INDEPENDENT HIGHER EDUCATION

Building a skilled economy: How IHE Members partner with industry

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DATE
August 2026

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Contents

Foreword

One of the greatest privileges of leading Independent Higher Education is seeing the extraordinary work our members do every day. Even so, the case studies in this report inspired me.

They take us from research laboratories and nuclear engineering sites to recording studios, kitchens, theatres and family homes. They show students learning from the professionals they aspire to be, solving real-world problems and building relationships that turn education into opportunity. These are not occasional encounters with industry but deep partnerships that benefit students, employers and entire sectors.

Employers value IHE Members because they understand their industries, speak their language and respond with pace and purpose. They develop people with technical capability, professional judgement and an understanding of how work is really done. In return, employers contribute their expertise, professional networks and insight into what their sectors will need in the years ahead.

This contribution could hardly be more urgent. Economic growth, regional devolution and the disruption created by artificial intelligence all demand a more responsive education and skills system. IHE Members can move quickly, pilot new approaches and act as test beds for innovation. When those models succeed, they can be adopted more widely and scaled up to meet the level of demand.

Everyone has the potential to succeed in education and in life, but not everyone has yet found the subject, setting or sense of what the future holds that finally inspires them to learn. This matters now more than ever as we search for better ways to support young people who are not in education, employment or training. The case studies in this report offer the tantalising possibility that close collaboration between educators and employers could be one key to unlocking that potential, giving learning purpose by connecting it with visible, well-lit routes into highly rewarding work.

IHE Members combine independent academic rigour with immersive professional contexts, giving students the best of both worlds. Their programmes are powered – not prescribed – by industry. They extend new pathways into careers that can otherwise feel closed off. Students gain the skills to succeed today, alongside the curiosity, confidence and judgement to keep learning, to challenge established practice and to shape what comes next.

I am delighted that we can now share these stories. Together, they can be a driving force behind building a more skilled, innovative and prosperous economy.

Alex Proudfoot, Chief Executive, Independent Higher Education

About Independent Higher Education

Independent Higher Education (IHE) is the UK membership organisation and national representative body for independent providers of higher education, professional training and pathways.

IHE represents the most exciting and diverse range of higher education providers in the UK. From specialist institutions at the cutting edge of their industries to large publicly listed education businesses operating across multiple disciplines and global markets, IHE Members offer distinctive educational experiences to students from the UK and around the world.

Our representative role is underpinned by a mission to promote the values of diversity, flexibility, innovation, student focus and collaboration within UK higher education. We achieve this by advising, supporting and promoting the institutions in our membership, all of whom in joining sign up to these values and commit themselves to putting them into practice.

Executive Summary

This report establishes an evidence base for a clear proposition: independent small and specialist higher education providers are integral to the UK's skills and growth agenda. Drawing on interviews with 17 member institutions and a focus group with IHE's creative industries providers, the report describes what industry partnership looks like within our members, examines the barriers that constrain it, and sets out where targeted policy change would help. Its findings demonstrate that independent providers do not merely respond to employer demand. In the most embedded cases, they anticipate it, shape it, and help build the industries they serve.

Key findings

- There is no single model of industry partnership. Arrangements range from deeply embedded co-design and fully employer-integrated workforce development, to structured professional networks and consultancy relationships. Providers that treat employer engagement as a core strategic function, with dedicated resource and a clear value proposition, build the most resilient partnerships.
- Mutual benefit is the foundation of every successful partnership. The strongest relationships deliver value to employers in the form of a skilled talent pipeline, R&D capacity through student and staff projects, and a platform to shape the future skills landscape of their sector, while delivering to students the practical, applied learning, professional networks and industry connections that lead to meaningful employment. The strongest partnerships also generate value beyond the two parties, contributing to the communities and sectors in which providers are based.
- Practitioner-led teaching is a distinctive strength, but it relies on sustained investment. IHE Members recruit working professionals into teaching, support them to maintain current industry expertise alongside developing teaching skills, and build that live expertise directly into the curriculum. Retaining these staff and creating the conditions that allow them to continue their professional practice alongside teaching is not simply a workforce issue. It is one of the main ways provision stays relevant in real time, and it remains insufficiently recognised and supported in current policy frameworks.
- Agility is both a competitive advantage and a source of tension. Deeply embedded employer partnerships remove two of the most time-consuming stages of programme development: demonstrating market demand, which is self-evident where demand has been co-designed, and building in a full student recruitment cycle. Where a new programme may take three to four years to move from idea to

enrolment in a large multi-faculty institution, IHE Members have done it in twelve months. The regulatory environment, built around five-year revalidation cycles, cannot match this pace. Agility of this kind is a product of institutional design, not of lighter-touch academic standards.

- In the creative industries, the challenge is compounded. Freelance and portfolio careers are the norm; the existing Graduate Outcomes Survey, skills funding frameworks, and LSIP data infrastructure are largely unfit for purpose in this context. These concerns are not unique to creative providers. They are the sharpest expression of a structural problem affecting any provision where careers are built rather than simply entered, and they are woven throughout the findings in this report.
- Place-based skills policy risks excluding providers whose value lies precisely in their ability to operate beyond geographical boundaries. A skills system that rewards only large-scale local and regional provision will systematically undervalue the national contribution of IHE Members, and overlooks the providers best placed to intervene in the areas large institutions do not reach.
- The evidence base on which policy decisions are taken does not adequately cover this sector. Of 98 IHE member institutions, only 27 have published Graduate Outcomes data; the remainder are either outside the survey's coverage or have their figures suppressed.[1] As government moves to add course-level scrutiny based on earnings outcomes as a measure of quality, the invisibility of most independent provision within that evidence base is not a technical footnote. It is a serious limitation of the instrument.

Priority recommendations

This report was guided by a Project Advisory Group whose members include representatives from IHE member institutions, employer bodies, and national organisations including the National Centre for Universities and Business (NCUB), the British Chambers of Commerce, the Edge Foundation, Creative UK, and the Centre on Skills, Knowledge and Organisational Performance (SKOPE) at the University of Oxford. Drawing on the evidence, the group identified actions for both IHE and policy makers, where targeted action would make the biggest difference.

The work IHE will explore is grouped around three questions. The first is evidence: how can we articulate graduate impact of industry partnerships, why do so many small and specialist providers lack publishable Graduate Outcomes data, what could change that, and what employers themselves make of the partnerships they are part of. The second

[1] Graduate Outcomes open data repository | HESA

is practice, where the aim is to develop and share what works in widening access to work placements and industry engagement. The third is influence, where IHE will support members to engage with Skills England, the Department for Education (DfE) and the industrial strategy sector plans, and work with regulators to explore sandbox arrangements for trialling curriculum designed with industry. These are starting points rather than settled programmes, and their direction will be shaped by members. We would welcome interest from members, employers and partners.

While IHE works to support members to deepen and sustain their industry partnerships, and to ensure that their contribution to industry growth is recognised, supported, and sustained, policy needs to change to ensure industry partnerships can move from strength to strength. Our eight recommendations are directed primarily at government departments with responsibility for skills policy, and those leading industrial strategy sector plans, with additional recommendations for consideration by regulators and sector bodies.

Eight recommendations

1. **Stability in skills funding policy.** DfE should prioritise stability in the design and communication of skills funding policy, including the transition from the Apprenticeship Levy to the Growth and Skills Levy.
2. **Proportionate entry to funded delivery.** DfE should review the Apprenticeship Provider and Assessment Register (APAR) to enable more proportionate entry routes for high-quality specialist providers.
3. **Provider expertise in skills planning.** Government should draw on the expertise and industry networks of independent higher education providers across the developing architecture of skills policy and the industrial strategy sector plans.
4. **Collective access for SMEs.** DfE and Skills England should work with providers and their employer partners to develop consortium models that allow SMEs to access skills funding collectively.
5. **Knowledge Transfer Partnership eligibility.** Innovate UK and UKRI should review knowledge base eligibility for Knowledge Transfer Partnerships so small and specialist providers can act as the knowledge base partner.
6. **Online and blended provision.** DfE and DWP should jointly review the role of online and blended provision in meeting skills gaps, particularly among adult learners, and address the funding, regulatory and access barriers that currently constrain it.

7. **Provision that keeps pace with industry.** DfE and Skills England should reform higher technical qualifications (HTQs), the powers to award them, and modular delivery under the Lifelong Learning Entitlement, so higher education provision can respond to employer need at the pace that need changes.
8. **An evidence base fit for purpose.** HMRC self-employment data should be made available at sub-regional level and embedded in skills planning.

Introduction

The policy context

The UK is entering a new phase of skills policy. The Industrial Strategy, published in June 2025, made the clearest statement in years of the government's intention to align education and training with the strategic needs of the economy.[2] The Post-16 Education and Skills White Paper, published in October 2025, reinforced this commitment, with an explicit emphasis on collaboration between providers and employers, and on active engagement with Local Skills Improvement Plans (LSIPs) to strengthen regional responsiveness.[3] The White Paper also introduced DfE's work on priority courses, developed alongside Skills England's assessment of priority skills and occupations, which links course provision directly to identified skills demand.

The architecture of that policy is more distributed than it first appears, and this matters for how the recommendations in this report are directed. The Industrial Strategy identifies eight growth-driving sectors, extended by DfE and Skills England to ten with the addition of construction and health. Each sector plan is led by a different department: advanced manufacturing, construction and critical infrastructure, digital and technology, and professional and business services by the Department for Business, Innovation, Science and Trade; clean energy by the Department for Energy Security and Net Zero; creative industries by the Department for Culture, Media and Sport; defence by the Ministry of Defence; financial services by HM Treasury; and life sciences by the Office for Life Sciences. Skills England was established to lead implementation of the strategy's skills priorities, but it does not lead the sector plans.

Alongside this, the Industrial Strategy Advisory Council, an independent non-departmental public body, has a mandate to make recommendations on the next phase of the industrial strategy, including on skills, to the Prime Minister, the Chancellor of the Exchequer and the Secretary of State for Business, Innovation, Science and Trade. Its engagement to date has been substantially with employers rather than with providers, which leaves a gap on the question of delivery: what the higher education and training sector is actually going to do to meet the demand the Council is identifying. This report is, in part, an answer to that question.

The scale of the challenge is significant. Skills England estimates that employment demand in priority occupations will rise by 15% by 2030, with around two thirds of those

[2] DBT (2025), *The UK's Modern Industrial Strategy.*

[3] DfE and DWP (2025), *Post-16 Education and Skills White Paper.*

roles requiring higher education at Level 4 or above. At the same time the graduate premium has fallen, from an average 80% earnings advantage over non-graduates in 1999 to 45% in the most recent published data.[4] This does not necessarily indicate an oversupply of graduates. It may instead reflect a longstanding weakness in the UK economy's ability to make full use of graduate-level skills. Small and specialist providers that embed employer engagement throughout their provision are already helping to close that gap by aligning higher-level learning more closely with workforce need.

