

Report to Scrutiny Commission

Economic Development, Transport and Climate Emergency
Date of Commission meeting: 16th June 2021

Graduate Retention

Report of the Director of Tourism, Culture and Investment



Useful information

- Ward(s) affected: All
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- Report version number plus Code No from Report Tracking Database: 1

Suggested content

1. Purpose of report

- 1.1 This report updates on progress with the Graduate Retention project and the joint work being undertaken by Leicester City Council, the University of Leicester and De Montfort University to increase levels of graduate retention in the city.

2. Recommendations

- 2.1 To note the contents and comment on this report.

3. Overview

- 3.1 Attracting and retaining talent is increasingly critical for the success of city economies as the UK continues to specialise in ever more highly skilled, knowledge-intensive activities. Retaining graduates in Leicester after they graduate is a key enabler of economic growth, alongside other place-making and place-marketing activities. Leicester City Council is fully committed to doing everything it can to support graduate retention, and hence to support Leicester's vibrant business community to recruit skills that are critical for economic growth. This work is being delivered by a Graduate Retention Partnership comprising Leicester City Council, De Montfort University and the University of Leicester. The Portfolio Lead for this area of work is Cllr Myers.
- 3.2 Leicester City Council, De Montfort University and the University of Leicester have committed to work together to focus on improving graduate attraction and retention. There was much work already taking place, particularly in relation to the employability strategies of both universities, but partner organisations have been keen to develop a joint strategic approach. An allocation of £60,000 was approved for this work from resources set aside for the Economic Action Plan. This has been matched by equivalent contributions from University partners to jointly fund a dedicated Project Manager hosted by the City Council - a shared

resource to develop and coordinate delivery of a joint action plan to increase graduate retention.

- 3.3 In May 2019 the Council submitted a funding bid to the European Social Fund (ESF) to deliver a graduate internship project with local SME businesses. This additional external resource is helping to drive delivery of the graduate retention project and provides a good focus for our joint work. The 'Leicester Graduate City' bid was successful in obtaining £840,000 funding for a three-year project running until February 2023, with in-kind match funding provided by the Council and University partners.
- 3.4 This report updates on the work to increase the number of graduates that choose to stay in the city on graduation.

4. Report

Tracking Graduate Retention in Leicester

- 4.1 Graduate Destination data from 2017 indicated that graduate retention for the three Universities' in Leicester and Leicestershire is recorded at 26.9%, which is significantly lower than the England average of 48.4%. This is the latest available published data on levels of graduate retention.
- 4.2 Ongoing tracking and measurement of levels of graduate retention has been a challenge as the way that graduate outcomes / destinations are measured by the university sector has changed significantly since the start of the project. The new national methodology for this includes a new Graduate Outcomes Survey completed by all universities, and the results of this are expected later in the Summer 2021. This will, for the first time, provide comparable graduate retention data for different institutions and across different geographical areas.

'Student Voice' Research

- 4.3 In 2019 the partnership conducted a research project around student perceptions of the City. This involved holding a 'Leicester Student Voice' event at City Hall in partnership with both local universities. This was attended by 120 students from a broad range of courses and years of study from both the University of Leicester and De Montfort University. It is understood to be the first joint event of this kind engaging with students from both universities. Of those that attended, 86 students were not from Leicester originally (Home -UK), 14 were International students and 20 were originally from Leicester.
- 4.4 The event included facilitated workshops around student perceptions of Leicester – looking to discover what would encourage them to stay in Leicester after graduating, and wider perceptions of the city. The subsequent 'Leicester Student Voice' report suggested areas of focus for future project activity; and this informs the joint work undertaken by the partnership. A key finding was that students frequently saw themselves as a potential part of the solution, expressing a strong wish to be involved in solving city challenges through hands-on innovation, participation and engagement.

