Enterprise and entrepreneurship education

Following an initial discussion at the June 2017 meeting, this paper sets out the current policy context and interventions by SFC to support and promote the active and effective contribution of Scotland’s colleges and HEIs to Scotland’s ambition to be a world leading entrepreneurial nation. The paper invites the Committee to comment as appropriate, particularly in the context of SFC’s developing innovation strategy.

Recommendations

- discuss the strategic role of SFC in supporting and promoting the active and effective contribution of Scotland’s colleges and HEIs to Scotland’s ambition to be a world leading entrepreneurial nation

- advise the Executive on communicating and defining the place and relevance of entrepreneurial and enterprise education in the development of its innovation strategy

- comment as appropriate on the alignment and complementarity of SFC’s policies and interventions with other parts of the ecosystem

- to discuss the draft mapping diagram at Annex A and to advise on its development

Financial implications

There are no immediate financial implications associated with this paper.
Enterprise and Entrepreneurship Education

Purpose

1. Following an initial discussion at the June 2017 meeting, this paper sets out the current policy context and interventions by SFC to support and promote the active and effective contribution of Scotland’s colleges and HEIs to Scotland’s ambition to be a world leading entrepreneurial nation\(^1\). The paper invites the Committee to comment as appropriate, particularly in the context of SFC’s developing innovation strategy.

Background

2. A paper (RKEC/17/20) on enterprise and entrepreneurship education was presented at the June 2017 meeting providing background on SFC’s investment in the whole area of enterprise and entrepreneurship. This formed the basis of a discussion around the scale and scope for a full policy paper which is now being brought to this committee meeting.

3. The SFC’s current strategic plan\(^2\), under priority outcome ‘greater innovation in the economy’, has an ambition that by 2025 “Scotland’s entrepreneurial students and research leaders will be generating some of the most innovative new businesses in the world.” The plan goes some way to describe how this will be achieved through working with “…colleges and universities to embed creativity, enterprise and entrepreneurialism in the teaching and learning curricula, building on existing good practice.”

4. The recently published Programme for Government states: “…to truly grasp the opportunities of the future we must do more to promote entrepreneurial skills and culture in Scotland and to attract, nurture and retain the most innovative companies and individuals in Scotland.”\(^3\)

5. The link of enterprise and entrepreneurial education to a more productive economy is also emphasised in the Scottish Government’s innovation action plan and the phase 2 report\(^4\) of the enterprise and skills review. As we look forward to SFC’s next strategic plan and the new strategic board it will be important for SFC to be clear on what its role should be in supporting colleges and HEIs to be active and effective in the ecosystem and where this is both complimentary and aligned with the support offered by the enterprise agencies and others in the ecosystem.

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\(^1\) This is the ambition set by Scotland Can Do - [http://www.cando.scot/](http://www.cando.scot/)

\(^2\) [http://www.sfc.ac.uk/aboutus/StrategicPlan/StrategicPlan.aspx](http://www.sfc.ac.uk/aboutus/StrategicPlan/StrategicPlan.aspx)


\(^4\) Also referred to strongly in the Scottish Government’s economic strategy and Scotland Can Do.
Recent evidence and policy drivers

6. The Royal Society of Edinburgh report ‘Entrepreneurial Education in Scotland’ (2015) described entrepreneurial training in terms of three levels (1) enterprise education (basic awareness and soft employability skills); (2) entrepreneurship education (applying these skills to the creation of a new venture); and (3) skills for growth (scaling up an existing venture). The report recommends a strategic role for SFC across all three.

7. The Universities Scotland ‘Making it Happen’ strategy represents a commitment to enterprise and entrepreneurship from all 19 HEIs in Scotland. Actions include i) to review curricula to further embed enterprise and entrepreneurship ii) a 25% increase in the number of student start-ups over the next three years and iii) a 25% increase in the number of students and staff taking part in enterprise and entrepreneurship workshops over the next three years. Universities Scotland are currently working with QAA Scotland on the review of curricula to further embed enterprise and entrepreneurship which includes a refresh of the 2012 ‘Enterprise and Entrepreneurship Education: Guidance for UK Higher Education Providers.’

8. The report on ‘Increasing innovation-driven entrepreneurship in Scotland through Collective Impact’ (commonly known as the REAP report) identified a number of priorities for action including an increased focus on leadership training, business skills and, where desired, entrepreneurship within all undergraduate and post-graduate courses.

