

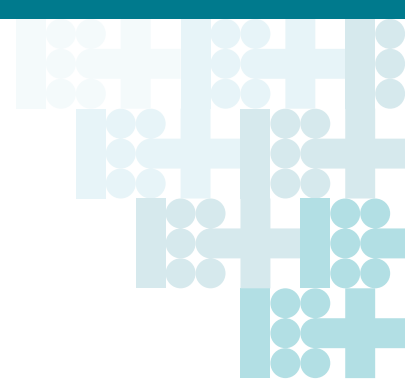
MillionPlus

The Association for
Modern Universities



POLICY BRIEFING

The value of 'Loyalty': how
modern universities create
local skills ecosystems to drive
local economic growth



CONTENTS

The value of ‘Loyalty’:
how modern universities create
local skills ecosystems to drive
local economic growth

CONTENTS

Executive Summary	4
Introduction	7
The benefits of producing Loyals	9
Institutions which produce Loyals	13
How modern universities produce Loyals	14
Recommendations	17
References	18

Executive Summary

This briefing builds upon MillionPlus's previous research report *Staying local to go far: modern universities as placemakers* (published in May 2022) and revisits Jisc's quantitative analysis of the whole student lifecycle, which examines student and graduate mobilities across different regions.

The findings evidence that 'Loyals' – a category of graduates who grow up, study and work in the same region – can be key actors in driving economic improvements in the regions. This briefing also makes the case that certain university types, particularly modern universities, are more likely to produce Loyals and includes case studies of how they might achieve this effect.

The briefing concludes with a set of recommendations for how the government and the higher education sector itself can learn from modern universities to better support Loyals and boost their positive economic impact across the UK.

DEFINING GRADUATE MOBILITY

- In Ball's (2015) framework for graduate mobility, 'Loyals' are graduates who are from a region, attend an institution in that region and work in that same region. In 2021-22, **38%** of graduates across England were Loyals.
- A range of factors affect graduate mobility, including demographic factors such as the socioeconomic background, ethnicity and prior attainment of a graduate.

THE BENEFITS OF PRODUCING LOYALS

Loyals have been marginalised in policy and discussions around graduate mobility, partly as a consequence of school leaver progression to high tariff universities being particularly valued and also partly through the emphasis in policy discussions on the economic benefits of graduates moving.

Nevertheless, there are four net economic benefits that Loyals produce:

- **Loyals reduce geographic inequalities in skills:** by retaining skills within regions, Loyals can lower pronounced skills inequalities across the country which hold back economic development.
- **Loyals meet demands for skills in vital local industries:** Loyals can meet the demand for skills in education, healthcare and other industries in areas which otherwise struggle to recruit and retain staff.
- **Loyals can grow the economy of the area in which they stay:** retaining skills in local areas can contribute directly to the growth of those areas' economies.
- **Loyals could be central to the government's emerging new vision for skills:** Loyals could be key actors in making a reality of the government's commitment to regional economic growth, devolved approaches to skills and universities being strongly connected to their local area.

INSTITUTIONS WHICH PRODUCE LOYALS

MillionPlus commissioned Jisc to conduct new analysis of the 2021-22 Graduate Outcome Survey. This analysis shows that modern universities are more likely to produce Loyals than pre-92 universities with **48%** of modern graduates in England being Loyals compared to **26%** of pre-92 graduates.

While certain regions, such as London, have a smaller proportion of Loyals, graduates from modern universities are more likely to be Loyals in any region of England. This suggests that modern universities have a unique association with this category of graduate.

HOW MODERN UNIVERSITIES PRODUCE LOYALS

Demographic factors

Modern universities play an outsized role in educating students from backgrounds with generally lower levels of graduate mobility (e.g. students from lower socioeconomic status households or from certain ethnic minority groups).

Proactive and strategic recruitment of local students

Modern universities target their widening participation activity at their local communities. For example, the University of East London has a dedicated team working with local schools and colleges to create pathways into local HE study, while the University of Staffordshire offers free courses to locals to support their transition into study at the university.

Proactive and strategic retention of graduates in local labour markets

Modern universities lead the sector in industrial partnerships which create local job opportunities for graduates. For example, the University of Lancashire runs an initiative to support students to set up local startup businesses, while the University of Sunderland is partnered with a local television and film production company to give their performing arts students industry experience which leads to employment in the region's emerging media industry.



HOW CAN THE GOVERNMENT AND THE HIGHER EDUCATION SECTOR SUPPORT LOYALS AND BOOST THEIR POSITIVE ECONOMIC IMPACT ACROSS THE REGIONS?

In order to better support Loyals and expand their positive economic impact across the regions, MillionPlus recommends:

The UK government should:

- Recognise the value of Loyals and place them at the heart of future policymaking around higher education, skills pipelines and regional economic growth. This should involve drawing to a greater extent on the insights of modern university leaders and their understanding of Loyal graduates.
- Request Skills England formally explore the economic impact of the retention of graduates in local labour markets and to use these insights to issue recommendations for cross-departmental skills and industrial policy.
- Strategically prioritise retaining a wide subject offer across universities within regions, to safeguard a breadth of opportunities for students who wish to study locally.
- Work to support Mayoral Combined Authorities (MCA) to act as trusted brokers for creating partnerships between local industry and HE providers, leading to the creation of more direct pathways from HE study to specific jobs in the area local to the HE provider. For areas outside of an MCA, the government should look to how other local infrastructure can satisfy this brokerage role, such as careers hubs, jobs centres and local authorities.
- Closely consider the need for strategies and incentives for the retention of graduates in the regions as part of the delivery of its industrial strategy. For example, considerations of how to retain graduates in subject areas relevant to the government's IS-8 priority areas for growth.

