

A new conversation



Employer and college engagement





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1 Foreword

As a nation, we need economic growth to assure our future prosperity, but employers across the country persistently report that progress is held back because of skills shortages and gaps. Employers cannot exploit the benefits of the economic upturn without a competent, adaptable workforce. Colleges cannot meet the needs of learners, businesses or the wider community without focusing on this core issue.

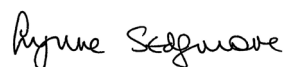
The aim of this discussion paper from the 157 Group, Gazelle Colleges Group and UK Commission for Employment and Skills (UKCES) is to contribute to the debate on how the development of stronger relationships between colleges and employers can secure the right skills and aptitudes for today's and tomorrow's workforce. We hope the ideas and issues raised will be discussed widely, adopted by many and that the results will start to make a fundamental difference to our long term economic growth and prosperity.

There are no surprises. No magic bullets. But the opportunity we have had to talk to employers, colleges and organisations that represent colleges and employers has helped us to stand back and ask ourselves a number of challenging questions around whether all parties are doing enough to build strong and effective relationships. Are we all putting in sufficient effort and pulling in the right direction? What we are seeing in some colleges is a major change in their mind-sets. It feels seminal. In terms of the size of the challenge, it is similar to previous major shifts in thinking in the sector such as the ground-breaking work on widening participation and broadening access to education for students with learning difficulties and disabilities in the 90s. The scale of the change can also be compared to some of the big shifts in behaviour in the private sector, such as we see in the huge expansion of online shopping.

To succeed, what is needed first and foremost are high-quality leaders capable of driving a new understanding of business and promoting entrepreneurship across the whole institution, as well as colleges seeing themselves as businesses. This calls for a clear narrative and well-understood strategy and rationale. Leaders of colleges and businesses need to believe that this is the right thing to do and have the ability to drive change throughout

their organisations. From our initial discussions with colleges, employers, and representative bodies, we know certain things: colleges with strong long term relationships understand employers' needs and are best-placed to equip students with skills for work; successful colleges respond to the needs of their local economies, rather than targets set by central authorities; college governors need to prioritise active engagement with employers; and, fundamentally, the credibility of colleges with employers is tied up with what they offer. While these points are accepted and acted on by many, they are by no means universally understood. For employers, the benefits are considerable but only if they take time to engage in serious dialogue with their local college about their future workforce plans. The skills we need to grow the economy and deliver prosperity can be developed most efficiently if colleges and employers work together. There is already a lot of good practice but this paper asks tough questions and looks at ways in which colleges and employers can take partnership working to a new level. We want it to be the start of a new debate on college/employer engagement and a much-needed improvement in the UK's skills base.

There are valuable prizes for getting this right. In the short term, success will improve skills shortages and address skills gaps. In the long term, it should bring about a sustainable pattern of economic growth and wealth creation.



