

# Annex A: Evidence Base

This annex presents the evidence base for the Exeter Skills Strategy. It draws on various available data sources from the public sources, such as the ONS and Department for Education, and commercial sources such as Burning Glass. It is supported in the strategy by additional findings from stakeholder consultations conducted with 25 individuals and organisations across Exeter, as well as qualitative data from attendees at an Exeter skills event held in April 2022.

## 1.1 Demographics

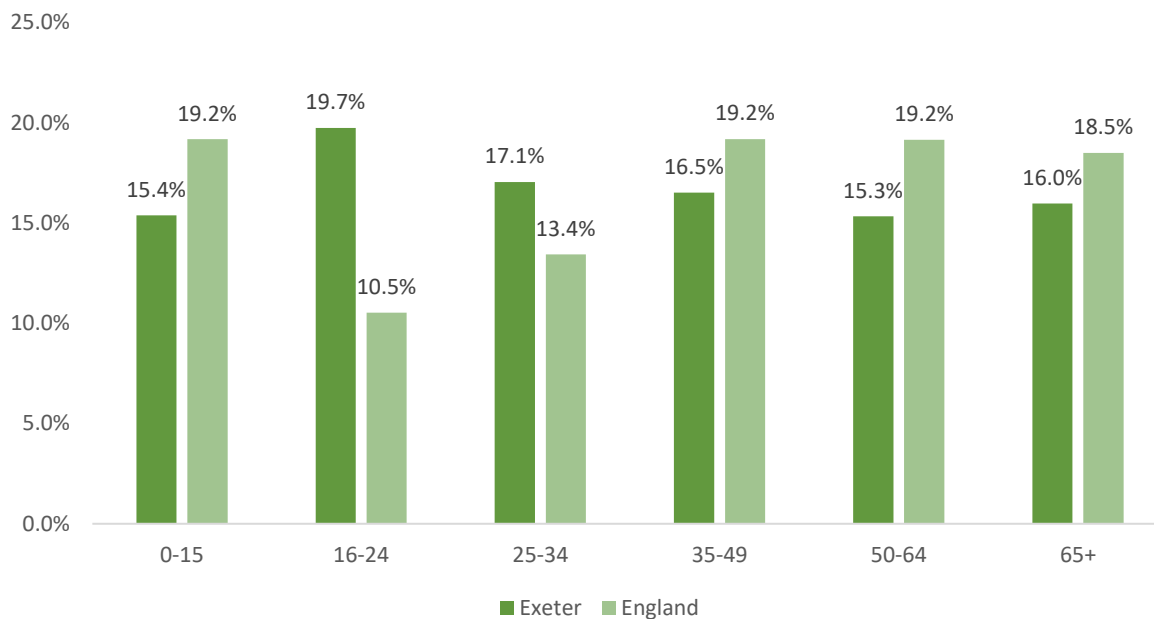
Exeter is one of the largest cities in the South West, with a population of 133,300.<sup>1</sup> This compares to 262,000 in Plymouth, 136,000 in Torbay and 60,400 in Taunton, Exeter's nearest neighbours. Exeter's population grew by 13.8% in the last decade, the highest growth rate of any local authority district in Devon. Exeter's gender split has marginally more males (50.2%), the highest proportion of males of all of Devon's local authority areas. It is also higher than the English average of 49.5%.

Reflecting the city's large student population, Exeter's age profile is relatively young. The city has a high proportion of 16 to 24-year-olds: 19.7% of the city's population belongs to this age group, which is 9.2% higher than the English average. The proportion of 16 to 24-year-olds in Exeter has grown by 1.1% since 2011. Although this may seem like a modest increase, Exeter is the only local authority area in Devon to have experienced any increase in this age banding. Devon saw a decrease in the proportion of 16 to 24-year-olds, and England saw a drop of 1.3% in the same period. Compared to England's age profile, Exeter also has a higher proportion of 25 to 34-year-olds but is below national average for all of the older age groups.

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<sup>1</sup> Population estimates, ONS, 2020

Figure 1: Age profile of Exeter compared with England

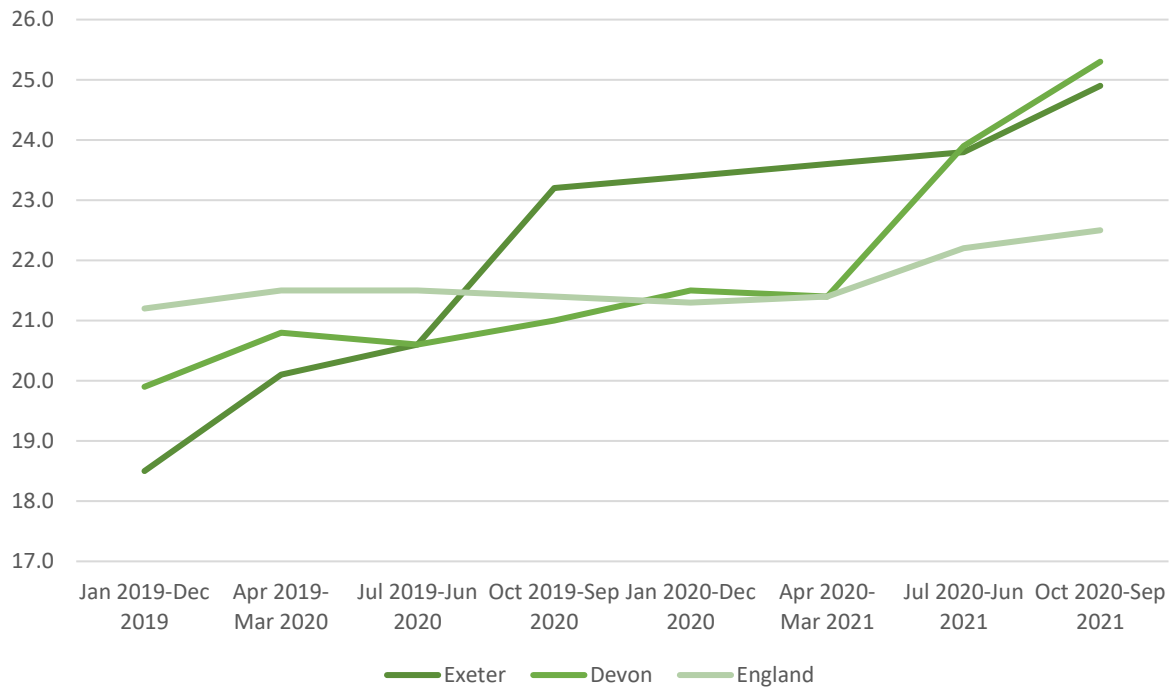


Exeter has a large working age population of 91,500 people, representing 68.64% of the city's population. This is considerably higher than the average for both England (62.31%) and Devon (58.09%). While many areas of Devon have seen a decrease in their working age populations since 2011, Exeter has experienced a considerable growth rate of 14.4%. The city attracts working age people at a higher rate than Devon (3.5%) and England (2.6%). Though there is less of an ageing population challenge in Exeter, the surrounding local authorities in Devon all face significant ageing challenges which will likely affect Exeter.

