Education and Training Inspectorate

Report of a Survey

The Provision of the Pilot Programme of Small to Medium Sized Enterprises in Six Colleges of Further and Higher Education

Inspected: 2003

CONTENTS

1.   INTRODUCTION

1.1   One of the key strategic objectives set by the Department for Employment and Learning (DEL) for the further education (FE) sector is to support regional economic development and, in particular, to provide the skills necessary for the knowledge-based economy. Since 1999, DEL has made available to colleges of further education additional funding to develop new provision and to increase participation rates in six skill areas identified by the, then Training and Employment Agency, as priority areas for the Northern Ireland economy. These skill areas are computing, construction, electronics, hospitality catering and tourism, manufacturing engineering and software engineering. In October 2001, DEL issued Circular FE22/01, which outlined its plans to fund a pilot for small to medium sized enterprises (SMEs). The purpose of the pilot was to provide colleges with additional funding to develop further their provision for the SME sector, particularly providing direct support for SMEs, and to complement and build on support provided by other government departments and agencies. The Department set two aims for the pilot:

- to improve business performance of participating SMEs by making use of the FE sector's expertise, and increasing the profitability, growth and competitiveness of SMEs;

- to enhance the relevance of the FE curriculum to the needs of SMEs, through appropriate curriculum development, and equipping FE students with the expertise and qualifications to participate in economic development and work in the SME sector.

1.2   The circular, invited colleges to submit bids for ear-marked funding to support SMEs in the designated skills areas. Colleges were informed that they had to work in conjunction with local enterprise agencies (LEAs) in the preparation of their bids. In January 2002, a panel composed of members from DEL, industrial support agencies, employer groups, the Learning and Skills Council (England) and the Education and Training Inspectorate (ETI) assessed the bids. The panel subsequently approved four bids. These were from:

- the Belfast Institute of Further and Higher Education (BIFHE);

- Castlereagh College of Further and Higher Education (CIFHE);

- East Down Institute of Further and Higher Education (EDIFHE);

- a consortium of three colleges from the Greater Belfast area, led by North Down and Ards Institute of Further and Higher Education (NDAIFHE), and including East Antrim Institute of Further and Higher Education (EAIFHE) and Lisburn Institute of Further and Higher Education (LIFHE).

1.3   The three individual colleges each received £100,000 from DEL; a similar amount was shared among the colleges of the Greater Belfast consortium bid. The SME pilot was planned to run for a period of twelve months, and most of the programmes started in the third term of the 2001-02 academic year. The circular informed colleges that they would be expected to disseminate the findings of their pilot programmes to the wider FE sector.

1.4   This report is based on evidence drawn from visits by the ETI to the four SME pilot programmes (six colleges) during the second and third terms of the 2002-03 academic year. Discussions were held with the college directors, other members of the senior management teams (SMTs), business development managers and officers, and teaching staff. Employers and participating learners were also interviewed. The members of the ETI team inspected a total of six training sessions across the colleges; most of the training sessions under the pilot took place prior to the survey. At the end of each inspection, each college received an oral report from the reporting inspector and a short written report, which outlined the main findings and areas for improvement.

1.5   The aims of the survey were to evaluate:

- the quality of the education and training provided by the participating colleges to the participating SMEs;

- the contribution made by the participating colleges to the economic development of the participating SMEs;

- the quality and effectiveness of the partnerships;

- the impact of the pilot programme on the curriculum for other students on mainstream further education courses;

- the management arrangements for the pilot programme.

2.   SUMMARY OF MAIN FINDINGS

2.1   Under the pilot for SMEs, the six colleges provided training programmes to 301 firms; most of the training was provided in the skill areas of hospitality catering and tourism, (52%), construction (22%), and computing (16%).

2.2   Four of the colleges met or exceeded their targets in the number of firms enrolled on the programme. In the other two colleges the number of enrolments was poor.

2.3   Most of the training programmes offered to SMEs include basic courses in information and communication technology (ICT), food hygiene, health and safety, and first aid.

2.4   An average of 38% of learners was enrolled on accredited courses, and a significant proportion of these courses, were basic training courses required to comply with government legislation, for example, in food hygiene, and health and safety.   Three colleges have made satisfactory or better progress in recruiting learners to more advanced accredited courses.