Lynne Sedgmore CBE, Executive Director of 157 Group



Fintan Donohue, Chief Executive of Gazelle Global Ltd



John Cridland CBE, Director-General of the CBI & UKCES Commissioner

② Why we need to change

②.1 Changing patterns of employment

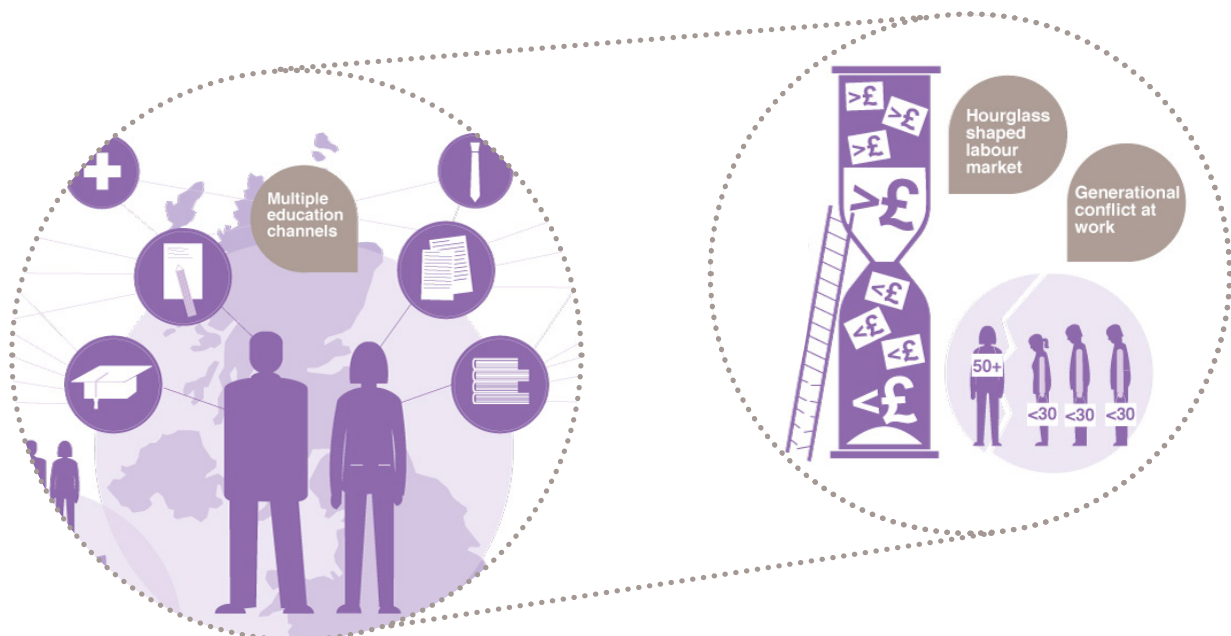
The problem is complex. In the face of new and emerging technologies and global competition, successful organisations are inventing new ways of doing business while traditional company structures are evolving rapidly. There are already pressures in many sectors for people to work more productively, more flexibly and with new capabilities.

Changing work patterns predicted for 30 years are now upon us – more short-term contracts, greater self-employment and the prospect of portfolio careers in a lifetime where retirement comes much later. The latest UKCES Employer Skills Survey (2014a) shows a sharp rise in skills shortage vacancies, potentially undermining economic recovery. A national push to improve productivity and achieve much higher levels of innovation, particularly in small and medium enterprises (SMEs), is at risk if the drive for higher skills fails. In all this, the skills, capabilities and personal qualities of the leaders, managers and wider workforce now and in the future are fundamental to success.

The UKCES *Future of Work* report (2014b) explores the trends shaping the future of UK jobs and skills, looking ahead to the labour market of 2030, with employers and education providers needing to adopt more flexible approaches to career and skills management. Colleges will need to provide

access to education in increasingly innovative and demand-led ways, and employers must equally ensure the skills of their workforce develop and evolve continuously to respond to 'known' new and currently 'unknown' market pressures. Adaptable and resilient people will be more essential than ever.

There are profound implications for young people yet to enter the workforce. As the Gazelle Colleges Group argues, initial qualifications and skills are of diminishing importance as people progress in their changing careers. The 157 Group sees a rapidly-evolving future in terms of skills required for new technology and patterns of employment, and have long argued that colleges must respond by continuing to develop new business models. Even so, such models will only succeed if serious collaboration with employers is in place and if ambitious priorities for both are aimed at sustainable growth, not simply survival.

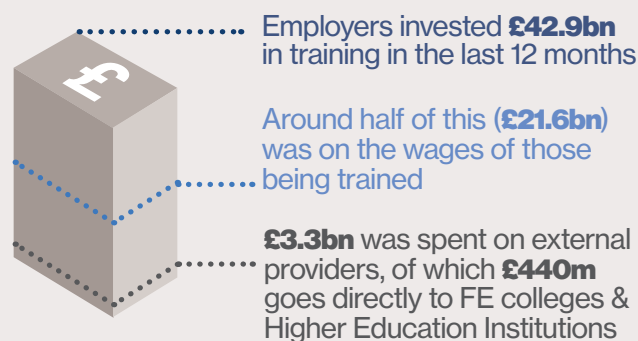


2.2 Financial imperatives

These pressures come at a time of slow recovery from austerity. Therefore, while the political parties may differ in their strategic approach to spending, it is clear that public funds will be limited for the foreseeable future. With more freedom and flexibility, however, colleges are seeking new sources of funding and new and more efficient models of delivery.

