

RESPONSE FROM THE UNIVERSITY OF TEESSIDE TO THE LAMBERT REVIEW OF BUSINESS – UNIVERSITY COLLABORATION

1 Overview

We welcome the review and the opportunity it provides for a thoroughgoing analysis of HE-business links, the identification of barriers and the means of overcoming them. As an HEI with a long tradition of working with industrial and commercial partners, the University of Teesside has always recognised the value of these relationships for the mutual benefit they bring: informing undergraduate provision in teaching and learning; and applying academic knowledge to real business problems.

We do have some concerns about the additional focus on the governance, management and leadership of universities, on the grounds that the review's timetable will necessarily preclude any measured assessment of university governance.

The review's remit appears to be restricted to industry and commerce, with a strong emphasis upon science and technology; but collaborations with the public and third sectors, and creative and cultural activity, have an equally valuable role to play in the knowledge transfer, social/economic development agenda. We believe it is important to pay attention to these areas of activity if academic knowledge is to be fully exploited for "real-world" applications, wealth generation and real improvements in quality of life.

Like an increasing number of HEIs, the University operates a central department (Department of Academic Enterprise), which works at the interface of HE and business and the community to promote HE services, including R&D, consultancy, training, graduate placement, and new business development. In the academic Schools, senior post-holders with responsibility for research and enterprise work to support and encourage academic staff engaged with the enterprise agenda. The University has for several years made significant use of external funding support to promote stronger industry links through specific project work: HEROBC and HEIF funding have more recently enabled the recruitment of additional business liaison staff.

2 Best practice examples

At national and regional levels we would cite:

AURIL (Association of University Research and Industry Links) – a national network of knowledge transfer staff which promotes best practice and works to strengthen the university-business relationship.

Knowledge House (KH), a regional university collaboration, which has successfully delivered R&D, consultancy and training to regional business while significantly improving both HE's accessibility, and business perceptions of the sector. KH works by providing a single point of access to university expertise, and by guaranteeing a maximum response time for enquiries and consultancy requests. Collaboration within the sector has been central to KH's success, as has its reliance on business principles. KH has the strong support of the RDA. Relationships with the Business Links are improving now that the spectre of competition has been removed.

TCS. In the NE region, TCS take-up has grown significantly in recent years thanks to the existence of a regional TCS network, again a university collaboration, which works to promote the benefits of TCS to regional business and to share examples of good practice. TCS is now gaining strong support from the RDA, who are keen to help expand activity and have earmarked significant funding for both sponsorship and the development of a preparatory scheme designed to ease companies into TCS. European funding through the Government Office has played a large part in supporting TCS expansion. Proposals to restructure TCS are causing us concern that the programme may become less effective and consequently less valued by business.

The University itself undertakes a wide range of business development activities. Some of the most notable are cited below.

- Connecting graduates with business is one of the most direct and productive ways of transferring knowledge. Our graduate placement scheme, **Bridges & Routes** (ESF supported), encourages regional SMEs to consider graduate recruitment by offering them a graduate for periods of up to 15 weeks. The process is subject to rigorous interview, monitoring and assessment. The employment rate of participants is over 80%. We work with Business Link, enterprise trusts and sector skills councils in delivering this programme. The **STEP** programme offers similar opportunities at undergraduate level.
- **CPD for local businesses** is offered in a variety of formats, from work-based Foundation Degree programmes, through tailored short courses (such as 3D CAD for local engineering firms) to provision of CPD courses in a wide range of IT applications through a networked New Technology Institute led by the University. Again, collaboration with providers in FE, the LLSC, and the local engineering partnership is critical to successful delivery.
- **Collaborative R&D** is exemplified by current work on nano and microarray biosensors, supported by DTI funding, and dependent for the development of successful applications on close working with a small number of key companies. Other areas characterised by such collaboration include Virtual Reality technologies, construction, social sciences (where partners are local authorities) and B2B manufacturing. Collaboration includes research student sponsorship and shared use of facilities.
- The university has **two established companies**, with a strong business development focus, in the process industries (**EPICC**) and virtual reality technologies (**VR Centre @ Teesside Ltd**). Both work closely with industry in their respective sectors. EPICC has established strong credibility with the process and food industries. The VR Centre and the University's computer games, animation and media work are at the heart of a major new regional partnership initiative, DigitalCity, to develop a digital media technology cluster in Tees Valley. DigitalCity is a public-private partnership supported by the RDA.
- **Business support and knowledge transfer** activity is delivered through a wide range of initiatives, which include IT for business, clean manufacturing, B2B, small firms development, fraud management, student marketing, food & drink, digital technologies and creative industries. The University's **Centre for Enterprise** operates as the "front door" to business for access to these services, providing an enquiry and signposting service and offering seminars, accommodation and other facilities such as teleconferencing for business users.
- **Graduate enterprise** is a key priority for the University. On-campus incubator accommodation for start-up companies, a dedicated graduate

enterprise team, business mentors, a programme of seminars, workshops and accredited training, and membership of a wide range of regional and national enterprise networks, are the main components of the offer. Partnerships with enterprise agencies, Business Link (for whom we deliver a tailored SRiB programme for high-level start-ups), Prince's Trust, UKBI and a range of other business support agencies underpin this activity. This activity has largely been supported again through ERDF. The RDA has to date provided largely moral, but no significant financial support.