The proportion of people living with a work-limiting disability (considered to be 'EA core or work-limiting disabled') before the Covid-19 pandemic was a lower percentage in Exeter than the average for both Devon and England.<sup>2</sup> This includes people who have a long-term disability which substantially limits their day-to-day activities, or which affects the kind or amount of work they might do. However, there has been a sharp increase in this percentage from 18.5% in December 2019 to 24.9% in September 2021. This 6.4 percentage point increase is higher than the figure for Devon (5.4 percentage points) and significantly higher than that for England (1.3 percentage points). Exeter now has a considerably higher proportion of people of working age with a work-limiting disability than the average for England (22.5%) and has almost closed the gap with Devon (25.3%).

<sup>2</sup> Annual Population Survey, ONS, 2021. Results at lower geographies including Exeter are less robust and should be treated with caution.

Figure 2: Percentage of working age population who are EA core or work-limiting disabled



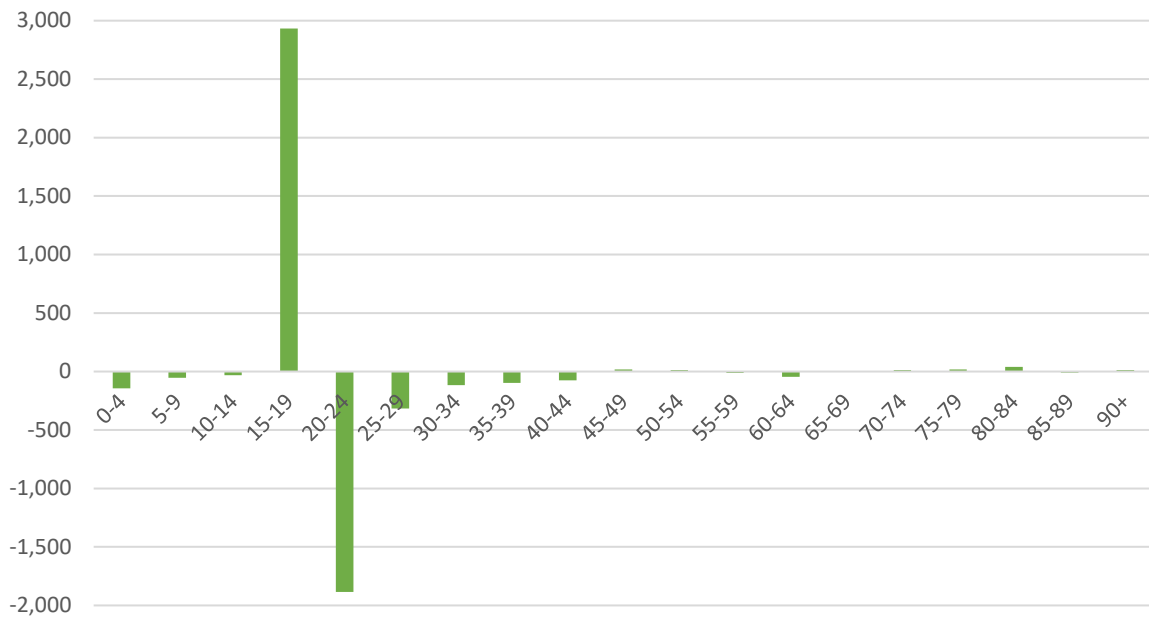
In terms of ethnicity, 91.7% of those aged 16+ in Exeter are white.<sup>3</sup> Although this is lower than the Devon average (96.3%), Exeter still has considerably less ethnic diversity than the English average (where 86.2% are white). Since 2011, the proportion of white people in Exeter has decreased by 3.1 percentage points – a faster rate than the 2.4 percentage point decrease in Devon and 1.4 percentage point decrease in England over the same period.

Exeter experiences relatively high inflows of migration, the majority of which has been international. The city has the highest rate of international migration of all the districts in Devon due extensively to the University of Exeter attracting high numbers of international students. In 2020, Exeter had a net international migration rate of 1.26%, compared to only 0.29% in Devon and 0.41% in England.<sup>4</sup> Since 2011, the rate of international migration has been positive every year and remained relatively stable, with figures ranging between a low of 0.41% in 2019 and a high of 1.26% in 2020. Internal migration has a much lower net impact on Exeter's population, with a rate of only 0.19% in 2020 compared to 1.05% in Devon and -0.4% in England. Again, these flows have remained stable, ranging between 0.16% and 0.8% since 2011.

