

**Manchester City Council  
Report for Information**

**Report to:** Economy Scrutiny Committee – 11 November 2021

**Subject:** Student numbers and graduate retention in the city

**Report of:** Director of Inclusive Economy

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### **Summary**

The purpose of this report is to provide an overview of the student body studying at the higher education institutions (HEIs) in Manchester with a specific focus on the two largest institutions: The University of Manchester (UoM) and Manchester Metropolitan University (MMU).

The report also provides an overview of the numbers of graduates remaining in the city post-graduation and includes the emerging picture of the impact of COVID-19 on the student body, graduate retention and attraction and the local response to support the graduate labour market.

### **Recommendations**

The Economy Scrutiny Committee is invited to comment on the report.

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**Wards Affected:** All

<b>Environmental Impact Assessment -</b>	
Any growth in student numbers would increase overall carbon emissions in the city, however per-capita emissions from students are likely to be lower than average. The city's universities and higher education sector play an important role in in terms of producing a talent pipeline of graduates with the skills, knowledge and mindset to address the challenge and maximise the opportunities presented by the green economy. The ongoing challenge will be to ensure that these skills remain with the city's economy to support zero carbon ambitions.	

<b>Our Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This report identifies the role of the graduate talent pipeline in the diversification of the economy in developing and sustaining employment and wider opportunities for the city's residents.

A highly skilled city: world class and home-grown talent sustaining the city's economic success	This report identifies the importance of the university student body and the graduate talent pipeline in supporting economic diversification and growth. The report also describes work undertaken to support Manchester residents to achieve degrees and equivalent qualifications.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	This report highlights work done in the education sector to support young Mancunians to progress to higher education and higher technical education as a route to high quality employment opportunities.
A liveable and low carbon city: a destination of choice to live, visit, work	Please refer to Environmental Impact Assessment.
A connected city: world class infrastructure and connectivity to drive growth	The report identifies the international reputation of Manchester's higher education institutions on the global stage.

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### Background documents (available for public inspection):

The following documents disclose key facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Our Manchester Strategy – Forward to 2025
- The Greater Manchester Local Industrial Strategy
- Our Manchester Industrial Strategy
- The State of the City 2020
- Developing a More Inclusive Economy – Our Manchester Industrial Strategy
- Powering Recovery: Manchester's Recovery and Investment Plan
- Skills for jobs: lifelong learning for opportunity and growth
- Graduate Market 2021, Highfliers.co.uk
- Conclusion of Review of Post 18 Education, DfE
- Class of 2020, Resolution Foundation

## 1.0 Introduction

- 1.1 This report provides an overview of higher education student numbers in Manchester and retention of this student body in the city post-graduation. The report also describes the graduate labour market conditions and local interventions to support the graduate pipeline.
- 1.2 Students come to Manchester from all over the UK and the world to take advantage of the world class education offer. The city hosts one of the largest student populations in Europe, with numbers averaging around 100,000 students in the city region and in excess of 70,000 in the city itself, with 1 in 5 students in the city an international student. Annually, approximately 36,000 students graduate within the region and approximately 10,000 within the city. This report will provide an overview and comparison of the student numbers in the last 4 academic years by institution.
- 1.3 Manchester's HEIs are home to world class facilities and specialisms, centres of excellence, research and expertise and as such have supported growth in the city's key sectors. The large and growing sectors bolstered by the city's graduate talent pool include: business, financial and professional services; creative and digital, cyber, fintech, bioscience, advanced material and research and development. Despite the pandemic, and due to the responsive nature of the industries, growth in these sectors has been experienced throughout 2020/21 and is projected to continue.
- 1.4 According to research undertaken by the Centre for Cities,<sup>1</sup> Manchester has the largest outside graduate talent pool outside of London. This talent pool has supported the development of an increasingly skilled and diverse workforce. In turn this has resulted in elevated levels of confidence in Manchester and increased levels of inward investment. A rise in graduates within Manchester is a positive trend that sets Manchester above the national average for the proportion of residents who hold level 4 qualifications and above. Despite an increase in graduates, the retention and attraction of graduates, skills shortages remain across a number of key sectors, and graduate underemployment remains an issue nationally and within Manchester. In addition, labour shortage issues have risen to the fore following the pandemic.
- 1.5 Prior to the pandemic, employment growth in Manchester had been driven by new businesses investing in the city. Businesses have been attracted to Manchester by sectoral strengths, as a more affordable alternative to London and as a gateway to the North. In addition, there has been continuous growth in business start-ups across the city, often fuelled by the universities and graduates, which has supported further inward investment. As well as supporting graduate attraction and retention, investment in the city has also benefited residents and the wider economy through an increased number and range of employment opportunities e.g., administration and professional support services, hospitality, and retail. The graduate talent pipeline is an essential component of achieving the city's strategic ambitions and plays an

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<sup>1</sup> <https://www.centreforcities.org/reader/great-british-brain-drain>

important role in supporting the city and regional economy, and in providing opportunity for the city's communities and residents. The wider economic and social impact of the HE institutions are discussed in a separate report presented to today's committee: Contribution of Higher Education Institutes to Manchester's economy.