The Office for Students should:

- Develop a more comprehensive, central database of university-school interactions, highlighting areas of good practice and cold-spots, all with an aim to supporting the sharing of this good practice and advising the government on cold spot areas.
- Ensure that any changes to its reporting of university performance on the basis of graduate salaries or occupations is presented alongside data on the proportion of graduates who are able to find graduate-level employment in the local area of the university, as well as the average salary of these graduates.

Universities UK should:

- Review how the 'impact' of the university sector is defined and measured to encourage a more local, place-based approach to impact. Where the value of the university sector is defined in economic terms, this impact should be measured at the local and regional level as well as at the national level.

Introduction

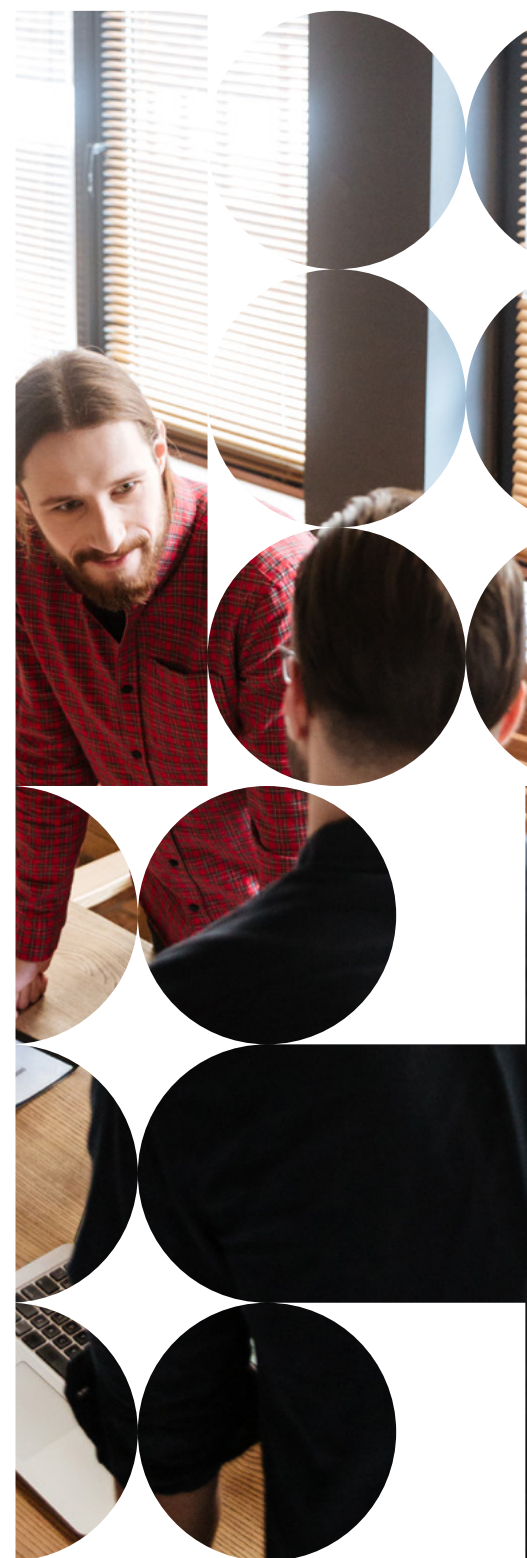
Upon completing their course, many graduates face the option to move to a new area to live and work. Making this move can bring them a range of benefits – from better job prospects and a higher salary, to improved access to services. Graduate movement can also have benefits for the area they move to, as they bring with them skills needed by local industries and so contribute to local economic growth.

However, the area that a graduate studied in can also benefit from these economic effects if the graduate chooses to stay in that area. In fact, retaining graduates to live and work in the area in which they studied can play a key role in reducing geographic inequalities in skills, meeting local demand for skills in vital industries and growing local economies in line with the government's vision to "ignite growth across the regions".¹ Graduates can also personally benefit from staying on where they studied if it means they can remain close to their family and communities, while still being in satisfying work which aligns with their long-term career plans.²

Given these potential benefits, this report sets out the evidence on graduates who decide to live and work in the region in which they studied. This builds on MillionPlus's 2022 report, 'Staying local to go far: modern universities as placemakers', which drew on a wide range of quantitative and qualitative evidence to demonstrate the close relationship that modern universities (sometimes referred to as post-92 universities) have with their local area and the considerable economic benefits this can bring.

To extend the case begun in 'Staying local to go far', this report focuses on what the literature terms as 'Loyals' – graduates who grew up in a region, went to university in that region and have remained in that region to live and work. It examines the factors that shape the decision of Loyals to work in the region they studied in as well as the potential economic benefits of their retention in regional labour markets.