This moment presents a genuine opportunity for IHE Members to demonstrate their contribution. This report is the evidence base for that demonstration.

Scope

This report concerns the full breadth of the IHE Membership, from single-discipline conservatoires and specialist technical institutes to large online and workforce-development providers operating at national scale. Where the report identifies challenges that fall with particular force on smaller or more specialist institutions, it says so. Where an argument applies across the membership, it is framed accordingly. The distinction matters, because several of the barriers described here are not a function of size at all.

Industry partnership, as the report uses the term, does not mean subordination to employer preference. It means a relationship in which both parties gain and in which the educational mission remains intact. That distinction runs throughout what follows.

About this project

The Industry and Skills Project translates into evidence the vision set out in IHE's 2024 Manifesto for a modern, diverse and flexible tertiary system characterised by strong employer links, multiple learning pathways, and lifelong access to skills development. It draws on direct experience from across the membership to demonstrate what effective industry partnership looks like in practice and to identify where policy change is needed to support it. We are grateful to the Project Advisory Group, drawn from IHE Members, employer bodies and national organisations, for their support throughout.

The evidence base comprises 17 semi-structured interviews with IHE member institutions conducted between April and June 2026; a focus group with 14 member providers working in the creative industries; two interviews with employers that partner

[4] Dickinson, J. (2026) *If the graduate premium is falling, supply-side tinkering won't bring it back*. Wonkhe, 23 February 2026.

with IHE Members; analysis of 2023/24 Graduate Outcomes data; and a review of published evidence. A separate report was published by IHE's Student Advisory Board, exploring student perspectives on industry partnership. Full details are set out in the Methodology and Acknowledgements

The report draws on a range of evidence: interviews, provider-supplied data, case studies, and published national research. Interview and focus group findings are presented thematically and are not attributed to named individuals unless explicit consent for case study use was given.

Section 1: What industry partnership looks like in the independent higher education sector

One of the most consistent findings across all 17 interviews is also one of the most important: there is no single model of industry partnership among IHE Members. Arrangements vary enormously in their structure, depth, and purpose. What they share is a genuine orientation towards industry that is, in most cases, not an add-on to educational delivery but the organising principle around which provision has been built.

IHE Members invert the conventional relationship between higher education and industry. Rather than responding to the economy, they help build it, developing the tools, techniques, and talent that industries will need before demand has been fully articulated. These are not institutions waiting to be told what employers want; they are active participants in shaping what the skills system produces.

There is a useful distinction in the literature on skills formation between general skills, portable across firms and sectors and developed primarily through formal education, and specific skills, tied to particular industries, occupations or firms and typically requiring substantive employer involvement..[5] Much of what IHE Members do sits in the second category. The tertiary system can create hierarchies that prioritise general skills over specific ones, yet specific skills formation is the form of provision the industrial strategy most explicitly calls for.

The scope of industry partnership in this report

Industry partnerships in higher education are collaborative arrangements through which education providers and businesses work together to enhance student outcomes and strengthen the wider economy. They can involve curriculum co-design, work-based and experiential learning, knowledge exchange, joint R&D, and workforce development, with the shared aim of ensuring that graduates are equipped with the skills that industry needs today and prepared for the demands of tomorrow.

This definition deliberately encompasses a wide range of arrangements, from light-touch advisory contributions to deeply embedded co-ownership of provision. Not all engagement is partnership, and not all partnership is equal. The arrangements

[5] Estevez-Abe et al. (2001), Streek (2011).

described here vary considerably in depth, in the resources each party commits, and in how far each shapes what is taught. A single guest lecture and a jointly designed degree programme are both forms of engagement, but they place very different demands on both parties and produce very different results. The most meaningful industry relationships are those that are mutual, sustained, and capable of adaptation as both parties evolve.

The benefits of effective academic-industry partnership are well-evidenced and flow in multiple directions. For students, they provide real-world experience, industry-relevant skills, and professional networks that materially improve graduate employability. For providers, they enable curriculum that stays instinctively current, deepen staff expertise, and generate external employer validation of quality. For employers and industries, they provide a pipeline of work-ready talent, applied R&D capacity, and an opportunity to shape the next generation of their workforce. For society more broadly, these partnerships accelerate knowledge transfer, address skills gaps, support productivity, and contribute to regional economic development. The evidence base on these benefits is substantive: university-industry collaboration has been consistently associated with improved graduate labour market outcomes, enhanced institutional relevance, stronger innovation ecosystems, and more responsive regional skills infrastructure.[6]

Industry partnership and the HE-BCI survey

The Higher Education Business and Community Interaction (HE-BCI) survey is the principal UK data collection on higher education knowledge-exchange activity. Its coverage and relationship to funding vary across the four nations. In England, the survey informs Research England's allocation of the Higher Education Innovation Fund and the Knowledge Exchange Framework. It captures activity from collaborative and contract research and consultancy through to CPD, facilities rental and public engagement. Facilities rental is among the lowest-value forms of engagement: a transactional exchange generating income but no knowledge transfer, curriculum impact or lasting relationship. This report is concerned with the deeper forms of partnership that HE-BCI records but cannot adequately illuminate.

IHE 2025 Survey and Statistics

IHE's 2025 Survey and Statistics[7] provides sector-level context. Across 81 independent provider respondents, 78% report partnerships with industry, most commonly through

[6] OfS (2026), Student insight report, UCAS (2026) Early Careers research, and BCC (2026) Delivering Growth.

[7] 2025 Survey and Statistics - Understanding the UK's independent higher education sector | IHE

placements or work experience (73%), professional networking or mentoring (64%), and input into curriculum design (59%). 16% offer employer-funded provision, and 17% deliver apprenticeship provision. These figures are indicative rather than statistically robust and are reported because they align with the qualitative evidence gathered through interviews. The gap between the breadth of employer engagement and access to employer-linked funding is a structural feature of how the sector operates.

Engagement patterns vary by size: 86% of large providers report industry partnerships against 74% of small providers, and 57% maintain industry advisory boards against 23%. This likely reflects the administrative capacity required to formalise partnership structures rather than a difference in commitment or quality. The interview evidence, which looked at what providers do rather than what they formalise, found some of the most deeply embedded partnerships at small and medium-sized institutions.

Partnership models

Across the evidence, six broad models of partnership can be identified. These are not stages on a spectrum, and they do not describe a progression from less to more advanced practice. Providers select the model that fits a given partner, sector and moment, and most providers operate across several models simultaneously; individual partnerships frequently begin in one model and migrate to another as they mature. The value of the typology is diagnostic rather than hierarchical. As Section 3 sets out, different models are exposed to different barriers, and identifying which model a partnership conforms to is the first step in understanding what constrains it.

No comparable typology or modelling appears to exist in the published literature. The established frameworks in this field, including the triple helix model of university, industry and government relations developed by Etzkowitz and Leydesdorff, and the more recent technology and knowledge transfer literature, are concerned principally with research commercialisation and knowledge exchange in large multi-faculty institutions. They do not describe partnerships whose primary purpose is the formation of specific skills.[8] The descriptions which follow are offered firstly to group the models we identified and secondly as a contribution to that research gap, and IHE would welcome the opportunity to develop this area further with partners including the National Centre for Universities and Business (NCUB), whose forthcoming work on partnership models covers adjacent ground.

[8] Etzkowitz, H. and Leydesdorff, L. (2000). *The dynamics of innovation*

CASE STUDY: TIRO AND THE INSTITUTE OF CANCER RESEARCH

Tiro delivers science apprenticeships through a delivery team made up entirely of working scientists recruited from industry. New staff are trained as educators through Tiro's internal academy, which supports practising industrial scientists to develop work-based learning pedagogy.

When Tiro first approached the Institute of Cancer Research about taking on apprentices, the response was cautious. The candidates did not have A-levels, degrees or master's qualifications.

Tiro and the ICR designed the programme together. They wrote a full module from scratch and embedded the institute's own experiments and equipment directly into the assessment strategy, so apprentices were assessed against the work the institute actually undertakes.

At the ten-week review, the ICR's own feedback recorded that the apprentices were operating, from a practical perspective, at the same level as or above some of the master's students who came to the institute on placement.

Of the eight apprentices who started the programme, all eight completed and seven achieved distinctions. Graduates moved on to AstraZeneca and the Royal Marsden. The programme won multiple industry awards.

The partnership has outlived the programme. The employer steering board continued to meet well beyond the cohort's completion. The ICR convened a conference off the back of it, bringing together funders, regulators, academics and industry partners, and has since introduced Tiro to further employers.

Challenge-based and project-based co-design

Several providers have built their academic model around industry-generated challenges and projects. Every module is either sponsored or co-designed with an employer partner, with industry professionals working directly alongside academic staff in delivery. Students work on authentic, unsolved problems rather than simulated exercises, progressing from constrained and scaffolded challenges early in their programme to genuinely complex, open-ended industry challenges by the final stage. In the creative industries, this model often takes a different shape: students may work on live briefs from freelance practitioners rather than organisations, or contribute to productions, exhibitions, or performances that function both as assessed work and as a

professional calling card. In these cases, the 'employer' may be a single artist, a small production company, or a community organisation, none of which fit neatly into conventional employer engagement metrics.

The strongest versions of this model use the final-year industry project as a bridge from education to employment. When the match between student, project, and employer is well-managed, it effectively constitutes an extended job interview. In multiple cases, students have completed their project and continued it as a workplace role with the same employer.

CASE STUDY: NMITE AND CHALLENGE-BASED LEARNING

NMITE was founded in response to an industrial rather than an educational problem. Engineering employers were dissatisfied with the skills profile of the graduates emerging from conventional provision and concluded that a different kind of institution was needed. It was established in Herefordshire, a county that had no higher education provision at all in the eight hundred years preceding NMITE's arrival.

There are no lectures. Delivery is entirely project-based, taught in blocks through challenge-based learning, and every module is either sponsored by or co-designed with an industry partner. Around forty employers collaborate on modules regularly.

The challenges are calibrated by year. In the first year, they are deliberately bounded, with a defined problem and a defined solution, because students are still learning how to approach an open problem. By the final stages of the programme, students work on authentic and frequently unresolved problems to which the employer does not yet have the answer.

NMITE distinguishes three kinds of partnership within this model:

1. **Curriculum partners** co-deliver academic content alongside academic tutors, working directly with students rather than contributing at arm's length.