- 1.6 Manchester's strategic economic aims are set out in Developing a More Inclusive Economy – Our Manchester Industrial Strategy and Powering Recovery: Manchester's Recovery and Investment Plan. The Our Manchester Industrial Strategy set out three key pillars of people, place and prosperity that will support the development of a more inclusive economy and ensure that all Manchester's residents can participate in and benefit from the city's economic growth. In relation to retaining graduate talent in the city, opportunities for strategic investment identified in the Recovery Plan, particularly in relation to innovation, will provide ongoing graduate employment opportunities and ensure that Manchester remains an attractive choice to graduates from Manchester's HEIs and beyond. The plan also identifies that Manchester has the potential to leverage GM's science, research, innovation and teaching-asset base to create new large-scale clusters of high-value economic activities to drive regional growth and create a more productive economy with greater Research and Development activity. The Recovery Plan also lays out a two-year programme with £36m per annum investment to support skills development in 6,000 people and specifically includes a 14m Graduate Upskilling Programme.

## **2.0 Background**

### **2.1 National post 18 education policy**

- 2.2 The Augar Review published in May 2019 reviewed academic and technical qualifications across the post-18 education system to ensure a more demand led skills system and to promote parity of esteem across academic and technical pathways. The Review highlighted the need for increased investment in higher level technical skills particularly at Level 4 and 5 and a need to level up investment in education and training for students choosing a non-HE route. This is particularly for important to ensure choice, equality and inclusion across the system and in terms of meeting skills needs across the city's sectors.

- 2.3 The *Skills for Life: Lifelong learning for opportunity for growth* white paper published in January 2021 begins to set out a response to the Augar Review by setting out planned reforms to Further Education (FE) technical training and education. The white paper has a focus on: employer led post-16 development; funding for adults to upskill; flexible funding to support post-18 education for higher technical qualifications at level 4 and 5; improved accountability of the FE sector; investment in FE estates; streamlined FE funding and employer led teacher training and strategy to attract talent to the FE sector. The October 2021 Budget did not announce any HE funding commitments, a HE White Paper is now expected later this year to cover

significant policy areas including admissions, tuition fees and Lifelong Loan Entitlements.

- 2.4 Despite evidence highlighting the economic impact of COVID-19 impact on young people, and calls from the sector, there were gaps in national COVID-19 policy response and support for graduates. For example, the Kickstart scheme, launched in September 2020 provides fully subsidised work placement opportunities, paid at the national minimum wage for 16 to 24-year-olds at risk of long-term unemployment. Participants must be in receipt of Universal Credit in order to access the scheme. The Universal Credit criteria and relatively short-term length of the scheme may discourage and/or exclude recent graduates from joining the scheme. Feedback from providers in Manchester, both anecdotally and through the Council's Kickstart recruitment, suggests an increasing number of graduates accessing the scheme. Graduates accessing the scheme have accessed the labour market, gained valuable work experience and built confidence. As such, the Kickstart scheme has prevented graduates in Manchester from being displaced from the labour market for an extended period. The challenge for the Council, DWP and partners is to support suitable progression and career development opportunities following a Kickstart placement. Ensuring that graduates are not under-employed, and that the skills and talents are fully utilised to support the individual, the businesses and the city's economy. In addition, delays with the implementation of the scheme nationally and locally has resulted in Kickstart opportunities not being available at scale for young people in the city.
- 2.5 Despite a specific national policy response for graduates and youth unemployment rates spiking more than any other age group at the start of the pandemic, evidence now shows that youth employment is recovering more quickly than other age groups. The Council's September 2021 Economy Dashboard Data shows that the 16-24 age group had the largest decline, 2.1%, in Universal Credit Claimants that any other age group.

### **3.0 Overview of Manchester's higher education provision**

- 3.1 Within the city the University of Manchester (UoM), Manchester Metropolitan University (MMU), Royal Northern College of Music (RNCM) and UCEN Manchester provide a plethora of undergraduate and postgraduate courses in academic and vocational fields. In the wider city region, the University of Bolton and University of Salford and UA92 provide further higher educational opportunities that add value to the city region's talent pool and employment base.
- 3.2 In recent years, Manchester has become an increasingly young city, in part driven by the strong higher education (HE) provision and ensuing graduate retention and attraction of graduate talent from universities outside of the city. Higher Education Statistics Agency (HESA) data shows that in the academic year 2018/19, 73,299 students enrolled at Manchester's two largest universities, UoM and MMU. This cohort increased to 73,906 in 2019/20. HEIs have reported increases in 2020/2021 admissions and an increase in applications for 2022/2023 study.

3.3 Manchester's universities have a strong international reputation for excellence and attract significant numbers of international undergraduates and postgraduate students each year. This has contributed to Manchester's reputation as a young, international, cosmopolitan, and welcoming city and has played a significant role in institutional funding contributing to the breadth of curriculum offer for home students and the research and innovation capacity.

#### **4.0 The impact of COVID-19 on the higher education sector**

4.1 The impact of COVID-19 on young people in education and the labour market has been well documented. Levels of educational participation and achievement were significantly affected by family circumstances, particularly in relation to digital exclusion with young people from more deprived background more likely to have been more adversely impacted.

4.2 The impact upon students' mental health has also been an area of significant concern particularly for young people from lower socio-economic backgrounds. With high levels of family and child poverty in the city, this is likely to have a long-term impact on educational, employment and wider life outcomes for many of the city's young people. The post-16 and post-18 sectors worked collaboratively with the Council and wider health providers and partners to provide targeted support to young people where possible. In addition, there was increased collaboration across the HE sector and partnership working with the Council. For example, the Work and Skills Bulletin was made available to careers services at HEIs across the city. HEIs, and the wider education sector, ensured a flexible careers service was available to 2020 graduates as they navigated entry to the labour market in the pandemic.