- 4.5 The research identified several key areas that the Graduate Retention project needed to focus on:
- (a) Implement policies and programmes that help to **integrate students with the City while they are studying** here
 - (b) Implement programmes and invest in schemes to **support the transition from student to graduate** in the city
 - (c) Continue to work closely with University partners to **develop and promote a defined and visible local graduate employment offer**. This will be particularly enabled via the ‘Leicester Graduate City’ ESF funded project.
 - (d) Deliver better **information and communication campaigns**

Graduate Employment opportunities

- 4.6 The Student Voice research identified graduate job opportunities as the top priority theme for students reflecting on whether they would, or wouldn't, stay in Leicester after graduating.
- 4.7 A key positive finding from the research was that most students stated they would remain in Leicester if they could find suitable work to start their career. However, a key negative finding was that they lacked awareness of job opportunities and this seemed to lead to a perception that opportunities don't exist; 36% of participants used the phrases ‘lack of’, ‘few’, ‘limited’, ‘not many’ or ‘no’ to describe the local graduate employment market. When looking at this information – and comparing it to the knowledge that we have of the skills need in Leicester and Leicestershire, more work needs to be done to highlight the local employment offer.
- 4.8 The research indicated that students often overlook the SME community and opportunities offered by small and micro businesses – compounded by the fact that these businesses do not identify roles as graduate opportunities in adverts – and there is clearly much work to do to connect the two parties. This is particularly relevant as the majority of local employers are SMEs. Practical work being done by the project with SME businesses includes showcasing SME businesses to graduates at the Leicester Business Festival and to students via Careers and Employability teams in both universities, and it is hoped that this will start to change this perception.
- 4.9 Students cited perceived pay levels in Leicester as a factor in looking for work outside the city on graduation, although this was often based on their experience of undertaking casual work while they are studying. Offering students relevant work for example supporting local elections is something that the project has been keen to promote where practicable and is in our gift. For example, the City Council's YEN Network has worked with De Montfort University's Graduate Champions Scheme to offer a student a funded internship opportunity, which has enabled the student to gain relevant work experience paid at the Living Wage, and this in turn has prompted an interest in working for the Council. Supporting students to gain relevant and fairly paid work in both the private sector and public sector will enable Leicester to be

seen as a place of opportunity, which in turn will have a positive impact on graduate retention.

