

# Enterprise and Learning Committee

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## Purpose: Collaboration between Merthyr College and businesses to benefit the economy.

This paper is being presented to the Enterprise and Learning Committee in order to describe how Merthyr College has collaborated with businesses to benefit the economy." We will use this opportunity to discuss the programmes we have introduced that have directly helped businesses, describe how successful we have been at securing funding directly for new business starts and the training we provided along side this funding (through the enterprise, commercial services and work based learning departments). We will also describe the networking opportunities we offer to businesses and the service for automotive SME's (small medium enterprises) in the area through our Diesel Diagnostic centre.

### Background. The work we have completed to build relationships and offer help and support to businesses

#### A. General Background

In February 2001 the college appointed an Entrepreneurship Champion (EC) as part of a pan-Wales KEF (Knowledge Exploitation Fund) project. Although the role has changed greatly over the years the responsibility of the EC encompassed entrepreneurship, innovation, staff development, business development and technology transfer.

At this point in time the colleges' relationships with businesses were informal and sporadic, dependant in some cases on personal contacts of lecturers in departments. There was a need to formalise what we offered and increase the level of interaction with businesses in the area. The KEF project allowed us to do this by pump-priming projects which gave us funding to release staff to build up relationships with businesses. This enabled them get to know their training needs and eventually to supply them with a solution to these needs.

These first projects helped us become more familiar with business needs and helped inform the curriculum. The staff employed on these projects now run the colleges Commercial Services Office and the Work Based Learning department which didn't exist prior to KEF. Seven years on from the introduction of KEF, during which time we wrote many successful bids to the fund, the landscape at the college has changed radically and we now offer valuable advice, funding, training and technology transfer to hundreds of businesses in the area securing their businesses and helping them to advance. Whilst to describe all the successes over the past few years would be impossible, this document, will concentrate on a few key projects that we feel have effectively assisted businesses to start-up, grow and survive in the current environment.

#### B. KEF Scholarships

Since September 2001, 121 people have received KEF business start-up funding through the college. Due to childcare costs this funding varied but on average each person received over £6,500. Therefore we have secured over £800,000 start-up funding for businesses in the area; more than any other college and university in Wales. Although the impact of these business starts on the local economy is not always easy to pin down we have managed to obtain the following information about our scholars here in Merthyr:

The 2007 scholarship survey revealed that:

the turnover by 15 new scholars from Merthyr (August 06 - July 07) was £1,059,000 (average £70,600)

the turnover from 35 scholars in the business tracking survey (last 5 years excluding new scholars) was £2,046,500 (average £58,471)

Why were we so successful? Very early on in the process we realised that people with excellent business ideas were being turned away from other colleges because they didn't meet the eligibility criteria of having an NVQ 3 or equivalent qualification achieved in the past 3 years; this included many people from Merthyr. We decided to not only help people become eligible but also to gain some relevant skills they could use in their business. We started to offer a flexible NVQ 3 Business Start-up course, on a roll on roll off basis, distance learning to fit in with their already busy lives. This proved to be extremely successful and popular and over half of the people gaining the scholarships undertook the course and sang loudly its praises and its transferability to their businesses.

Below is a list of the type of businesses set up with the support of the KEF fund through the college:

<b>Children's entertainment and pottery</b>	<b>Flower shop</b>
Mobile hair and beauty treatment	Gas engineer
Production of concrete castes	Second hand retailer

Female painter and decorator	Nursery
Retail of greetings cards bridal favours and accessories	Carpenter/fitter
Driving lessons practical and theory	Electrical company
Marketing products	On-line chat
Production of aromatherapy products and beauty treatments	Sports equipment manufacturer
Hair salon	Painting and Decorating
Training company	Lifestyle management
Electrician	Manufacture of quality testing systems
Reiki, holistic therapies	Electrical business

<b>Record store</b>	<b>Manufacture of Welsh cakes</b>
I T Consultant	Personal trainer
Day nursery plus crèche equipment	Manufacturing/Quality Consultant
Retail outlet	Yoga to companies
Publishing Life stories/off the shelf products for DIY life stories	General construction
Carpentry and roofing	Virtual PA
Health and fitness in schools etc	Wedding planner
Amusement Arcade	Computer sales and servicing
German translation service	Restoration of sash windows
Building services/draftsman	Building services
Training company	On-line sales/design gifts
Craft business	Accountancy training