<sup>3</sup> Annual Population Survey, ONS, 2021

<sup>4</sup> Local area migration indicators, ONS, 2020

**Figure 3: Net migration across Exeter in 2020 by age group**

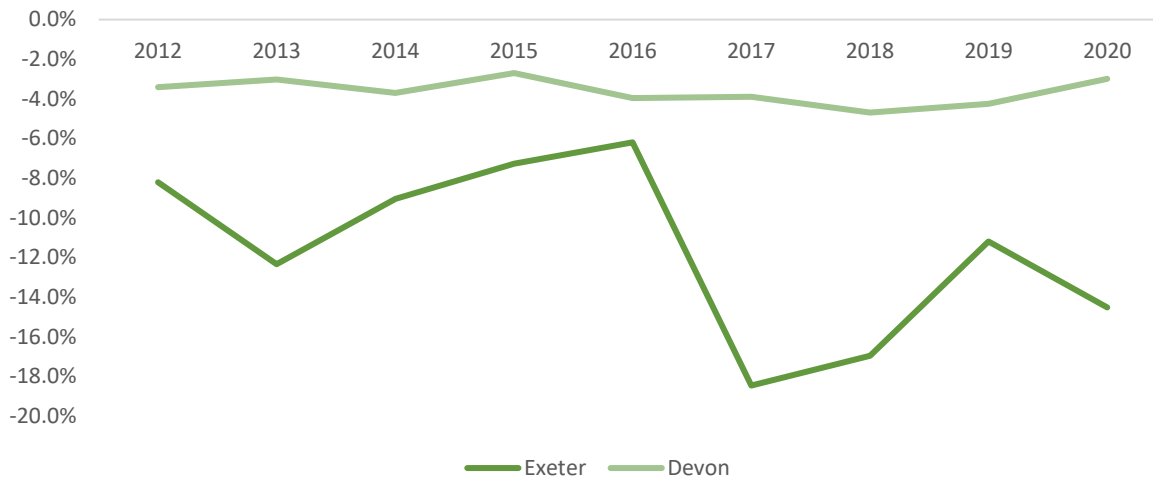


The above figure shows the net migration across ages in Exeter, with very high inflows of 15 to 19 year-olds, mirrored by comparative outflows for ages 20-24. This reflects the influx and departure of university student populations in the city. There is a net loss of all the other younger age groups (up to 44), decreasing as the age groups get older. From 45 to 49 years-old onwards, the rate of net migration becomes a net inflow. From this point onwards, almost all of the older age groups experience a net gain in migration.

Figure 1.4 indicates the net migration of 20 to 24 year-olds as percentage of the population over time, which demonstrates the 'brain drain' effect. Since 2016 the net loss of 20 to 24 year-olds has increased; in 2016 the 20 to 24 year-old population in Exeter was declining by 6.2% , where as in 2020 this was as high as 14.5%.

In 2020 in Devon the net decrease in 20 to 24 year-olds was at its lowest in 5 years, which contradicts the pattern seen in Exeter. This is likely to be caused by the disruption of the pandemic affecting student destinations including Exeter.

Figure 4: Net migration of 20 to 24 year-olds as a percentage of the sample population

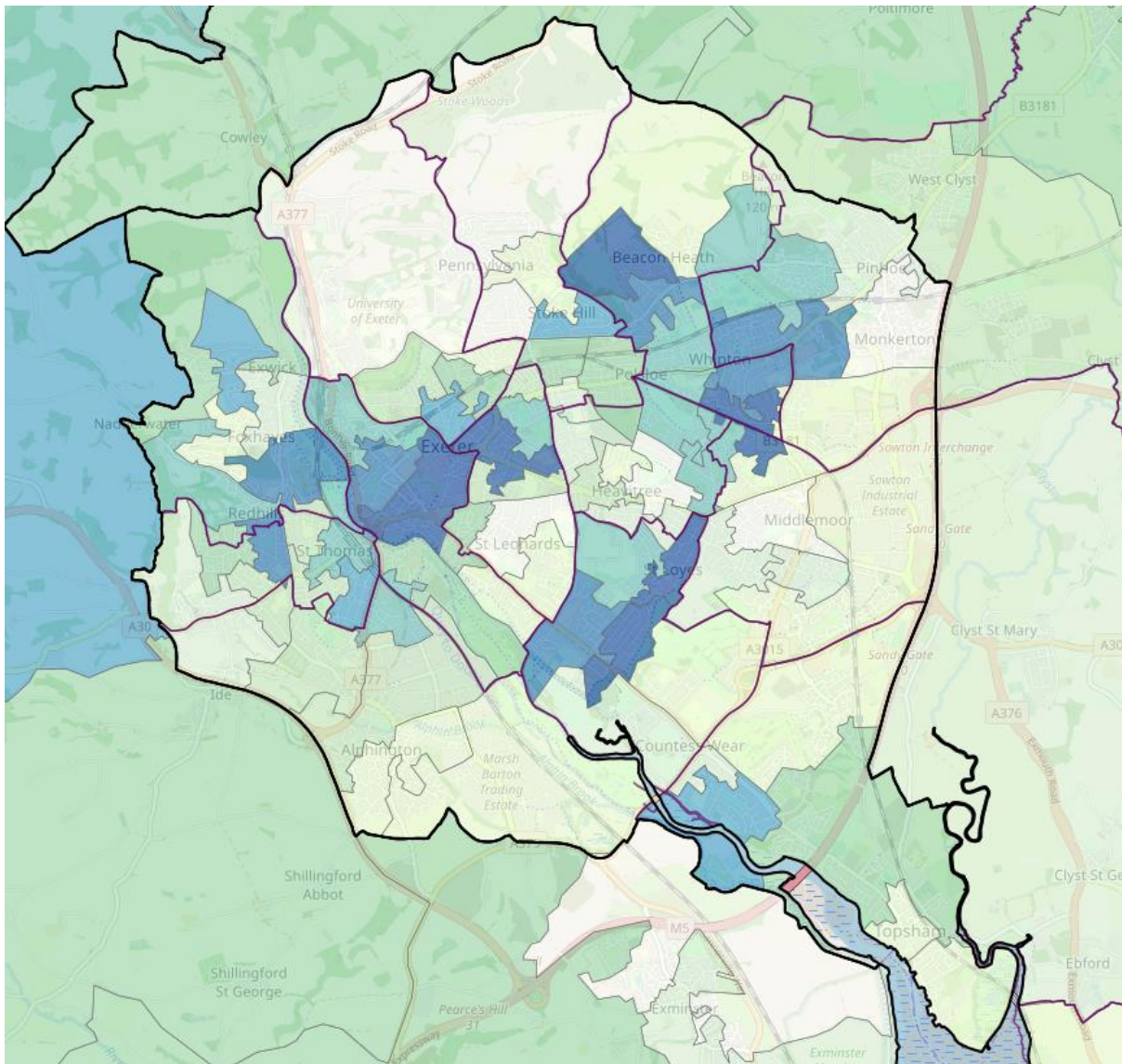


## 1.2 Deprivation

The Index of Multiple Deprivation (2019) provides insight into the relative deprivation by neighbourhoods (Lower Super Output Area). While there are no neighbourhoods in Exeter in the lowest 10% of deprived LSOAs in the country, there are several in the lowest 20%.<sup>5</sup> These include parts of Priory Ward and St Loyes Ward (particularly the area around Burnthouse Lane), Mincinglake & Whipton Ward (around Leypark Road and North to St Lukes and around Beacon Heath), the Newtown part of Newtown & St Leonards Ward, and St David's Ward (around Southernhay and South Street).