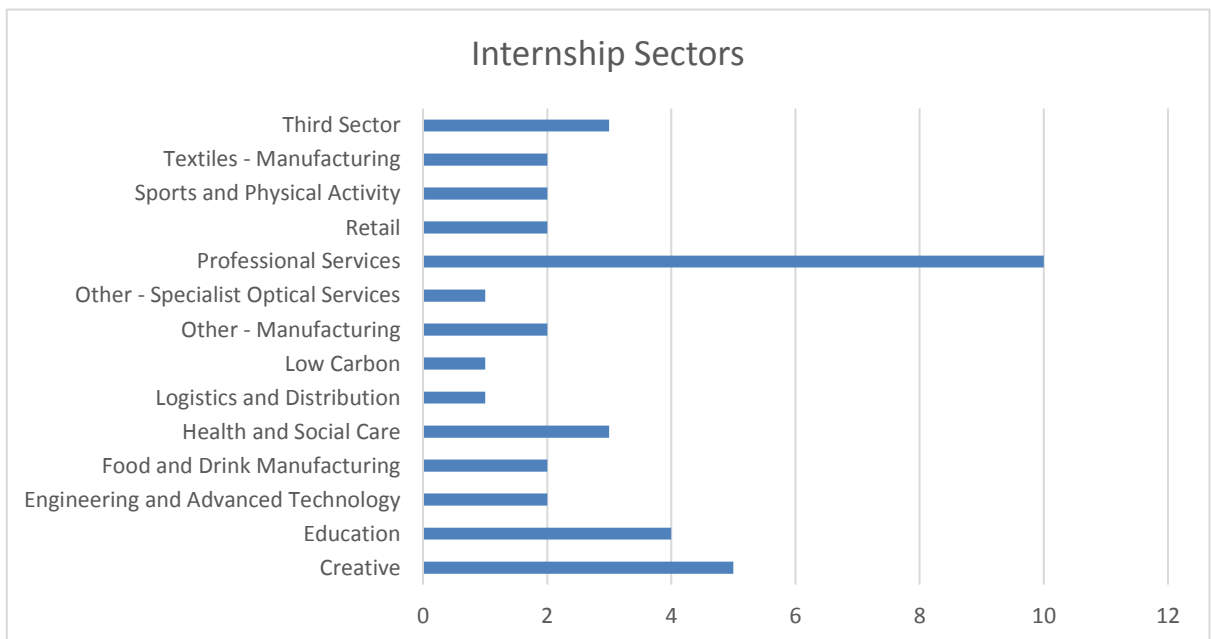
Employability Work

- 4.10 In direct response to these findings, the partnership is launching a **Leicester Graduate Jobs Page** that will sit on the Council's Employment Hub website. This establishes a specific place to promote 'Leicester graduate jobs' from both the public and private sector. As part of this work local employers will also be able to access support on how to advertise vacancies to attract graduate applicants.
- 4.11 The project is cascading **employability campaigns** being delivered by the Universities' to support local businesses via the network of business support services and other partner networks. This is helping the Universities to support 'new cohorts' of businesses in the local area and showcase the local employment offer to our University graduates.
- 4.12 Leicester City Council's Resourcing team have been introduced to University courses to showcase **employment opportunities in the Council** and engage students throughout their study. It is anticipated that earlier engagement may impact a student's decision to leave or stay in the city when they graduate. This has been of particular interest where these roles have been 'hard to fill', for example social workers.
- 4.13 Data being produced by the partnership will enable the City Council to **support inward investment activity** by identifying and showcasing the numbers of graduates and the courses that are being studied – matching potential business interest to high level skilled labour supply.

'Leicester Graduate City' Project – Graduate Internships

- 4.14 The project has been awarded £840,000 funding from the European Social Fund (ESF) to deliver the Leicester Graduate City project. This will provide internship opportunities at local SME businesses for graduates from the two city-based universities. The project is focused on identifying graduate internships across several priority sectors where higher level skills were to be needed in the future to support Leicester's economy.
- 4.15 The three-year project runs to 28th February 2023 and is delivering:
- Specific and bespoke quality engagement with local SME businesses to create student internships
 - Increased awareness amongst students of the opportunities available within the city for employment upon graduation. This will contribute more widely to the need for higher level skills levels within the local economy and increase the likelihood of graduates staying in the city when they finish their studies
 - Collaborative working between SME's and the city universities to identify solutions to technical and professional skills gaps in the area.

- 4.16 The project will support a minimum of 96 SME's and create 72 internship opportunities. The Students participating are second year undergraduates. The scheme has been designed to deliver developmental internships offering the business a chance to see the benefits of graduates and the student the local employability offer, alongside some skills development. The internships are fully funded at the Living Wage and will work 111 hours across 6 weeks, with the first cohort starting on 14th June 2021.
- 4.17 The internship scheme has been popular with local businesses and has been oversubscribed: from 120 initial enquiries we have received 75 Expressions of Interest. Of these 40 employers have engaged / signed up to offer an internship – and the project has also been able to refer more than 15 businesses to other schemes run by university partners.
- 4.18 A range of SMEs are participating, including some Third Sector organisations: 25 are micro businesses (less than 10 employees), 11 are small businesses (up to 50 employees) and 4 are medium sized businesses (up to 250 employees). The initiative is involving students in supporting both established and new businesses, which will showcase the variety of businesses locally. - 33 businesses were already trading pre COVID and 7 have started trading post COVID.



- 4.19 The response from students has also been encouraging, with more than 3000 online views of the scheme by students, and all roles have been successfully filled. Of the 40 internships 15 are with the University of Leicester and 25 are with DMU. By the end of the project we will be able to analyse how the students have impacted the businesses in terms of their business growth and how the experience has impacted the student. Several businesses are already indicating they will offer the students part time work in their third year of study - with a view to an offer of employment at the end of their course.

