



MIDAS

MANCHESTER INVESTMENT & DEVELOPMENT AGENCY SERVICE

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Mr Richard Lambert  
Lambert Review of Business-University Collaboration  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Mr Lambert

**REVIEW OF LINKS BETWEEN BUSINESS AND HIGHER EDUCATION**

On behalf of MIDAS, I hope the attached comments will assist the review that you are undertaking. These supplement comments made on your recent visit to Manchester.

MIDAS is the inward investment agency for the core of the Greater Manchester conurbation, we are a public-funded body dedicated to increasing economic activity through the attraction to, and generation of companies/jobs in, this area. Our Board of Directors includes senior business representatives from major corporates, and I have taken their views into account in putting together this submission.

MIDAS relies heavily on the universities in a number of areas set out below. We have ensured that a broad-based relationship has developed at both operational and strategic levels – the latter via regular meetings between the MIDAS Board and the Vice Chancellors of the 4 Universities in the Manchester area.

**Question 1: Business – University Collaboration**

Firstly, the graduate (and undergraduate) population is extremely important to us. We have found the Careers Service to be extremely helpful and flexible both in undertaking company specific programmes for major inward investors and in developing programmes to assist awareness of new career opportunities (e.g. Shared Service Centres) amongst the graduate and undergraduate populations.

Secondly we have found the universities to be responsive to our desire to increase the level of economic exploitation through company creation and growth. This area was one of the first areas to develop a Science Park through a unique partnership between

Universities, Manchester City Council, and the private sector (mid – 1980's) and this has now grown to a level where Manchester Science Park-based companies employ over 2000 people. Subsequent developments include the establishment of Campus Ventures to support incubation, Manchester Innovation Ltd and UMIST Ventures to increase spin-out activity (and in the case of the former to build and run the specialist biotechnology incubator), and MSEC to increase the training of entrepreneurs. They all involve partnerships with external bodies.

Thirdly, we have brought all of these matters together in a major initiative called Knowledge Capital - Manchester, intended to maximise the economic and social exploitation of the university base. This is a partnership that involves 4 universities, 4 Local Authorities, the N.W. Development Agency, the local Learning and Skills Council, the Health Trust, Manchester Enterprises (the economic development agency for the sub region), MIDAS and the private sector. It is a sign of the willingness of the universities to see themselves as part of the local economic community, delivering local benefit at the same time as achieving international quality, that this initiative has built up a real dynamism. The creation of a new university is the most immediate symbol of such dynamism.

We shall have produced a detailed Action Plan by the end of May, and I shall be happy to share this with you if it would be helpful to your review.

Fourthly, our individual private sector Board members report considerable interaction, for example the Co-operative Bank on matters pertaining to sustainability.

#### Question 2: Barriers to Developing Collaboration

The most productive working relationships exist where both parties can see clear advantages. There can be tensions between blue sky research excellence, driven by the need to achieve the highest RAE classification, on the one hand, and the immediate commercial drivers faced by business on the other. In the main this is due to the way universities are funded; an increased recognition of activity such as exploitation, joint ventures with industry in national funding assessments, would allow academic institutions to improve their response to private sector needs within a timeframe that is relevant to those needs.

Likewise exchanges of staff between business and academia would enable an improved understanding of the business culture.

Universities tend to operate on a federal basis – the individual faculties have considerable control over their own activities. It is therefore sometimes difficult for individual businesses to identify the most appropriate person who can assist, particularly if this requires cross –discipline working. Initiatives such as Knowledge Northwest are helping to address this matter, but I would like to see a senior post in each faculty with specific responsibility for external contract/liason management so that the “third way” espoused by Government was embedded in each faculty – and for success to be recognised more strongly in Government funding mechanisms.

#### Question 3: Demand and Supply of Skills

To date we have used our links with the Careers Service to feed back matters relating to business skill needs. However I believe that development of a sector approach to skill/labour force needs is required covering all levels of qualification. This would enable a holistic approach to be taken, integrating more closely the work of the HEFC, FEFC, and Learning and Skills Councils. It would also enable the critical issue of shortages in technical skills to be addressed, and allow industry demand forecasts to influence more the teaching activities of colleges and universities.

#### Question 4: Government Financial Incentives

My response to Question 2 identifies action where Government financial intervention would help.

There are also technical issues – which others are best placed to inform you about – concerning eligibility for SMART awards and R&D tax credits. We have to address these to maintain international competitiveness.

Addressing some of the skills/labour force issues via foundation degrees, and allowing modern apprenticeships to operate for graduates, would also be of considerable assistance in aligning employment and teaching strategies. This has national resource implications – not necessarily requiring additional resources but a reduction of some of the national training and education budgets.

#### Conclusion

In summary therefore MIDAS believes that this area has taken many innovative steps to enhance University/business interaction, some fine-tuning rather than fundamental change via national funding policies would be helpful – but there is a strong willingness on the part of the institutions in this area to “do more”. We have established a co-operative mechanism to achieve much greater interaction – Knowledge Capital-Manchester – and believe that considerable benefit will ensue for the region’s economy.

I trust this is helpful and would be happy to amplify anything in this submission if required.

Yours sincerely

Neil T Fountain  
**CHIEF EXECUTIVE**