2. **Project partners** supply the briefs for final-year work. NMITE regards this as its most powerful employability mechanism, and describes it, where the match between student, project and employer is well made, as a 14-week job interview. It functions as one. Students have repeatedly completed an industry project and then joined that employer, continuing the same piece of work as a workplace project. The employer has had 14 weeks to assess the student's capability on a real problem, and the student has had 14 weeks inside the organisation. Neither party is guessing.
3. **Sovereign skills partnerships** involve employers investing directly in building entirely new provision. The term is deliberate: it is the skills analogue of sovereign capability, describing the set of skills a country needs and is not currently producing in sufficient volume or diversity through its existing education system.

NMITE's autonomous systems degree is the clearest example. It was co-developed with the Ministry of Defence and the British Army, in direct response to a strategic priority named in the defence industrial strategy. From initial concept to student enrolment took twelve months. In a large multi-faculty institution, the same journey conventionally takes three to four years.

Not every partnership began at this scale. NMITE's first industry partners were three or four local SMEs, one of them a coffee shop in Hereford.

CASE STUDY: NATIONAL MOTORSPORT ACADEMY AND THE MULTI-STUDENT R&D PROJECT

Every student at the National Motorsport Academy (NMA) is already employed in motorsport, automotive or the supply chain. Employment in the sector is an entry requirement. Provision is delivered entirely online, with rolling enrolment: students start on the first of every month, twelve months a year.

This inverts the conventional relationship between provider, student and employer. Employers can contribute or pay the fees. The student's live workplace project frequently becomes their dissertation. Employers approach NMA directly with development challenges, and projects arriving from Manufacturers, Formula One and World Endurance teams are covered by non-disclosure agreements.

Larger projects from industry partners can create a structural problem; an employer's research and development project may run for twelve to 18 months. A dissertation runs for six. The project outlives the student.

NMA's response is a relay model. The project is broken into stages, each with defined goals and each substantial enough to support a complete dissertation. One student takes the first stage and hands over at an agreed point. The next student picks it up with clear objectives for the following stage. Projects have run three or four students deep. This is possible because enrolment is continuous, so there is always a student available to take the next stage.

Alongside this, academic staff sometimes run their own parallel workstream on the same problem. If a student's research moves in an unexpected direction, as research does, the employer's outcome is still protected. It also means staff can advise the student from a position of genuine current knowledge.

Practitioner networks and curriculum advisory models

Many providers maintain structured networks of industry practitioners who contribute to curriculum design, module delivery, assessment, and quality assurance. These range from formal advisory committees to professional communities convened by the institution, with CPD and events offered in return for curriculum input.

The distinction between effective and ineffective advisory relationships emerged clearly in the research. Successful models involve practitioners who are currently active in the industry and whose role is directly aligned to the skills they are being asked to advise on. Advisory panels composed of celebrated figures who are no longer working at the leading edge are less effective, whatever their profile.

CASE STUDY: ESCAPE STUDIOS AND INDUSTRY COLLABORATION BY DESIGN

Escape Studios was founded by people from industry, and industry experience remains a condition of employment for its academic staff. But what distinguishes it is not the presence of practitioners. It is the deliberate architecture built around them.

Industry involvement is written into the institution's formal processes rather than left to individual contacts. Every course design team must include industry representation, usually three or four people, and this is written into the documentation. Every approval panel must have an industry member on it. All team projects receive industry feedback, and industry partners contribute to the marking.

Around this sits a wider structure. An industry advisory board of over thirty members meets annually. Fifty studios are formal industry partners. An industry liaison manager coordinates these activities, although Escape is clear that the real contacts remain embedded in the staff, and the liaison role exists to widen and systematise those relationships. At the annual student showcase, around a hundred industry representatives attend to see student work and talk to the students who made it.

The partnership is explicitly reciprocal. Industry partners allow Escape to use their name and logo, and contribute advice and marking. In return they receive free or reduced places on Escape's short courses, and access to its studios when they need space for their own training.

Escape's account of what makes this work is simple: Do not contact partners only when you want something. Contact them when you have something to offer. Be responsive when they ask: when Framestore needed people trained rapidly in character and creature work for a new project, Escape freed up a studio for two weeks, and that responsiveness is remembered. And make partners feel valued.

Longevity compounds all of this. Escape has been running for twenty-four years, and partners including Framestore and DNEG have been with it from the beginning. The consequence is that a substantial number of Escape alumni are now senior within those companies.

Structured employer pipelines in regulated sectors

In sectors where professional registration or regulatory compliance shapes both curriculum and employment, industry partnership takes a more formalised shape. Providers participate in Trailblazer groups and standards development, co-deliver against industry competency frameworks, and work closely with professional bodies and major employers to ensure graduates meet the requirements of their sector. In the most embedded cases, employers are involved from the outset: helping to select candidates for programmes and sitting on assessment panels that determine progression. In these contexts, industry partnership is not an enhancement to the qualification. It is what makes the qualification mean something.

CASE STUDY: GEN2 AND THE NUCLEAR SKILLS PIPELINE IN WEST CUMBRIA

Gen2 holds a major contract with Sellafield, delivering level 5 nuclear technician degree apprenticeships to new entrants, alongside progression routes for existing employees and the supply chain. Because the overwhelming majority of employers in West Cumbria are either Sellafield or part of its supply chain, Gen2 functions in practice as the higher-level skills infrastructure for a critical national industry in a region where no other independent providers do so.

The entry route illustrates why widening participation, here, is an industrial necessity rather than an add-on. Recruiting sufficient candidates through traditional STEM talent pipelines is challenging in the region, making widening participation essential to ensuring local people from diverse backgrounds can access and progress into high-skilled nuclear careers.

Gen2 therefore runs an intensive bridging programme from September to December, covering core mathematics and mechanical, electrical and nuclear content, and introducing candidates to what it means to be a nuclear professional. Candidates are then streamed into HNC, HND or foundation degree pathways following examinations and employer interviews.

Gen2 sits on the Trailblazer group developing the relevant standards, as does Sellafield. Provider and employer shape the standard together, and Gen2 works with the University of Cumbria to ensure the resulting provision meets regulatory requirements.

There is an inherent tension between designing a regulated qualification and evolving it quickly to meet a sector's needs. Managing the gap between qualification standards and employer expectations is a continuing part of the work, and it requires effort from both sides.

Knowledge exchange and consultancy

A growing number of IHE Members engage with industry through consultancy, R&D collaboration, and knowledge exchange, creating value for employers through student projects, staff expertise, and specialist facilities. In the strongest cases, these activities are integrated into the curriculum: students work on live employer challenges as part of their assessed work, and staff contribute expertise to employer projects as part of their professional practice commitments. One of the clearest examples from the creative industries shows what this looks like in practice. This model also encompasses several well-established forms of university-industry collaboration that IHE Members participate in, or are excluded from. Knowledge Transfer Partnerships sit here, though as Section 3 sets out, most IHE Members are ineligible to act as the knowledge base partner for funding purposes. So do joint accelerators and incubators, where a provider and an industry partner co-invest in, or take an equity position in, a start-up they are jointly building. So too does the shared use of specialist commercial facilities, which appears in the HE-BCI return as facilities hire but which, in its more developed forms, is something considerably richer: a working environment in which provider staff, students, industry partners and commercial clients operate in the same space, on the same live projects, and knowledge moves in every direction.

CASE STUDY: ACADEMY OF CONTEMPORARY MUSIC AND METROPOLIS STUDIOS

Metropolis Studios is one of the leading recording studios in the country. Its clients include Adele, Taylor Swift and Raye. It has been in partnership with the Academy of Contemporary Music (ACM) since around 2015, and since 2022, operates within ACM's regulatory framework as the commercial arm of ACM, retaining its commercial identity.

Metropolis Studios staff collaborated with ACM, a specialist music provider, to build short courses in mastering, mixing and recording. The problem they

faced was that the expertise in question was not in a teachable form and never had been. Metropolis's engineers include Grammy award winners who do not themselves know what they do when they sit down at a desk with a piece of music. It is tacit knowledge, exercised instinctively.

Over roughly a month of exchanges, ACM's educators worked with Metropolis's engineers to codify it: to make explicit the decisions, techniques and professional judgement that produce a finished recording. The result was a five-week programme in mastering, built around what an engineer actually does when they arrive in the morning, sit down, and begin work.

What began as a revenue development project for the studio became a genuine exercise in knowledge exchange. Tacit expertise was made explicit, and a new training offer emerged that neither party could have developed alone.

Beyond the original project, the knowledge exchange takes place on a continuing basis with ACM students regularly using the studio facilities where engineers explain the recording, mixing or mastering process, giving them an opportunity to reflect on, and explain their practice which in turn enhances their skills and processes as world-leading engineers.

This model also encompasses several well-established forms of university-industry collaboration that IHE Members participate in, or are excluded from. Knowledge Transfer Partnerships sit here, though as Section 3 sets out, most IHE Members are ineligible to act as the knowledge base partner for funding purposes. So do joint accelerators and incubators, where a provider and an industry partner co-invest in, or take an equity position in, a start-up they are jointly building. So too does the shared use of specialist commercial facilities, which appears in the HE-BCI return as facilities hire but which, in its more developed forms, is something considerably richer: a working environment in which provider staff, students, industry partners and commercial clients operate in the same space, on the same live projects, and knowledge moves in every direction.

Community and diversity-focused partnerships

The sixth model sits differently from the other five, and it is worth being explicit about why. Several providers have developed partnerships specifically aimed at broadening access to their sector, supporting underrepresented groups, or contributing to the communities in which they are based. Examples from the evidence include scholarship programmes supported by industry leaders, programmes designed to support women into senior roles in sport, community outreach through student-led activity in local schools, and funded internship schemes designed to make paid work experience accessible to students from lower-income backgrounds. In one sense these are not a distinct model of industry partnership at all: the employer engagement that drives them can flow from any of the five models above, and for some providers this activity is a constant that runs alongside everything else they do rather than a separate category of relationship. It is set out here as a model in its own right because, in the evidence gathered for this report, these partnerships were frequently designed with employers from the outset and depended on employer commitment to succeed. There is a direct connection here to the government's ambition to reduce the number of young people not in education, employment or training, and to the wider devolution agenda, which Section 5 returns to.

CASE STUDY: CASE STUDY: COLLECTIVE ACTING STUDIO AND COLLECTIVE FRINGE

Collective Acting Studio was founded in 2022 by industry figures who believed that the drama school system could strengthen its work on diversity and student welfare.

Collective starts from a striking contrast. In other sectors, developing an idea in an academic setting, testing it and taking it to market is entirely normal. A university may develop a vaccine and work with industry to commercialise it. In the performing arts, however, new work is rarely developed and tested within a drama school and then taken into the commercial world.