Place Marketing, Engagement and Communication

- 4.20 The project is looking to support the message that Leicester is a great graduate city – by informing and supporting the creation of content in Place Marketing activities that is relevant and key to our student population. Open Days and Freshers Events are key to engaging students, and materials being produced by the City Council are being shared for use at events to showcase the City offer.
- 4.21 The Student Union at both Universities are keen to support by cascading messages around specific initiatives for the City and involving students in key activities and ongoing consultations. A Student Engagement Forum led by the City Council will start once COVID restrictions allow.
- 4.22 The Place Marketing Team is working with the communications departments at both universities to develop an over-arching place project to unify and brand Leicester's study offer and promote it to students. Titled 'Study Leicester' the project will be delivered in phases, with the first phase focusing on repurposing the current 'Universities' area on the Visit Leicester website, developing it into a branded 'Study Leicester' area. This will have enhanced information about the universities and greater linkage with the universities' online student offers and is aimed to be completed by the end of 2021. Further phases for 2022 will focus on developing joint promotional activities and developing a new bespoke Study Leicester website offer.

Workforce Development

- 4.23 The City Council's Economic Recovery Plan has committed to creating 10 additional Graduate Project Officer posts, and this is a positive commitment to retaining talent in the City. The project is promoting these opportunities into both universities, and we are exploring whether these posts can be 'ring fenced' for locally studying students to support the retention of local graduates.
- 4.24 The Youth Employees Network (YEN) are working hard to encourage our graduates to undertake development opportunities – which will support retaining graduates employed by the City Council's following the completion of Graduate Project Officer 12-month posts.

Cross Cutting Themes

- 4.25 Climate Emergency/ Sustainability
- The Leicester Graduate City Interns are being offered cycle passes as part of the new Leicester City Council Santander Bike scheme.
 - Meetings with employers engaging with the Leicester Graduate City Project have all been conducted virtually. Should we need to visit an employer all travel will be done using the City Council's pool of electric vehicles.
 - Participants in the Leicester Graduate City scheme will be advised on other environmentally friendly transport initiatives where practicable – car share schemes, electric buses etc.

4.26 Equality and Diversity

- Participants in the Leicester Graduate City internship scheme have been advised of Equality and Diversity best practice – to include reasonable adjustments being made in the workplace. The project will also monitor and track participants to assess the equality impact of the project.
- Leicester Graduate City is working with DMU's Leicester Future Leaders project to offer support for employers with knowledge on how to make their recruitment practices inclusive and supportive of those individuals from Black, Asian and Minority Ethnic backgrounds. We are planning to share best practice toolkits the Project has put together more widely with local Employers via the Employment Hub webpage.

5. Financial, legal, and other implications

5.1 Financial implications

The 'Leicester Graduate City' scheme referred to in the report is a £1.68m project over 3 years, with 50% funded from the European Social Fund (ESF) and the remainder match-funded from the three partners. In addition, the partners contribute towards a shared resource to develop and co-ordinate graduate retention across the city. The City Council contribution of £60k is funded from resources set aside in the Economic Action Plan.

Stuart McAvoy – Principal Accountant

5.2 Legal implications

There are no legal implications arising from this report.

5.3 Climate Change and Carbon Reduction implications

Whilst there are limited climate change implications directly related to this report, as noted in the paper there are opportunities to consider how this programme relates more widely to the council's ambition to achieve carbon neutrality in Leicester, with employment a major source of emissions in the city. Alongside support for graduates to use sustainable and active travel as noted, this could for example include considering opportunities to promote Leicester's climate-related credentials and encouraging placements involving low carbon skills or businesses.

Aidan Davis, Sustainability Officer, Ext 37 2284

5.4 Equalities Implications

Under the Equality Act 2010, public authorities have a Public-Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report references how the project is aiming to be more inclusive and supportive of those individuals from Black, Asian and Minority Ethnic backgrounds and this could lead to positive outcomes for those individuals. It may also be helpful to look at the other protected characteristics which may also benefit people from those backgrounds.

The project is funded until February 2023, so it will be important to consider sustainable pathways learnt from the project following this date to ensure promotion of diversity and inclusivity after this date.

Kalvaran Sandhu, Equalities Manager, ext. 37 6344

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Not applicable

6. Background information and other papers:

None

7. Summary of appendices:

None

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

No

10. If a key decision please explain reason

N/A