New data analysis outlined in this briefing shows that modern universities are more likely to have Loyal graduates than other types of provider, exploring how the focus of modern universities on recruiting students from their local area and creating employment pathways into local industries may contribute to this pattern. With the benefits of Loyals and the key role of modern universities in producing them made clear, there are recommendations on how the government and the higher education sector can better support Loyals as well as increasing and making the most of the economic benefits that Loyals bring to regional economies.



¹ Ministry of Housing, Communities and Local Government, 2024

² Bridge Group, 2021

DEFINING GRADUATE MOBILITY

The category of 'Loyal' graduates derives from Ball's influential typology of graduates based on their mobility.³ This framework groups graduates into four categories – Loyals, Stayers, Returners and Incomers.

TABLE 1: Types of graduate mobility (Ball, 2015)

Mobility type	Definition	Percentage of English graduates*
Loyal	Graduates who are from the region, attended an institution in the region and work in the same region. For example, a North East Loyal is from the North East, attended a North East institution and works in the North East.	38%
Stayer	Graduates who are not from the region of employment, went to an institution in the region of employment and stayed there to work. For example, a North East Stayer is from outside the North East, attended an institution in the North East and works in the North East.	12.1%
Returner	Graduates who leave their home region for university, but return to their home region to work. For example, a North East Returner is from the North East, attended an institution outside the North East and has returned to the North East to work	26.5%
Incomer	Graduates from outside the region of employment, and who did not attend an institution in the region of employment. For example, a North East Incomer is from outside the North East, did not study in the North East, but who works in the North East.	23.4%

*Based on 2021-22 Graduate Outcomes Survey data

THE FACTORS THAT SHAPE GRADUATE MOBILITY

A wide range of factors contribute to where graduates are located. Graduates in certain subjects, such as medicine and veterinary science, are especially likely to move from where they studied or grew up, while education graduates are especially likely to stay in the region they studied or grew up in. Graduates in other subjects – such as law, technology and economics – are able to earn considerably more by working in London than they would elsewhere, contributing to their higher likelihood of moving compared to peers who graduated in other subjects. Graduates who grew up in areas with low average earnings are also more likely to move away from that area for work.⁴

Other demographic factors play a large role in shaping graduate mobility. In particular, graduates from low socioeconomic status backgrounds, ethnic minority groups or who have lower prior attainment in school are less likely to move from their home area for work.⁵ There are also a range of unobserved factors which likely play a role in graduate mobility – for example, the extent of an individual graduate's caring responsibilities, their personal confidence and their sense of community attachment.



3 Ball (2015)

4 Institute for Fiscal Studies. (2021).

5 Ibid.

The benefits of producing Loyals

As a product of these complex factors, 'Loyals' are graduates who attended a higher education institution in the region they grew up in and still live in that region after graduating. Based on analysis of the 2021-22 Graduate Outcomes Survey, **44%** of all graduates in the UK are Loyals – making them the largest group of graduates by mobility type.

Despite this majority status, discussions around graduate mobility in recent years have often marginalised Loyals. This has been partly through implicitly placing particular value on students moving away from their home region to study and also by centering discussions of graduates' mobility on the economic benefits of graduates moving to a new area to live and work.

The view that there is particular value in moving away to study has been reflected in the Department for Education's previous use of the percentage of pupils progressing to high tariff universities as a key metric for establishing school and college performance. High tariff universities have somewhat limited geographic spread – for example, of the 20 universities with the highest entry tariff, a fifth are in London, while only one is in the North West and none are in the North East. The prioritisation of high tariff universities and their limited geographic spread has resulted in a systemic pressure for students to move away from their home region to study, reflected in the **13%** increase in high tariff provider admissions of school leavers in 2024 and the fact that only **20%** of high tariff university students live at home with their family (compared to **46%** of modern university students).⁶⁷

Loyals have also been marginalised through discussions in the literature which focus on the economic benefits of graduates moving away from the area they studied in for work. For example, some researchers have argued that a graduate can only typically obtain the full return on their degree in terms of salary increase by moving away from their home region (typically to London).⁸ Some researchers have similarly argued that higher rates of mobility for graduates compared to non-graduates suggests that one of the main benefits of acquiring a degree is that it allows a graduate to move from their home area.⁹

It is also worth noting that this marginalisation of Loyals makes the UK an outlier compared to many other high-performing education systems and economies. For example, previous research has highlighted that living at home with parents while studying is the most common residential form for students in **64%** of countries in the European Union,¹⁰ while skill retention in cities outside of the capital is more common in other G7 countries.¹¹

Loyals make up 44% of UK graduates – the largest group by mobility type – yet their role is often overlooked in policy and debate.

In this context, it is important to make the case for the economic and social benefits that Loyals bring to the regions of England in which they stay. These benefits can be organised into four categories:

1. Loyals reduce geographic inequalities in skills
2. Loyals meet demands for skills in vital local industries
3. Loyals can grow the economy of the area they stay in
4. Loyals could be central to the government's emerging new vision for skills.