The latest UKCES Employer Skills Survey raises a question over whether employers are ambitious enough both when investing in their people and in their broader business strategy. A further question posed is whether colleges are targeted enough when selling their services to employers. The survey finds that total training expenditure by employers in the UK is estimated at £42.9bn, the bulk of which is on wages and other costs not directly related to skills training. Employers spent £440m on fees to further education colleges and higher education institutions last year, a sum that demonstrates employers are key players in the market for training. However, this still represents a small proportion of the total sum spent by employers on external education and training providers – some 13% of the £3.3bn spent. Professor Ewart Keep's 2014 work demonstrates the complexity of this picture. Nevertheless, the analysis raises questions about how colleges can attract a greater share of this market and whether employers are investing wisely.

The Employer Skills Survey finds that employers have a positive perspective about many skills development issues. Where they recruit directly from colleges, they find new employees to be more work-ready than their counterparts leaving school. Seven in ten (71%) of employers surveyed said they need to up-skill staff, and four in ten (42%) expressed an intention to provide more training. In England, vacancies are back at pre-recession levels (559,000 last year – up 48% on 2009). However, vacancies where employers could not find skilled recruits have doubled from 63,100 to 124,000 – one in five of all job openings. Since these businesses lack the skills to benefit from the economic upturn, there are real opportunities for colleges to sell services in a more focused way and in doing so, improve their skills offer to both students and the existing workforce.



Equivalent to **£1,590** per employee

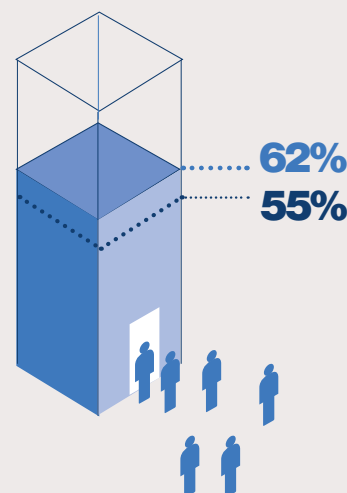


Equivalent to **£2,550** per person trained



More employees are being trained: a rise from **55%** in 2011 to **62%** in 2013

Equivalent to **16.8m** employees trained, up by **2.1m** compared to 2011



2.3 Focus on employer ownership

Funding is increasingly being put in the hands of partnerships led by employers. This approach puts Local Enterprise Partnerships (LEPs), Chambers of Commerce and employers firmly in the driving seat, giving them direct powers over strategy, funding, delivery, and future developments, this time with the promise and prospect of being heard and colleges being able to respond and take supportive action.

Business influence will grow further, as City Deals and Local Growth Bids take shape. New streams of public funding are likely to require multiple sponsors, including employers. This will put relationships between colleges and employers centre stage.

Partnerships with SMEs remain a challenge and require different and more innovative strategies for SME engagement, from organisations that represent and support SMEs as well as from

colleges.

Recommendations from the Commission on Adult Vocational Teaching and Learning report (CAVTL, 2013) promise new exploratory avenues for employers, including measures to reinstate employers' presence and influence across providers of vocational skills, and a 'two-way' street – genuine collaboration between colleges, training providers and employers.

③ The outcome of our research

3.1 Our approach

Over the last 12 months through a series of interviews, an on-line survey and a number of workshops we asked employers, colleges, including the 157 Group and the Gazelle Group member colleges, LEPs and other employer organisations their experience of colleges and employers working together.

We looked at a variety of studies, including reports published nationally and internationally, research by UKCES [including the *Review of Adult Vocational Qualifications in England* (UKCES, 2013)] and work done by the Gazelle Colleges Group, The 157 Group and others. We also undertook a number of visits to see how strong relationships between

employers and colleges work in practice and what lasting benefits they potentially bring. In February of this year UKCES hosted a Round Table discussion with key partners in the further education sector to discuss the outcome of our work and to seek advice on what steps we should take to share our findings more widely.

3.2 Benefits to employers

There are huge benefits to employers in establishing strategic relationships with colleges. In developed partnerships, regular discussions take place and through a mutual understanding of each other's business, employers are able to identify opportunities way beyond simply education and training provision.

The benefits we observed for employers included: working with a college can help towards early identification of talent, recruitment and selection, and development of a local workforce that comes with values that fit their business needs. Colleges bring a wealth of long term experience of training in skills, competences, and capabilities and of motivating young people and adults to learn. They understand how young people 'tick' and how to develop the range of personal qualities that employers rightly demand.

