argue for ring-fenced resources to stimulate HEI – SSC links, with a number pointing out that they would be nervous that this would lead to demand for engagement from HEIs which they could not respond to, a view echoed by an external stakeholder:

“If all the HEIs wanted to meet with an SSC, they [the SSC Manager] would have no time left in their day”.

Others did, however argue for direct funding for HEI-SSC linkages, while one SSC argued that funding for secondments between HEIs and SSCs (building on the Strategic Insight Programme) could be a way forward.

A small number of SSCs (as well as a HEI interviewee who also chaired a SSC Advisory Panel) argued forcefully in support of the funding of Skills Academies, with one noting that the Skills Academy in England has led to *“shelves stacked with bite-sized units of qualifications”*.

As already noted, a number of interviewees drew attention to the problems faced by SSCs in overcoming the rigid separation of funding between DCELLS and HEFCW, not least in the context of the Sector Priorities Fund Pilot (SPFP) and argued that ensuring a more integrated approach would yield major benefits, with one SSC Manager calling for a *“strategic and integrated approach to funding CPD”* across the two.

Recommendation 11: We do not believe there is a strong case for specific funding to incentivise joint working between HEIs and SSCs *per se*. However, the ESF projects on Foundation Degrees and Work Based Learning (in parallel with the Sector Priority Fund Pilot led by DCELLS) offer real opportunities which need to be seized. In this context, HEFCW should work with DCELLS and the University of Glamorgan as the project manager, to investigate whether it can provide financial support to develop the “Advocate” model being deployed through the Sector Priorities Fund Pilot Project so that a small number of Advocates can be employed to work with HEIs and SSCs to develop specific initiatives under these projects.

5.4 Restructuring of SSCs

A number of HEI interviewees raised the possibility of future restructuring of SSCs, not least in the light of the undertaking in the UK Government's Skills Strategy²⁵ to reduce the number of SSCs.

A majority of those commenting felt that a smaller number of larger, better resourced SSCs, ("*super SSC clusters*") with much stronger employer engagement is an attractive prospect:

"When you have 25 it is impossible to prioritise – a cluster approach would make it more manageable for HEIs".

In this context, it was interesting that few of these appeared to be aware that a number of SSCs clusters already existed in Wales.

However, at the same time, several recognised that, particularly given the probable prospect of significant cuts in public expenditure, reorganisation presents a risk that SSCs will become even more thinly spread, and even less able to be identified with by employers. Indeed, a small number of interviewees argued that the current SSCs are already too generic compared to predecessor NTOs.

5.5 HEIs and the Regional Agenda

As we have seen, a number of interviewees, particularly but by no means exclusively from SSCs, highlighted the relatively large number and competitive ethos of Welsh HEIs as a barrier to closer working. In line with this, some argued strongly for a streamlining of the Welsh HE sector:

"We could do with a more simplified and federated system".

Several interviewees argued that there needs to be much stronger pressure on HEIs, FEIs and SSCs to work collaboratively on employer engagement – something which it might be expected would emerge from the new regional agenda.

A number of interviewees referred supportingly in this context to the recent consultation on a regional approach to the planning of HE, though some argued that this did not go far enough or quickly enough. One SSC Manager argued that the only thing that would make HEIs engage in a more meaningful way with SSCs would be "*an enforcement mandate coming from the Assembly*". This might be done by giving "*HEFCW a stronger arm*", to enable it to be more directive, more in line with the way that DCELLS was with the FE sector, adding that "*informal conversations and partnerships won't crack the problem ...it might give some good examples, but it won't crack it*".

Less radically, some interviewees argued that there is scope for more voluntary cooperation between HEIs, for example:

- a more positive approach to the creation of Wales-based "*subject groups*" to be an interface with SSCs amongst other things and also to operate as a clearing house to ensure that HEIs are not just duplicating each other's

²⁵ "*Skills for Growth: the National Skills Strategy*". It is not clear whether the new UK Government which came into office in May 2010 will adopt this approach

provision using the same LMI. This could be based in part on what already happens within the FEI sector and also HEA UK wide subject groups;

- a pooling of employer engagement activities between HEIs and SSCs (and perhaps also FEIs) at regional level;
- a greater mobilisation of HEIs research capacity to improve LMI: with one interviewee arguing that Welsh HEIs should “*carve up*” between them which academics should lead on particular areas of labour/learning market research and by doing so, come up with a product of use to policy makers and related stakeholders, including SSCs, and another arguing that HEIs should consult SSCs in advance, and share with them, research into employers’ needs and wants.

Recommendation 12: The HE-SSC Communications Group must consider how, in the context of the emerging regional agenda, it can ensure greater synergy between the employer engagement activities of HEIs and SSCs. It also needs to put this collaboration in the context of the capacity for joint working with FEIs and private training providers (through Colleges Wales and the National Training Federation Wales) and the Welsh Assembly Government’s fieldforces of HRD Advisers and Relationship Managers.