12% of LSOAs in Exeter are in the 'most deprived' 10% category for living environment, 5% for education, skills and training and 4% for health and disability. Exeter's deprivation performance is poorer than Devon average for health and disability, crime, and education, skills and training.

<sup>5</sup> Indices of Deprivation, Department for Communities and Local Government, 2019

Figure 5: Map of the Index of Multiple Deprivation 2019 for Exeter<sup>6</sup>

### 1.3 Sector structure

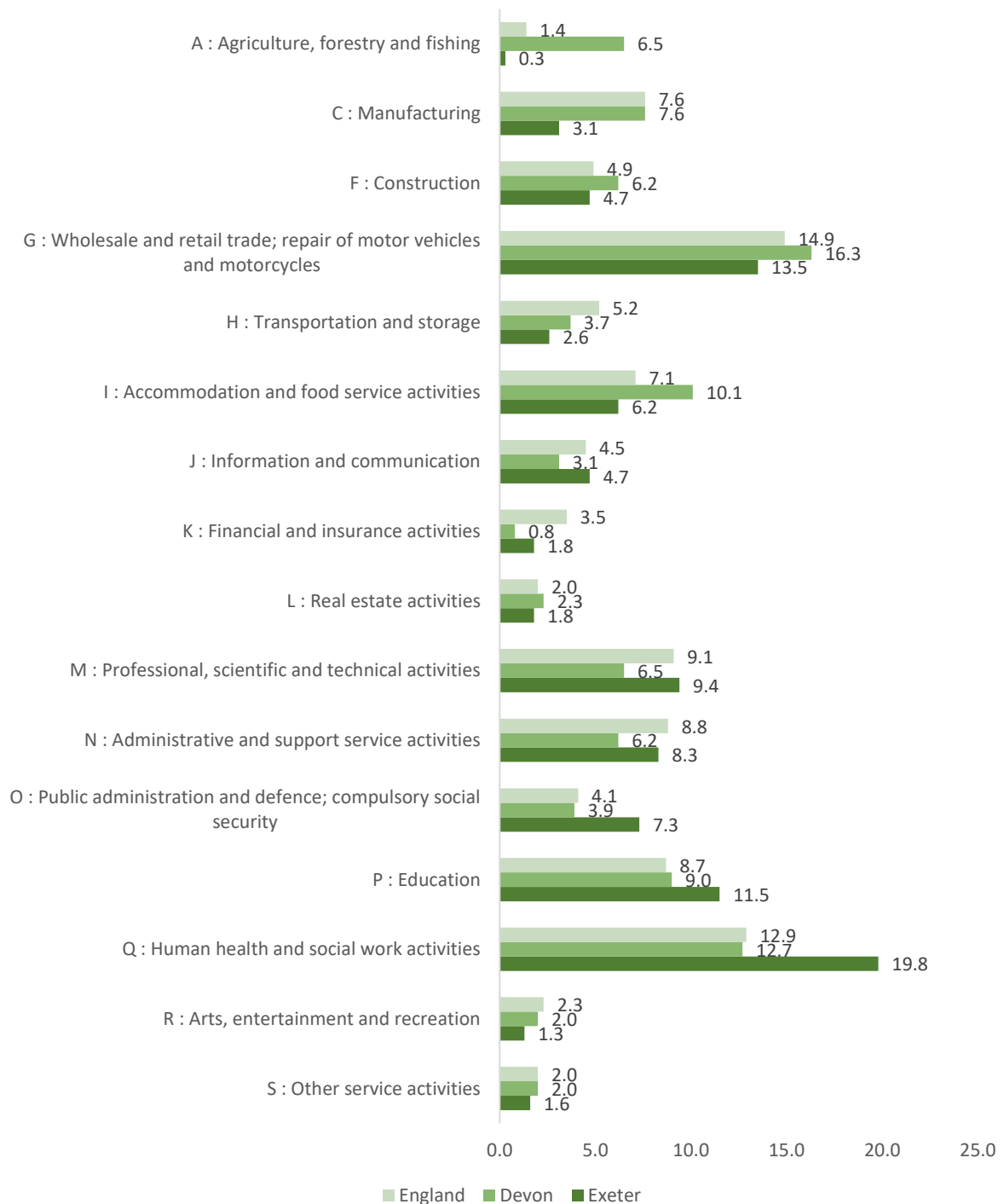
The composition of Exeter's industry is somewhat dominated by Health and social work, with nearly a fifth of employment in this industry alone. As shown in figure 1.5, there is higher employment in Professional, scientific and technical activities than the Devon average, which demonstrates Exeter's role as a hub for higher-skilled professional employment.<sup>7</sup> Exeter also has a significant proportion of employment in education (11.5%) which is higher than the UK average (8.7%).

44.8% of employment in Exeter is within its three largest industries, compared to 36.9% in England, suggesting a greater reliance on the sectors of health, retail and education.

<sup>6</sup> [http://dclgapps.communities.gov.uk/imd/iod\\_index.html#](http://dclgapps.communities.gov.uk/imd/iod_index.html#)