2.5   The management arrangements for the development and implementation of the pilot programmes are good or better in five colleges; in one college weaknesses outweigh strengths.

2.6   In four colleges, effective partnerships have been developed with key external stakeholders, particularly LEAs, local councils and representatives from sector training councils (STCs).

2.7   All of the colleges had prior experience of working with the SME sector, and the majority made good use of these previous links in the planning and implementation of the pilot.

2.8   The majority of the colleges made good use of their links with external stakeholders to market the programmes. The colleges' previous contacts with SMEs under the Jobskills programme, for example, proved to be a particularly effective marketing tool.

2.9   Only two of the colleges implement effective pricing strategies for the training provided; most of the training has been provided at no cost to the participating firms.   Although the provision of free training has assisted enrolments on the programme, it undervalues the potential role of the FE sector in providing support for SMEs.

2.10   Most of the colleges have developed appropriate procedures to identify the training requirements of SMEs.

2.11   The quality of teaching and learning observed was consistently good. The training sessions were well planned and conducted in a professional manner; they made good use of an appropriate range of teaching methods and good quality learning resources, to meet the needs of the participating learners.

2.12   Four colleges are making satisfactory or better use of information and learning technology (ILT) to support SMEs, and there is evidence that it enhances the quality of the provision for the SMEs.

2.13   Few of the colleges made sufficient progress in ensuring that other FE students on mainstream full–time vocational courses developed the skills and expertise to participate in economic development and to work in the SME sector. None of the colleges was able to place any of these other students with the participating firms to undertake project work and, very little use was made of real case studies for assignment work.

2.14   The members of teaching staff deployed on the pilot are well qualified and experienced in their respective vocational areas.   Only one college, however, has sufficient numbers of well-qualified staff to provide business advice, counselling and mentoring services.

2.15   In four colleges, there is evidence that the pilot programme has made a significant contribution to supporting regional economic development.   The contribution of the other two colleges has been very limited.

2.16   Retention rates are good or better ranging from 87% to 100% and success rates for those learners registered for accredited courses is excellent, ranging from 95% to 100%.

2.17   The main challenge for colleges will be to sustain their work with the SME sector beyond the duration of the pilot. Three colleges, however, have made significant progress in developing further partnerships with key agencies for local economic development, STCs, and Government agencies to seek alternative sources of finance to develop further their work with the SME sector.

2.18   With the exception of one college, the quality of training accommodation is good or better and meets the needs of modern industry.

3.   PROVISION

3.1   Under the pilot, the six participating colleges have provided training programmes to 301 firms. Just over half (52%) of the firms are from the skill area of hospitality catering and tourism. The other main skill areas are construction, and computing which account for 22% and 16% respectively of the total number of firms recruited. Enrolments from the other four skills areas are small and account for only 10% of the total number of businesses. With the exception of BIFHE, each college provided training programmes in at least two of the designated skill areas, and one college (CIFHE) offered training in all six areas. Most (70%) of the firms recruited are micro businesses comprising ten or less employees. Details of the enrolments are included in table one of the appendices.

3.2   The number of firms which were enrolled by each college, ranged from 30 to 102. Although the number for BIFHE appears to be low they are in line with their target enrolments; these firms undertook an extended training programme with the aim of seeking the accreditation of the Hotel and Catering International Management Association's (HCIMA) Hospitality Assured (HA) marque. With the exception of two of the colleges in the Greater Belfast consortium (EAIFHE and LIFHE), the number of firms enrolled on the pilot met or exceeded the target enrolments. Most of the firms recruited under the Greater Belfast consortium, were enrolled at NDAIFHE.

3.3   A total of 776 learners was enrolled on training programmes under the pilot. The average participation rate per firm was 2.6 employees, with the highest participation rate of just under seven employees per firm in the skill area of manufacturing engineering. Details of learner enrolments are included in table two of the appendices.

3.4   Most of the training programmes offered to SMEs include basic ICT, food hygiene, health and safety and first aid courses. The choice of programme was determined in most instances in consultation with the providers, and was informed by the colleges' training needs analysis procedures. The colleges also report that these courses were offered as taster courses to encourage firms to undertake more advanced training programmes under the pilot.