6 UCAS. (2024).

7 Higher Education Policy Institute. (2024).

8 Institute for Fiscal Studies. (2021).

9 Institute for Fiscal Studies. (2025).

10 German Centre for Higher Education Research and Social Sciences. (2019).

11 The Centre for Cities. (2024).

1. LOYALS REDUCE GEOGRAPHIC INEQUALITIES IN SKILLS

England currently has a highly unequal geographic distribution of skills. This is primarily driven by the particularly high concentration of graduate-level skills in London and the South East of England, with two thirds of adults in the capital holding a higher education qualification compared to just one third of adults in Greater Lincolnshire. These geographic inequalities are larger than in many European countries, putting the UK at an international disadvantage in terms of economic equity.¹²

It should be noted that this concentration of skills in a small number of areas can confer some benefits. Focusing skilled labour in small geographic areas can lead to higher wages, productivity and rates of innovation (such as in Silicon Valley or the City of London). However, these ‘agglomeration’ effects do not increase endlessly and as their returns diminish, their main consequence is increasing skills inequality with limited benefits for net economic productivity.¹³ Some have argued that the economic data suggests the level of skills inequality in England has reached this level, resulting in considerable skills shortages outside of London and the South East which leads to worse net economic output across the country, lower social mobility and higher rates of economic deprivation in the regions.¹⁴

Developing and retaining graduate skills in London and the South East will continue to be a core part of the government’s long-term industrial strategy, with universities playing a key role in this activity.¹⁵ This is vital as London continues to have neighbourhoods with particularly high levels of education deprivation and consequent skills inequalities.¹⁶ However, it is also clear that there is a national need to reduce skills inequalities by retaining graduate-level skills more broadly across England.

Loyals could be major actors in reducing these skills inequalities. **Fifty-eight per cent** of universities in England are outside of London and the South East, with 21 located in the Midlands, five in the North East and 15 in the North West – the three regions of the country where businesses report the highest level of skills shortages.^{17 18} MillionPlus analysis of the Graduate Outcome Survey highlights that **47%** of graduates in the West Midlands are Loyals, with the figure increasing to **51%** in the North West and still further to **58%** for the North East. The retention of Loyals in the local labour market is even higher for modern universities, where the rate is **56%** for the West Midlands, **61%** for the North West and **72%** for the North East. As such, there is considerable scope for Loyal graduates – especially those from modern universities – to meet local skills shortages in regions across the country and therefore lower overall skills inequality.



¹² Learning and Work Institute. (2025).

¹³ The Centre for Cities. (2023).

¹⁴ Social Mobility Commission. (2025).

¹⁵ Department for Business and Trade. (2025).

¹⁶ Trust for London. (2019).

¹⁷ “Universities” are here defined using HESA’s definition in their full list of UK providers

¹⁸ British Chamber of Commerce. (2024).

2. LOYALS MEET DEMANDS FOR SKILLS IN VITAL LOCAL INDUSTRIES

In addition to lowering overall geographic skills inequalities, Loyals can also directly provide the skills that are in need in vital local industries. For example, **7%** of job vacancies in the North East are in the education sector and graduates in education from modern universities in the region could fill **39%** of these vacancies. The picture is similar for health and social care, with vacancies in this sector making up **17%** of job vacancies in the North East and graduates in relevant subjects able to fill **33%** of these vacancies.^{19,20} In the North West, **4%** of all job vacancies are in the education sector and graduates from modern universities with relevant qualifications in the region could fill **42%** of them.^{21,22}

Where there is currently a shortfall in local graduates to meet local skills demands, modern universities are taking initiatives to leverage the power of Loyals in meeting them. For example, in health and social care, the Lancashire and South Cumbria Integrated Care Board has a **9%** vacancy rate, exceeding the national average of **6%**, and with a particular challenge recruiting and retaining doctors.²³ To meet this local demand, the University of Cumbria has partnered with Imperial College London to establish the first graduate-entry medical school in Cumbria. The Pears Cumbria School of Medicine, based in Carlisle, admitted its first cohort of 58 students in September 2025, with this number capped to align with modelling of local demand for junior doctors. Medical students at the centre

will be trained understand the regional context in detail, including preparation to work in the characteristically geographically dispersed approach to healthcare provision in Cumbria. With the North West having one of the highest rates of Loyal graduates in the country (**51%**), this approach may help keep graduates in the region to meet local demand for doctors.

3. LOYALS CAN GROW THE ECONOMY OF THE AREA IN WHICH THEY STAY

A further positive consequence of creating a strong local supply of skills is the contribution to local economic growth. There is considerable evidence that the supply of skills is a key determinant of growth. A third of the net improvement in economic productivity across England over the last two decades can be explained by improvements in skills levels.²⁴ At the local level, skills shortages can often be a limiting factor on economic outcomes.²⁵ For example, a large inhibitor on Yorkshire and the Humber's economic productivity is the lack of access to skills.²⁶ As a consequence of this association between skills and economic growth, underinvestment in skills can be a significant impediment to economic growth.²⁷

Given the government's commitment to "ignite growth across [the] regions",²⁸ retaining skills across the country will be vital. Loyals will therefore have a key role to play in realising the government's economic ambitions.