The financial risk falls instead on individual artists. Staging a show at a major fringe festival can cost an artist in the region of thirty thousand pounds. It is a very expensive bet, and one that only the already-connected and already-funded can place.

Collective Fringe is the response. Once a year, Collective opens its resources to independent artists, giving them the space, expertise and

professional support to develop and stage new work at no cost to themselves. What would otherwise be a prohibitively expensive gamble becomes a genuine opportunity, and artists who could never have afforded to take the risk alone are able to develop their work and test it in front of an audience.

The work is then platformed to industry. Commissioners from Channel 4, Netflix and the Young Vic have attended. The festival now runs in partnership with Theatre Royal Stratford East, with Tara Theatre, the largest South Asian theatre company in the country, and with Tribe House Theatre, an all-black collective which works with the National Theatre.

The model is deliberately built so that the financial risk sits with the institution rather than the artist. Collective benefits only if a piece of work goes on to succeed, which aligns everyone's interests around getting the work made and seen. One co-production with Tara Theatre secured Arts Council funding, transferred, and went on to tour nationally.

Collective Fringe is at once an access intervention, a knowledge exchange model, an industry partnership and a commercial research and development pipeline. It fits none of the categories that current funding frameworks and partnership metrics are built to recognise.

When industry creates the institution

This project sought to understand not only how providers partner with industry, but also the circumstances in which industry chooses to create new provision rather than partner with an existing higher education provider. Across the interviews, a distinctive pattern emerged: several IHE Members were not founded as education providers that subsequently built industry relationships. They were founded by industry, or alongside it, in direct response to a specific skills need that the existing system was not meeting.

In the most striking cases, the decision to create a new institution was driven by a single employer or a small group of employers who concluded that conventional higher education had not produced the graduates they needed at the pace and specificity the industry required. In some cases, an employer wanted graduates with a particular combination of technical depth and professional practice that no existing programme offered. In others, a sector identified a pipeline crisis, recognising that if it did not invest

in building new provision from scratch, quickly, and with a naturally agile model, the skills shortage it faced would become structural.

One point is worth drawing out. In each of these cases, the employers concerned wanted provision that taught very specific skills and approaches, specialist rather than general, and they wanted it at degree level. They were motivated by a combination of technical depth and professional judgement that they had not been able to secure through existing routes. The motivations these founders describe share common elements. They typically had tried working with existing providers and found the relationship too slow, too generalist, or too constrained by institutional processes to be responsive to their actual needs. They valued education in itself, but they needed it to operate in a commercial register, at a pace that matched the rate of change in their industry, and with outcomes they could directly measure against their own workforce requirements. Where they had the resources and the conviction, they invested their own capital in building it.

That distinction matters. These employers could have partnered with an existing university, and in several cases had tried. Instead, they committed their own money to creating provision. That is a significant market signal: employers are willing to invest financially in higher education when they can shape what it produces. The policy question this raises is how that investment might be encouraged and directed, and why it is currently flowing towards new and independent provision rather than towards established institutions.

Redefining 'employer' for the independent higher education sector

Conventional understandings of employer partnership do not map neatly onto the ecosystems in which many IHE Members operate. In the early years and childcare sector, the employer may be a private household. In culinary arts, it may be an individual Michelin-starred chef or a boutique patisserie just as readily as a hotel group. In highly technical fields, partners may be global corporations, whose live but confidential R&D challenges form the basis of assessed student work. In the creative industries, individual freelancers are often more willing, more knowledgeable, and more genuinely useful as curriculum partners than large organisations, yet they are almost entirely absent from the partnership models that policy frameworks and funding metrics are designed to recognise. If this report demonstrates anything clearly, it is that the definition of 'employer' needs to be much more sector-sensitive: broad enough to include private

families, freelancers, micro-businesses, professional bodies, alumni entrepreneurs, and community organisations, not just large named firms.

CASE STUDY: NORLAND UNIVERSITY OF EARLY CHILDHOOD AND FAMILIES AS EMPLOYERS

Norland University of Early Childhood, which is the world's first university specialising in this area, trains early years practitioners. Its industry, in the words of its own staff, is generally a family home.

In most cases, Norland's employers are parents. There is no employer body to consult, no human resources director to build a relationship with, no advisory board that could plausibly be convened, and no levy participation to record. The workplace is a private household.

Norland operates its own employment agency, which gives it a direct relationship with those individual employers, and a line of sight into what they need that few providers in any sector can match. It also maintains a growing consultancy practice and partnerships with other education providers.

But the core relationship, the one that defines the institution, is with families.

Every policy instrument that assesses employer engagement through named firms, formal partnership agreements, advisory structures or apprenticeship levy activity is, in Norland's case, measuring something that does not exist. This is not a failure of engagement. It is a failure of definition.

The report therefore argues that the definition of employer partnership must be both sector-sensitive and scale-sensitive. This is not a niche concern affecting a handful of creative disciplines. Small and medium-sized enterprises account for around three-fifths of private sector employment in the UK. A policy framework that assesses partnership quality primarily through engagement with large, named employers will systematically miss not only the ecosystems within which IHE Members operate, but the majority of the employers the skills system is supposed to serve.

Section 2: What works – Enablers of successful partnership

A consistent picture emerged across the research of the conditions that enable industry partnerships to develop, deepen, and endure. These enablers operate at different levels, from the values and culture of the institution to the practical mechanisms through which relationships are built and maintained.

Mutual benefit as foundation

Without exception, providers described the most successful partnerships as ones in which both parties have a clear and genuine interest in the relationship. The most robust partnerships are not sustained by goodwill alone. They are built on a defined value proposition: what the employer gains, and what the provider gains, are both specific, credible, and regularly tested.

For employers, the benefits most commonly cited were: access to a trained, work-ready talent pipeline; students working on live R&D challenges that generate commercial value; a platform to shape the curriculum and the longer-term skills landscape of their sector; and CPD and knowledge exchange opportunities for their own staff.

For providers, the benefits include: industry-current curriculum that does not require expensive periodic overhaul; staff who maintain their expertise through active employer engagement; authentic assessment projects; and a graduate outcomes story that employers themselves validate.

Two further beneficiaries are easily lost in a framing that counts only what the provider and the employer each gain. The first is the student. Partnership is not simply a mechanism for producing employable graduates; it changes the nature of the education itself, giving students authentic problems, professional networks, and an understanding of how their discipline is actually practised. The second is the wider community and sector. Partnerships accelerate knowledge transfer, address skills gaps that constrain local economies, and, at their best, improve the conditions under which an industry operates rather than simply supplying it. These are not incidental by-products. For several providers in this study, they are the reason the partnership exists.

Several providers noted that values alignment matters alongside practical benefit. One described declining employer partnerships where the relationship would compromise the integrity or ambition of their programmes. Another described the goal as producing not graduates who simply conform to existing industry norms, but partnerships that

help improve the conditions within which industries operate. That point matters particularly in the creative industries, where the risk of too much industry influence is real. If students are shaped only by what employers want right now, they may graduate able to meet current expectations but less equipped to challenge, innovate, or imagine what their industry could become.

CASE STUDY: LEITHS EDUCATION AND PARTNERSHIP BUILT ON MUTUAL BENEFIT

Leiths Education maintains relationships with over fifty employer partners. While these partnerships are not generally formalised, this is a deliberate approach that has proven to be mutually beneficial, allowing strong, long-term collaboration between Leiths and these partners.

The River Cafe has taken Leiths graduates for thirty years. At companies including Cook and Gousto, between a third and a half of the workforce are trained at Leiths. Students go to the Rick Stein group in Cornwall each year and many stay. Leiths List Connect, which has been supporting students and graduates for over thirty years, provides careers advice, first job opportunities, employer liaison, alumni engagement and recruitment support, drawing on a network of alumni contacts that has grown into a longstanding community of employer partners.

None of this rests on a formal contract. Leiths describes these partnerships as mutually beneficial and largely self-sustaining: employers seek out Leiths graduates because of the quality of their training, alumni recruit from their alma mater, and the cycle continues to renew itself. Underpinning these relationships is a shared commitment to supporting the industry and a common understanding of the knowledge, skills and behaviours that culinary education should develop.

This approach also informed the design of Leiths' new Culinary Diploma, a modular and more accessible course that integrates work experience, with students able to undertake work placements during or shortly after the course.

The initial intention was to introduce a more formal arrangement, including agreements, contracts, specified visit schedules and structured sign-off processes. However, Leiths concluded that greater flexibility would better serve both students and employer partners. Their judgement was that formality would work against them: requiring more extensive contractual

and administrative processes would place additional demands on top of already busy professional lives, and would deter exactly the employers they most wanted.

Rather than introducing an onerous, highly-administrative framework, Leiths has established a flexible, quality-assured approach to work placements. Placement providers are expected to meet minimum standards including an induction, a named person to report to, a mentor to shadow, appropriate health and safety arrangements and an exit interview. Leiths also undertakes quality assurance of placements to ensure these standards are met and that students receive a consistently high-quality experience. The standards are shared across employer partners. There is a clear value proposition and an agreement based on reciprocity. Leiths is able to maintain strong employer engagement without imposing unnecessary administrative burdens.

The Leiths model demonstrates that effective employer engagement does not necessarily depend on highly-formalised structures. Instead, long-term relationships built on trust, shared purpose, reciprocal benefit with appropriate quality assurance, can provide a robust foundation for work-based learning. Policy measures that assess employer engagement primarily through the presence of formal agreements may therefore overlook some of the strongest and most enduring partnerships.

It is worth being explicit about the commercial case on the provider side, since the employer case is more often articulated. For IHE Members, deep employer partnership is not a cost centre justified by mission. It does not remove the cost of keeping curriculum current so much as relocate it. Instead of periodic and expensive wholesale review, the work of staying current is absorbed continuously into the partnership itself, which means there is little or no lag between innovation in the industry and change in what is taught. It generates revenue through short courses, consultancy and workforce development. It de-risks new programme development by supplying demand evidence and a recruitment pipeline at the design stage rather than after it. And it produces the graduate outcomes and employer endorsements on which future recruitment depends. For providers operating as commercial businesses without the endowment or research income of large institutions, these are not soft benefits. They are the economics of the model. It is worth noting that these models were developed by independent providers well before the sector had access to student finance and skills funding. Students were

willing to pay for the outcomes this approach produced without the support of student loans, which is a strong indication that there is demand for what this provision offers.