Colleges can also give support to businesses with labour market intelligence (LMI) analysis, workforce planning, applied research/investigation and shared services. They understand how employers can access the skills system, with expertise in how it works, the language, the funding and qualifications.

Businesses benefit from solutions through tailor-made provision aimed specifically at their needs;

a curriculum designed and developed to fit what they want; flexibility in terms of time, place, support with funding and the bringing together of different funding streams.

Work experience is mutually beneficial, providing young people with real experiences of the workplace and the opportunity to test their motivation for a particular career. For employers, there are many benefits, including a chance to talent spot, to understand what motivates young people, to provide additional resources at peak times and to promote their business. Companies working alongside students can gain innovation and ideas about their customer base or young people's views on product development and new ways of doing things. Such benefits are clearly a 'two-way' street; colleges secure long term stability, improved performance and new markets arising from the partnerships.

“We are now building on a previous collaboration which has led to the development of dedicated training facilities and a new curriculum offer at our local college. Our new partnership involves six employers based across the region, together with our local college.” **Employer**

“Ours is an industry with a fairly poor track record of investment in skills. Our big challenge is now productivity and workforce upskilling nationally. Working collaboratively with our local college helps us to do this better.” **Employer Ownership Pilot**

“We use colleges to deliver the training we can't. One college we work with runs their employer engagement entirely separately from their 'academic' side. We see academic staff as having a different priority – managing teaching – rather than forging lasting relationships with employers.” **Employer representative organisation**

3.3 Characteristics of colleges engaged in successful strategic relationships

We were particularly interested in the characteristics that define those colleges that were seen by employers as strong partners.

Our analysis identified many examples of successful strategic relationships and the attributes demonstrated by colleges. The really positive message that came across time and again was that colleges with a clear and understood purpose and role in their economic community see themselves as having a long term future and able to weather external changes. They have created and conveyed a strong narrative about the role of the college and its contribution to economic growth, employability and enterprise both internally and externally, and display a number of key characteristics which demonstrate this: they regularly engage with key local employers and stakeholders at the most senior levels, and as a result have created 'advocates' for the college in the business community: they have built credibility

and respect through this engagement and can talk knowledgeably about the opportunities and challenges that local businesses face. Importantly, these colleges see themselves as a business, talk a business language, and crucially, drive this narrative throughout the organisation, starting with the governing body. This approach means that all staff can articulate the college's role and purpose whether talking to parents, students or employers.

These colleges have understood the changes that they need to bring about within their own organisation and are reviewing all aspects of the college. This response, with both an internal and external focus, ensures they are recognised as being a key player within their economic community.

"I am part of the LEP Employment and Skills Group. I am also part of a local business group which works with the Council to support economic growth, innovation and enterprise and enhance the competitiveness and success of the city." **157 Group College**

"Senior managers in our local college 'get it'. Lower down it can be frustrating. There are lessons here for how senior staff communicate with their teams, and how teams in turn respond quickly to what we need." **Employer**

3.4 Strong partnerships take time to build

Strong partnerships are built on mutual trust and respect. Good relations between senior staff from employers and colleges filter downwards to others - opening doors and turning ideas into actions. Colleges that had developed strong and sustained partnerships with employers were clear that strong partnerships take time, are based on key relationships and require leadership from the very top.

Strategic relationships do not happen overnight. It takes time, energy and skill to turn a positive conversation into a long term relationship which delivers long term benefits to both parties.

3.5 There is much good practice in the sector

Over the course of this work we have seen much excellent practice and many of the quotes in this paper reflect that practice. There are numerous case studies published by the Association of Colleges and the 157 Group for example that illustrate best practice employer and college engagement working to the benefit of both and reflecting the characteristics we set out earlier in this paper. What we believe to be the case, however is that this is not universal. The evidence from the UKCES Employer Skills Survey suggests that there are huge opportunities to grow these relationships as only 13% of the money employers spend on skills development goes to colleges and universities.

3.6 Employers are often uninformed

Employers are often are uninformed about their local college's offer and some rely on past experiences, assumptions and hearsay that are often out of date or inaccurate. Colleges often struggle to demonstrate and promote their impact locally and are not always seen as the first port of call for training or indeed seen as businesses in their own right.