4.3 The changes in the education sector throughout the pandemic have altered the student experience with opportunities for new social and life experiences reducing significantly, meaning that for many students the opportunity to increase human and social capital throughout FE and HE study has been decreased or at worst removed. Again, this has a greater impact on students from lower socio-economic backgrounds. The true impact of this is unquantifiable yet likely to be long lasting in terms of educational attainment, career prospects and earning potential.

4.4 FE institutions and universities report that COVID-19 restrictions impacted quickly and significantly upon student educational and work-based learning opportunities, both paid and voluntary, due to businesses models being adapted and as some industries focused on survival. The sectoral impact on hospitality, leisure and culture also reduced the ability of students to gain part time employment, many students rely on this employment and income to financially support their higher education study. This lack of casual employment opportunities has also impacted on core social and employability skills developed in the workplace that graduates can call upon to support their transition into full-time employment post-graduation. Conversely, since the opening up of the economy, the hospitality industry is reporting substantial

levels of unfilled roles as the impact of Brexit on the labour market come to the fore.

- 4.5 Evidence from the 2008 recession shows a scarring effect of recession on young people. Resolution Foundation research<sup>2</sup> shows that, for several years after having left education, employment rates across the cohorts that left education during the 2008 financial crisis were lower than for those who left education before or after the crisis. Whilst non-graduates experience the largest and longest scarring effects, graduate 'recession leavers' also experienced substantial effects, with a higher likelihood of underemployment rates as opposed to being out of work altogether. Resolution Foundation evidence also showed that for several years, both graduates and non-graduates, had lower hourly pay than their counterparts who left education after the recession. The medium to long term impact on Manchester's labour market remains unknown. Recovery from COVID-19 will be unique in comparison to previous recessions, with predictions shifting throughout 2020 and 2021 in line with the varying restrictions on education and the wider economy.

## **5.0 A Level results**

- 5.1 Education closures in the academic years 2019/2020 and 2020/2021 led to a shift in examination assessments to Teacher Assessed Grades. Nationally, concerns were raised over the system designed to reward performance as opposed to potential. Following the publication of A Level grades in 2021, The Social Mobility Commission (SMC) State of the Nation Report published in 2021 stressed that the gap between economically disadvantaged and their more affluent peers had widened. The SMC stated that the system of Teacher Assessed Grades does not mitigate against the hardest hit and made it inevitable that the gap between the most disadvantaged students and their peers would widen. At the same time as the gap widening, there was an increase in top grades being awarded, seen disproportionately in the most privileged schools which could run the risk of crowding deserving students out of top universities. There are also regional differences in A-Level results that mirror some of the differential impacts of coronavirus and disadvantage. The system did not allow flexibility for the small minority of heavily affected young people, resulting in long-term and deep-rooted widening of inequality in educational attainment that correlates to employment outcomes.
- 5.2 Despite this, Manchester's overall post 16 performance remained strong. Manchester's 2021 A Level breakdown by institution is not yet available for publication but shows that results have remained comparable to previous years despite the changes to the assessment system. The Council's State of the City Report 2020<sup>3</sup> shows that A Level entries in Manchester has risen from 5,935 in 2011/2012 to 8,310 in 2018/19. It also shows that results at grades A\*- E have remained stable and in line with rates across England: in Manchester 98.9% achieved A\*- E grades in 2011/2012, this fluctuates slightly

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<sup>2</sup> <https://www.resolutionfoundation.org/publications/class-of-2020>

<sup>3</sup>

file:///mcc.local/users\$/002/turnerli/Downloads/sotc2020\_chapter3\_a\_highly\_skilled\_city\_web\_\_1\_.pdf

across the years to 97.4% in 2018/2019 and compares with English results of 98.6% in 2011/2012 and 97.3% in 2018/2019.

### **5.3 Higher education admissions**

- 5.4 Despite initial concerns about transition to higher education arising from closures in education in March 2020, UCAS applications for September 2020 starts reached a record high nationally and as a result, admissions were strong nationally. 2020/2021 UoM admissions are outlined in section nine of this report. However, an increase in deferral rates was also evident as some students chose to sit out the worst of COVID-19 restrictions, changes to students experience and online learning notwithstanding young people and families who had been adversely affected by the pandemic. Intelligence from Manchester's HE sector indicates some emerging trends in course selection and student demographics including an increase in demand and applications to health and care courses.
- 5.5 The increase in applications and admissions for HE study seen in 2020/2021 appears to have continued. Official admissions data for the academic year 2021/2022 is not yet published but the sector reports that planned numbers were met with increases in home undergraduate students. Sectoral indications based on 2022 application data also show strong levels of applications to HEIs in the city suggest that applications for 2022/2023 admission have increased again. This could be attributed to perceived adverse labour market issues brought about by COVID-19, as higher education becomes an attractive option to a higher than average number of young people as they attempt to ride out the worst of the economic downturn. A decrease in apprenticeship opportunities for school leavers has also impacted upon HE participation rates. HEIs, Higher Education Statistics Agency (HESA) and other relevant government departments, will be monitoring this emerging situation closely in order to respond to any long-term changes in HE student numbers emerging from the pandemic.