A related theme, articulated both by providers and by industry partners contributing to this research, is the importance of being able to operate in a genuinely commercial register. One provider working in the live events and technology sector observed that the kinds of commercial conversations their industry partners want to have are simply not ones that a conventional university can engage in, in their experience. Being a commercial business, embedded in an industry campus, means that employer relationships are built on a peer footing: neither party is doing the other a favour, and neither is being tolerated. This matters more than it might appear. Industry partners, particularly in commercially fast-moving sectors, described the difference between feeling understood by a provider and feeling patronised by one. One senior industry figure described how specialist providers quickly translate the complexity of regulated provision, apprenticeship frameworks, levy arrangements, and accreditation requirements, into something commercially legible: something that can be taken to a record label's board without needing an education interpreter. That capacity to speak fluent commercial as well as fluent education is, in this context, a significant competitive advantage that larger institutions rarely possess.

Staff industry currency

Active practitioners in the classroom are a defining characteristic of IHE provision. Teaching teams made up of working professionals bring live industry knowledge into the room and maintain direct employer relationships as part of their day-to-day professional life. In several cases, staff work concurrently for the organisations their students aspire to join.

This is not simply a teaching quality issue. It is a structural mechanism for keeping curriculum current. Because staff are themselves active, they introduce students to what industry will adopt next, not merely what is in use today. Several providers described instances where their graduates were working with tools and techniques that had not yet become standard practice in the sector, because their teachers were involved in developing them.

There is a risk here as well as an advantage, and it is worth acknowledging. Teaching staff who are active practitioners bring currency, but currency is not the same as pedagogical range, and a curriculum shaped too closely by what industry does today can leave students well equipped to meet current expectations and less well equipped to challenge or reshape them. The providers in this study were alive to this. Several described deliberately balancing practitioner-led delivery with staff whose expertise is in teaching and learning, and framing their purpose as improving the industries they serve

rather than simply supplying them. The point is not that dual practice is a risk to be managed away, but that the strongest models hold both things at once.

The most effective models for maintaining staff currency include regular industrial placement programmes that send staff back into employer settings, peer-led CPD where returning staff share learning across the team, funded professional membership requirements, and internal professional environments such as live restaurants, race teams, or commercial R&D projects where staff and students work together on real challenges. In creative disciplines, staff currency is maintained through continued professional practice: teaching staff who are working filmmakers, practising architects, performing musicians, or active choreographers. Several focus group participants were clear that this dual practice is not just beneficial, but central to their teaching credibility. Formal staff development frameworks rarely recognise or support it properly, despite the fact that it is one of the strongest quality assets creative providers have.

Treating employer engagement as a strategic function

The strongest partnerships are built deliberately. Organic partnerships, however valuable, can be fragile: if the person who built a relationship moves on, the relationship can leave with them. Providers that have built the most durable and deepest partnerships treat employer engagement as a core institutional function, not a byproduct of individual effort.

What this looks like in practice varies by scale. At the larger end, it involves a dedicated relationship management team, systematic account management, and professionalised outreach to senior stakeholders. At the smaller end, it requires a conscious decision to dedicate capacity, develop a clear value proposition, and approach employer relationships proactively rather than reactively.

One provider described identifying emerging employer demand around AI skills before it had fully crystallised, developing and testing a new programme with trusted partners, and having provision in place by the time explicit demand arrived. This anticipatory approach, staying closely connected to where a sector is heading rather than where it currently is, is one of the most distinctive contributions deeply embedded specialist providers can make to the skills system.

What makes a partnership work: The evidence

- A clear and specific value proposition for both parties
- Senior leadership engagement on both sides, ensuring both strategic and operational alignment

- Dedicated institutional resource for relationship management and development
- Reciprocity: the provider actively contributes to the employer's goals, not just the other way around
- Staff who can engage with employers as peers, speaking the language of the industry
- Flexibility to adjust programme content in response to changing employer needs
- Impact measurement that demonstrates value in terms that matter to the employer, not just to the regulator

Professional body alignment

In several sectors, alignment with professional bodies and accreditation frameworks is both an enabler and a requirement. Architecture, engineering, culinary arts, and dance all have professional competency frameworks that shape what a credible qualification must contain. IHE Members have built close relationships with the relevant bodies, in several cases participating in the development or review of the standards themselves.

The limitation, noted by several providers, is that professional body frameworks can themselves lag behind the pace of change in their sectors, particularly around emerging technologies and AI. Where this is the case, providers sometimes lead rather than follow, embedding content that employers are already asking for before the formal competency framework has caught up.

CASE STUDY: UNIVERSITY OF THE BUILT ENVIRONMENT AND ALIGNING PROFESSIONAL STANDARDS WITH EMERGING INDUSTRY NEEDS

The University of the Built Environment has just over four thousand students, of whom nearly three thousand are apprentices. Every degree and apprenticeship it delivers is technical, directly vocational, and accredited by at least one professional body. Most programmes are double or triple accredited by the Royal Institution of Chartered Surveyors, the Chartered Institute of Building, and the Chartered Association of Building Engineers.

The practical effect is that everything the University of the Built Environment delivers is mapped directly onto existing industry competence frameworks. For a substantial number of employers, degree apprenticeships have now

replaced graduate schemes entirely as the entry route into the profession.

Alongside this, the University of the Built Environment convenes a Professional Engagement Advisory Forum twice a year, at which academic staff meet employers directly to discuss the curriculum. It also has a seat on the Built Environment Futures Assembly, an employer-led body which the University of Built Environment does not run.

Sustainability is not well embedded in the professional competency frameworks, but employers need it so the University of the Built Environment teaches it anyway – leading the framework rather than following it.

This matters for two arguments in this report. First, it is direct evidence that professional body frameworks can lag behind the sectors they serve, and that specialist providers sometimes fill the gap ahead of the formal standard. Second, it demonstrates that deep accreditation and genuine responsiveness are not in tension. University of the Built Environment is among the most heavily accredited institutions in the IHE membership, and it is still the party moving first.

The University of the Built Environment is also building vertical alignment with further education, working with construction technical excellence colleges to address the pipeline into the sector well before degree level.

Agility as a competitive advantage

IHE Members consistently reported that they can respond to emerging employer needs significantly faster than large multi-faculty universities. Single-sector focus, fewer governance layers, and the ability to take decisions at executive level all contribute. But it is worth being precise about the mechanism, because the claim is easily dismissed as self-flattery, and because the explanation is more interesting than the assertion.

Two of the most time-consuming stages of conventional programme development largely disappear where an employer partnership is deeply embedded. The first is the market research required to demonstrate to an institution's own governance that demand exists for a proposed course. Where provision has been co-designed with the employers who will recruit from it, that demand is not a projection to be evidenced; it is

the starting condition. The second is the student recruitment cycle, which in a large institution typically requires 18 months to two years to be built into the timetable. Where employers are supplying, sponsoring or directing candidates, that lead time contracts sharply.

The speed at which IHE Members can respond to demand versus larger multi-faculty universities is not a claim that rests on providers self-report. Institutions publish their own programme development timelines, and the comparison is a matter of public record. Published programme approval timelines at large universities typically run to two or three years from initial idea to first student intake.[9]

A new programme that might take two to three years to move from idea to enrolment in a large institution can be delivered in around twelve months by an IHE member. NMITE's autonomous systems degree, co-developed with the Ministry of Defence and the British Army, went from initial concept to student enrolment in twelve months. For a skills system being asked to respond to industrial priorities that are themselves still being defined, the distinction between one or two to three years is not a marginal efficiency. It determines whether the system can respond at all. This agility is a product of institutional design, not of lighter-touch academic standards or weaker governance. Independent providers are subject to the same regulatory requirements as any other registered provider.

Institutional size is not the only variable. Large institutions can move extraordinarily quickly when the conditions are right, as the development of the Oxford-AstraZeneca vaccine demonstrated. The relevant question is not whether smaller providers are inherently faster, but what conditions enable a rapid, high-quality response, and why those conditions are routine in some institutions and exceptional in others. On the evidence of this study, deep employer embedding is one of the conditions that makes speed ordinary rather than exceptional.

The Office for Students (OfS) student insight report published in March 2026 found that students who had undertaken work placements or developed professional connections felt significantly better prepared for life after graduation than those who had not.[10] It also found that graduates who studied higher education at further education colleges were substantially more likely to feel prepared (69%) than those on university courses (50%),

[9] Examples include: University College London, *Academic Manual 2025-26,* Annex 7.1.1, which sets out a recommended timeline for new undergraduate courses beginning three years before delivery, with final approval 22 months in advance of a September start; the University of York's programme approval guidance, which describes a two-year cycle comprising a year of design and approval and a year of recruitment; and the University of Cumbria's *Quality Handbook* (August 2025), which requires undergraduate proposals to complete Programme Initiation 24 months before commencement, but apprenticeship and CPD proposals only 12 months before.

[10] Office for Students (2026), *Preparing for the next steps after higher education: Student insight report.*

and suggested this may reflect the vocational nature of that study and the strength of those colleges' employer connections in preparing students for their next steps. IHE Members are already delivering many of the features that students themselves associate with successful preparation for employment.

Section 3: What gets in the way – Barriers and constraints

The same providers who described strong and often highly effective models of industry partnership were equally clear about what prevents those partnerships from going further. The barriers they identified are not about provider capability or willingness. They are structural features of the regulatory and funding environment. With few exceptions, these are not problems that afflict independent providers while working smoothly for everyone else. Large institutions raise many of the same frustrations, and where this report proposes change, that change would benefit the sector as a whole. The argument is not that the system was built for others and excludes IHE Members. It is that a system which serves no one especially well imposes its heaviest costs where provision is most tightly coupled to employer demand and where delay has immediate consequences for students, providers and industry.

The barriers described below do not fall evenly across the partnership models set out in Section 1. Validation and revalidation timelines bite hardest on challenge-based and project-based co-design, where the content of provision is expected to track a fast-moving industry. Regulatory instability falls most heavily on employer-integrated workforce development and on structured pipelines in regulated sectors, where apprenticeship funding is the delivery mechanism and employer confidence is the precondition. Knowledge base eligibility rules exclude most IHE Members from knowledge exchange funding. This is a constraint on resource, not capability: the exclusion follows from eligibility criteria rather than from any assessment of whether these providers could undertake the work. Place-based funding architecture constrains any model delivered nationally. Reading the barriers against the models is the most direct way to see which policy changes would unlock which forms of partnership.

Validation timelines and regulatory cycles

The tension between provider agility and regulatory timelines came through in almost every interview, and it is important to be clear about what that tension actually is. The issue is not that regulated providers are subject to governance requirements. OfS registration, quality assurance processes and student safeguarding obligations can strengthen partnership activity by making both sides more disciplined and deliberate in how joint work is designed and delivered. The problem is pace. Formal revalidation with degree-awarding partners typically runs on five-year cycles and can take many months from start to finish. The result is a persistent mismatch between what employers need, what students expect, and what regulated providers are formally able to deliver.