19 Department for Education. (2022).

20 Higher Education Statistics Agency. (2024).

21 Department for Education. (2022).

22 Higher Education Statistics Agency. (2024).

23 Lancashire and South Cumbria Integrated Care Board. (2024).

24 Skills England. (2024).

25 House of Lords. (2023).

26 The Productivity Institute. (2025).

27 Learning & Work Institute. (2024).

28 Ministry of Housing, Communities and Local Government. (2024).



4. LOYALS COULD BE CENTRAL TO THE GOVERNMENT'S EMERGING NEW VISION FOR SKILLS

The government's vision for skills has begun to take shape, particularly through Skills England's inaugural publications, a succession of white papers and government announcements with clear declarations of intent. Loyals could be key actors in realising this vision of more locally integrated skills systems which yield higher economic growth.

The alignment between Loyals and the direction of travel in government policy is in part because Loyals are graduates who attended a university in the region they grew up in. Skills England's first publication set out the importance of building stronger relationships between higher education providers and their local further education colleges, but also with their local post-16 settings as well.²⁹ This should be carried out with the aim of creating pathways into higher education provision for local prospective students, but also as part of creating skills ecosystems where a learner's post-16 study prepares them directly for further and higher education that will position them with skills that are in demand in the local economy. The Devolution White Paper similarly emphasises the renewed and important role of Metro Mayors in creating and signposting pathways for 16-19 year olds in their combined authority to progress in training, further and higher education within the combined authority.

Similarly, the government's decision to retain Local Skills Improvement Plans (LSIPs), with oversight from Skills England, and solidify the role of higher education in forming these plans indicates a further commitment to creating these local skills systems that require planning for a post-16 to career pipeline for learners.

This alignment should also be in the government's interest in terms of retaining skills in local labour markets. The Secretary of State's letter to the higher education sector outlining policy priorities for this parliament stated that universities should have stronger connections to their local area, playing a greater civic role in local communities. This is projected to involve building partnerships with local businesses and community organisations to help solve local social and economic challenges, at least in part through coordinating the supply of skills that providers produce to meet the demand of these local objectives. Relatedly, the commitment to retaining LSIPs and solidifying higher education providers' role in their formation further signals the government's interest in those providers producing graduates with skills that meet local demand and therefore remain within the local labour market.

More broadly, the government has also stated a commitment to closing "entrenched" gaps in university access.³⁰ This is in response to enduring regional disparities in entry into university – for example, **43%** of 18-year olds from London attend university compared to **25%** from the North East. Closing this gap may at least in part involve supporting routes into higher education that allow prospective students to remain within their home region, such as the North East. This adds further value to Loyals as part of the government's overarching skills and educational ambitions.

Given these factors, it is clear that the government must give key consideration to the interests of Loyals and the providers who are most likely to produce them as part of its delivery of its vision for skills.

Loyals – graduates who study and stay in their home region – are vital to the government's vision of locally integrated skills systems that retain talent and drive regional growth.

²⁹ Skills England. (2024).

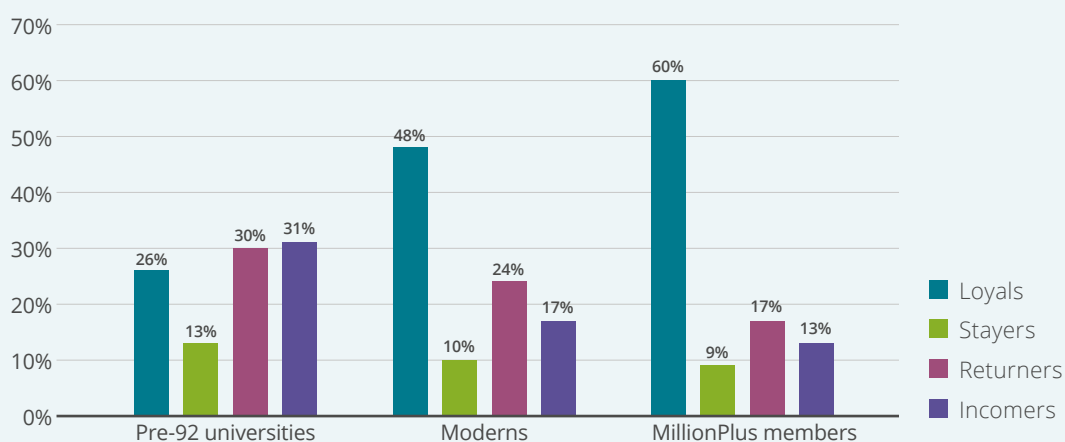
³⁰ The Guardian. (2025).

Institutions which produce 'Loyals'

It is clear that Loyals can have a unique positive impact on the economy. It is also clear from the data that some universities play an outsized role in producing them.