3.7 Employers and colleges have different priorities

One of the key findings of the 2013 CAVTL Report is the notion of 'the two-way street' i.e. avoiding further education and skills operating as a separate 'sector':

“The **two-way street** is about genuine collaboration between colleges and training providers, and employers. In the best examples the Commission has seen, employers are not just customers of vocational teaching and learning, but are engaged at every level in helping to create and deliver excellent vocational programmes.” (pp.7-8)

We agree wholeheartedly with this statement but do not believe that the 'ends of the street' are the same. Colleges' core business is teaching and learning and although skills are a vital ingredient to economic growth they are not the sole purpose of businesses, but are an enabler to business success. We therefore believe that in most cases, the drive for engagement will come from colleges and it will

be up to them to help employers understand the contribution that colleges can make. We also do not believe that every employer will want to engage strategically and many large employers have their own training functions in-house. Nevertheless there are many employers - large and small - that are not engaging with colleges and would benefit from doing so.

“It's unreasonable to think that every employer will be interested in a strategic relationship, however big they are - training is simply not their core purpose. Good colleges will fulfil an immediate training need, and then work on how a longer-term strategic relationship can be developed and maintained.” **Employer**

3.8 Innovative and different strategies are needed for SMEs

While it's possible for large companies to grow their own workforce, many smaller businesses, which employ the majority of workers in the UK, need to work with outside partners to develop the skills of their people.

Partnerships with SMEs remain a challenge and require different strategies, both from those organisations that represent and support SMEs and from colleges. The Gazelle College Group's 'Local' initiative is one example which reaches out to small and medium sized businesses through mentoring programmes and the formation of new commercial and social partnerships.

We saw some examples of where colleges had

introduced specific strategies to attract SMEs, including an approach to identify the top 200 small to medium-sized companies in a locality (out of a much larger number) and establish account management arrangements to 'get to know' and 'keep in touch'. As a result the range of services offered by the college went far further than just education and training and included labour market analysis, recruitment and selection, marketing and skills analysis.

"Most of our employers have less than 250 employees so there is not always a fully functioning HR department, and often no-one to take responsibility for workforce development."

Employer representative organisation

“

"A senior college manager is Chair of our local Chamber. This really helps us understand the pressures small employers are facing about their very survival and to help identify the particular qualities and characteristics they need from their staff. We've used this to influence what is taught in the college."

College

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4 Key statements to inform the debate

What follows are four key statements we offer as a way of framing future debates. We are keen that the discussions we have had are replicated between colleges and colleges, colleges and employers, and employers and employers, so that we see the huge growth in the establishment of strategic relationships that we believe is required. We believe that what we are setting out in this paper is the basis for a 'new conversation' between employers and colleges: one that is seen as mutually beneficial, is about business to business, is strategic rather than transactional, and is long term.

As a way of illustrating our statements, we have provided quotes from our evidence and included some of the questions we have either asked ourselves through the process or heard others ask. We hope these questions will be useful in helping colleges and employers to think through the key issues.

4.1 Statement One

The primary purpose of a college is to contribute to its economic community

This statement was seen as the most significant in terms of the messages we heard and want to put forward. We talk earlier in this report about a seminal moment and compare it to similar moments in the history of further education and more recent

events in the retail world. We believe that this has been a mind-set shift for many colleges. There is evidence in many colleges of a much stronger focus towards providing students with what is needed to obtain sustainable and rewarding work, become economically independent and create their own work opportunities. However, the notion that the primary purpose of a college is to contribute to its economic community is not universally held across the sector. This is not a statement about college structures, but about a shift in mind-set about what a college sees as its role and purpose and to whom it is accountable. Historically, colleges have seen themselves as accountable to government and its funding agencies but this is changing as funding shifts more towards employers. There is much talk in the sector about shifting focus towards 'horizontal' accountability - i.e. to local economies, to individual employers and to the community as a whole.