5.6 Future Opportunities

Despite the scepticism of many SSC interviewees as to the seriousness of some HEIs in terms of their commitment to engaging with workforce development issues, many interviewees from both HEIs and SSCs see the further development of more flexible and vocational curricula as a major opportunity to embed closer working relationships between them. Thus, one HEI interviewee from a post-92 institution argued:

“We’ll see more flexible delivery, more knowledge transfer, more part-time learning, more work based learning and it’s highly likely – but not certain - that SSCs will be important to supporting that process”.

Another, from a pre-92 institution also thought that, going forward, an enabler/driver of HEI/SSC relationships might be the potential to develop “*CPD or short courses to meet the requirements for companies*”, rather than “*setting up masters*” courses, which essentially build on HEIs’ capabilities irrespective of businesses’ needs. He recognised that this would require the University to think differently about the products it delivers, but was, nevertheless, excited at the prospect.

More particularly, the HE ESF programmes, focused on funding the development and delivery of new Foundation Degrees and other Work Based Learning HE, are seen as providing a way forward, with one HEI interviewee commenting that:

“There is something SSCs can do to help raise the profile, the positioning, the importance of FDs and in particular the importance of HE in delivering FDs”.

Similarly, a SSC Manager argued that, while she was not entirely sure where Foundation Degrees sit “*they might bridge the gap between the two [FE and HE] ... as a progression route from Apprenticeships ...*”

However, while these developments are seen as offering potential, there is no certainty that they would indeed lead to better relationships between HEIs and SSCs.

On the one hand, some HEI interviewees argued that provision which is more closely aligned with employers' needs might be achieved in other ways than working with SSCs. Thus, one interviewee argued that their HEI has already started to have a much clearer focus on testing out the employer demand for new courses by using a performance indicator to monitor what percentage of new courses are accredited by professional bodies and that:

"This is paying dividends as an approach ... where a course is being developed the question is asked 'is this qualification externally linked? Have you thought of that?' I think the University is quite proactive in that now".

Another, who was quite sceptical about SSCs argued that HEIs do not necessarily need to work with SSCs to ensure that their provision is attuned to employers needs – real collaborations would occur naturally where both parties see the benefit of doing so. Finally, the same interviewee quoted at the start of this section - an enthusiast for SSCs - argued that:

"we would like to have SSCs there in the future and work more closely with them but I have to say that if SSCs were ended or severely shaken up then I would anticipate that staff at [the HEI] would just move on to develop links in other ways -much of which I suspect are already fairly well developed across the academic schools – because we have to be clear that the policy is not about 'engaging with SSCs', but about delivering high quality employer engagement, developing CPD and work based learning. SSCs are a means to an end in that respect".

On the other hand, from the SSC perspective, some interviewees argued that HEIs are far from the only route for taking forward higher level skills, particularly with the focus on enabling FEIs to award Foundation Degrees, with one arguing that HEIs could be pushed out of this market if they do not become more flexible in their approach.

Others argued that the opportunities to reshape HE provision would only happen if HEFCW is much more forceful in its approach to ensuring that HEIs vocational provision requires endorsement by SSCs.

One in particular argued that the Welsh Assembly Government and HEFCW need to be much more challenging in terms of HE's reluctance to embrace externally validated standards, in particular in terms of developments like Foundation Degrees: from this interviewee's perspective, it was not acceptable that whereas a level 3 qualification would not be validated unless it clearly matches NOS this does not apply to HE level qualifications. NOS should be used alongside benchmark standards issued by the QAA and enforced. This could be addressed through clearer remits to QAA. This interviewee argued that HEFCW should also have the powers to intervene more directly in what HEIs choose to teach and push forward the regional collaborative agenda *"harder and faster"*.

5.7 Clarity on Sector Priorities

Finally, a small number of interviewees, arguing that it is impossible for HEIs and SSCs to work simultaneously across all sectors, suggested that there is a need for a much clearer statement from the Welsh Assembly Government and HEFCW as to what are the real priority sectors for the Welsh economy going forward. These

interviewees pointed to the conflict between the priority research sectors in *“For our Future”* and the longer list within *“Skills that Work for Wales”*.

One argued that it would be easier to focus SSCs’ attention if there were a much tighter focus on what the Welsh Assembly Government considered to be the main higher level skills needs for Wales. Similarly, another felt that what is needed is a much more selective approach whereby Wales looks at where HEIs had specific strengths and those sectors of importance to the Welsh economy and tries to focus in on these. For this interviewee, what was not needed was a generic exhortation to work together for the sake of it.