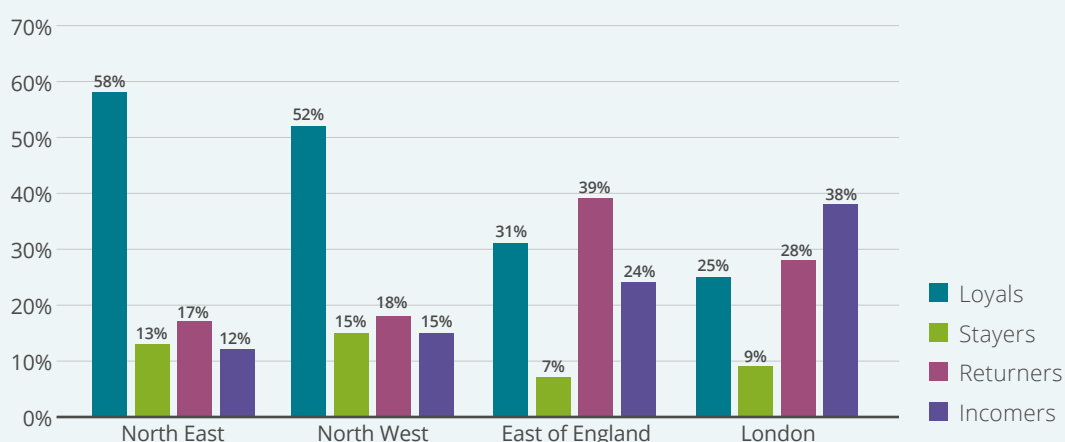
MillionPlus commissioned Jisc to conduct a quantitative analysis of the 2021-22 Graduate Outcomes Survey, finding that modern universities are more likely to produce Loyals than pre-92 universities. While 48% of graduates from modern universities in England are Loyals, this is true of only 26% of pre-92 universities. This figure is higher still for MillionPlus member institutions, with 60% of their graduates being Loyals.

Figure 1: Percentage of graduates by mobility type and provider type



The production of Loyals also varies between regions. For example, 58% of all graduates across all institutions in the North East are Loyals, compared to 24% in London. However, these figures also vary when differences between institutions are factored. For example, 72% of graduates from modern universities in the North East are Loyals and 34% of modern graduates in London are Loyals. It is therefore clear that moderns have a role in producing Loyal graduates.

Figure 2: Percentage of graduates by mobility type and region of England



How modern universities produce Loyals

The data demonstrates then that modern universities have an association with Loyals. The evidence suggests there are three reasons for this association:

1. Demographic factors relating to the student intake of modern universities
2. Proactive and strategic work by modern universities to recruit students locally
3. Proactive and strategic work by modern universities to retain graduates in the local labour market.



1. DEMOGRAPHIC FACTORS ABOUT THE STUDENT INTAKE OF MODERN UNIVERSITIES

As discussed earlier in this report, there are demographic factors associated with graduate mobility. In particular, graduates who are from low socioeconomic status backgrounds, have lower prior attainment or are ethnic minorities are less likely to move to a new area after graduating.

Given their large focus on accessibility and widening participation, modern universities play an outsized role in educating students who have these demographic characteristics. From MillionPlus analysis of HESA 2022-23 student data, modern universities educate **76%** of all students in the country who are from backgrounds where the main earner in their household never worked or was long term unemployed.³¹ This picture extends to undergraduate students whose parents are in routine occupations (such as being a factory worker, cleaner or taxi driver), with **65%** studying in modern universities.

Modern universities also play an outsized role in educating certain ethnic minority groups, with **65%** of all Black students in the country studying at a modern university.³² These institutions also have a student intake that tends to typically have lower prior attainment.³³ It is also worth noting that a higher proportion of modern university students are mature or have caring responsibilities and that such students may also be less able to move for work or study than their peers who are younger or without caring responsibilities.^{34 35}

As a result, at least part of the association between modern universities and Loyals is a consequence of the more disadvantaged and generally broader student intake of modern universities.

2. PROACTIVE AND STRATEGIC WORK BY MODERN UNIVERSITIES TO RECRUIT STUDENTS LOCALLY

Many modern universities engage in highly localised widening participating work, focused on recruiting prospective students from their home region. This work is reflected in the student intake of modern universities, with **46%** of modern university students living at home with their family during their study and **55%** formally considered to be commuter students.³⁶ These data points are typically interpreted as reflecting that modern university students are more likely to live locally to the university prior to enrolment.

There are many case studies which demonstrate the ways that modern universities have created targeted and innovative approaches to recruit students from the local population. Two types of example are highlighted in this section – strong partnerships with local education providers and targeted course provision for local access.

³¹ Higher Education Statistics Agency. (2023).

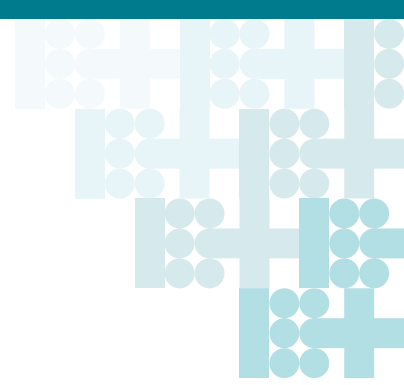
³² Ibid.

³³ Ibid.

³⁴ Ibid.

³⁵ Higher Education Policy Institute. (2024).

³⁶ Ibid.