<sup>7</sup> Business Register and Employment Survey, ONS, 2020

Figure 6: Exeter’s industrial sectors by employment



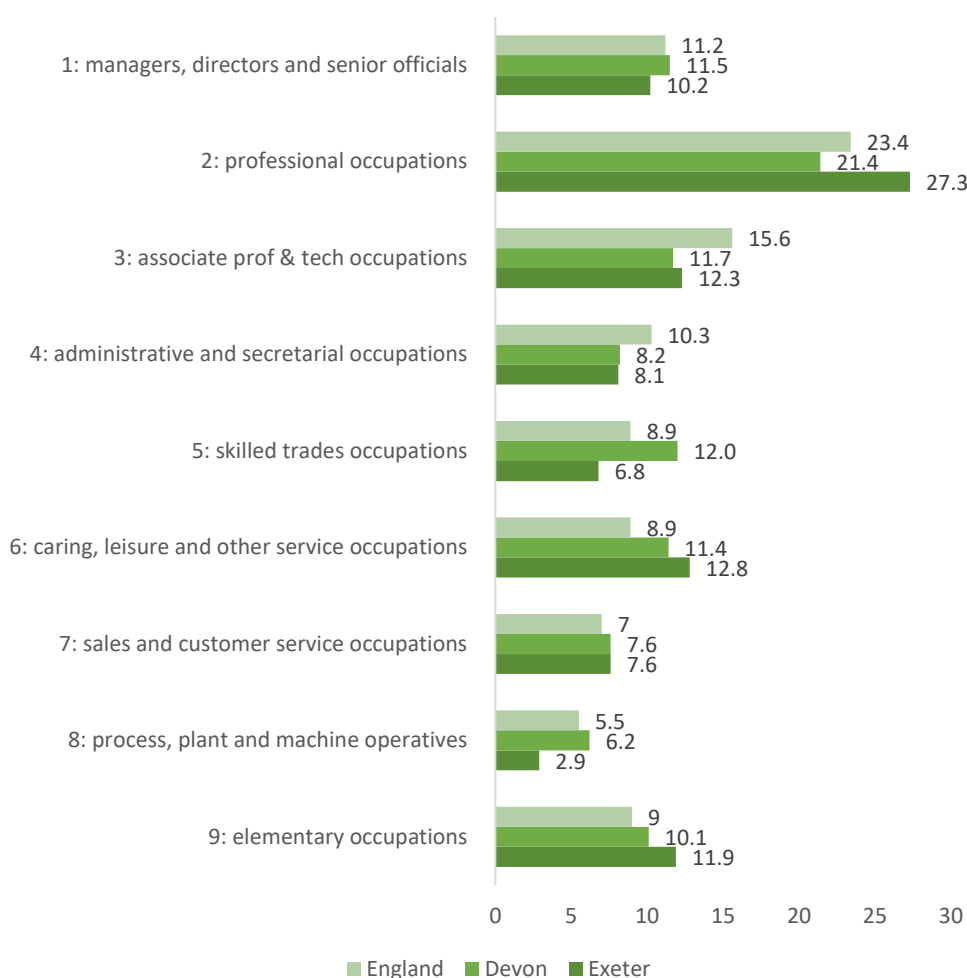
Measuring sectoral structure by business count reveals a higher business count for the Professional scientific and technical sector (16.4%), and for Information and communication (6.9%) than Devon average, which reinforces Exeter as a hub of this activity in Devon. Although the volume of businesses in these industries are proportionately higher than the South West average, they still remain lower than English average. The distribution of business counts by sector is spread over a greater number of industries than the England average, with a marginally larger share of construction businesses than nationally.

## 1.4 Occupation categories

The 2020 figures on occupation categories indicate that the highest occupation category is professional occupations (27.3%), which is higher than both Devon and England. Caring, leisure and other service occupations is the second largest occupation category (12.8%), which reflects Exeter's reliance on healthcare and is again higher than Devon and England.

The proportion of people who are in elementary occupations (11.9%) are also higher than Devon and England, suggesting an 'hourglass' labour market, with a weighting towards the higher-skilled and lower skills occupations, with less representation of middle skilled occupations in Exeter. By comparison, Devon has a larger proportion of skilled trade and process, plant and machine operatives, and administrative and secretarial occupations than Exeter, which occupy this middle skilled area.

**Figure 7: Occupation categories in Exeter (ONS, 2020)**



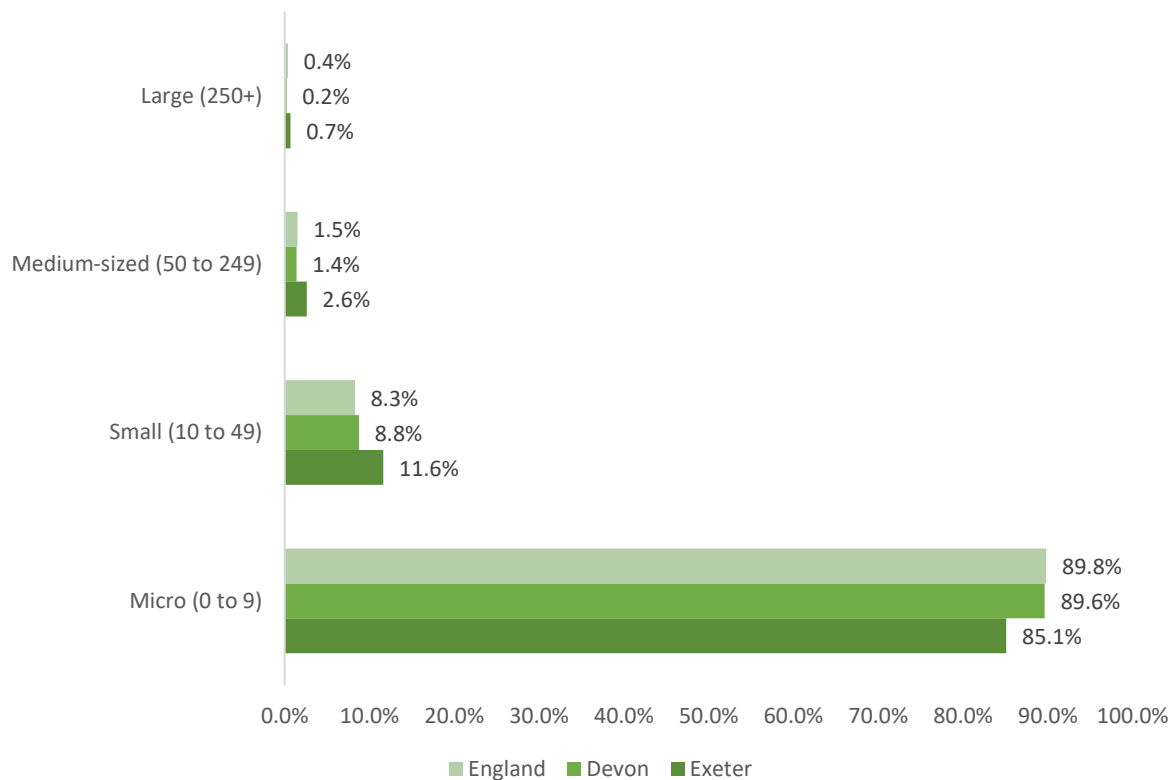


## 1.5 Business size and demography

In total, Exeter has 4,430 businesses, which represents a 28% increase from 2011.<sup>8</sup> The distribution of business sizes in Exeter is mostly micro (1-9 employees) accounting for 85.1% of businesses though at a lower proportion than in Devon and England (88.6% and 89.8% respectively). 11.6% of businesses in Exeter are small (10-49 employees) compared to the lower England average of 8.3%. The percentage of medium and larger businesses are also higher than both England and Devon averages.