Secretarial services producing reports etc	Animal care retailer and manufacturer
Couture/designer	Painting and Decorating
Health and safety adviser	Wedding/clothes design
School of motoring	Alternative therapies
Manufacturer of baby clothes	Crèche
Studio	Dog grooming
Training company	House developers
Holistic therapies	Beautician
Media/video on demand	Photography
Media/video on demand	Health and wellbeing
Educational/language software development company	Hypnotherapist and psychotherapist
Fitness programmes in schools	Security business
Design company	Cleaning business
Construction company	Hair Salon
Gifts on line	Chiropractors
Hair salon	Care home for adults

These businesses now form an integral part of the college, they are invited to events in the college (for example our quarterly enterprise club) where we put on speakers to help them grow their businesses. They form part of a large database and we regularly mail them information about relevant course, competitions and articles of interest. They also give back to the college by coming in and speaking to our students, taking part in our enterprise week activities, acting as mentors to our new business starts and sponsoring activities. We have been told that the administration of the scholarships will be taken from FE and HE institutions from September 2008. This will be a severe blow to our links with businesses and could see the great work we've done building and maintaining this network being eradicated.

### **C. Enterprise Week and Merthyr Business Awards**

During the past seven years the college has gradually become a player in the business support network in Merthyr working closely with other agencies for the benefit of the business community. Obviously our success in obtaining scholarships for new starts catapulted us into the limelight and so increased our profile in the community.

Early last year the business support network in Merthyr decided to work together organising Enterprise Week. This turned out to be an excellent decision and eleven events were run throughout the week raising the profile of businesses in Merthyr. One of the very successful events was the introduction of Merthyr Business Awards by Merthyr Council and we worked extremely hard for months visiting companies and discovering the array of talent within the borough. We adapted the very successful format of the National Training Awards (from my experience as judge and chair of the National Training Award panel in Wales) and made it fit for our purpose.

The awards not only provided an excellent opportunity to showcase the talent we have in Merthyr but also gave us the opportunity to see companies working firsthand and to listen to their inspirational stories and share these with others.

This great partnership work between Merthyr Council and The College inspired us to work together for the future benefit of businesses in Merthyr by working together on a convergence bid to ensure that we continue to provide the best business support possible.

#### **D. Merthyr Tydfil College Diesel Diagnostics Centre (DDC)**

The centre has been operating since April 2006 after a successful bid for construction of the centre and purchase of equipment was obtained from The Knowledge Exploitation Fund Technology Transfer Fund (Welsh Assembly Government).

The aim of the centre is to transfer technology/knowledge to SME's in the new technology of light Diesel Diagnostics and repair procedures in order to enhance and sustain business competitiveness in the automotive sector.

While the customer base was stable, what was of concern was that, due to the lack of equipment and knowledge the SME's had about diesel diagnostics and the growing market of diesel cars, these SME's may not survive much longer unless they were able to service the need for an ever growing market.

The technology they were increasingly having to deal with is common rail diesel fuel injection systems and associated electronic and emission controls. If diesel systems are not maintained as specified by manufacturers, exhaust pollutants will rise significantly. Current levels of technology within SME's are so low that they haven't the correct equipment/technology to diagnose faults in diesel systems and therefore risk non-compliance of the new exhaust legislation (EU V).

There is therefore a real need in all sub-sectors of the automotive retail and repairs for up-skilling the current workforce to meet technological advances. The centre is able to fulfil the demands of this new technological vehicle services requirement and therefore assist the SME's in maintaining customer retention.

Since its inception the centre has assisted over 250 companies and is working closely with a number of forward thinking companies that are providing technology transfer to their staff through the centre. The DDC is also working closely with the University of Glamorgan on the development of the hybrid vehicle.