### **6.0 Higher Education attainment**

- 6.1 As evidenced in this report with HESA and institutional data analysis, the outbreak of the COVID-19 pandemic did not have any notable impact on student enrolment figures for 2019/20 but did have an impact on qualifications awarded. Despite a growth in the overall number of first year students in preceding years, there was a decrease in the number of qualifications obtained nationally at all levels of HE study for the 2019/20 academic year. HESA suggest that some of this decrease can be explained by significant numbers of qualifications awarded this year not being reported, likely to be linked to the impact on examinations and awards resulting from the COVID-19 pandemic.

### **6.2 Degree Apprenticeships**

- 6.3 Degree level technical training opportunities and apprenticeships provide an alternative pathway to traditional higher education academic routes and



promote inclusion. MMU's high quality degree apprenticeship offer is highlighted in case study in the report *Contribution of Higher Education Institutes to Manchester's economy*. presented to today's committee. According Office for National Statistics data there have been some changes in degree level apprenticeships awards in the last two years. In 2019/2020 there were 241 which increased to 284 starts in 2020/2021 at Level 6 and 7. There are more higher-level apprentice learners in Manchester than any other GM borough. The age group with the highest number of higher-level apprenticeship achievements (Level 4-7) in Manchester in 2020/2021 was 25+ (130 residents). In 2019-2020, this number was just 61. The age group 19-24 also followed this pattern of increases – in 2019/2020, there were 21 higher apprenticeship achievements, whilst in 2020/2021, there were 61 Collectively, Greater Manchester boroughs have seen a significant increase in the number of 25+ learners since 2019/20 - from 406 to 719. This could be a result of residents retraining due to COVID-19 related changes to in the labour market.

## **7.0 Manchester's higher education participation rates**

7.1 Ensuring equality of access to higher education via educational interventions is essential to extend economic opportunity to Manchester's young people, residents and communities. In recent years, participation rates in higher education have continued to grow nationally and progress has been made in ensuring that some of Manchester's most economically disadvantaged young people access the city's world-class HE offer. A number of widening participation initiatives at HEIs have supported the widening participation agenda.

## **7.2 Greater Manchester Higher**

7.3 The Office for Students (OfS) Uni-connect programme supports post-16 students through 29 local hub partnerships across England. The programme aims to increase the number of young people from underrepresented groups who progress to HE. The programme is currently funded until 2022. The services provide impartial advice and information nationally to 1,613 schools and colleges, reaching over 180,000 young people and their parents/carers. Each hub works with local universities and colleges to inspire young people with confidence to find an appropriate path to higher education.

7.4 At a local level, Greater Manchester Higher (GMH) is led by MMU in partnership with regional FE and HE providers. GMH offer mentoring projects, summer schools, campus visits, curriculum activities, industry insight programmes, 1-2-1 Information Advice and Guidance sessions, HE workshops and presentations. Throughout the pandemic, the programme of activity was moved online and was able to continue to engage young people, although digital exclusion impacted upon participation.

7.5 Since the start of the project in the academic year 2017/2018, Greater Manchester Higher has worked with 32 Manchester schools and colleges, with engagement numbers increasing year on year, notwithstanding a small decrease in 2020/2021 due to COVID-19 restrictions. Data provided by GMH

shows that in 2017/2018, 4745 of Manchester's learners were involved in the project, this had increased to 6509 in 2020/2021. To date, gender breakdown for participating learners in the academic 2020/2021 is 62% female and 38% male.

## **7.6 First Generation project**

- 7.7 MMU has been running the First Generation Scholarship Programme since 2017. The programme works with young people whose parents have no experience of higher education and supports students to maximise their potential and achieve their ambitions, reflecting the University's commitment to addressing the attainment gap and HE access for under-represented groups. The programme delivers practical support and application guidance to Year 12 and 13 students to help them access and transition to university. Participants who progress to MMU receive a bursary of £1000 in their first year, and continued support throughout their studies. In addition to providing a support network, mentorship and professional connections, the programme aims to give students self-belief, confidence and knowledge.
- 7.8 First Generation aims to support 1,000 students into the University by 2025 and has welcomed 426 students to date. Of these 426, 148 (38%) are from Manchester, the highest percentage from the surrounding boroughs. The programme was initially aimed at students living or studying in Greater Manchester and has recently been extended to cover the Northwest as a whole. MMU evidence shows that students on the programme are progressing at higher rates when compared to other students. The first students to join the programme finished their studies in 2021, therefore destination outcomes will be reported in HESA Graduate Outcomes becomes available for this cohort in 2022.
- 7.9 The First Generation project is an official referral partner to We Love Manchester's Rising Stars Fund that aims to financially support talented young Mancunians to progress in education, employment or training where finances are a barrier to progression. To date, there have been six applications and three awards successfully granted.

## **7.10 UoM widening participation**

- 7.11 Manchester University reports that it is in the top quintile of Russell Group Universities for the number of students from areas of low HE participation and low socio-economic groups and. The University also cite that they have one of the highest numbers of students from low-income households (less than £25,000) in the English Russell Group with approximately one third of all students receiving financial support through means tested bursaries. UoM's Manchester Access Programme offer is highlighted in *Contribution of Higher Education Institutes to Manchester's economy*. In addition, UoM has a significant commitment to racial equality in terms of: black students' admissions, funding, attainment and learning experience; black staff recruitment, progression, pay and employment experience and how black lives are represented in the University's history and heritage.