One practical response that emerged from the evidence is to write module descriptors around principles and competencies rather than specific tools or technologies, so that content can be updated within an approved framework without triggering revalidation. But this is a workaround, not a solution.

A more substantive response would address the underlying constraint. Providers are required, under consumer protection requirements and the OfS's conditions on information for students, to tell applicants in advance what modules they will study, including in some cases the specific software and techniques involved. That information is fixed a year or more before delivery begins. The effect is that the provider cannot update the content without changing what the student was promised, even where the update is precisely what the industry now requires.

The solution is not less information for students, but better-designed information. Module descriptors could be written at a level of generality that describes what a student will learn to do, rather than the specific tools they will use to do it, with a clear statement to applicants that specific technologies will be kept current and may change. A modular approval route allowing students to enter and exit provision more flexibly would support the same end.

Regulatory instability and the employer relationship

Frequent changes to apprenticeship funding rules, shifting signals around the Growth and Skills Levy, and delayed or poorly communicated reforms have had a measurable effect on employer confidence and provider capacity. Providers describe a growing share of their time being spent not on developing partnerships or workforce capability, but on helping employers understand what successive regulatory changes mean for their business.

This matters because employers do want to engage with skills policy. They have skills gaps and a clear commercial interest in closing them. But few have the time or expertise to navigate the detail of how the regulation works, particularly when the system starts to feel unstable. In that environment employers rely on trusted providers to interpret change on their behalf, work that is necessary but adds nothing to workforce development.

The effect of this instability is not just operational. It also shapes whether employers, particularly smaller ones, are willing to engage at all. Stability and predictability matter more than any single policy decision. Controlled, well-signposted change is far preferable to rapid or poorly communicated reform.

Funding architecture and devolution complexity

For providers operating nationally and internationally, the current skills funding architecture creates specific difficulties. Devolved apprenticeship funding means that some cannot deliver in Scotland or Wales even where they have employer partners and students. The government's growing emphasis on place-based skills policy, while valuable for many providers, also risks systematically excluding those whose contribution depends precisely on operating without geographical constraint.

The British Chambers of Commerce's analysis of four years of LSIP impact found that although LSIPs have engaged thousands of employers successfully, fragmented funding and limited scope mean significant opportunities are still being missed.[11] IHE Members are among the providers whose contribution is hardest to capture within LSIP frameworks. The problem is especially visible in freelance-intensive sectors, where labour markets are often mobile, project-based and poorly captured by sub-regional data. In at least one LSIP, the ONS could not provide employment data at a level of granularity sufficient to evidence the creative industries properly, meaning a sector identified locally as an economic priority could not be evidenced strongly enough to support investment decisions. Skills England's sector skills needs assessment points to the same wider issue: creative industries employment is geographically concentrated, with London accounting for 51% of GVA (gross value added), while outside the capital the data infrastructure needed to support place-based investment remains too weak.[12]

CASE STUDY: ACADEMY OF LIVE TECHNOLOGY, SKILLS BOOTCAMPS, AND THE LIMITS OF PLACE-BASED FUNDING

The Academy of Live Technology (ALT) is based on Production Park, an industry campus. Its students are industry-embedded in a literal sense: some of the largest companies in live events and staging are physically on site, and their staff come through the doors continuously.

ALT's experience of skills bootcamp funding sets out, in a single sequence, why place-based skills policy can struggle to reach specialist providers.

ALT was approached by ScreenSkills to bid jointly in the first round of skills bootcamps. It could not apply. The Department for Education's application process was sufficiently complex, and required prior presence on a register

[11] British Chambers of Commerce (2026), *Delivering Growth: Four Years of LSIP Impact*.

[12] Skills England (2025), *Sector Skills Needs Assessments: Creative Industries*.

of providers, that within the timeframe available it was not feasible to complete. ALT was not alone; many providers were in the same position, and the Department was unable to commission as much provision as it had intended.

Funding was subsequently devolved to the regions. Working within the Department's broad framework, West Yorkshire Combined Authority was able to make the application process more accessible. ALT could then apply and is now a registered provider with West Yorkshire, York and North Yorkshire, and Hertfordshire, with a further bid submitted to South Yorkshire.

The barrier is now reasserting itself. Combined authorities have found that administering large numbers of small providers consumes disproportionate staff time, and have begun awarding fewer, larger contracts. Combined with reductions in adult education funding, the effect is to squeeze out precisely the specialist providers that devolution had begun to reach. The funding model compounds the problem. Skills bootcamps are awarded through annual waves of bidding, and the hoped-for move to three-year mayoral contracts has not yet materialised, so provision is sustained from one funding round to the next rather than planned. Bidding repeatedly for one-off contracts makes it hard to retain permanent staff and invest in resources for bootcamp delivery that quality delivery requires.

One example captures the structural problem most sharply; Hertfordshire is a major centre of the film industry, because the studios are there. But most people who work in the film industry live in London and travel to the studios for work. ALT can only train people resident in the region that is paying for the training. Courses that would sell out in London can be difficult to fill in Hertfordshire. The funding boundary and the labour market boundary do not coincide, and provision is constrained by the mismatch.

Capacity, cost and working with SMEs

Building and sustaining meaningful industry partnerships takes time, resource and sustained institutional commitment. For smaller providers, the capacity to dedicate staff to relationship management, attend LSIP meetings, respond to consultations and engage with professional body reviews is constrained by the practical pressures of scale.

The same issue applies to small employers. Several providers noted that smaller businesses are often the most willing and the most appropriate partners, but also the least equipped to navigate the administrative demands of formal partnership arrangements. In many SMEs, responsibility for workforce planning sits alongside a wide range of operational and managerial duties, leaving limited capacity to participate in the kinds of structured engagement and detailed skills planning that policy frameworks often assume. The challenge is not a lack of interest in skills development, but a lack of time and resource to engage with complex partnership processes.

This is also pronounced in the creative sector. Individual practitioners such as working filmmakers, recording artists and choreographers are often among the most valuable knowledge partners a provider can have, but they are rarely in a position to work through procurement processes or sign lengthy agreements. Several focus group participants said that over-formalising partnership arrangements had deterred exactly the practitioners whose expertise was most needed. In this context, low-bureaucracy and flexible engagement frameworks are not a compromise; they are the right response to the structure of the sector.

As the Leiths case study in Section 2 shows, some providers actively avoid over-formalising employer relationships because doing so would make participation more burdensome for the small businesses and individual practitioners whose engagement is most valuable. This is not weak partnership practice; it is proportionate partnership design.

Structural inequality in access

A final barrier operates at the level of the student rather than the institution, and it belongs in this section because it determines whether partnership delivers anything at all. A provider can build the most sophisticated employer partnership in the sector, but if students cannot afford to take up the placement, attend the industry event, or absorb the cost of unpaid work experience, the partnership will not produce the outcomes it was designed for. Access to industry opportunity is shaped by structural inequality, and where it is, the return on every other form of partnership investment is reduced. This is why embedded partnership working matters. When industry engagement is built into

the curriculum, assessment and timetable, it becomes part of every student's education rather than an additional opportunity available only to those with the time, money and confidence to take it up. Partnership that sits outside the core student experience risks reproducing the very inequalities it is meant to address; partnership that is embedded can make access to industry more equitable, systematic and universal.

The strongest models therefore combine employer engagement with deliberate access design: paid or funded placements, scholarships that cover living costs, structured mentoring, and partnership activity that reaches the whole cohort rather than a self-selecting few.

Section 4: Measuring what matters – Graduate outcomes and impact

The instruments we use to measure graduate success were designed with a particular pathway in mind. The Graduate Outcomes Survey and Longitudinal Education Outcomes data capture the experience of graduates entering structured programmes with linear progression, and they describe that population reasonably well. They are less suited to the graduates who build portfolio careers, work freelance, become self-employed practitioners, or enter sectors where a career takes several years to establish. Nor were they designed to record whether provision was developed with employers. This is not an argument for exemption from scrutiny. It is an argument for developing better mechanisms to measure skills acquisition and career value where routes are less linear, and for recognising the limits of the instruments currently in use.

What IHE Members are already doing about it

Where the national instruments do not measure what matters, providers with genuine employer relationships have built their own measures: return-on-investment analysis conducted jointly with employer partners, structured evidence of learner progression in the workplace, and employer-validated case studies of what provision has delivered. For deeply employer-integrated models, the most meaningful measures are often not destination measures at all, but what happens during the programme: apprentices completing workplace projects with a measurable return, students resolving live R&D challenges that advance a company's development pipeline, and graduates entering roles employers confirm they could not otherwise have filled.

Providers report that this work strengthens employer relationships and makes a clearer case for continued investment. It is also evidence of demand, since employers accept these measures because they answer questions employers actually have.

Several providers described the alumni relationship as a more telling measure of impact than a survey taken 15 months after graduation. Graduates who return as mentors, create businesses, and become the next generation of industry partners represent a self-reinforcing cycle of quality and engagement that current frameworks barely register.

Employer-validated impact evidence of this kind merits recognition alongside graduate destination statistics, and there is an immediate opportunity to build on it. The Industrial Strategy Advisory Council is developing return-on-investment analysis at sector level, at a moment when government is asking what return further investment in skills would

produce. Provider-level impact measurement, aggregated and made methodologically consistent, would speak directly to that question, and IHE would welcome the opportunity to explore how the two might connect.

The coverage problem

There is a more immediate difficulty: much of the independent sector is not visible in the national data at all.

One aim of this project was to analyse Graduate Outcomes data for IHE Members, comparing the 17 participating providers against the wider membership and the sector as a whole, to explore whether providers with deeply embedded industry partnerships show distinctive graduate outcomes. That analysis could not be completed, and the reason is itself a finding.

Of the unique UKPRNs across the IHE Membership, only 27 have published Graduate Outcomes data. The remainder are either outside the survey's coverage or have their results suppressed because of small sample sizes. Among the 17 providers who took part in this project, only six have published data.

This matters because outcome measures are becoming more consequential. As quality ratings, recruitment controls and decisions about the growth of provision come to rest on measured outcomes, the absence of most independent providers from the underlying evidence base becomes a problem for the regulator as much as for the sector. Providers are not asking to be excluded. Several said explicitly that they want their impact to be visible.

Careers that are built rather than entered

The 15-month window compounds the problem. It suits careers with clear entry points and describes poorly those assembled over time.