3.5   Under the pilot, an average of 38% of participating learners was enrolled on accredited courses; the range across the colleges was from 28% to 100% of enrolments. A significant proportion of the accredited courses are at a basic level in food hygiene, and health and safety and are necessary to comply with standards in the various industries. Four of the colleges made satisfactory or better progress in recruiting learners to more advanced accredited courses, such as, National Vocational Qualifications (NVQs), the Institute of Leadership and Management (ILM) Introductory Certificate in Team Leading, the Institute of Occupational Safety and Health (IOSH) Managing Safety, and the European Computerised Driving Licence (ECDL).

4.   LEADERSHIP AND MANAGEMENT

4.1   The management arrangements for the development and implementation of the pilot programmes are good or better in five colleges, and in one, weaknesses outweigh strengths. The management arrangements are stronger in those colleges where the senior management team has developed a clear vision on how it can address appropriately the needs of SMEs. It is a strategic priority in the college development plan and has been supported with appropriate action, including, the establishment of SME cross-college bodies with full involvement by the SMT, and the curriculum, staff development, and business development managers.

4.2   In four colleges, effective partnerships have been developed with relevant stakeholders, particularly LEAs, local councils and economic development consortia, and STCs, including the Construction Industry Training Board (CITB) and the Tourism Training Trust (TTT). These partnerships have been effective in ensuring the provision complements existing SME training and support programmes. The partners provided additional support in marketing the programme to SMEs and they have also enabled colleges to develop a better

knowledge and understanding of local businesses. In one college, for example, the LEA played a significant role in the development of the college submission for the pilot, worked with the college to improve its training needs analysis procedures, and provided, for the teaching staff, well-planned staff development programmes in economic awareness and business coaching.

4.3   Four of the colleges made good use of their prior experience of working with SMEs. In these colleges, the senior management representatives and key members of staff are well informed about the SME sector, and they play a significant role in local economic development forums. In one college, for example, the director was a member of the board of one of the LEAs, and this link helped to strengthen the design and implementation of the programme. Another college deployed a team of well-qualified staff who had built up, over a period of seven years, considerable experience in providing self-financing mentoring and training courses for industry.

4.4   Nearly all of the colleges deployed dedicated teaching staff who managed and co-ordinated the pilot. In the majority of colleges, the staff had relevant experience in managing training programmes for industry. Nearly all colleges made appropriate use of the funding from the programme to provide sufficient time for staff to undertake their work. In one college, the time given was inadequate.

4.5   The majority of colleges worked hard to develop appropriate databases of firms to market the programmes to employers. These were, in most instances, provided through their links with the LEAs and the STCs. Most of the colleges made good use of their existing contacts with local industry, particularly through their Jobskills provision; these contacts were particularly effective in marketing the programmes.

4.6   Only two of the colleges implemented effective pricing strategies for the training provided; most of the training was provided at no cost to the participating firms. Although the provision of free training helped encourage enrolments, the colleges were unable to develop appropriate expertise in the costing and selling of training programmes to SMEs. In addition, the absence of appropriate charges does little to enhance the potential role of the FE sector in providing support for SMEs; if they value the training they should be prepared to pay for it.

4.7   The training programmes were monitored effectively by cross college bodies and planning groups in most of the colleges. The monitoring focused on how well the colleges had met their target objectives in their submissions to DEL. In the best practice, two colleges, made plans to subject the programme to external evaluation by consultants. Another college improved its training needs analysis procedures by implementing a differentiated strategy to ascertain the particular needs of micro businesses, which employ less than ten employees, and of small firms, which employ eleven or more employees. The college staff subsequently provided a range of generic training programmes, for example, in ICT, for clusters of micro businesses. In contrast, small businesses were provided with detailed training needs analysis by college staff. The college responded to these training requests effectively; the training provided was customised to the specific priorities of these businesses, and included for example:

- business survival training for a hotel to strengthen its marketing strategy;

- upskilling the management skills of supervisors in two catering businesses through the ILM Introductory Certificate in Team Leading.

4.8   Most colleges deploy business development officers to help develop effective training programmes for industry. All are involved in the planning and implementation of the pilot. With the exception of one college, they were given appropriate support from their SMTs during the pilot and helped to strengthen the pilot programme by providing important links with employers.