## **8.0 Manchester's HE sectoral intelligence**

8.1 Manchester's HE institutions attract different demographics. Most students studying at the University of Manchester come from outside the region, with only 27% from within the Northwest region. A considerable proportion of students studying at MMU originate from the Greater Manchester or Northwest region. In addition, MMU welcomes a substantial number of mature students. These differences in demographics affects how careers and graduate employment choices are made and the support provided by the institution e.g. UoM remains one of the most targeted HE institutions in the country, with large national and global corporations actively working with the careers service to attract their graduates. This leads to a level of mobility for this cohort. In contrast, significant numbers of MMU students have additional responsibilities such as caring responsibilities and related financial responsibilities. As a highly selective university, there is also a higher proportion of students from more affluent backgrounds at UoM, which has an impact upon their professional networks and related employment opportunities. Student population at UoM and MMU will be looked at detail in section 9 of this report and destination data in section 10.

## **8.2 Royal Northern College of Music**

8.3 According to institutional data provided in October 2020, Royal Northern College of Music (RNCM) currently has 890 students studying across its portfolio of undergraduate and postgraduate (taught and research) programmes in music/popular music. RNCM has an outstanding world class reputation, and these students are recruited from 55 countries across the world: 625 of these are from the UK and 283 from the EU and other international countries. For the 2021/2022 academic year, a small number of students have requested to study online due to travel restrictions and related costs, however the vast majority of RNCM overseas students have arrived in Manchester to commence their studies in person.

8.4 RNCM report that recruitment for 2021/22 entry has remained stable and broadly in line with previous years, although EU numbers have reduced by approximately 50% due to Brexit. Due to the specialist and intensive nature of conservatoire recruitment and training, RNCM do not provide places via the clearing process. The atypical financial model and estate constraints also present limitations in expanding overall student numbers at RNCM.

8.5 As a specialist provider, graduation outcomes from RNCM are unique, RNCM report that their graduate destination survey outcomes over the last 3 years have recorded 100% of students progressing to further study or graduate careers paths within 6 months of graduation, with 87% or above working primarily in music. The pandemic, combined with Brexit, have had a significantly negative impact on the UK music industry and uncertainty around recovery remains. As such, an increase in post graduate study is anticipated by RNCA for 2021/2022. The sector remains hopeful that previous levels of employment will be recovered over the coming few years.

8.6 As RNCM students were unable to pursue live ensemble activity throughout lockdown, students were supported to acquire a wide range of digital skills to create, capture and share work online in new and innovative ways. This has opened up new forms of employment for many, as students and graduates establish their own online businesses as artists, music educators, community musicians and artist managers working on the international stage. RNCM staff are positive about this development and the possibilities digital opportunities can bring for its graduate to support lifelong careers in music.

## **8.7 UCEN**

8.8 UCEN Manchester is the HE arm of LTE The Manchester College and delivers a small volume of post-18 education with over 1,300 higher-education students enrolling every year since it officially launched as distinct from The Manchester College in January 2018. The role of FE higher education provision in reaching non-traditional academic students, and more economically disadvantaged students is an important part of developing a more inclusive education system, economy and place via an offer of Foundation Degrees and Higher National Diplomas on offer. UCEN Manchester report that approximately half their intake each year are on Level 3 access to HE courses and the other half on 3-year undergraduate degrees. UCEN Manchester have a creative arts and performance specialism for undergraduate students and a more vocational offer for access students including computing, health and social care, sport and public services.

8.9 UCEN Manchester has a high proportion of students recruited from low HE participation areas and students from low socio-economic backgrounds with any students receiving means-tested bursaries to support their study. In addition, the fees are lower than the full £9,250 charged by many HE providers at either £8,900 or £7,200 per year dependant on curriculum area.

8.10 Graduate destinations at UCEN Manchester are unique in that many students progress onto further HE studies with the provider, and many progress to local institutions including MMU and University of Salford to continue with vocational courses such as Business and Nursing respectively. In addition, many students who have completed creative course move into free-lance employment in the creative and culture industries.

8.11 Currently UCEN Manchester's HE offer is spilt across 3 sites in Openshaw, Fielden and Nicholls. In September the facilities will be enhanced by the City Centre campus currently under construction at Ducie St and will include a dedicated HE centre. This resource is expected to increase the capacity of HE students. As a small provider, the student experience is different to at a large HE institution with significantly smaller class sizes and more bespoke student support. In 2021 UCEN Manchester won the Whatuni Student Choice Award for Best Student Support.

**9.0 Manchester’s HE student population 2016 –2020**

- 9.1 With the 18+ population set to rise nationally in the next decade, and the potential for increases in undergraduates and graduates in the city, there are considerations for the city, particularly neighbourhoods with increasing student populations, and for the business community. As such, ongoing collaboration with the HE sector will continue to be an important part of effective labour market recovery planning.
- 9.2 HESA data analysis shows that Manchester’s student population in recent years has remained relatively stable. According to Office for National Statistics data for 2019/20, the overall number of students living in Manchester during term-time has remained stable with some marginal changes seen with some cohorts. The number of undergraduates decreased 2% year-on-year in 2019/20, whilst the number of postgraduates living in Manchester grew by 6%. According to HESA, the number of postgraduates on taught courses grew by 10% nationally between 2018/9 and 2019/20 largely due to an increase in enrolments from non-European Union (non-EU) students.
- 9.3 The data in Table 1, 2 and 3 has been provided by the UoM’s data team and has been calculated on the annual census date each year of 1st December. UoM is made of three faculty's: Faculty of Biology, Medicine and Health; Faculty of Humanities’ Faculty of Science and Engineering.<sup>3</sup> The following table shows the split of students across each of the three schools and the schools within the faculty. The data refers to students based at the main campus and do not include students enrolled at the University’s International centres or distance learning students.
- 9.4 Table 1 shows that in terms of student numbers, the Faculty of Humanities is consistently the largest school. Table 1 shows the split of students by faculty and total numbers by year.