#### **E. Commercial Services Office - Engagement with Industry Update Aug 2007 To Feb 2008**

##### **1. Overview**

The Commercial Services Office (CSO) based at Merthyr Tydfil College operates as part the University of Glamorgan Commercial Services' team that trades as UGCS Ltd. The main purpose of the CSO team based within Merthyr Tydfil College is to generate income for the College and its departments by acting as a gateway for the private, public and not-for-profit sectors to engage with the College. This role is achieved by supporting the development, promotion, costing & contracting, and delivery / project management aspects of the products, services, facilities and expertise that the departments and their staff can provide to meet the needs of these sectors.

The core product areas offered by CSO, Merthyr Tydfil College, include:

Hospitality

Health & Safety

Customer Service, Managing Customer Client Relationships

Business Development

Health & Social Care

Business: Leadership, Management, Administration & Company Direction, Personnel Management & Support

Transportation & Logistics

Finance

Information & Communication Technology

The types of product and/or service offered within the core product areas will include accredited and non-accredited short-courses, NVQ's and other accredited and non-accredited provision. Many of the short-courses are open to the public via a publicised schedule, and we also offer many of our courses on a closed, in-house basis for individual organisations.

In conjunction with our colleagues based in the College's academic departments, we aim to bring additional products on stream this summer term within the areas of:

Welsh Language / Iaeth Cymraeg

Preparation for work / Adult Basic Education

## 2. Engagement by Sector

The following table provides an illustration of the areas of work completed with key sectors this year (August 2007 to end of February 2008).

<b>Public Sector</b>	<ul style="list-style-type: none"> <li>• <b>Customer Service, Managing Customer Client Relationships</b></li> <li>• <b>Hospitality</b></li> <li>• <b>Health and Social Care</b></li> <li>• <b>Business: Leadership and Management</b></li> <li>• <b>Information and Communication Technology</b></li> </ul>
<b>Private Sector - Non-SME</b> (Larger than 250 employees)	<ul style="list-style-type: none"> <li>• Information &amp; Communication Technology</li> <li>• Finance</li> </ul>
<b>Private Sector - SME's</b> (Less than 250 employees)	<ul style="list-style-type: none"> <li>• Hospitality</li> <li>• Health &amp; Safety</li> <li>• Transportation &amp; Logistics</li> <li>• Finance</li> </ul>
<b>Voluntary / Not-For-Profit</b>	<ul style="list-style-type: none"> <li>• Health &amp; Safety</li> <li>• Health &amp; Social Care</li> </ul>

## 3. Engagement volumes

The following table provides detail of actual delegate numbers engaged in delivery for the period, August 2007 to February 2008.

<b>CORE AREA</b>	<b>Open Provision</b>	<b>Closed Provision</b>	<b>Total</b>
<b>Hospitality</b>	75	65	140
<b>Health &amp; Safety</b>	12	25	37
<b>Customer Service, Managing Customer Client Relationships</b>	0	29	29
<b>Business Development</b>	0	0	0
<b>Health &amp; Social Care</b>	0	55	55
<b>Business: Leadership, Management, Administration &amp; Company Direction, Personnel Management &amp; Support</b>	0	2	2
<b>Transportation &amp; Logistics</b>	0	1	1
<b>Finance</b>	0	0	0

<b>Information &amp; Communication Technology</b>	0	10	10
<b>Totals</b>	<b>87</b>	<b>177</b>	<b>264</b>

#### 4. Marketing

The CSO has a clear marketing strategy using a mix that includes sector / product-specific mail-shots (letter, email, and brochures), both the College and UGCS websites ([www.merthyr.ac.uk/ugcs](http://www.merthyr.ac.uk/ugcs) & [www.ugcs.co.uk](http://www.ugcs.co.uk) respectively), telesales, company visits, etc. A new Customer Relationship Management database used by colleagues at the CSO in Pontypridd is due to be made available to CSO, Merthyr Tydfil by Easter 2008.

The geographical scope of industry engagement is generally within a 40 mile radius of Merthyr Tydfil, however work has been carried out further a field, including mid and north Wales, and the West of England. A conference, supported by WAG, is tentatively planned for June 2008 with a theme of 'Customer Service - Developing Customer / Client Relationships'

**Summary.** Although operating in a very competitive environment, and with increasing numbers of larger private organisations opting to provide their own in-house learning, the CSO of Merthyr Tydfil College continues to make strides in supporting Merthyr Tydfil College in providing high quality accredited and non-accredited learning provision across a breadth of sectors, especially within the Heads of the Valleys area.