In many creative disciplines, establishing a sustainable career takes three to five years. The Musicians' Union census found that over half of musicians sustain their careers through income from outside music, many for financial reasons rather than by choice.[13] A music graduate working shifts while building a production portfolio, gigging and developing a professional network is not a failed outcome. They are early in a creative career, though the survey records them as being in non-graduate employment.

[13] Help Musicians and the Musicians' Union (2023), *Musicians' Census*.

Reform is under way. Cognitive testing undertaken by IFF Research for HESA, reported in March 2026, recommended clearer treatment of portfolio careers, improved categorisation of self-employment and freelance activity, and new questions distinguishing different forms of unemployment and economic inactivity. IHE is engaged in this process and welcomes it. These reforms address the survey's design rather than its coverage, however, and they do not capture industry partnership. Both gaps require a different response, set out in the recommendations.

Section 5: The value IHE Members deliver to the skills and growth agenda

This report has focused primarily on how industry partnerships operate in practice. The wider question is what that means for the Government's skills and growth agenda.

The evidence suggests that independent higher education providers are not operating at the margins of the system. In many cases, they are delivering precisely the kinds of provision policymakers say they want to encourage: employer-designed programmes, skills development in priority sectors, regional interventions tailored to local labour markets, and routes into industries that struggle to recruit through conventional channels.

It is useful to consider that contribution against the framework government itself uses. Of the sectors identified through the Industrial Strategy, Skills England and DfE priorities, IHE Members deliver provision directly into advanced manufacturing, clean energy, creative industries, defence, digital and technology, construction and the built environment, and health. Other members support sectors that fall outside the priority framework, including hospitality, sport and culinary industries, despite their substantial economic contribution. The purpose of setting this out is not to claim ownership of the industrial strategy, but to make visible the contribution IHE Members already make to delivering it.

Delivering skills for strategic and priority sectors

Several IHE Members are directly contributing to what the defence industrial strategy describes as the urgent need to develop national sovereign skills capability.[14] NMITE's autonomous systems degree, co-developed with the Ministry of Defence and the British Army, is a direct response to the defence industrial strategy's identification of autonomous systems as a strategic priority. Gen2's nuclear engineering programmes supply the skills pipeline that keeps a critical national industry operational in a region where no other provider can do so. Science apprenticeship providers train the industrial scientists that manufacturing, pharmaceutical, and materials science employers cannot recruit through other routes.

[14] Ministry of Defence (2025), *Defence Industrial Strategy.*

These are not niche contributions to secondary priorities. They are responses to explicit economic and strategic needs, delivered by providers capable of adapting provision quickly and working closely with employers to address emerging demand.

More broadly, the examples throughout this report show why responsiveness matters for the skills and growth agenda. In sectors where technology, regulation and workforce demand are changing quickly, the value of specialist provision lies not only in what it teaches, but in how rapidly it can adapt with employers as those needs evolve.

Specialist provision and the question of graduate value

In June 2026 the government announced a new deal for young people, intended to end what it described as a degree-by-default culture and to expand youth apprenticeships. Taken together with the new evidence on graduate earnings, this signals a policy environment in which the value of a degree is being actively questioned, and in which some higher education provision is expected to contract.

Independent specialist providers are unusually well placed in this debate.

The concern underlying the degree-by-default agenda is that some courses may have weak links to employment, limited labour market relevance, or unclear progression routes into careers.

Courses co-designed with employers, taught by practitioners, assessed through live industry projects and connected to recruitment pipelines are not examples of the problem policymakers are trying to solve. They are examples of the solution. Throughout this research, providers and the two employers interviewed repeatedly described graduates arriving with a clearer understanding of workplace expectations, stronger professional behaviours and a more developed sense of how their skills apply in practice.

The risk is that policies designed to address a genuine challenge become insufficiently targeted and inadvertently constrain forms of provision that already embody the outcomes government is seeking to encourage.

Specialist independent providers are not the target of the degree-by-default agenda. They are among the strongest available demonstrations of what a more employment-focused model of higher education can look like.

Reaching employers the wider system struggles to reach

One of the clearest findings of this project is the role IHE Members play as intermediaries between higher-level skills provision and small and medium-sized employers.

Many sectors represented within the membership are characterised by large numbers of SMEs with limited capacity to engage with complex educational partnerships. Independent providers are often proportionate in scale, accessible in operation, and able to sustain relationships with businesses that can be overlooked within larger institutional models.

This is particularly significant in sectors such as the creative industries, hospitality, culinary arts and motorsport, where the employer base is highly fragmented and dominated by smaller organisations. In these sectors, IHE Members frequently act as the primary route through which employers access higher-level skills development.

The employer evidence gathered for this report illustrates the point clearly. One senior figure described how his organisation historically struggled to recruit graduates directly from conventional training routes. While candidates often possessed strong technical skills, they lacked the professional judgement, communication skills and commercial awareness needed to operate effectively in live client environments. Working in partnership with a specialist provider enabled those capabilities to be built directly into the curriculum, ensuring that technical competence and professional practice developed together.

The same employer reflected more broadly on the value of working with specialist providers. He described the energy and commitment brought by staff for whom talent development is a core institutional mission. In his view, this helped employers think differently about workforce development and created a more ambitious culture around skills and progression. It is a reminder that the value of partnership extends beyond curriculum design and recruitment pipelines; it can also influence how employers themselves invest in talent.

This matters because employer engagement is increasingly recognised as a cornerstone of effective skills policy. UCAS Early Careers research found that 86% of prospective students want their institution to have strong links with their chosen industry, while 85% want direct employer engagement during their studies.[15] For many IHE Members, this is not an aspiration or an enhancement activity. It is the operating model.

[15] UCAS (2026), *Becoming an employer of choice.*

Regional contribution and widening participation

Independent providers also make a distinctive contribution to regional growth.

Regionally-rooted IHE Members can act as highly targeted interventions in ways that large multi-faculty universities, despite their regional ambitions, cannot always achieve. In West Cumbria, one provider works with a manufacturing sector that cannot recruit the skills it needs from elsewhere and has built progression pathways stretching from entry-level skills development to degree-level qualification. In Herefordshire, another provider established higher education provision in a county that had lacked it for centuries, directly addressing what its founders described as a higher education cold spot. Such interventions matter not only because they expand access to higher education, but because they alter local talent dynamics. In areas without higher education provision, young people often leave to study elsewhere and do not return, while employers struggle to attract skilled workers from outside the region. Local provision can therefore function both as a retention mechanism for local talent and as a means of attracting new people into the area.

The economic significance of these interventions is substantial. Research by The Open University found that 35% of employers in higher education cold spot areas had turned down work, contracts or investment because they could not recruit the skills they needed locally. More than half reported increasing competition for talent from larger employers or other regions.[16] Interview evidence for this project suggests that specialist providers can begin to reverse these patterns, not only by training local people but also by attracting students who might not otherwise have considered the area and by creating incentives for graduates to remain and work locally after completing their studies. In these contexts, specialist providers are not supplementary to local economic development strategies. In many cases, they are one of the principal mechanisms through which those strategies are delivered.

The same characteristics that make IHE Members effective regional actors also contribute to widening participation. Online providers reach learners who cannot access traditional campus-based models. Specialist providers in creative disciplines, sport and culinary arts create routes into industries that many students would otherwise regard as inaccessible. Scholarship schemes, funded industry placements and flexible delivery models help reduce barriers faced by students from lower-income backgrounds and those balancing employment, caring responsibilities, disability or other constraints.

For many learners, these providers are not simply an alternative route into higher education. They are the route that makes participation possible.

[16] The Open University (2026), *In From the Cold*.

Online delivery as an enabler

The evidence gathered through this project challenges the assumption that online and blended delivery are barriers to strong industry engagement.

For several providers, online delivery actively enables deeper employer partnership. Geographic barriers are reduced, specialist practitioners can participate regardless of location, and employer projects can be integrated throughout the year rather than around traditional academic calendars. In some cases, this has expanded rather than limited the range of employers able to engage with provision.

Online delivery also broadens access by removing commuting costs, residency requirements and timetable constraints that disproportionately affect students with caring responsibilities, disabilities, shift-work patterns or geographic limitations.

The clearest policy implication concerns student finance. Several providers highlighted instances where innovative modes of delivery encounter barriers to funding because they do not align neatly with traditional assumptions about attendance and study patterns. If government wishes to encourage flexible, employment-focused and lifelong learning pathways, funding policy will need to evolve alongside delivery models. This report recommends that parity of recognition be established across quality assurance, access and participation, skills funding and student maintenance provision.

Why small scale can be a strength

Government quite reasonably asks questions about scale, reach and capacity. How many learners can a provider serve? How quickly can provision expand? How much impact can a relatively small institution have?

These are legitimate questions. However, the conclusion sometimes drawn from them - that the skills system would be better served by consolidating provision into a smaller number of larger institutions - is not supported by the evidence gathered for this report.

The first reason is geographical. Large institutions cannot simply be created in underserved areas. The Times Education Commission identified numerous higher education cold spots that traditional metropolitan universities have not reached and show little sign of reaching. Where interventions are needed in these places, specialist providers are often not the second-best option. They are the only option capable of responding to local circumstances and employer demand.

The second reason is that consolidation risks worsening the very problem it is intended to solve. Where local provision does not exist, young people are encouraged to leave to study elsewhere. Once they do, many do not return. The result is a continuing loss of

talent from regions already struggling to attract and retain skilled workers. Local provision is not merely an educational asset; it is part of the infrastructure required to retain human capital within regional economies.

The third reason concerns innovation. Experimentation within large systems often takes place at the margins rather than the centre, and higher education is no exception. Many of the partnership models described in this report were developed by providers small enough to try approaches that larger institutions might have regarded as too uncertain or too resource-intensive.

There is an important regulatory implication here. Because smaller providers are smaller, the systemic risks associated with experimentation are lower. The case for allowing innovation is therefore stronger, not weaker. A system that permits experimentation only where the consequences of failure are greatest has the risk calculus backwards.

Taken together, the evidence suggests that the value of independent specialist providers cannot be understood simply through institutional scale. Their contribution lies in their ability to respond quickly to employer demand, operate in places and sectors underserved by larger institutions, and develop new forms of provision closely aligned to economic need.

If the Government's objective is a skills system that is more responsive, more employer-led and more closely connected to economic growth, then independent specialist providers should be viewed not as exceptions within that system, but as part of the means by which those objectives are achieved.

Section 6: Next steps and recommendations

What's next for IHE

The most striking finding of this research is how much is already being done. Members are designing curricula with employers, placing students into industries that need them, and building relationships with SMEs that no national structure currently reaches, and almost none of it is captured in the evidence government uses to plan the skills system. That is a problem worth solving, and it is one the sector can take on itself as well as ask others to fix. Where IHE goes next will be shaped by conversations with members, but the research has already pointed to clear lines of action.