5.   THE QUALITY OF TEACHING AND LEARNING

5.1   An analysis of training needs procedures was implemented effectively in most of the colleges; participating firms report that the training programmes provided were well matched to their specific needs. The speed of response by the college to initial enquiries from the SMEs, and the flexibility in the design and delivery of training programmes were cited by the employers as the key features of good provision.

5.2   The quality of teaching and learning observed was consistently good. Training sessions are well planned and conducted in a professional manner. There is effective use of good quality training materials, which have been developed by the colleges and are related directly to the training requirements of the participating firms. The most frequently observed good features in the training sessions include, confident exposition, appropriate use of a range of teaching methods, and the good use of presentation software to enhance learning.

5.3   The use of ILT to support and enhance learners on the pilot is variable. In one college, it is embedded effectively into the programme. In three colleges, on-line learning is used effectively in a limited number of training programmes, including ICT training and business planning. The advantages of ILT is not well exploited in the other two colleges.

> *One college made excellent use of ILT to develop a novel and well-researched solution to improve the business performance of 30 guesthouses, hotels, cafes and visitor attractions. Following their attendance at initial workshops, participating firms used the web-based hospitality clinic developed by the college, to assess how well they matched the standards of the HA marque. They subsequently developed action plans to address key areas for improvement. The firms made use of a range of relevant resources on the college's Virtual Learning Environment (VLE). They were able to download from the VLE, for example, templates for staff induction booklets, and customer comment cards, which could be modified to suit the needs of the firm. Regular visits from a well-qualified team of mentors helped the firms to review their progress, to set future targets for improvement, and to undertake additional training workshops to meet their business needs for the award.*

> *Another college made good use of on-line learning to support employees in a small number of practices of architects and chartered surveyors. A total of 132 employees had registered on a range of ICT courses using Net G and Learndirect programmes to support their staff development needs. The college deployed a part-time tutor to provide appropriate additional support for participating learners.*

5.4   There is evidence that effective use of ILT offers key advantages in the delivery of training programmes to SMEs: provision is more flexible, particularly when they make use of a VLE; learners can access learning resources at a time and place to suit their needs and thus cut training costs, and the training provision is more economical and makes more efficient use of time.

5.5   Participating lecturers on the pilot have improved their knowledge and understanding of current practice in industry. Few of the colleges, however, were able to maximise their involvement in the pilot, to ensure that mainstream further education students developed the skills and competences to participate in economic development and to work in the SME sector. In the best practice, one college in conjunction with a LEA, organised a number of enterprise workshops and seminars for full-time further education students and Jobskills trainees. The college is also at an advanced stage in introducing accredited enterprise modules on its full–time courses. None of the colleges, however, was able to place mainstream students with participating firms to undertake project work and very little use was made of real cases studies from these firms for assignment work.

5.6   The members of teaching staff deployed on the pilot are well qualified and experienced in their respective vocational areas. They have appropriate industrial experience and expertise in providing training to SMEs. The majority of the colleges also make good use of part-time staff, and/or external training consultants and industry specialists, to cover elements of training where the college lacks the relevant skills and expertise. Only one college, however, has sufficient numbers of well-qualified staff to provide business advice, counselling and mentoring services. In this college, most of the staff working directly with SMEs has appropriate qualifications, such as, the NVQ level 4 in business advice.

5.7   With the exception of one college, the quality of training accommodation is good or better and meets the needs of modern industry.

6.   STANDARDS AND OUTCOMES

6.1   In four colleges, there is evidence that the pilot programme has made a significant contribution to supporting regional economic development. Many of

the participating firms in these colleges cite improvements in their business performance as a result of their participation in the pilot. Benefits include improved confidence of staff, enhanced occupational and problem solving skills and better use of ICT. The contribution of the other two colleges to economic development under the pilot has been very limited.

6.1.1   In one college, the participating firms report that the pilot has resulted in tangible improvements to their business processes in tourism and hospitality, including:

- the introduction of formalised business systems including staff job descriptions, staff induction and appraisal procedures;

- improved team working and staff morale, and better internal communications;

- improved knowledge of customers and competitors through more robust marketing procedures;

- improved financial management and control of costs.

A firm associated with one college, and managing a call centre in the travel industry, reports that employees have improved their occupational skills since they started a NVQ level 2 in call handling operations. Another firm associated with this college, reported that as a result of its staff participating in appropriate health and safety training, the firm was in a better position to win contracts from national supermarket chains.