It is important that this is not just seen as a message for vocational colleges or those teaching vocational

"Employers are keen to engage with the college sector, but our experience is that colleges often try to 'sell' courses rather than get to understand the business and its potential needs in a more holistic way. Good colleges understand the 'route to market' and sell solutions not products" **Employer representative organisation**

courses. This is about the whole college and colleges ensuring that all their staff, whatever their role or subject area, understand what it means to prepare students for employment (either directly or via further or higher education). Whether they are studying BTEC engineering or A-level history, all students, particularly young people attending the college, will want a job eventually and the majority will seek work locally. It is also not just about qualifications and many colleges are introducing learning opportunities that allow students to obtain the skills and attributes that make them a valuable employee - the same skills and attributes needed to create their own work. Colleges focused on preparing students for the job market are using their knowledge and understanding of the business world to shape the way the college operates and to inform the skills and capabilities which are being taught.

We also believe that where choices have to be made about how finite public funds are spent, priority should be given to support skills development that contributes to economic growth. This is of course not at the expense of employer investment in skills, but in addition to it. This statement is



also not intended to diminish the importance of a range of programmes for students whose route to employment may not be straightforward, as we believe that the economic agenda sits comfortably alongside the social inclusion agenda. We believe that for most people the biggest step towards “social inclusion” and “wellbeing” is having a job and being economically independent, which means either acquiring the skills employers need or the skills to create one’s own paid work.

Questions

How does your college’s strategic plan make it clear that your key purpose is to contribute to economic growth?

As a college, what opportunities do you have to contribute to discussions about the future of your local business community, including new businesses arriving in the area?

What are the twenty businesses in your community that are the most innovative and growing the fastest?

What is your strategy for working with SMEs?

How often is employer engagement and labour market analysis an item on the agenda of your college’s governing body?

4.2 Statement Two

College leaders need to develop new types of skills if they are to succeed in strategic partnerships with employers

Not surprisingly leadership came out as the most important ingredient in a college's ability to contribute to and drive economic growth.

We noted that those colleges that were identified as strong partners with employers displayed certain leadership skills, some of which were not generally seen as part of leadership development

"Our governing body includes individuals with great experience of the NHS, the Council, and the third sector, the Probation Service, broadcasting, engineering, community relations and law. The Board is clear about what they expect of us, and tapping into individual expertise and contacts has been vital in moving us forward." **College**

programmes in the sector. These included strategic leadership skills to determine the scope and purpose of the college and how it fits with the local economic ecosystem. The Gazelle College Group's leadership approach is based on entrepreneurship for senior leaders and we observed how this had been used successfully to determine and drive change within their colleges. As the sector, through the work of The Education and Training Foundation, reviews the content and approach to leadership development, we put forward the view that all major development programmes for further education leaders should include the knowledge and skills required to understand the market within which the college operates and to position the college effectively. Leadership programmes should

also include opportunities to discuss and share approaches to what is meant by being outward facing, delivering 'horizontal accountability' and leading employer engagement. Importantly, through these programmes, leaders need to gain the skills to promote the spirit of entrepreneurialism in colleges including creating an organisation that role models key entrepreneurial characteristics such as innovation and management of risk.

We also noted that many college principals use 'Chief Executive' in their title and when questioned described how they saw themselves having two distinct roles: the academic leader and the business leader. We wondered whether more is needed to understand what being a business leader means in this context.

Governors

As the AoC's report 'Creating Excellence in College Governance' (2013, p.16) states 'Good governance can be evaluated in terms of how a college is viewed by those it is accountable to...' If there is shift in accountability as described above, the role of governors needs to also reflect that shift.

"A direct one-to-one discussion with a business leader helps us explore the long-term picture of future skills needs. It also helps build mutual understanding and respect for the job each of us is doing. I'm seen as a business leader, not just a college leader." **157 Group College**

Governors make a range of contributions to the leadership of a college but we believe that there is more that can be gained, especially from those governors that come directly from the business world. Effective business governors can help colleges understand local business needs in much more depth, and, using their networks, spread the word among employers about how colleges contribute to the local economy. They bring clarity about direction, targets, priorities and expectations, challenging managers on what employer engagement really means in practice. They will have individual knowledge about training needs and LMI and importantly, bring a business focus, business disciplines, business language, and an insight into employers and their priorities.

Many colleges struggle to identify and recruit active business governors and we have heard from business governors that the time required is often a major barrier. We have also observed that



“All colleges should have someone on their senior management team who really understands business - ideally someone who understands investment.” **Employer**

governing bodies have the potential to increase the time commitment. More work is needed to square the tension between time required to be a college governor and the need for governors that are actively involved as senior leaders in business.