Connecting members to the industrial strategy. We will support members to engage with Skills England, DfE and the industry leaders steering each industrial strategy sector plan. We will explore how members can act as a route to national and local initiatives their SME partners, many of whom are too small to engage with national skills structures directly but whose needs these plans depend on understanding.

Access to work placements and industry engagement. We will look to share best practice within work placements across our membership, and support member-led exploration of approaches that widen access to industry engagement and work-based learning, so that these opportunities reach a whole cohort rather than those able to absorb the cost.

Regulatory sandboxes. We will work with education regulators to explore sandbox arrangements through which new curriculum designed with industry could be trialled and evaluated, testing whether provision built around industry need can reach students faster without weakening the protections students rely on.

Graduate Outcomes data. We will explore with members why so many small and specialist providers have no publishable Graduate Outcomes data and seek to understand what can create meaningful change in this data for small providers. We will work with Jisc to consider the existing Graduate Outcomes Survey and publication arrangements, as well as other models to demonstrate the graduate impact of these industry models.

Measuring employer and industry engagement. From our limited interviews with employers, it was clear there was significant impact on students, providers and industry from these partnerships. Working more closely with employers to understand the impact of partnerships is a valuable next step. We will also explore how the depth of employer engagement might be better measured to demonstrate to students and to

industry what the different partnership models in our membership involve and what each offers.

An open invitation. These are starting points rather than settled programmes, and their direction will be shaped by members. We would welcome interest from members, employers and partners in our next steps.

Recommendations

The recommendations below are deliberately selective. Rather than list everything the evidence could support, they concentrate on the points in the system where change would make the biggest difference, and on the bodies that hold the relevant levers. Those levers are not held by any single organisation. Responsibility for skills policy is distributed across DfE, DWP, Skills England, and the departments leading each industrial strategy sector plan, with the OfS regulating providers and the Industrial Strategy Advisory Council advising on the strategy's next phase. Each recommendation is directed at the body or bodies able to act on it, and this is stated where a recommendation is aimed at a specific one.

1. **DfE should prioritise stability in the design and communication of skills funding policy, including the transition from the Apprenticeship Levy to the Growth and Skills Levy.** Changes to apprenticeship standards, funding rules or off-the-job requirements should be controlled, incremental, clearly signposted, and implemented with enough notice for providers and employers to adapt. Changes should be clearly communicated so that employers can understand what is changing, why, and what it means for them, with enough notice to plan around it. Employers, particularly the SMEs and freelance practitioners specialist providers work with, do not have teams to interpret shifting rules. When change is frequent or poorly explained, their confidence in the system falls and diverts provider capacity away from partnership development into interpreting the system.

2. **DfE should review the Apprenticeship Provider and Assessment Register (APAR) to enable more proportionate entry routes for high-quality specialist providers.** Entry is not continuously open, and application windows are hard to anticipate, so a provider responding to a specific employer need may have no route into funded delivery when that need arises. The process is also disproportionate for small providers delivering narrow, industry-specific apprenticeships, where the burden is carried for a single standard rather than spread across a broad portfolio. The effect is to keep providers with employers already waiting out of the system by process rather than by quality.

3. **Government should draw on the expertise and industry networks of independent higher education providers across the developing architecture of skills policy and the industrial strategy sector plans.** Specialist, industry-led providers hold direct working relationships with employers in the sectors these plans depend on, including many too small to engage with national skills structures themselves. That expertise is currently accessed unevenly. Skills England's Expert Network offers one route, and provider representation within it should be deliberate rather than incidental. The departments leading each sector plan, and the Industrial Strategy Advisory Council in its work on skills, should draw on the same insight directly, as should the LSIP architecture, which does not currently capture the contribution of nationally operating specialist providers

4. **DfE and Skills England should work with providers and their employer partners to develop consortium models that allow SMEs to access skills funding collectively.** This ensures employers too small to engage individually can still shape and use provision. Simpler, lower-bureaucracy engagement frameworks are needed for small businesses and freelance practitioners who are willing to partner but cannot navigate complex institutional processes.

5. **Innovate UK and UKRI should review knowledge base eligibility for Knowledge Transfer Partnerships so small and specialist providers can act as the knowledge base partner.** This change will enable the SMEs, micro-businesses and freelance practitioners these providers work with to access publicly funded R&D support that is currently out of reach. Eligibility currently turns on formal recognition as a knowledge base under UKRI rules, which excludes most IHE Members. The exclusion follows from corporate form rather than from any assessment of whether these providers could do the work. The test should be capability to deliver the partnership, not institutional category.

6. **DfE and DWP should jointly review the role of online and blended provision in meeting skills gaps, particularly among adult learners, and address the funding, regulatory and access barriers that currently constrain it.** This mode of delivery is central to upskilling. It allows people to study while remaining in work and is the mode self-employed and freelance learners consistently prefer, because they can keep their client base, study from anywhere, and work intensively through quiet periods. Employers favour it for related reasons: no time lost to travel, no dependence on local availability, and provision that adapts around workload. Three barriers hold it back. Online and blended courses carry full loads and the same study hours per credit as in-person delivery, so students reduce their working hours to study, yet cannot access maintenance loans on either a full-time or part-time basis. Funding bids and the guided learning hours model both tend to reward

flexibility delivered in person. And access and participation assessment rests on postcode and prior disadvantage, ignoring place-based barriers to in-person learning and digital poverty, which can close both the in-person and online route to a higher education qualification. DfE should treat digital poverty as a priority in its work on access to skills education, and carry it through into the priorities it sets for Skills England and the OfS in access and participation.

7. **DfE and Skills England should reform higher technical qualifications (HTQs), the powers to award them, and modular delivery under the Lifelong Learning Entitlement, so higher education provision can respond to employer need at the pace that need changes.** The current architecture is slower than the industries it serves. HTQ reform should proceed at pace, enabling qualifications below 120 credits that add specialism to an existing HTQ, qualifications blending two or more occupations, and qualifications developed where no occupational map yet exists. Higher technical awarding powers, recommended in IHE's proposals for higher education reform, would allow providers with the relevant industry expertise to develop qualifications directly rather than through approval cycles that outlast the need. Modular delivery under the Lifelong Learning Entitlement should work on the same logic, so eligibility attaches to the module and the industry need it meets rather than the subject classification of the course it sits within — widening the subjects in scope, particularly the creative industries, and recognising modules such as entrepreneurship or industry-specific digital skills that meet a growth need in their own right.

8. **HMRC self-employment data should be made available at sub-regional level and embedded in skills planning.** This would allow LSIPs and mayoral combined authorities to evidence the creative labour market and other freelance-intensive sectors accurately. Section 3 describes an LSIP unable to obtain employment data at sufficient granularity to evidence the creative industries, meaning a sector identified locally as an economic priority could not support investment decisions.

Conclusion

The case for independent small and specialist higher education providers as structural contributors to the UK skills and growth agenda does not rest on aspiration. It rests on evidence.

The 17 providers interviewed for this project are training the nuclear engineers who keep a critical national industry operational, the chefs who sustain a world-leading culinary sector, the engineers designing the autonomous systems the defence industry urgently needs, the sports business graduates who fill roles that traditional business degrees do not reach, the dance teachers and musicians and architects and filmmakers who contribute to the cultural life of communities across the UK. They are doing this through models of industry partnership that, in the most embedded cases, go well beyond an advisory relationship, with curricula designed and taught alongside the employers who will hire the graduates.

They are also doing it despite structural features of the system that limit their contribution: regulatory cycles that cannot keep pace with industry change, outcome measures that do not capture how many of their graduates' careers develop, and funding and assessment models built around scale and place, which leave provision defined by specialism and industry partnership at a disadvantage. These barriers are not insurmountable. The priority recommendations in this report are directed at the specific places where change would make the biggest difference.

Government is preparing to take decisions about which higher education provision may grow, on the basis of measured earnings outcomes. Those decisions deserve to be taken on evidence that is adequate to them. At present, for most of the independent sector, it is not. IHE is willing to help build an evidence base that is, and this report is the first contribution to it.

The opportunity is clear and the evidence is here. Acting on it now requires coordinated action from the bodies that shape skills policy, regulation, innovation funding and industrial strategy, working with providers and employers.

Methodology and acknowledgements

Research methodology

This report draws on qualitative research conducted between March and June 2026. 17 semi-structured interviews were conducted with IHE member institutions, each lasting approximately one hour. Interviews were conducted by Hannah Atkins, IHE Policy and Engagement Manager and Industry and Skills Project Lead, and transcribed for analysis. All interviews were conducted under Chatham House rules; findings are presented thematically and do not attribute statements to named individuals unless explicit consent for case study use was given.

A focus group with providers working in the creative industries was conducted in April 2026, facilitated by Hannah Atkins and attended by representatives from film, music, dance, architecture, performing arts, interior design, and arts management disciplines.

Two semi-structured interviews were conducted with employers that partner with IHE Members, one a specialist creative-sector business and one a small manufacturing enterprise.

The report also draws on a student voice process comprising a focus group with IHE's Student Advisory Board[17] and an online survey of IHE member students, reported separately.

Scope and limitations

All primary evidence is drawn from IHE member institutions. The findings reflect the experience of this specific cohort of providers and should not be read as representative of the independent higher education sector as a whole.

Acknowledgements

IHE is grateful to all 17 member institutions who gave their time to interviews, and to the institutions and individuals who participated in the Creative Industries Focus Group. Their willingness to share evidence and experience generously and honestly has made this report possible.

[17] IHE Student Advisory Board Industry Partnerships Project Report | IHE

IHE also thanks the members of the Industry and Skills Project Advisory Group for their guidance, challenge, and support throughout the project:

- Gordon Sweeney, Academy of Contemporary Music (ACM)
- Rachel Nicholson, Academy of Live Technology (ALT)
- James Newby, New Model Institute for Technology and Engineering (NMITE)
- Charlotte Blant, Tiro
- Mike Speight, University of the Built Environment
- Elspeth Pitman, Norland University of Early Childhood
- Katherine Emms, Edge Foundation
- Mat Ainsworth, Salford City Council
- Dr Adam Saunders, Centre on Skills, Knowledge and Organisational Performance (SKOPE), University of Oxford, and Oxford Data Technologies
- Claire Toogood, Graduate Futures Institute
- Shaun Holmes, National Centre for Universities and Business (NCUB)
- Hannah Larsen, British Chambers of Commerce
- Amy Tarr, Creative UK

Secretariat support was provided by:

- Hannah Atkins, IHE
- Maria Coello, IHE

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