Since 2011, the number of large businesses in Exeter has grown by 50%. This growth was faster than both Devon (33%) and England (24%).

**Figure 8: Business size as proportion of business stock (2020)**

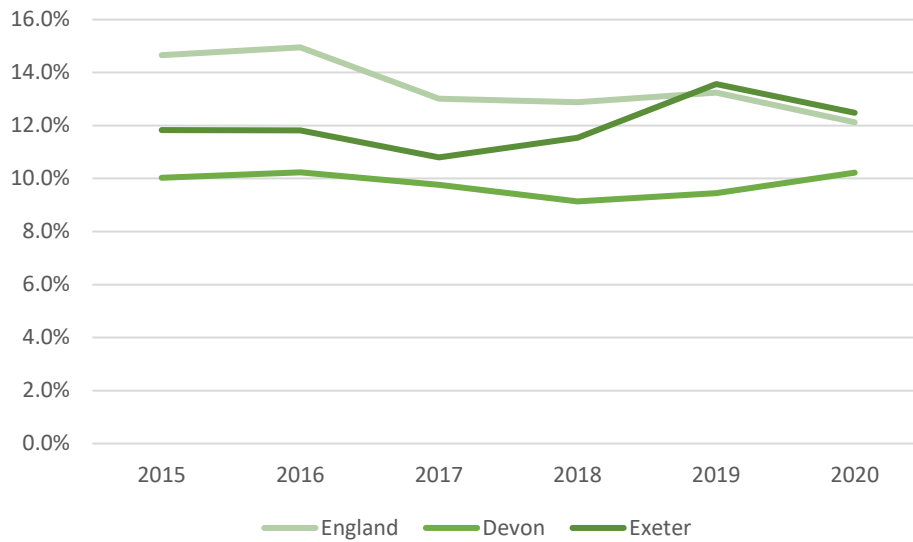


Exeter has overtaken the English average of business births to 12.5% of active enterprises in 2020 compared to 12.1% in England.<sup>9</sup> The rate of new business births in England has been consistently decreasing since 2016, whilst Exeter has been broadly increasing over the same period. Exeter also accounts for a significant proportion of business births in Devon, accounting for between 15.6% and 21% of new births in the county in 2015 and 2020.

<sup>8</sup> UK Business Count, Interdepartmental Business Register, ONS, 2021

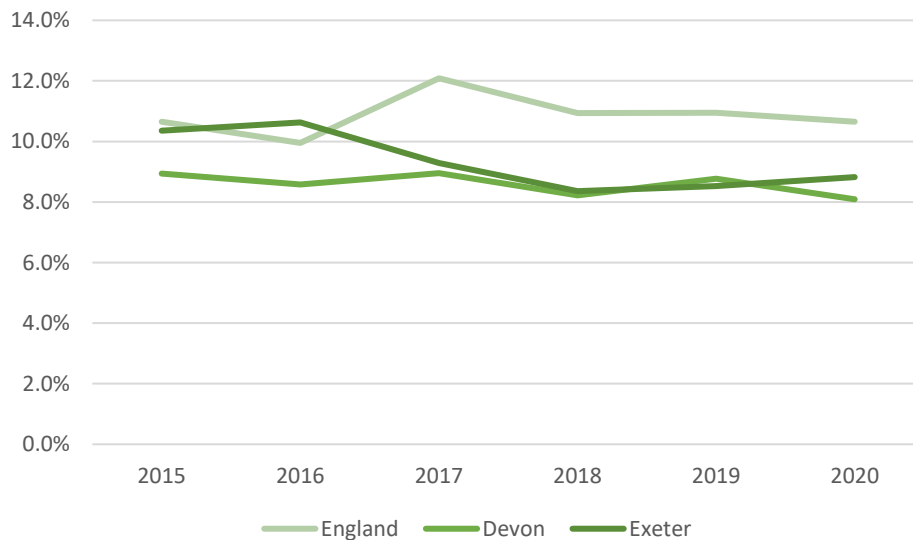
<sup>9</sup> Business Births and Deaths, ONS, 2021

**Figure 9: Business Births (2020)**



Business deaths in Exeter have also been decreasing since 2015, from 10.4% to 8.8% in 2020, which is lower than the England average (10.7%). Exeter has accounted for between 14.2% and 17.6% of business deaths in Devon during that period.

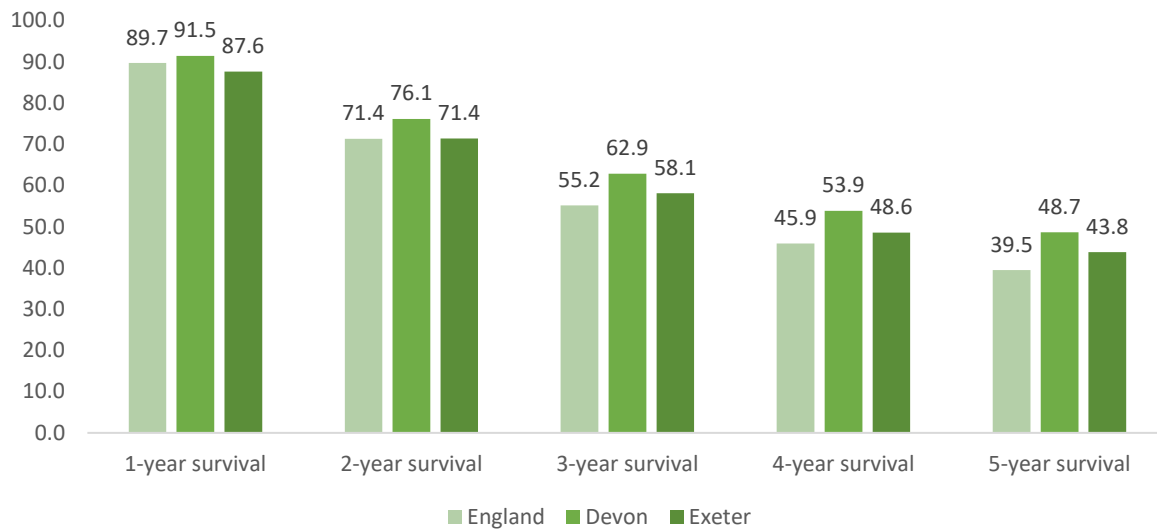
**Figure 10: Business deaths (2020)**



However, the business survival rate in Exeter is marginally lower than Devon, and broadly consistent with the England averages for 1 and 2 year survival.<sup>10</sup> For businesses between 3-5 years old, the business survival in Exeter is consistently higher than the England average, as shown in figure 1.10.