Access to the knowledge and skills of colleagues at CSO, Pontypridd, post-merger with the University of Glamorgan's CSO, has added significant value to the CSO of Merthyr Tydfil College, especially in terms of improved quality systems (CSO Merthyr Tydfil now operates to ISO9001 standards), marketing and sales expertise, and strategic direction.

As far as the future is concerned, Merthyr Tydfil College's CSO will continue to build on its firm foundation by ensuring that it maintains its fitness to meet the needs of the emerging business landscape, especially within south-east Wales.

#### F. Work Based Learning Department

The Work Based Learning (WBL) department at Merthyr Tydfil College has been operational in its current form for three years. It is based in the town centre of Merthyr Tydfil. The department has now commenced a new three year cycle having secured a contract value for the contract year 2007/2008. This new contract will be aimed primarily at the guaranteed/extended guaranteed group of learners as defined by the Welsh Assembly Government (WAG). There will also be a provision offered for Foundation and Advance modern apprenticeships. The expected volume of starts will be 325. It is intended to focus on two main geographical areas Merthyr Tydfil and Rhonda Cynon Taff (RCT), there will also be a small provision offered within Blaenau Gwent.

The college has an opportunity to further increase the provision which has been offered since 2004/2005, the decision of the WAG to concentrate allocations of funding into the Skill Build programme will allow the WBL department to further increase the market which it currently has. The college has also a small contract to meet the needs of the apprenticeship programmes:

31 Advanced modern apprentice ships at 23 local employers

32 Foundation modern apprentice ships at 32 local employers

82 working towards NVQ level 1 with 59 employers

Sectors - The College is committed to meet the priority areas identified in the WAG national and regional statement of need, the two sectors identified are Built environment and Health & Social Care.

Hairdressing 1 Motor Vehicle 45

Engineering 9 Health & Social Care 23

Electrical 3 Construction 40

IT 2

The remainder is non specific, or unfocused. The emphasis of the Skill Build programme is the progression to higher levels of learning which leads to employment through the modern apprenticeship route. The programme is designed to support the trainee and ensure that they are 'work ready' through motivational and mentoring.

#### Summary / Recommendations

In summary, the college has come a long way since 2001 in the way it interacts with businesses. At the commencement of KEF funding the college had a very small Work Based Learning contract (£60k) and no Commercial Services department. Over the past seven years we have secured more than £2.5 million for the direct benefit of businesses in the area through scholarships, acquisition of funding for training for SME's, building and equipping the Diesel Diagnostic centre and innovation projects which provided free training and consultancy. Our Work based Learning department now has a £1 million contract and is working with all sectors of the business

community. For all this we can thank KEF funding which pump-primed most of these activities and enabled us to be more responsive to the needs of businesses. With KEF funding now coming to an end we hope the Assembly will see the need to continue the good work being done in such a deprived area and agree that if we wish to maintain this we need support for our funding applications. We feel that to have done extremely well in achieving 121 scholarships for business starts in such a deprived area which shows that there are talented people within our community who have great business ideas and with the right amount of mentoring and financial support they can help keep Merthyr's economy vibrant. We want to continue to provide them with good, flexible and relevant training for their business, but we realise that sometimes they may have to start training at level 3 and build up. The change in KEF's criteria for applying for scholarships means that the majority of the vocational students at the college are excluded from applying. We think that it is unfair to deprive them of this opportunity. Whilst we are aware that it is now The Assembly's policy to support "higher level businesses" we feel that special projects should be introduced in areas like Merthyr where economic and social conditions aren't as favourable. As Merthyr College is now part of the Glamorgan group, we have many more resources and expertise to call upon and these can now be used for the benefit of Merthyr borough. However, there are still unique needs in the valleys that the College is best placed to deal with and we wish to continue to be responsive to the needs of industry; helping new businesses start and to train existing businesses to survive and grow in a currently volatile climate.