Strong partnerships with local education providers

The University of East London (UEL) has a dedicated schools and colleges team who work closely with local education providers. This work is focused on introducing students at these providers to the opportunity to attend university, but also the advantages and benefits of doing so at UEL. This includes taster days at UEL campuses for year 10 and 11 pupils and recruiting current UEL students as 'curriculum ambassadors' who mentor secondary school pupils to plan their future. The university also hosts summer schools, subject-specific workshops and employability skills sessions for post-16 students from the local area. UEL also trains student ambassadors to attend parents' evenings at local schools so they can introduce parents to the prospect of their child studying at university locally. These efforts no doubt contribute to the fact that the local authority in which UEL is situated has one of the highest rates of progression to university for disadvantaged young people.³⁷

The University of Greater Manchester (UGM) also partners with local providers, but through a different approach. In 2018, UGM formally merged with a large local further education college, Bolton College with that institution now a wholly owned subsidiary of the university.

This merger has created numerous routes through which UGM recruits students from Bolton College. The vast majority of courses offered at the college are written and validated by UGM academic staff, introducing their students to the skills they need and the standards they would need to meet to progress to university study. Both providers also share a campus in the 'Dean Road Education Zone', with

Bolton College students regularly using UGM teaching facilities such as clinical simulation suites. This familiarises the college's students with the university buildings, site and experience of being in a university, making attendance at UGM a less daunting experience.

Moreover, the university also directly supports the progression of Bolton College students into UGM. This includes through student financial support (a £500 scholarship for all students progression from Bolton College into UGM) and the EXCEED programme which offers masterclasses, university visits and mentorship from current students to support with applying to UGM.

Targeted course provision for local access

Situated in a region with relatively low HE participation, the University of Staffordshire's 'Step Up to Higher Education programme' (SUHEP) aims to bridge the educational gap for locals considering attending the university. The ten-week course is studied part-time, eight hours a week at the local University of Staffordshire campus. Participants try taster sessions in a range of different university subjects, receiving tailored guidance from staff on next steps if they want to progress to study that subject at Staffordshire. SUEHP participants also have a personal tutor who supports them with mentoring and coaching throughout the course. The course is free for students progressing on to study at the University of Staffordshire or associated partner colleges.

3. PROACTIVE AND STRATEGIC WORK BY MODERN UNIVERSITIES TO RETAIN GRADUATES IN THE LOCAL LABOUR MARKET

As highlighted in MillionPlus's 2022 report *Staying local to go far*, modern universities typically have a uniquely close relationship with their local councils and businesses.³⁸ This often involves industrial partnerships that create pathways into local work for graduates, retaining those graduates in the local labour market.

While there are many examples of these partnerships, two approaches are highlighted below with examples of providers which are delivering them: the use of incubators and services to support student enterprise, and strong partnerships with local industry.

Incubators and services to support student enterprise

The University of Lancashire operates the 'Propeller Student Enterprise Service', supporting the creation of numerous new businesses by students and recent graduates. The initiative provides support and links to local expertise and industry to support startups to flourish and make a lasting regional economic impact, thereby retaining entrepreneurial graduates within the region.

Perhaps as a consequence of this service, the University of Lancashire has spun out the largest number of still active student start-ups in the country, with just over 9,000 still active start-ups as of 2024.³⁹

³⁷ Sutton Trust. (2025).

³⁸ MillionPlus. (2022).

³⁹ Higher Education Statistics Agency. (2025).

Strong partnerships with local industry

The University of Sunderland collaborates with the local television and film production company Turnover TV to give Film Production, Media Production and Performing Arts students work experiences opportunities. Students in these subjects work alongside professionals in production, sound, lighting and art departments to acquire experience, skills and opportunities for graduate labour in the emerging film and television industry in the North East. This collaboration has the further benefit of contributing to the development of a regional creative industry ecosystem, nurturing and retaining local talent while drawing in international clients and investment in new productions.

Similarly, Solent University partners with Enterprise Rent-A-Car to create work placements and experience opportunities for its students as part of their study. This approach sets out to start the process of securing graduate skills in the local economy before students have graduated, by equipping students with hand-on experience and business skills that set them up to be Rent-A-Car employees.

HOW THE GOVERNMENT AND HE SECTOR CAN SUPPORT LOYALS AND BOOST THEIR POSITIVE ECONOMIC IMPACT ACROSS THE REGIONS

The evidence presented here demonstrates that Loyal graduates play a vital role in growing regional economies and realising the government's vision for further growth in these regions. Therefore, the government and wider HE sector can and should take modest actions which would better support Loyals as well as securing and increasing their regional economic impact. Some of these actions are as simple as learning key lessons from modern universities, given the outsized role these providers play in producing Loyals.

Modern universities play an outsized role in producing Loyals – recruiting locally, widening participation, and building strong pathways to retain graduates in regional labour markets.



Recommendations

THE UK GOVERNMENT SHOULD:

- Recognise the value of Loyals and place them at the heart of future policymaking around higher education, skills pipelines and regional economic growth. This should involve drawing to a greater extent on the insights of modern university leaders and their understanding of Loyal graduates.
- Request Skills England formally explore the economic impact of the retention of graduates in local labour markets and to use these insights to issue recommendations for cross-departmental skills and industrial policy.
- Strategically prioritise retaining a wide subject offer across universities within regions, to safeguard a breadth of opportunities for students who wish to study locally.
- Work to support Mayoral Combined Authorities (MCAs) to act as trusted brokers for creating partnerships between local industry and HE providers, leading to the creation of more direct pathways from HE study to specific jobs in the area local to the HE provider. These pathways should include work placements during study. For areas outside of an MCA, the government should look to how other local infrastructure can satisfy this brokerage role, such as careers hubs, jobs centres and local authorities.