UK perspective

9. From a UK-wide perspective, Ian Reid’s paper (RKEC/17/10), ‘Supporting Entrepreneurship Activities in Scottish HEIs,’ made reference to the Walport Report on ‘Strengthening Entrepreneurship Education to Boost Growth’. Recommendations in the report included i) universities consider how to incorporate entrepreneurship education into core curriculum, particularly for undergraduate STEM subjects with the lowest participation rates (noting that at least a quarter of all undergraduates should participate in formal, credit-bearing entrepreneurship education at some point during their course) and ii) universities, working with HESA and the Government, evaluate the impact of their entrepreneurship education to better understand how to tailor their offer. This should assess whether graduates who have participated in formal or informal entrepreneurship education go on to form new businesses/take jobs in early growth stage companies/select jobs in large companies (noting the need for a better evidence base to help UK universities identify the

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5 [www.universities-scotland.ac.uk/publications/making-it-happen/](http://www.universities-scotland.ac.uk/publications/making-it-happen/)
6 [www.hie.co.uk/business-support/entrepreneurship/mit-reap/default.html](http://www.hie.co.uk/business-support/entrepreneurship/mit-reap/default.html)
relative impact of different educational interventions and that this will help to
develop best courses for students and shape graduates’ subsequent economic
and social contributions).

10. Furthermore, the ‘Dowling Review of Business-University Research
    Collaborations’ notes the importance of ensuring that students in appropriate
    subjects gain industrial experience and receive basic skills training in topics of
    relevance to business and entrepreneurial activity at the outset of their career
    in order to make a long-term contribution to improving mutual understanding
    between the business and academic communities.

SFC policy, interventions, and assets

11. The SFC supports, under its strategic plan objectives, activity on a spectrum
    that on one side is focussed on the development of entrepreneurial mind-sets
    in students, graduates and business people to have the skills to grow
    successful enterprises; all the way through to developing the entrepreneurial
    skills and toolkits for business leaders to help them scale-up established and
    successful businesses. This paper attempts to describe SFC’s current role in,
    and where there is alignment with, key initiatives by others in the ecosystem7.

12. The HE outcome agreement (OA)8 guidance for AY2017/20 asks, under priority
    four: ‘greater innovation in the economy’, under ‘commitments, strategies,
    and evidence of progress’, HEIs to include plans or strategies regarding
    “…embedding enterprise and entrepreneurship training in programmes.”9 As
    a result we know that HEIs have their own initiatives in place, from
    introducing the concept of entrepreneurship and business start-up education
    at UG and PG level to supporting business leaders develop personal and
    corporate strategies for business growth. However, there is currently no
    defined national measure of progress for this area in the OA process.

13. The new SFC University Innovation Fund (UIF)10 has an outcome for
    universities, building on their existing relationships with industry, to
    collaborate on identifying good practice and the exploration of new ways to
    encourage an entrepreneurial mind-set in students and staff and to influence
    the development of practitioner-led entrepreneurial training. The UIF
    approach encourages wide engagement – we expect, therefore, that the
    enterprise agencies and others will be directly involved in this area. The UIF is

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7 A draft map in diagram form is provided at Annex A for discussion.
8 Further information on FE and HE OAs can be accessed here:
   http://www.sfc.ac.uk/funding/OutcomeAgreements/OutcomeAgreementsOverview.aspx. It should be noted
   that, while the current OA cycle is for the period AY2017/20, the guidance is updated each year. RKEC
   contributed to the draft remit for the AY2018/19 guidance at the May 2017 meeting (RKEC 17/12).
9 The RSE report recommended that SFC consider the “use of metrics within outcome agreements to
   encourage institutions to embed enterprise education across all departments”.
10 www.sfc.ac.uk/funding/universities/Innovation/UniversityInnovationFund.aspx
fully aligned with the HE OA process.

14. The FE OA guidance for the same period refers to the importance of “...work related learning (for example enterprise education)...” but does not currently use the term enterprise education directly, or the term entrepreneurial at all. However, the SFC funded initiatives Bridge2Business (B2B)\(^{11}\) and Scottish Institute for Enterprise (SIE)\(^{12}\) both promote and expose FE students to entrepreneurial theory and practice. The Ministerial letter of guidance to SFC for AY2017-18 also noted the importance of college involvement in supporting innovation in local businesses. The College Innovation Working Group action plan has an action to map current levels of enterprise and entrepreneurship education and to explore how this can be enhanced across all colleges in the future.