6.0 CONCLUSIONS AND RECOMMENDATIONS

There has been some clear progress in developing linkages between HEIs and SSCs and there are now some strong examples of positive collaboration, above all in terms of adding value to the development of new (or in some cases, pre-existing) provision by ensuring it is tailored to the needs of employers.

SSA Action Plans are now somewhat dated (and are due to be replaced) and are generally relatively unspecific about actions to be taken by SSCs. However, in many cases, there has been some progress though, disappointingly, few SSCs have undertaken what might be thought to have been a first step by articulating clearly, on the basis of their LMI, their expectations of what HE can do for their sector.

Despite this, it would seem that generally, where HEIs have seen the benefit of engaging with SSCs, then relationships have developed, often facilitated by HEFCW. This is particularly the case where HEIs believe it is important (because of the focus of their mission on learning relevant to the workplace) to have external validation for the relevance to employers of their provision and (a vital rider) where there are no other professional or regulatory bodies which are more obvious partners for them. In reality, for many of the established professions, such bodies do exist and their well established position with HEIs effectively blocks (and arguably renders unnecessary) engagement with SSCs. By contrast, a driver for engagement has been regulatory or other pressures to upskill “para” or associate professionals across a range of sectors.

SSCs are thus generally respected and valued by HEIs for their expertise with regard to qualification design. Other factors which have driven or facilitated engagement include:

- The proactive role of HEFCW itself (and more recently the Alliance of Sector Skills Councils, the SSCs’ representative body).
- The availability of external funding to support some high profile collaborations (principally again from HEFCW, though the former Knowledge Exploitation Fund also played a role) along with (in the rare cases where SSCs have a levy) SSCs’ own resources.
- The commitment of individuals within SSCs and HEIs to work together.

A perception on the part of HEIs that a particular SSC has good and robust links with employers or conversely, the view of a SSC that it can benefit from the established employer networks of an HEIs has also sometimes, if rarely, fuelled collaboration. In a small number of cases, SSCs have been introduced to HEIs through their existing links with FEIs or other partners.

Moreover, it is important to recognise that no SSC or HEI wants or needs “blanket coverage” in terms of its relationships with each other. The need for dialogue and collaboration should clearly be driven by the relevance of the curriculum within individual HEIs to particular sectors.

Even so, it is clear that, while there are some robust relationships which are bringing real benefit, these are the exceptions and that in the case of many potential linkages, real collaboration is not on the horizon.

The reasons for this are, for the most part, not about failures which are specific to the question of HE – SSC linkages (though there clearly remains a “culture gap” in many cases) but ones which are much more fundamental and difficult to resolve.

In summary, the existing barriers include:

- The lack of capacity of most (though not all) SSCs in Wales, compared to the expectations placed upon them.
- A widespread perception (not just amongst HEIs) that SSC LMI is not sufficiently robust or useful to inform future learning provision.
- The fact that SSCs are often operating in quite crowded “market places”, particularly in terms of established professions, where professional bodies often have well established relationships with HEIs and that there is not sufficient space for them to carve a niche for themselves.
- The fact that both HEIs and SSCs tend to focus their employer engagement on larger employers and that HEIs do not see SSCs (with some exceptions) as having effective networks within SMEs.
- The fact that, for some HEIs, the workforce development market remains a relatively minor part of their portfolio and a more widespread belief that HEIs, as autonomous bodies with extensive validation powers, do not necessarily need external endorsement of the qualifications that they offer.
- The perception (particularly on the part of SSCs) that HEIs are less responsive to the expressed needs of employers, in part because of their heavy emphasis on qualifications but in part because HEIs may tend to think that they have a clearer understanding than what skills are needed for the future.
- The relatively large number of Welsh HEIs (compared to population) and the competitive culture within which they operate.
- The relatively complex structures of HEIs and the fact that, while systems are generally well attuned to help potential students reach the right person to speak to in any faculty or department, the same is not true for businesses and other stakeholders.

While policy developments in train (such as the emerging HE regional agenda and on a more practical level, the HE portal being developed as part of the A4B programme) may address some of these, others – particularly relating to the capacity of most SSC to make a major contribution in terms of all three of the “core tasks” set out in *“Skills that Work for Wales”*, of employer engagement, LMI and informing qualifications development - are not yet being addressed. While some interviewees for this research pressed the case for funding specifically intended to “oil the wheels” of HEI-SSC collaboration, in reality this is unlikely to address this fundamental issue.

At the same time, a significant opportunity does exist in terms of the general development of Foundation Degrees and the existence of substantial funds as a result of the HE Convergence ESF Programme to support the development and delivery of both Foundation Degrees and other Work Based Learning courses within the HE Sector. It is essential that this opportunity is used to develop qualifications

and courses which are clearly rooted in employer demand – which, at least in some cases, must and should include clear input from SSCs. While some of the most recent history surrounding the development of these projects has been unhelpful in terms of the relationships between HE and the SSCs, all sides are now clearly committed to moving on, and some important proposals which draw in SSCs are already in development.