<sup>10</sup> Business Survival Rate, Interdepartmental Business Register, ONS, 2021

Figure 11: Business survival rate (2020)



## 1.6 Employment and economic activity

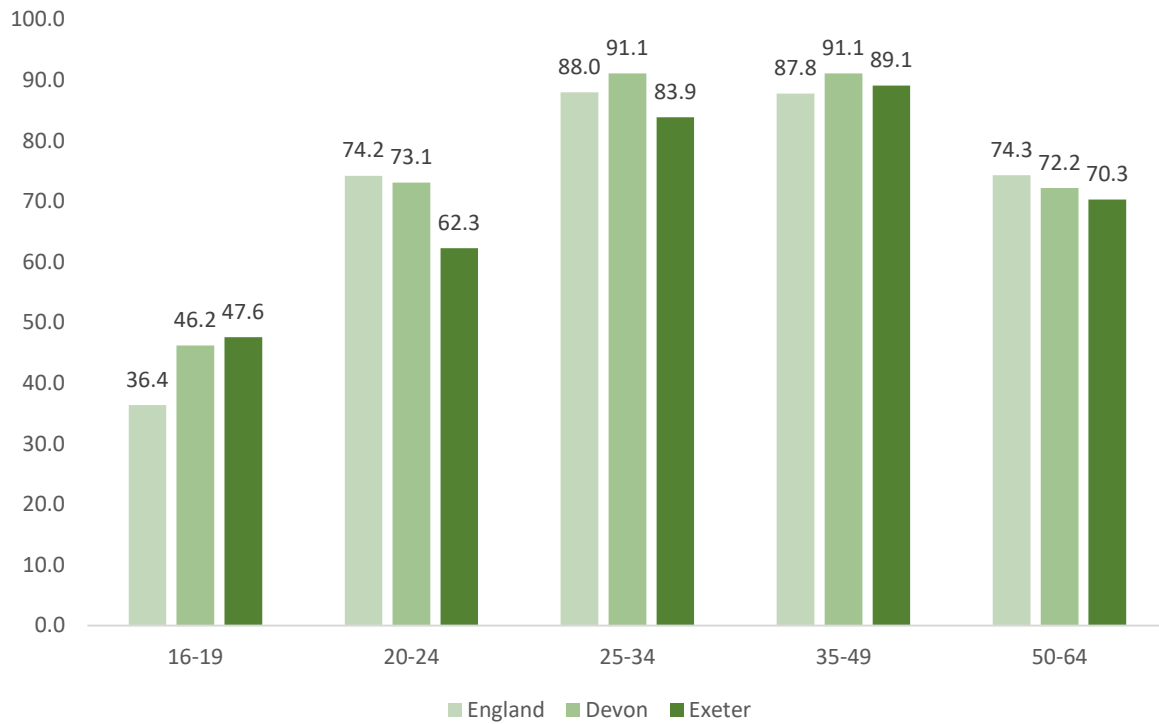
The rate of economic activity in Exeter (the number of people participating in the labour market including those in work and unemployed but seeking a job) has experienced a large fall since the Covid-19 pandemic. In March 2020 the economic activity rate in Exeter was 81.3%. The latest figures are 73.4%, or a fall of 7.9 percentage points over the two year period. Devon experienced a 5.5 percentage point fall in economic activity though from a higher starting point 83.3%. This brings Devon into line with the England average of 77.8%, whilst Exeter's is below the England average.

Though the data at lower geographies needs to be treated with caution due to scaling to this level, there is sufficient evidence that there has been an extensive shift in the number of working age individuals engaging with the labour market. The changes in economic activity rate in 2020 and 2021 may be a result of the 'Great Resignation' as individuals re-evaluate their working life and leave the labour market or move into other roles. One pattern seen across the post-pandemic economy in Exeter and Devon, is that many of the 50 to 64 year-old cohort has left the labour market. In Exeter, the proportion of 50 to 64 year olds economically active has fallen by 13.1 percentage points compared to 6.2 percentage points in Devon. A study by the ONS indicates that 6 in 10 would not be prepared to return to the labour market, and while 1 in 10 would, part time and flexible working patterns would be required to encourage them back.<sup>11</sup>

There are also far fewer economically active people in 20 to 24 age group in Exeter compared to Devon and England. This is likely a result of fewer students in the city and therefore looking for work.

<sup>11</sup> Reasons for workers aged over 50 years leaving employment since the start of the coronavirus pandemic, ONS, March 2022