15. SFC also funds Converge Challenge\(^{13}\) (a company creation programme for staff, students and recent graduates of Scottish HEIs and Research Institutes) and Enterprise Campus\(^{14}\) (who provide support to post-graduate students looking to set-up their own business). SFC is currently working with these and the B2B and SIE projects to develop a framework for streamlined working and strategic alignment focussed on the user journey.

16. The eight Innovation Centres (ICs) have been set up to deliver on a number of ambitious goals for Scotland - which includes “…helping grow an environment that supports the development of the next generation of business innovators, academics and entrepreneurs in Scotland and which promotes the value of collaborative working.” To date the ICs have been primarily engaged in working with HEIs and industry on Masters level courses. These places put particular emphasis on the development of provision to help address the skills needs of the IC’s relevant industry. This involves close industry engagement often in the form of a student placement at an IC’s industrial partner. Ian Reid’s paper to the Committee in May 2017 suggested a more defined role for ICs in supporting enterprise and entrepreneurship.

17. The Innovation Scotland Forum (ISF) action plan under ‘Outcome 1: Inspirational education, business leadership and entrepreneurial skills training delivered by higher education providers’ has made progress in a number of areas including a Universities Scotland hosted entrepreneurship forum between HEIs, ISF partners and other stakeholders in January 2016 to promote an entrepreneurial mind-set within all HE research staff, at all career

\(^{11}\) [http://bridge2business.org.uk/about.php](http://bridge2business.org.uk/about.php)
\(^{12}\) [http://www.sie.ac.uk/](http://www.sie.ac.uk/)
\(^{13}\) [https://www.convergechallenge.com/](https://www.convergechallenge.com/)
\(^{14}\) [http://www.enterprisecampus.org.uk/](http://www.enterprisecampus.org.uk/)
stages.\textsuperscript{15}

18. SFC funds the Knowledge Transfer Partnership (KTP) programme on behalf of Scottish government. The role or relevance of KTP to this area has been suggested by some stakeholders as an area that should be understood in the ecosystem\textsuperscript{16}.

19. Ultimately SFC’s support to colleges and universities should be measured on the quality of outputs and outcomes. We should be interested in, putting evidenced attribution to one side, the impact of our investment on levels of entrepreneurial activity and business growth in Scotland. Our colleagues in the enterprise agencies will have a view on this.

\textit{Table one: SFC investment in enterprise and entrepreneurship programmes}

<table>
<thead>
<tr>
<th>Project/programme</th>
<th>Current contract period\textsuperscript{17}</th>
<th>SFC investment (FE/HE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIE</td>
<td>AY2016/19</td>
<td>£540,000 (FE)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£1,450,000 (HE)</td>
</tr>
<tr>
<td>Converge Challenge</td>
<td>AY2015/18</td>
<td>£899,000 (HE)</td>
</tr>
<tr>
<td>B2B</td>
<td>AY2017/18</td>
<td>£200,000 (FE)</td>
</tr>
<tr>
<td>Enterprise Campus</td>
<td>AY2014/17</td>
<td>£1,591,757 (HE)</td>
</tr>
<tr>
<td>Can Do SCALE</td>
<td>AY2017/20</td>
<td>£390,000 committed (funding up to £750,000 approved in principle)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>£5,070,757 (£5,071,117)</td>
</tr>
</tbody>
</table>

\textit{Entrepreneurial support for businesses in Scotland}

20. Scottish Enterprise\textsuperscript{18} offer a range of support services for entrepreneurs – this can be summarised in three distinct areas: commercialising research (high growth spinout programme); entrepreneurial skills development (RSE Fellowships and the Entrepreneurial Academy); Scale-up (including the Can Do SCALE programme). In addition Scottish Enterprise offers a number of

\textsuperscript{15} www.universities-scotland.ac.uk/briefing-evidence/creating-entrepreneurial-culture-scottish-heis/
\textsuperscript{16} Suggested by some participants at the SFC hosted scale-up workshop on 28 August 2017
\textsuperscript{17} It should be noted that this represents the most recent contract periods. Previous contracts have been awarded to most of these programmes.
\textsuperscript{18} www.scottish-enterprise.com
leadership programmes.