6.2   Most of the participants on the programme have achieved their learning objectives; retention across the colleges is good or better, and ranges from 87% to 100%. Success rates for those learners (38%) registered on accredited courses is excellent, and ranges from 95% to 100%.

6.3   The main challenge for all of the colleges will be to sustain their work with the SME sector beyond the duration of the pilot. They report that under the current funding model for further education, and the hourly rates of teaching staff, they are unable to offer full cost training to the SME sector at appropriate competitive rates. Three colleges, however, have made significant progress in developing further partnerships with key agencies for local economic

development, STCs, and Government agencies to seek alternative sources of finance to continue their work with the SME sector.

7. CONCLUSION

7.1   The pilot offered the six participating colleges the opportunity to develop and enhance further their contribution to supporting SMEs, and the majority of the six colleges have responded positively to this challenge. The main challenge for colleges will be to sustain their work with the SME sector beyond the duration of the pilot.

7.2   The main strengths of the pilot are:

- the meeting of their enrolment targets by the majority of the colleges;

- the commitment and willingness of the majority of colleges to develop their role in meeting the needs of SMEs;

- the high levels of retention and success on certified training programmes;

- the enhanced economic performance of participating SMEs;

- the good quality of the teaching and learning;

- the provision of well designed programmes customised to the needs of participating SMEs.

7.3   The main areas for improvement to be addressed by the FE sector and DEL are:

- the development of further partnerships between the colleges and relevant agencies for economic development, particularly LEAs, STCs and local councils;

- the strengthening of the skills' profile of the teaching staff who provide business advice, counselling and mentoring services to SMEs;

- the need for colleges to develop expertise in costing and selling training programmes to SMEs;

- the further development of the use of ILT in the delivery of training programmes to provide greater flexibility of provision and improved cost effectiveness for SMEs;

- appropriate action to ensure that mainstream further education students have better opportunities to gain experience of the SME sector.

TABLE ONE: THE NUMBER OF FIRMS PARTICIPATING IN THE SME PILOT FROM EACH SKILL AREA

Name of Lead College	BIFHE	EDIFHE	Castlereagh	Greater Belfast Consortium	Aggregate for Pilot	
Skill Area	No of participating firms	No of participating firms	No of participating firms	No of participating firms	No of participating firms	Proportion from each Skill Area
Tourism, Hospitality and Catering	30	38	31	59	158	52%
Computing	0	0	49	0	49	16%
Construction	0	32	1	33	66	22%
Electronic Engineering	0	0	3	0	3	1%
Manufacturing Engineering	0	0	10	1	11	4%
Software Engineering	0	0	3	6	9	3%
Other	0	0	5	0	5	2%
Total	30	70	102	99	301	100%

TABLE TWO: THE NUMBER OF LEARNERS PARTICIPATING IN THE SME PILOT FROM EACH SKILL AREA

Name of Lead College / Skill Area	BIFHE — Number of learners participating in the programme	EDIFHE — Number of learners participating in the programme	Castlereagh — Number of learners participating in the programme	Greater Belfast Consortium — Number of learners participating in the programme	Aggregate for Pilot — Number of learners participating in the programme	Proportion from each Skill Area
Tourism, Hospitality and Catering	30	95	44	229	398	51%
Computing	0	0	61	0	61	8%
Construction	0	43	2	155	200	26%
Electronic Engineering	0	0	3	0	3	0%
Manufacturing Engineering	0	0	73	1	74	10%
Software Engineering	0	0	3	18	21	3%
Other	0	0	19	0	19	2%
Total	30	138	205	403	776	100%

TABLE THREE: OUTCOMES AND ENROLMENTS ON ACCREDITED COURSES

Name of Lead College	Number of learners participating in the programme	Number of learners who completed the programme	Retention Rate (%)	Number Entered for Accredited Courses	Proportion Enrolled on Accredited Courses	Number Achieving Award	Success Rate (%)
Greater Belfast Consortium	403	402	100%	140	35%	117	100%
EDIFHE	138	132	95%	39	28%	37	95%
Castlereagh	205	203	99%	86	42%	86	100%
BIFHE	30	26	87%	30	100%	n/a	n/a