

**Report to the City of
Nottingham and
Nottinghamshire Economic
Prosperity Committee**

22 June 2016

Agenda Item: 5

**REPORT OF THE CHIEF EXECUTIVE OF RUSHCLIFFE BOROUGH
COUNCIL**

GRADUATE RETENTION IN N2

Purpose of the Report

1. To update the Committee on activities to increase graduate retention in Nottingham and Nottinghamshire
2. To request that the Committee adopt graduate retention as an N2 priority outcome and monitors its progress on an annual basis.

Information and Advice

3. The N2 Labour Market Assessment indicates that between 2015 – 2022 employment growth will be around 4.5%. This equates to 22,000 net new jobs. In addition there will be around 170,000 jobs which arise due to replacement demand mainly due to retirement.
4. Forecasts point to a general rise in the jobs which require intermediate to higher level qualifications with a net increase in demand for Level 4 and above of 34% or 246,000 jobs to 2022. This is in contrast to the demand for jobs requiring Level 1 or no qualifications where there is a sharp decline in demand
5. Nottingham is home to over 60,000 students across two major universities, who account for over 20% of all people living in the area. The University of Nottingham is in the top 1% of all universities in the world and in the top 30 in the UK and Europe. Nottingham Trent University is one of the largest and most popular universities in the UK, based in the heart of Nottingham city and recognised as a modern university with an outstanding reputation for graduate employability. While both universities have strong track records for student employability, those that choose to work in N2 after graduating is lower than average.
6. Graduate retention in the Nottingham PUA¹ according to the latest data available was 27.7% in 2012/13. This is the lowest for all the core cities in England and is

¹ Primary Urban Areas (PUAs) are geographical areas developed by the ONS and the Centre for Cities that attempt to express the "built-up" physical extent of a city, rather than individual local authority areas. For English cities, they are aggregated from groups of Unitary Authorities/Municipal Districts and Local Authority Districts. For Nottingham, the districts used correspond with

influenced by several factors including the number of students at both universities who originate from London and the south east and the relatively low number of students from Nottingham and Nottinghamshire who go to the local universities.

7. Nottingham PUA has a high SME (small and medium-sized enterprises) base, with 98% of businesses in the area employing 49 people or less. It also currently has a lower number of graduate employment opportunities compared to other Core Cities, though the local economy is projected to need higher skills going forward.
8. One key challenge is support for smaller businesses who want to grow their skills base to recruit graduates. Locally commissioned research has confirmed that there is a market failure in which SME's either lack the understanding and/or resources of how to recruit and retain graduates and graduate awareness of the opportunities available with local SME's is low.
9. Nottingham PUA benefits from good transport links, low commuting times and low living costs, however the Great Debate on Graduate Retention² found that many students are unaware of these benefits.

Graduate Retention Partnership

10. The N2 Skills and Employment Board identified graduate retention as a priority for employers. In order to ensure that future employer skills needs are met, a partnership has been established to develop and steer initiatives which will increase graduate retention in the city and county and to attract graduates who previously lived in Nottinghamshire to return and gain employment after graduation. The partnership members are Nottingham Trent University, The University of Nottingham, Nottinghamshire County Council, Nottingham City Council and the N2 SEB Champion for Graduates Boots UK. The partnership is aligned with the N2 SEB priorities and builds on two successful pilot activities led by Boots UK.
11. The Steering group has developed an action plan which has three priorities
 - To secure commitment from N2 employers to create additional graduate level employment opportunities and to increase the proportion of Nottingham and Nottinghamshire's workforce that have higher skills.
 - To increase the graduate retention rate by influencing students and graduates to consider Nottingham and Nottinghamshire as a destination for post graduate employment opportunities.
 - To create a single campaign to reflect the commitment of the partnership to increase graduate retention rate and to be able to assess the impact of the Partnerships efforts.

the 'Greater Nottingham' area used by Nottingham City Council in their analysis, comprising Nottingham City UA and Rushcliffe, Broxtowe and Gedling LADs. Accurate figures for Nottinghamshire are not available.

² https://ntu.ac.uk/news_events/document_uploads/185955.pdf

FUSE Professional Initiative

12. Both universities already undertake a wide range of activity to promote graduate employment, and both local authorities are working with them in partnership to add value and promote local opportunities an example of this joint work is highlighted below
13. The Graduate Steering Group has recently commissioned Gradcore a social enterprise who have a proven methodology for developing graduate jobs in SME's. This is funded and supported by both local authorities and the two Nottingham universities.
14. Gradcore have been commissioned to deliver FUSE, a graduate and industry professional initiative which will see them create 30 graduate jobs with SME's in the city and county who are not accustomed to recruiting recent graduates. They will deliver employability skills to a cohort of at least 300 graduates as they pass through the process and every graduate gets feedback on their performance as they go through the application stage, video interviews, assessment centres and final interview.
15. The jobs created will be for a minimum of six months but it is expected that they will last longer as previously where Gradcore have used this model the job lasts for at least 12 months with many graduates becoming permanent employees.

Graduate Retention and SMEs

16. The two universities have developed their curriculums to embed employability activities into all their courses. This can be anything from summer placements to a year in industry as part of the course.
17. The universities have also recognised the opportunities that local SMEs can offer to their undergraduates and graduates and are working to increase the visibility and take up of these opportunities. The universities are building their relationships with local SMEs and the Committee could consider how they could help to enable these relationships across the county.

Graduate Retention and Local Authorities

18. Local authorities in N2 will have an interest in recruiting and retaining graduates within their own organisations. Partners will recognise the issue of an ageing workforce and succession planning in areas which require specific technical skills and qualifications. The Committee may wish a future report to focus on joint activities to understand the best practice examples that are taking place in N2 and to determine what additional activities are needed.

Other Options Considered

19. Doing nothing to improve graduate retention was not considered as improving the skills base in the area is a priority for all partners.

Reasons for Recommendations

20. Forecasts indicate that the number of jobs requiring Level 4 or above qualifications will increase by 34% by 2022. To maintain and increase productivity in N2 this demand will need to be managed.
21. Nottingham PUA has a large student population while employers in the area project an increase in the need for higher level skills. There is an opportunity to meet these needs by supporting graduates already in the area to live and work.
22. N2's employment base is dominated by SME's. Research has shown that some SME's and a majority of graduates lack the understanding of what each can offer. Creating opportunities for the two to come together through work placements and jobs will break down barriers and increase graduate retention in local SMEs.
23. N2 partners with an ageing workforce will need to consider how to succession plan to ensure they have the skilled workforce required to deliver their statutory services.

Statutory and Policy Implications

24. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

That the Economic Prosperity Committee:

- a) Notes the contents of the report and agree that Graduate Retention in N2 be a priority for the Economic Prosperity Committee.
- b) Agree to receive a future report on the activities of N2 partners to increase graduate retention
- c) Request Nottingham University and Nottingham Trent University give a joint presentation of their activities to retain graduates in N2.
- d) Agree to receive an annual report on progress made in retaining graduates in N2

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Background Papers

None

Electoral Division(s) and Member(s) Affected

All