Questions

What is your understanding of ‘horizontal accountability’, what it means for your college and how you would measure impact?

How do you ensure your college staff, whatever their subject, can speak knowledgeably about the local economy and the opportunities it offers for students?

If being entrepreneurial is important, how are you and your strategic leaders modelling this across the organisation?

How does your organisational structure reflect your strategic direction to contribute to local economic well-being?

4.3 Statement Three

The credibility of colleges with employers is tied up with what they offer

A consistent point raised in our discussions is that the credibility of colleges with employers is tied up with what they offer. For example, colleges must demonstrate experience, expertise and outstanding quality in the employment sectors which dominate a sub-region. Colleges which have developed outstanding quality and real expertise in specific sub-sectors have often found themselves in a strong position to develop regional and sometimes national markets.

"Our strategic relationship with one major employer in the region has opened doors to others - we were able to demonstrate our strengths and provide testimonials from senior managers that described our commitment to partnership working and the quality of our offer." **College**

Along the way, this has meant difficult business planning choices for some – stopping offering some provision in order to deliver other provision more effectively. Successful colleges are investing in their identified specialist sectors. In some cases they have dedicated buildings (often with public funding support) in order to extend the scope of their offer. They work in partnership with employers to deliver provision, using a range of approaches from guest lecturers through to full units delivered by practitioners in the workplace. Other colleges have built their specialisations through their internal investment, or through participating in the development of National Skills Academies.

Colleges therefore need to demonstrate that they have invested in the professional development of their staff, and facilities which command the attention and respect of employers. They must also show they have spent time understanding the skills needs of their key local sub-sectors, demonstrating the credentials of the college as a whole, and that they are focused on the skills, capabilities, qualifications and outcomes which employers value. They should also review how they 'market' themselves to employers and how quickly and effectively they are able to respond to enquiries and approaches.

Colleges that have built their credibility and reputation with the economic community know they have a long term future in terms of both funding and support because they have a clearly understood purpose and role in the community.

A college's credibility is also increasingly tied to the relevant destinations of its students, tracking them and using those who embark on successful careers as "advocates" for the college and courses. Success stories also inspire those perhaps yet to make a

"I was invited to meet the CEO of a large multinational and went armed with what the college could do. All this was swept aside when he asked me what it was like leading a business in hard times and what my strategy was for survival. A very different conversation. I subsequently learned that his primary interest was in what sort of partner I would be than what the college could do."

College

firm choice about their next steps. This underlines the need for better, more robust careers guidance, so that school and college students know what opportunities are available locally, regionally and nationally, and the college is clear about its role in making this available. Many colleges are introducing alumni schemes to support this approach.

“It pays to be clear about what you offer, and to be able to prove that you are very good at what you offer. There is no way that you can be ‘expert’ in everything.”

College

Questions

Do you have a reputation for some areas of work rather than others, and does your investment strategy reflect that?

How far does your college governing body membership reflect your specialisation?

How easy would an employer find it to navigate through your college website effectively to find out more about what you offer and what you are good at?

What systems do you have in place to analyse your customers' journey through the college?

How do you use ex-students as ambassadors to build your reputation?

How well do the employers you've worked with promote you to other employers?

4.4 Statement Four

Employers need to get to know their local college and what it has to offer and engage in a dialogue about their future workforce plans

We believe that there are compelling arguments for employers to build strategic relationships with colleges and we set out some of the benefits earlier in this report.

Colleges are significant local, regional and national public assets. The investment in capital has been considerable and, as a result, a vast proportion of the sector has first class accommodation that has undergone major refurbishment over the last ten years. The majority have modern facilities and state of the art, industry standard equipment. Strategic relationships between employers and colleges will help employers understand how this public asset of around £4bn can support their workforce strategies.

Understanding how to access public funds to support education and training is one of the benefits from college/employer partnerships. Strong, established partnerships which can demonstrate a direct impact on skills improvement and business performance will be front of the queue to attract new funds, and will enable employers to achieve the optimal balance between public and private investment in workforce development.

We believe that if employers were more informed about what services colleges offer, not only would they be able to access public funds but also

influence how college services are developed and delivered to address their business needs. We also believe that employers would reap significant benefits from investing in colleges (time, energy and resources) and 'co-owning' provision would enable them to influence what is taught, both in terms of content as well as how provision is delivered. This will help colleges to meet industry standards and ensure public investment is well spent.

