

**28 March 2017****Agenda Item: 4****REPORT OF THE CORPORATE DIRECTOR PLACE****GRADUATE RETENTION IN NOTTINGHAM AND NOTTINGHAMSHIRE (N2)****Purpose of the Report**

1. The purpose of this report is to:
  - a) update Members on the partnership activities to increase graduate retention in Nottingham and Nottinghamshire (N2), and;
  - b) provide feedback on how the £15,000, allocated by Economic Development Committee, has been used to support graduate retention in N2.
2. Members will receive a presentation from the Chief Executive of Gradcore Ltd. Supported by a short video, Martin Edmondson will introduce an overview of Gradcore's work (involving more than 30 different universities across the UK) in delivering national and global graduate schemes for employers and his plans for advancing this business model across the UK.

**Background**

3. N2 is home to over 60,000 students across two major universities. The University of Nottingham is placed =75<sup>th</sup> in the world and in the top 1% of Universities internationally by the latest (2016) QS World University Rankings<sup>1</sup>. In UK league tables, the University has maintained its position in the top 30 UK Universities for 2016/17. Nottingham Trent University is one of the largest and most popular universities in the UK 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 of the core cities.
4. Graduate retention in Nottingham City and Nottinghamshire, according to the latest data available (2014/15) was 29.0%. This is the second lowest for all the core cities in England and is influenced by several factors including (but not limited to): (a) the number of students at both universities who originate from London and the south east and (b) the relatively low number of students from Nottingham and Nottinghamshire who go to the local universities.

---

<sup>1</sup> <https://www.topuniversities.com/university-rankings/world-university-rankings/2016>

5. Forecasts<sup>2</sup> point to a rise in jobs which require intermediate to higher level qualifications, with a net increase in jobs requiring Level 4 and above of 246,000 jobs (i.e. 34%) to 2022. In contrast, jobs requiring Level 1 or no qualifications are forecasted to decrease sharply.
6. According to the Office of National Statistics 2015 UK Business: Activity, Size and Location data (update due September 2017), 99.6% of Nottinghamshire's economy is made up of Small to Medium Sized Enterprises (SME's), of which a subset of 83% are defined as Micro businesses i.e. employing less than ten people. These smaller, typically well-established, organisations tend to recruit for one-off jobs rather than graduate programmes. Nevertheless, they are where a lot of the action is and, increasingly, they are where talented graduates could be looking for their first role.
7. A key challenge is to support smaller business who want to grow their skills base and productivity. 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, coupled with generally low graduate awareness of the opportunities available within local SME's.

### **Graduate Retention Partnership**

8. The Nottingham and Nottinghamshire Economic Prosperity Committee have recognised the importance of graduates to the N2 economy and made it one of their priorities.
9. In order to ensure that future employer skills needs are met, a partnership has been established to develop and steer initiatives aimed at increasing graduate retention in N2. The partnership members are: Nottingham Trent University, the University of Nottingham, Nottinghamshire County Council, Nottingham City Council and the N2 Skills and Employment Board Champion for Graduates, Boots UK.
10. The Steering Group has developed an action plan which has three main 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 FUSE Pilot**

11. The Graduate Steering Group commissioned Gradcore, a social enterprise who have a proven methodology for developing graduate jobs in SME's, to deliver a pilot project. The pilot, called FUSE, was co-funded by Nottingham City Council

---

<sup>2</sup> N2 Labour Market Assessment Learning, Skills and Employment 2015 – 2022, May 2015

Nottinghamshire County Council, The University of Nottingham and Nottingham Trent University Further details are available online at: [www.fusegraduates.com](http://www.fusegraduates.com)

12. The FUSE model is based on a successful programme Gradcore adopted in Sheffield. Aimed at levelling the playing field for SME's and pitched to match the offer made to graduates by corporate graduate recruiters, the service is free of charge to employers. Gradcore source the vacancies, attract the graduates, undertake rigorous assessments as part of the selection process and develop both the business and graduate when in post. The intention is to ensure the right graduate is placed in the right business, to increase the likelihood they will stay in the business and N2 in the long term.
13. The first phase of the pilot ran from June to October 2016, 225 graduates applied for positions and were taken through a recruitment process of a video interview and assessment centre, culminating in an interview with the employer. Graduates who did not progress to a given stage of the recruitment process received invaluable and personalised feedback to benefit them going forward.
14. This first phase resulted in 12 graduates being placed in SME's, of these 5 are employed in Nottinghamshire based SME's. The graduates are working in a range of sectors including manufacturing, medical services the digital industry; their starting salaries range from £18k to £22k.
15. The second phase of the pilot has recently been launched with the target of attracting and improving the employability skills of 200 graduates and placing 20 of them in N2 SME's. This phase will focus on SME's who have not previously recruited a graduate, or not recruited a graduate in the last two years or need additional support i.e. attraction, selection and development services not available via the two Nottingham Universities.
16. The FUSE project works in close collaboration with both universities to ensure employer engagement is managed in a coherent manner and employers already working with either university are not targeted by FUSE.
17. The added value the FUSE recruitment process gives is the employability feedback graduates get at each stage of the process. This will help them to increase their understanding of what employers are looking for when recruiting graduates. There is also an element of development for SME's, as Gradcore provides business owners with basic coaching in best practice recruitment techniques.
18. The FUSE programme will be evaluated and the learning disseminated amongst partners for future learning.

### **Wider Activities**

19. It is worthy of note that there are further activities to recruit and retain graduates within Nottinghamshire. Many of the major private sector employers have their own graduate recruitment programmes, as does the public sector (including the NHS, Local Authorities and Education). The two universities also offer a range of opportunities for the undergraduates to gain work experience locally.

20. The D2N2 European Social Fund Programme has also identified unemployed graduates as one of the groups they wish to support. The recently approved EMPLOY Local programme has financial incentives available for SME's who recruit unemployed graduates. Further details available online at: <http://www.d2n2skills.co.uk/home/21/employ-local>

### **Reason for Recommendation**

21. To update Members on how the funds allocated to graduate retention have been deployed in 2016/17.

### **Statutory and Policy Implications**

22. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

### **Finance implications**

23. Members allocated £15,000 from the Economic Development Service budget in 2016/17 to support graduate retention. These funds were pooled with similar amounts from Nottingham City Council, Nottingham Trent University and the University of Nottingham to pilot the Fuse approach across N2.

## **RECOMMENDATIONS**

24. It is recommended that Committee note the content of this report and the accompanying presentation by Gradcore.

**Adrian Smith**  
**Corporate Director Place**

**For any enquiries about this report please contact:**  
Kevin Bartlett ext. 73051

### **Constitutional Comments**

Constitutional Comments are not required since the report is for noting only.

### **Financial Comments (SES 14/03/17)**

The financial implications are set out in the report.

### **Background Papers**

- [Graduate Retention in N2](#) - Report to the City of Nottingham and Nottinghamshire Economic Prosperity Committee, 22<sup>nd</sup> June 2016

- [Graduate Retention in N2](#) – Report to the City of Nottingham and Nottinghamshire Economic Prosperity Committee, 23<sup>rd</sup> September 2016
- *Economic Development Strategy – Delivery Plan and Budget 2016–17* – Report to Economic Development Committee 22<sup>nd</sup> March 2016

**Electoral Division(s) and Member(s) Affected**

All