Business is represented in a range of ways in the above activities, ranging from membership of course and School boards, representation on steering groups, provision of professional expertise in business plan assessment, to sponsorship of PhD studentships. The University's Board of Governors has a strong private sector representation. The Department of Academic Enterprise, and the Centre for Enterprise within it, acts as the University's interface with the business world. One of the keys to sustained and successful HE-business relationships is ultimately the **strength of personal links**. Collaboration often works best when informal contacts lead to longer-term working relationships of mutual benefit. For example, business mentors tend to become involved through meetings at conferences, liaison meetings and workshops. To enable this to happen requires university staff to have the time to create and develop such links. In many cases, full teaching loads constitute a serious barrier to business liaison.

3 Role of RDA and other regional/local agencies

OneNE has made explicit the central role of HEIs in developing the regional economy through its Regional Economic Strategy, which identifies knowledge transfer through universities and colleges as one of the six key priorities. OneNE therefore is seeking to play a highly proactive role in further developing university-business relations, chiefly through the Science and Industry Council and its Strategy for Success, predicated upon cluster development, the creation of 5 Centres of Excellence and an IP exploitation agency, NorthSTAR, set up to exploit the knowledge base of the universities. These mechanisms are still being put into place, so it is not possible at present to comment upon their effectiveness. Clearly, there is enormous potential through Strategy for Success, the FRESA and the RDA's developing graduate retention strategy for university-business relations in the NE to be strengthened. Similarly, proposals to use Business Link as the single access route for business to support services (including knowledge transfer) have the potential to significantly boost HE-business interactions. Success, however, is highly dependent upon both capacity and a good communications structure. We believe that there is room for improvement in communications on both sides.

4 Barriers to effective relationships

In brief, these are:

Cultural: In the NE particularly, where there is a preponderance of SMEs, many of whom have never engaged with higher education, there remains a strong cultural barrier to working with universities, exacerbated by the low levels of skills attainment in schools and the relatively low levels of HE entry. Even for a University like our own, which has a long tradition of working with business and has developed mechanisms to improve communications and access, the "ivory towers" myth still persists very strongly in a large number of NE SMEs, and is probably one of the

greatest barriers to more effective collaboration. The difficulty does not exist with larger companies, either within or outside the region. While universities have struggled to develop the right mechanisms, without core funding, to interact with business, much of business still lacks a clear understanding of how universities work.

In terms of University culture, we recognise that academe and industry often work to different timetables, and that universities seeking to engage with business need to adopt a businesslike approach. We are working to develop a culture where enterprising staff - those already active and those with the aptitude and inclination to become active - have the ability and freedom to create effective partnerships. The CuPiD programme (a national pilot in the NE, funded by HEFCE to provide staff development for knowledge transfer professionals) will provide the training opportunity for such staff.

Competition and confusion in the marketplace: organisations are confused by the wide range of providers and services on offer. The reluctance to engage with HE referred to above is reinforced by this confusion, and often by the difficulty companies have in finding their way in to a university. Given the importance placed upon universities and colleges and their role in the NE Regional Economic Strategy, it is imperative that businesses see HEIs as accessible for them. One part of the solution is Knowledge House; another is the development of a cadre of university staff who can work at the interface of university and business. Most universities, like our own, are now doing this, although greater financial support is needed here.

The NE is looking to rationalise its business support services by using Business Link as the single access route. While this is a logical approach, there is a big capacity issue to address if BL is to take on the role of sole referral agency in the region. Quantitative and qualitative targets will need to be set. BL do not, for example, have a good history of promoting TCS to business. Proposed changes in TCS structure could have a significant effect on the quality of the programmes.

Financial: In our experience, many smaller companies are reluctant or unable to pay for HE services, sometimes because of a belief that they ought to be free. This again suggests that there needs to be better understanding of how the sector works. External grant has helped our university significantly in promoting greater business access to the sector, but this is not a sustainable approach in the longer term. We are not aware that R&D tax credits have had a significant effect on take-up of R&D by SMEs.

From the university perspective, the freedom to engage with business comes at a cost that cannot be covered through core funding. While HEROBC and HEIF have been very welcome funding streams, they are currently insufficient to enable the release of significant numbers of staff to become involved in business liaison activity. The costs of IP protection are prohibitive in many cases.

Procedural: State Aid regulations (currently under discussion in the Government's Regional Policy consultation document) can seriously affect the potential benefits of subsidised consultancy and training for companies.

6 Conclusion

We have deliberately not addressed those questions that are specifically directed at business. The key points we wish to make in conclusion are:

- More robust and permanent funding streams are needed to support the development of University business liaison staff, the release of academics to undertake liaison activity, and the creation of “single points of access” within universities for business. Third stream activity, if it is to be successful, cannot be done on a shoestring, and Government needs to recognise this fact. Much of what Universities like our own are currently undertaking in business development is disproportionate to the amount of funding concerned.
- The RDAs need to make the most of their role as facilitators of university-business links, particularly through the education of business on the role and remit of the Universities, and the provision or sourcing of specialist expertise. The RDAs are well placed to bring both sectors together: to do this, they need to develop clear communication structures and to identify key individuals to drive the process. They also need to be clear on their own understanding of the sector, and the disparate missions within it: all universities are not alike.
- Business Links need to ensure that the university sector is part of their business support landscape: they have a key role to play in helping to raise the sights of business, particularly in this region. The Universities in turn need to work to develop effective relationships with their local BL.