21. Similarly Highlands and Islands Enterprise\textsuperscript{19} (HIE) offer a range of support services for entrepreneurs in the region. A distinctive feature of HIE’s offering in the region is related to its strategic alliance with MIT which includes the MIT Entrepreneurship Development Programme (EDP) – also run by Scottish Enterprise. It was through this relationship that SFC, HIE and Scottish Enterprise (the partners) developed the Can Do SCALE programme\textsuperscript{20} which is delivered by Bill Autlet of MIT.

22. SFC’s involvement in the Can Do SCALE programme is predicated on the idea that we can learn from international good practice and apply this in ways that will significantly enhance the scale-up provision\textsuperscript{21} on offer by our HEIs. A workshop was held on 28 August with SFC, HEIs, HIE, Scottish Enterprise, Scottish Government, and Entrepreneurial Scotland to explore this concept further. The programme is currently the only example of where the partners directly collaborate and co-fund activity. It is important to note in this context that all the partners agree that scale-up is part of the entrepreneurial journey– i.e. it is not a linear or disjointed process.

23. It should be noted that this paper and its annex only summarises the respective strategies and some of the support available through the enterprise agencies\textsuperscript{22}. The Committee may have views on any further work which may be required to develop a more comprehensive picture.

**SFC’s innovation strategy**

24. This paper will support the development of SFC’s innovation strategy in the area of enterprise and entrepreneurial education.

25. RKEC’s input will need to be considered in parallel with the direction set by the new Strategic Skills Committee, Strategic Board, and informal consultation with Universities Scotland and our partner agencies.

**Risk assessment**

26. This paper invites discussion on current policy. There is, therefore, a low level of risk associated with this paper.

**Equality and diversity assessment**

27. Any new policy development or changes to existing policy require an equality

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\textsuperscript{19} www.hie.co.uk

\textsuperscript{20} www.cando.scot/scale/

\textsuperscript{22} Further information will be tabled at the meeting.
and diversity. The outputs of this discussion will assist with the development of SFC’s innovation strategy which will need to consider equality and diversity issues at each stage.

28. We should note that the phase 2 report of the Enterprise and Skills review report on ‘Enterprise and Business Support,’ noted a key action on ambition, entrepreneurship and scaling business including ‘Realise untapped economic potential by tackling the gender gap across start-ups and growth companies – including through this summer’s refreshed Women in Enterprise Action Framework, with action to deliver a sustainable model that collaboratively develops and monitors future gender aware and gender-specific policies and interventions.’

29. Both FE and HE outcome agreements commit institutions to promote equality and diversity in all their activities.

Financial implications

30. There are no immediate financial implications associated with this paper.

Recommendations

31. The Committee is invited to:

• discuss the strategic role of SFC in supporting and promoting the active and effective contribution of Scotland’s colleges and HEIs to Scotland’s ambition to be a world leading entrepreneurial nation;

• advise the Executive on communicating and defining the place and relevance of entrepreneurial and enterprise education in the development of its innovation strategy;

• comment as appropriate on the alignment and complementarity of SFC’s policies and interventions with other parts of the ecosystem;

• to discuss the draft mapping diagram at annex A and advise on its development.

Publication

32. This paper, except its annex which is in draft form, will be published on the Council website.

Further information

33. Contact: Hazel McCartney, Senior Policy/Analysis Officer tel: 0131 313 6601,
email: hmccartney@sfc.ac.uk; or Keith McDonald, Assistant Director tel: 0131 313 6674; email: kmcdonald@sfc.ac.uk.
Annex A: Current Interventions in enterprise and entrepreneurship education (Draft for discussion)

### Developing enterprising mind-sets
- Learning by inspiring, sparking interest

### Exposure to entrepreneurial education
- Giving students a chance to start a business, testing out ideas, pre-business plan, setting up entrepreneurial ventures, recognition of entrepreneurial potential

### Commercialisation/Bringing to market
- Provision of practical commercial skills, high-growth company formation, encouraging high growth start-ups

### Business growth/scale-up
- Providing business leaders with scale-up skills e.g. to export, increase productivity and remain competitive

#### Outcome agreements: individual college/university initiatives building on ‘Making it Happen’

- Enterprise Campus
- Bridge 2 Business
- Scottish Institute for Enterprise (SIE)
- Converge Challenge
- UIF
- Scotland Can Do SCALE
- RSE Fellowships
- BioCity Develop
- IUK ICURe
- Informatics Ventures
- EDP
- Scale-up Scotland
- Accelerators
- Entrepreneurial Academy
- High Growth Spin-out/Start-up
- Scotland Can Do SCALE

#### Greater innovation in the economy, increased productivity...