We found colleges more than willing to open their

"I meet with the CEO annually. We look at skills gaps for existing and new staff and help address these. We hold recruitment fairs for them here and at our premises and regularly present to all their managers. They offer us work experience placements, we deliver short courses, apprenticeships and other qualifications they need."

College

"Only through my engagement as a governor did I recognise what the college was actually doing, and I was impressed." **SME**

doors to direct employer involvement and influence and saw many examples of where this was happening to the benefit of employers and students.

Employers also need to be better at articulating their future plans and the implications for their workforce: colleges can help in this process. If colleges are aware of employers' future workforce strategies they can plan their investments including capital and staff to align with these.

Colleges with strong relationships have gone out of

their way to help employers visualize the potential of a college to support their core business. They demonstrate a real understanding of the specific local and sector based pressures facing employers. They work together with employers to ensure that training is driven by business need and commercial expectations are met. They work with commercial urgency - combining speed, accuracy and an ability to critically assess the results. They deliver future employees with the entrepreneurial skills that employers repeatedly tell us they want - the ability to think for themselves, use initiative, come forward with ideas and add value to the task and the business.

Where employers see their local college as an important resource, work closely with them to shape what they do, and engage directly with staff and students, unanticipated gaps and shortages in skills are much more likely to be avoided.

These are the relationships that make a difference.



“Our industry today is hi-tech and we operate in a fiercely competitive global marketplace – where quality, design and service levels are critical to maintaining market share. We have an ageing workforce and find it difficult to promote our highly-specialist industry to young people. Our new Apprenticeship scheme will be national, and will include our suppliers. We will be working closely with schools, colleges and universities to improve work placements and internships and to provide opportunities for school and college leavers which are attractive.” **Employer Ownership Pilot**

Questions

How familiar are you with the £4bn business in England called further education colleges? Are you getting the most from this?

How well do you know your local college and its senior team?

How frequently would you meet the college CEO/Principal to discuss your labour market opportunities/needs?

Where would be the first place you would go to have a conversation about the development of your workforce strategy? Would it be your local college?

Colleges are large businesses, how aware are you of the range of other services they could offer you? Are they on your business to business list?

What is your understanding of your local college's strategy, how it can work in your favour, and how you could influence it?

What opportunities are there for your senior managers to participate on college boards?

Colleges are independent bodies, and can be flexible in terms of funding. How aware are you of the opportunities that co-investment in skills development can provide?

5 Next steps

The statements and questions posed in this discussion paper both recognise the work already taking place between colleges and employers, and present a call to action.

We hope the paper will stimulate widespread debate and discussion, help change the nature of the conversations happening both within and between colleges and businesses and support transformations in how relationships are built. However, we are aware that this is only a start. A discussion document alone will not be enough to bring about the mind-set shift that we believe needs to happen.

We will be supporting The Education and Training Foundation to take work forward that builds on the

issues raised here. We know that this work needs to be practical, relevant and useful. It needs to be broad enough to be relevant for a diverse further education sector, but sufficiently detailed to do more than skim the surface.

This isn't easy. However, we hope that through partnership working we can help to continue the new conversation to support real change to address skills shortages and gaps, and develop new talent to secure sustainable economic growth.

⑥ Selected references

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The UK Commission for Employment and Skills is a publicly funded, industry-led organisation providing strategic leadership on skills and employment issues in the four home nations of the UK.

Together, our Commissioners comprise a social partnership that includes CEOs of large and small employers across a wide range of sectors, trade unions and representatives from the Devolved Administrations.

www.gov.uk/ukces

The Gazelle Colleges Group is transforming further education by developing new learning models focused on providing students with commercial, entrepreneurial learning opportunities. The colleges sit at the heart of their local entrepreneurial ecosystems, breaking down the barriers between business and education by developing innovative partnerships with local employers and community stakeholders.

www.gazellecolleges.com

The 157 Group is a consortium of 29 of the UK's largest FE Colleges. We offer a UK-wide view of educational practice and policy development.

Our member Colleges are large, have a range of specialisms, identify their core function as securing and delivering the highest quality of teaching and learning and are strategic leaders in their locality.

www.157group.co.uk