- Closely consider the need for strategies and incentives for the retention of graduates in the regions as part of the delivery of its industrial strategy. For example, considerations of how to retain graduates in subject areas relevant to the government's IS-8 areas (e.g. clean energy, defence, business and professional services) in the regions to support the geographically distributed growth of these industries and associated job opportunities.

THE OFFICE FOR STUDENTS SHOULD:

- Develop a more comprehensive, central database of university-school interactions, including partnerships, sponsorships and active outreach activities. This should be then used to highlight areas of good practice and cold-spots in university-school collaborations. This should then be further used to facilitate the sharing of good practice between providers and to advise the government on cold spot areas.
- Ensure that any changes to its reporting of university performance on the basis of graduate salaries or occupations is presented alongside data on the proportion of graduates who are able to find graduate-level employment in the local area of the university, as well as the average salary of these graduates.

UNIVERSITIES UK SHOULD:

- Review how the 'impact' of the university sector is defined and measured to encourage a more local, place-based approach to impact. Where the value of the university sector is defined in economic terms, this impact should be measured at the local and regional level as well as at the national level.



References

Ball, C. (2015). Loyals, stayers, returners and incomers: graduate migration patterns.

Bridge Group. (2021). Staying local: understanding the value of graduate retention for social equality. <https://static1.squarespace.com/static/5c18e090b40b9d6b43b093d8/t/613fd08c48c6e3113f579e52/1631572127190/Staying+local+-+graduate+retention+in+regions+10.9.21.pdf>

British Chamber of Commerce. (2024). Business Barometer: an analysis of the UK skills landscape.

Department for Business and Trade. (2025). The UK's Modern Industrial Strategy. https://assets.publishing.service.gov.uk/media/685854d15225e4ed0bf3ceba/industrial_strategy_policy_paper.pdf

Department for Education. (2022). Employer skills survey: 2022. <https://explore-education-statistics.service.gov.uk/find-statistics/employer-skills-survey/2022>

German Centre for Higher Education Research and Social Sciences. (2019). Eurostudent VI: overview and selected findings. https://www.eurostudent.eu/download_files/documents/EUROSTUDENT_VI_short_report.pdf

Higher Education Policy Institute. (2024). Student Academic Experience Survey – SAES 2024 Weighted Tables. <https://www.hepi.ac.uk/wp-content/uploads/2024/06/SAES2024-weighted-tables.xlsx>

Higher Education Statistics Agency. (2023). Higher Education student statistics – student numbers and characteristics. <https://www.hesa.ac.uk/news/08-08-2024/sb269-higher-education-student-statistics/numbers>

Higher Education Statistics Agency. (2024). Graduate outcomes 2021/22: graduate activities and characteristics. <https://www.hesa.ac.uk/news/13-06-2024/sb268-higher-education-graduate-outcomes-statistics/activities>

Higher Education Statistics Agency. (2025). Intellectual property, start-ups and spin-outs. <https://www.hesa.ac.uk/data-and-analysis/business-community/ip-and-startups>

House of Lords. (2023). Economic growth, inflation and productivity.

Institute for Fiscal Studies. (2021). London calling? Higher education, geographical mobility and early-career earnings.

Institute for Fiscal Studies. (2025). Using graduate earnings data in the regulation of higher education providers.

Lancashire and South Cumbria Integrated Care Board. (2024). Workforce. Retrieved on 10.06.2025. <https://www.lancashireandsouthcumbria.icb.nhs.uk/our-work/workforce>

Learning & Work Institute. (2024). The great skills divide: how learning inequalities risk holding the UK back.

Learning and Work Institute. (2025). Worlds apart: skills and learning inequalities in the UK.

MillionPlus. (2022). Staying local to go far: modern universities as placemakers.

Ministry of Housing, Communities and Local Government. (2024). English Devolution White Paper.

Skills England. (2024). Skills England: driving growth and widening opportunities.

Social Mobility Commission. (2024). Spatial agglomeration, productivity and inequality.

Sutton Trust. (2025). The Opportunity Index.

The Centre for Cities. (2023). Office politics: London and the rise of home working.

The Centre for Cities. (2024). Climbing the Summit: Big cities in the UK and the G7.

The Guardian. (2025). Ministers vow to tackle England's 'entrenched divides' in A-level results. <https://www.theguardian.com/education/2025/aug/14/ministers-vow-to-tackle-entrenched-divides-in-a-level-results>

The Productivity Institute. (2025). Productivity, Training and Skills in Yorkshire, the Humber and the North East.

Trust for London. (2019). Education and skills deprivation across London neighbourhoods. <https://trustforlondon.org.uk/data/education-and-skills-deprivation-by-london-neighbourhood/>

UCAS. (2024). Statistical releases – daily Clearing analysis 2024. <https://www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/daily-clearing-analysis-2024>



MillionPlus

90 London Road, London, SE1 6LN

Phone +44 (0)20 7717 1655

Email info@millionplus.ac.uk

www.millionplus.ac.uk

Published October 2025

Copyright © MillionPlus. No part of this document may be used or reproduced without MillionPlus's express permission in writing.