Table 1

<b>Year of Study</b>	<b>Faculty of Biology, Medicine &amp; Health</b>	<b>Faculty of Humanities</b>	<b>Faculty of Science &amp; Engineering</b>
2016/2017	11,270	17,255	12,165
2017/2018	11,460	16,635	12,155
2018/2019	11,505	16,570	12,150
2019/2020	11,715	16,970	11,975
2020/2021	12,240	19,465	12,650

- 9.5 Table 2 shows that the biggest change in home student numbers in the last 5 years has been during the pandemic. The largest gender difference is also recorded for the academic year 2020/2021 with totals numbers currently showing 24, 975 female students compared to 19,380 male students. This compares with 21,765 female and 18,925 for academic year 2016/17. School of Engineering is the only faculty where male student numbers are consistently higher than female students. Table 2 shows that the number of

EU and international students has risen year on year since 2016/17, with the largest increase arising during the pandemic. The data evidences that international students' enrolments also remained strong and increased as per the previous trend in 2020 and 2021. The largest proportion of international students are undertaking courses with the Faculty of Humanities.

Table 2

<b>Year of Study</b>	<b>Home (UK) Students</b>	<b>EU Students</b>	<b>International Students</b>
2016/2017	26,615	2,710	11,365
2017/2018	25,855	2,880	11,515
2018/2019	25,100	3,035	12,085
2019/2020	24,575	3,115	12,965
2020/2021	26,260	3,220	14,880

- 9.6 Table 3 shows the breakdown of new entrants by level of study studying at UoM throughout the last 5 academic years. The table shows that undergraduates are the largest group, closely followed by students undertaking taught post graduate courses. The largest jump seen throughout the pandemic was to undergraduate students with students on postgraduate and post graduate research courses remaining comparable to the previous 5 years.

Table 3

<b>Year of Study</b>	<b>Undergraduate</b>	<b>Post Graduate (Taught e.g. Masters)</b>	<b>Post Graduate (Research e.g. PhD)</b>
2016/2017	8,535	7,380	1,150
2017/2018	8,150	7,065	1,325
2018/2019	8,100	7,710	1,255
2019/2020	8,425	8,375	1,195
2020/2021	10,005	9,770	1,050

Source HESA

- 9.7 HESA data shows that at both MMU and UoM, the number of female students has been higher than the number of male students. At MMU in the academic year 2015-2016, there were 18,890 female students and 13,600 male students. By 2019-2020 there were 19,470 female students and 13,940 male students. At UoM in the academic year 2015-2016, there were 21,020 female students and 18,685 male students. By 2019-2020 there were 22,350 female students and 18,135 male students.
- 9.8 MMU's student numbers has marginally in the academic years 2016/2017 - 2019/2010. Table 4 shows a breakdown of students by domicile and highlights that MMU recruits predominantly from the UK.

Table 4

Year of Study	Home (UK) Students	Non-UK Students	Total Number of Students
2016/2017	30,620	2,390	33,010
2017/2018	30,615	2,470	33,080
2018/2019	30,450	2,600	33,050
2019/2020	30,670	2,750	33,420

Source HESA

- 9.9 Table 5 shows the breakdown of MMU students by level of study and highlights the differences in numbers of UG and PGs students between MMU and UoM, with MMU significantly higher numbers of UG students and significantly less students studying for postgraduate qualifications.

Table 5

Year of Study	Undergraduate	Post Graduate (Taught e.g. Masters)	Post Graduate (Research e.g. PhD)
2016/2017	26,775	5,540	695
2017/2018	26,605	5,710	765
2018/2019	26,315	5,980	755
2019/2020	26,435	6,295	690

Source HESA

## 10.0 Graduate Destinations

- 10.1 The Office for National Statistics defines graduate employment as those occupations that normally require knowledge and skills developed on a three-year university degree to enable the competent performance of tasks. The definition of a graduate role is likely to change as industries develop and employers work to meet the skills demand of their changing workforce. For example, many highly skilled sectors and jobs are diversifying their routes into employment by offering higher and degree level apprenticeships or even graduate apprenticeships. As such, the pathways into graduate employment are becoming increasingly varied.
- 10.2 The graduate talent pipeline in the city falls into four broad categories:
1. Manchester, or Greater Manchester, students who remain in the city to study and remain to enter the labour market post-graduation.
  2. Students from Manchester who study outside of the city and return post-graduation.
  3. Students who come to Manchester from other areas who remain post-graduation.
  4. Graduates who have not studied in Manchester but move here post-graduation, attracted by the employment opportunities and city offer.
- 10.3 Graduates, and employees more widely, now have more flexibility with the potential to work remotely from other locations and/or for businesses based outside of Manchester. These changes also bring increased competition from

graduates from other universities. Despite this, Manchester’s city centre housing, leisure, culture, and sporting offers remain attractive options for young people leaving university in the city and beyond. The true impact of the shift to hybrid and remote working on graduate retention and employment in the city remains to be seen and may require new approaches to talent attraction and development by employers.