As a result of our research we make the following recommendations²⁶:

For HEFCW

Recommendation 1: HEFCW should seek to persuade the Welsh Assembly Government of the need for a much closer match between what SSCs are tasked to do and their capacity. There should be a stronger emphasis on addressing current gaps where there are no alternative mechanisms for proofing HE qualifications from the viewpoint of their relevance and appropriateness to the labour market. Correspondingly, there should be less emphasis on having a uniform system across all sectors, even those where professional or regulatory bodies already have a well established role.

Recommendation 2: As a key strategic partner in terms of skills development in Wales, HEFCW should use the new Action Planning process, post-relicensing, to challenge SSCs on the robustness of their engagement with HEIs where this is relevant.

Recommendation 4: In terms of its approach to HEIs, HEFCW should focus on ends rather than means. In particular, it needs to challenge HEIs on the robustness of their internal process for validating new qualifications, particularly Foundation Degrees (once HEFCW has finalised its Foundation Degree policy) and other provision targeted at the existing workforce. In particular, it should insist on the involvement of the relevant SSC(s), except where the HEI can give a clear account of how alternative sources of expertise (such as professional bodies) have been used: in such cases, at a minimum, the SSC should be informed of the development.

Recommendation 6: HEFCW has probably done as much as it can in terms of making initial introductions and providing opportunities for HEIs and SSCs to meet and exchange views. HEFCW will need to continue to provide a “way in” to HEIs, particularly in the case where new SSC staff come into post, but the support should now be more selective and focused on providing more specific advice, guidance and signposting in response to specific requests.

Recommendation 8: HEFCW should work with Higher Education Wales and the Higher Education Academy (which already facilitates UK wide subject groups) to consider how a more coherent pattern of HE subject groups might be developed in Wales which would provide an easier interface for joint working with SSCs.

Recommendation 9: HEFCW needs to work closely with the Welsh Assembly Government on overcoming the rigid separation between funding for vocational pathways between HE and FE, particularly in the context of the emerging regional agenda. The development of seamless progression routes between the two cannot be achieved without either fundamental funding reform, or at least some co-

²⁶ Recommendations are numbered sequentially through the body of the report. However, for clarity of presentation, we here group them according to the organisation(s) to whom they are addressed.

ordination of budgets so that each can provide funding towards initiatives which provide progression routes between FE and HE.

Recommendation 10: HEFCW needs to work very closely with individual HEIs and the A4B team, in the context of the regional agenda, on developing a much clearer route in to individual HEIs for businesses, which in turn ought to ease in a structural way, the difficulty which SSCs have encountered in identifying appropriate contacts within HEIs.

Recommendation 11: We do not believe there is a strong case for specific funding to incentivise joint working between HEIs and SSCs *per se*. However, the ESF projects on Foundation Degrees and Work Based Learning (in parallel with the Sector Priority Fund Pilot led by DCELLS) offer real opportunities which need to be seized. In this context, HEFCW should work with DCELLS and the University of Glamorgan as the project manager, to investigate whether it can provide financial support to develop the “Advocate” model being deployed through the Sector Priorities Fund Pilot Project so that a small number of Advocates can be employed to work with HEIs and SSCs to develop specific initiatives under these projects.

For HEIs

Recommendation 3: HEIs need to ensure that their internal validation processes, particularly for Foundation Degrees and other qualifications related to CPD and workforce development, are robust in terms of the bar set to test employer demand. There should be an expectation that SSCs should be involved in the case of all vocationally focused qualifications, except where there are strong and well argued reasons to the contrary.

Recommendation 7: HEIs need to work closely with HEFCW and other partners to address the issues with regard to routes in to them for businesses and other stakeholders (Recommendation 5). They should also revisit the current roles and responsibilities of their WILOs (or equivalent departments) to ensure that their role vis-à-vis SSCs is explicit and adequately resourced and is well publicised within the institution.

For SSCs

Recommendation 5: SSCs must give priority to ensuring that their LMI is tailored to specific audiences. In particular, they need to at a minimum produce an annual very short summary of key headline messages from the LMI about high level sector needs in Wales which can be shared with HEIs. As part of the new Action Planning process, SSCs also need to highlight specific issues with regard to gaps or over-supply in terms of higher level provision which require action by HEIs.

For the HE – SSC Communications Group

Recommendation 12: The Communications Group must consider how, in the context of the emerging regional agenda, it can ensure greater synergy between the employer engagement activities of HEIs and SSCs. It also needs to put this collaboration in the context of the capacity for joint working with FEIs and private training providers (through Colleges Wales and the National Training Federation Wales) and the Welsh Assembly Government’s fieldforces of HRD Advisers and Relationship Managers.