- 10.4 The HESA Graduate Outcome survey now focuses on the work location of graduates 15 months after graduating, prior to 2019 this data was reported at 6 months following graduation. As such data for 2020 graduate destinations will be publicly available in summer 2022. This increased data lag has presented a particular issue throughout the pandemic, in terms of having timely intelligence available to provide a localised response. Again, ongoing collaboration with the sector will support in providing data and intelligence to meet skills demands across the city.

### 10.5 Local and regional HESA Graduate Destination data

- 10.6 Taken from the HESA Graduate Outcomes Survey, Table 7 shows that the proportion of graduates indigenous to Manchester who entered work in the city within 15 months of graduating in 2018/19 academic year was 23%, with a further 13% working elsewhere in the Greater Manchester region. This represents a slight increase on the previous year’s graduate cohort, when 20% were working in the city 15 months after graduating. Relatively large proportions of graduates indigenous to Manchester also remain in the wider north west region outside of Manchester and Greater Manchester.

<b>Location of employment</b>	<b>Academic year 2017/18</b>	<b>Academic year 2018/19</b>
Manchester	20%	23%
Greater Manchester (excluding Manchester)	13%	13%
Greater Manchester	33%	36%
North west (excluding Greater Manchester)	32%	39%
UK (excluding north west)	32%	22%
Non-UK	3%	2%

Source HESA

- 10.7 Table 7 shows HESA data shows comparison to earlier years and evidences the increase in graduate retention in Manchester and the wider Greater Manchester and Northwest region as a whole in the years 2010 – 2016.



	Year					
Location	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Manchester	27%	28%	41%	39%	40%	42%
GM excl Ma n	45%	41%	31%	31%	32%	29%
GM	72%	69%	72%	70%	71%	71%
NW excl G M	7%	8%	7%	7%	8%	9%
UK excl N W	18%	21%	19%	20%	18%	18%
Non-UK	2%	2%	2%	3%	3%	2%

Source HESA

- 10.8 This increase in graduate attraction, retention and therefore skills and talent in Manchester has driven growth in the city's population, as graduates are attracted by the educational, employment, cultural, and sporting offer. Pre COVID-19 projection figures estimated that city centre living would reach 100,000 by 2025 representing a seismic shift in the last 20 years. In turn, this population growth has stimulated further growth in key sectors and development in new and emerging alternative sectors. In 2020, HEIs were reporting significant disruption to labour market offers for their 2020 leavers. However, indications now show that the graduate recruitment market is recovering to pre-pandemic levels.

## 11.0 Manchester's Graduate Labour Market

- 11.1 Centre for Cities research <sup>4</sup>shows that Manchester, and other UK Core Cities still experience the 'brain drain' and fall behind London for graduate, and highly skilled, talent retention and attraction. However, as an international city Manchester also benefits from the 'brain gain' experienced when highly skilled and professionals move to Manchester from international countries for employment opportunities.
- 11.2 COVID-19 has had a significant impact on skills supply and demand and has brought some structural changes in the labour market and the speed of change has accelerated due to automation and digitalisation. Nationally the UK faces skills shortages that particularly impact upon higher skilled and technical roles. Despite the relatively high and increasing number of graduates in the city, the strong post-16 offer within the city and initiatives to address specific skills gaps this trend is replicated across the city. In addition, the speed of growth and diversification of Manchester's economy has created challenges in meeting demand with the greatest impact felt in growth sectors

<sup>4</sup> <https://www.centreforcities.org/reader/great-british-brain-drain>

and higher skilled occupations such as financial and professional, managerial and professional, digital and creative roles. The Council's September 2021 Economy Dashboard Data shows that in one week in July 2021, there were 9,000 jobs posted across Greater Manchester, the highest number in 3 years. New HE provision can go some way to address the skills shortages in the city's growth sectors e.g., MMU School of Digital Art (SODA) opened for first cohort of HE students in September 2021, SODA also launched the UK's first Digital UX Degree Apprenticeship in September 2020.

- 11.3 A widening of the travel to work area has brought greater labour market competition which has the potential to impact significantly upon the graduate talent pipeline in the city with graduates from further afield being able to more readily access the city's employment offer. With remote and hybrid models of working becoming more common place, graduates from universities in cities and regions, e.g. Chester, Staffordshire, West Yorkshire, with less graduate opportunities may have the ability to work for a Manchester based business. Conversely, this could increase the gap in resident and employee wages.

#### **11.4 Talent and diversity**

- 11.5 Despite ongoing work to improve diversity and inclusion, differentials between workforce make up in key and growth sectors continue particularly in the digital and construction and engineering sectors. The digital sector is expanding almost three times faster than the rest of the UK economy and it is estimated to be worth approx. £184bn. However, diversity remains a key challenge as only 15% of the tech workforce are from Black Asian Minority and Ethnic backgrounds and gender diversity is currently sitting at 19% compared to 49% in other sectors. The benefits of diversity can only be achieved when work environments are inclusive. Research undertaken by Leeds Racial Diversity in Digital highlights<sup>3</sup> that ethnically diverse, inclusive

#### **CASE STUDY: The Hut Group**

Since 2018 the Work and Skills team has worked closely with The Hut Group (THG) to support the development of their Airport City sites, which includes a commitment to recruiting graduate talent in Manchester. In 2020 THG set a target to recruit 600 graduates by 2022. Working with THG to forge and build relationships with universities, in addition to supporting the promotion of opportunities available within Airport City has enabled THG to recruit just under 500 graduates by June 2021. The majority of these graduates originate from Manchester. The graduates are working across a range of areas within THG, from digital and creative, to HR, leadership and multi-lingual roles. Work continues with THG to forward plan for graduate recruitment as their flagship THQ and Icon sites develop over the coming years.

#### **12.0 Overview of specific initiatives**

- 12.1 The Council's Work and Skills Team works with employers and businesses across the city to support a needs led response to skills supply and demand issues, with some initiatives designed to support the graduate market

specifically. As the graduate talent pipeline makes a significant contribution to supporting skills demand and will play an integral part of the city's economic recovery, throughout COVID-19 response and recovery planning, there has been an increased focus on supporting the graduate labour market.

## **12.2 Graduates for Greater Manchester**

- 12.3 Findings in the 2021 CBI 2021 Skills Survey <sup>5</sup> highlights that developing workforce industry-specific technical knowledge (60%), leadership & management (58%) and advanced digital skills (44%) are top priorities for businesses. This builds on business intelligence over a number of years with employers are reporting that analytical, negotiation, critical thinking and interpersonal skills are becoming more important for their business and that they can struggle to find candidates with these skills. The OfS funded initiative Graduates for Greater Manchester was established at UoM and MMU to upskill undergraduates from degree disciplines with higher levels of underemployment and to support them to consider and develop skills required in large and growth sectors.
- 12.4 An evaluation of the programme carried out by the MMU's Decent Work and Productivity Centre has shown that: students reported considerable improvements in their feelings of career self-efficacy; students reported improvements in specific digital skills and growing confidence and awareness, more digitally oriented students found the projects to be a valuable stepping stone in building their skill set and stimulating further interest in training and development.

## **12.5 Our Manchester Graduate Scheme**

- 12.6 The Our Manchester Graduate Scheme is a pilot collaborative initiative between the Council and MMU aiming to connect small and medium-sized enterprises (SMEs) to recent graduates. The businesses will be supported with funding, candidate attraction, recruitment, and selection carried out by MMU. The business will offer a 12-month graduate opportunity with the potential for the role to become permanent. Upon starting in the role, the graduate will have access to regular CPD (Continuing Professional Development) training provided by the council's HR department. The scheme launched in August 2021 and is currently at the stage of recruiting businesses with nine SMEs interested to date.

## **13.0 Next Steps**

- 13.1 The Work and Skills Strategy 2016-2021 is currently being refreshed. One of the previous Strategy's objectives was retaining graduates in the city. This supports the *Our Manchester Strategy – Forward to 2025* priorities of creating 'a highly skilled city' and of 'home-grown talent sustaining the city's economic success.' The refreshed strategy, due to be published in 2022, will build on the success of the previous strategy whilst considering the strategic and policy

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<sup>5</sup> <https://www.cbi.org.uk/articles/skills-for-an-inclusive-economy-cbibirkbeck-education-and-skills-survey-2021>

contexts including the impacts of COVID-19, Brexit and the ensuing structural changes in the economy. Engagement with undergraduate and post graduate student, recent graduates and HE staff will form an integral part of the Strategy refresh process and can be supported by improved partnerships with HEIs fostered throughout COVID-19 response and economic recovery planning. Building upon the opportunities presented by the pandemic with continued collaboration at a local level, and increased data and intelligence sharing capability will be critical to support supply and demand issues in the graduate and wider labour market.

- 13.2 Continued development, regeneration and economic diversification are critical to achieving a thriving, sustainable and inclusive economy and will be increasingly important in the recovery from COVID-19. Achieving our equality inclusive economy aims will only be possible with the continued support of HEIs and businesses to recognise and value diversity and nature potential and talent, recognising that some students and early career employees will need additional support. The challenge facing Manchester, its HEIs and its businesses will be to respond to new patterns of study and work and ensure that the city remains competitive and attractive to prospective businesses, students, and graduates alike. The challenge and opportunity for the education and training system will also be in responding at pace and scale to opportunities presented by the emerging and growing sectors such as: zero carbon and greening of the economy; research and business; financial and professional services; creative and digital; cyber, fintech, bioscience; advanced material and research and development.
- 13.3 Building upon the success of widening participation initiatives will be essential to ensure a pipeline of home-grown talent and that Manchester's young people have attractive and accessible routes to HE and high-quality technical pathways, including financial, pastoral and careers support when it is needed. Equity for the city's more deprived young people and parity between academic and technical pathways will be essential to nurture home grown talent, work towards a more inclusive economy, and in meeting the skills needs of businesses in coming years.

## **14.0 Conclusion**

- 14.1 The HE response to COVID-19 and resilience shown across the HEIs has ensured that Manchester remains a university city of choice Manchester remains an attractive city for undergraduate, graduates and post-graduate students due to the renowned and outstanding education and world class opportunities available to students, and the wider city offer. This reputation for excellence is bolstered by the global reputation and the international student body that come to study, live and work in the city. The strength, resilience and diverse labour market has also ensured that talent remains in the city and city region, and that graduates from institutions from outside the city, and city region are attracted to Manchester as a viable alternative to London.