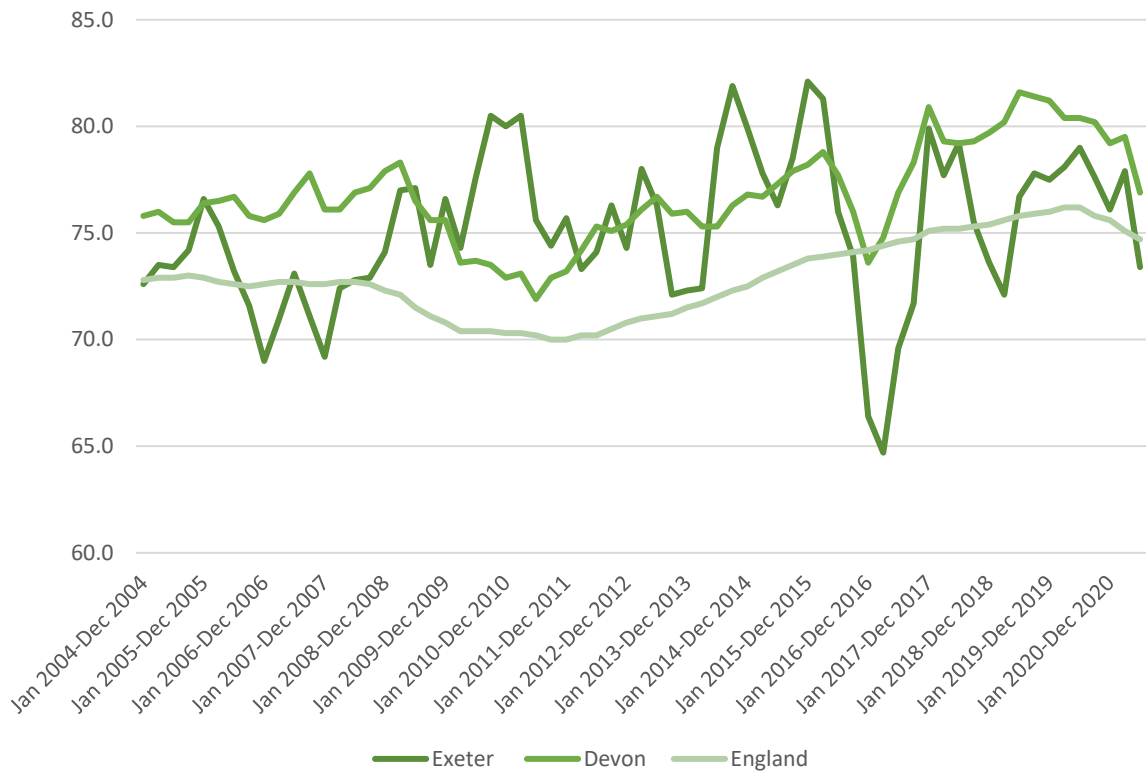
Figure 12: Economic activity across age groups 16+ (ONS, 2021)



The employment rate in 2021 in Exeter was at 73.4%, which is marginally lower than both Devon (76.9%) and England (74.4%).<sup>12</sup> The employment rate has decreased considerably since the beginning of the Covid-19, where previously the employment rate for Exeter was 78.1%, higher than the England average (76.2%).

<sup>12</sup> Annual Population Survey, ONS, 2022

Figure 13: Employment rate 2004-2020

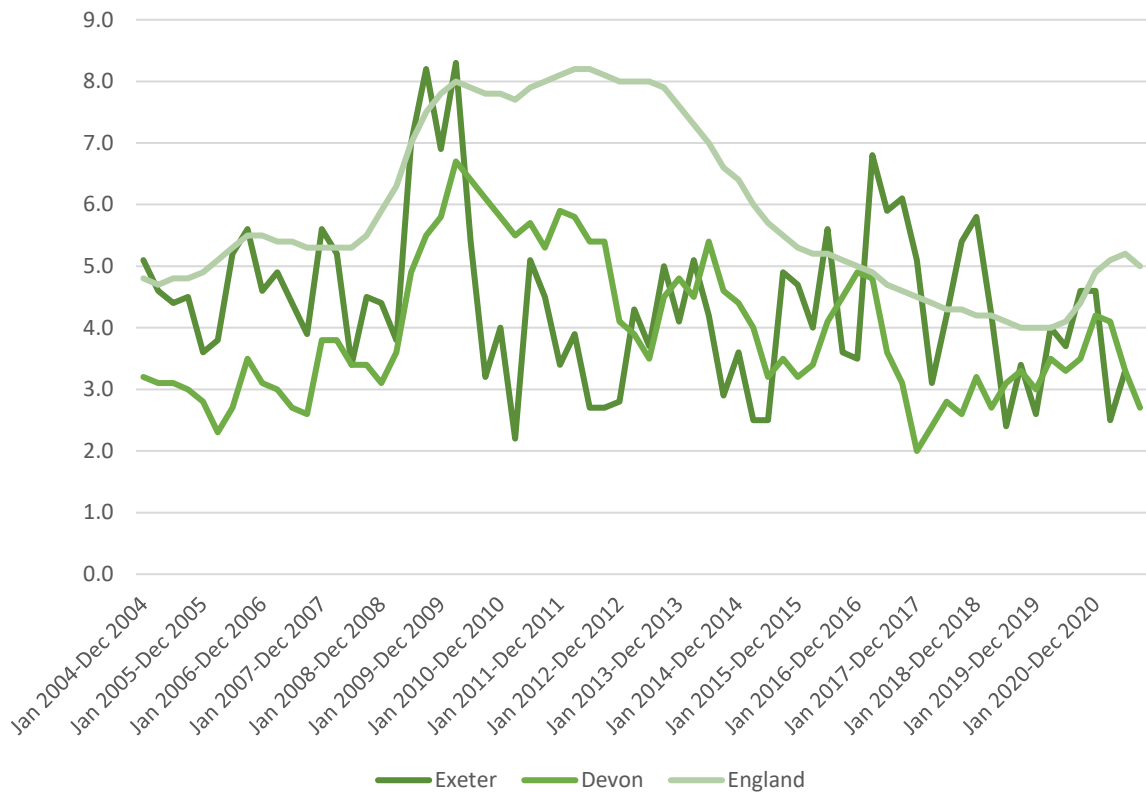


The unemployment rate for Exeter reflects these changes, and closely mirrors the national trends, albeit lower. In December 2019, unemployment was 2.6% in Exeter, 3% in Devon and 4% in England. By December 2020 this has increased to 4.6% in Exeter, 4.2% in Devon and 4.9% in England. In 2021, unemployment had fallen in Exeter and Devon and latest data shows unemployment is heading below 3% in these areas while in England it is still at 5%. While unemployment remains low, and there have been record levels of vacancies in the labour market (see below), the potential for unemployment to rise as the UK economy faces recession and inflation is increasing.<sup>13</sup> Latest indicators from those claiming universal credit for unemployment (where data is available up to March 2022) suggests unemployment remains low (2.3% by this measure which does not include those who are unemployed but not claiming out of work benefits).<sup>14</sup>

<sup>13</sup> Monetary Policy Committee Report, Bank of England, May 2022

<sup>14</sup> Claimant Count Unemployment, ONS, 2022

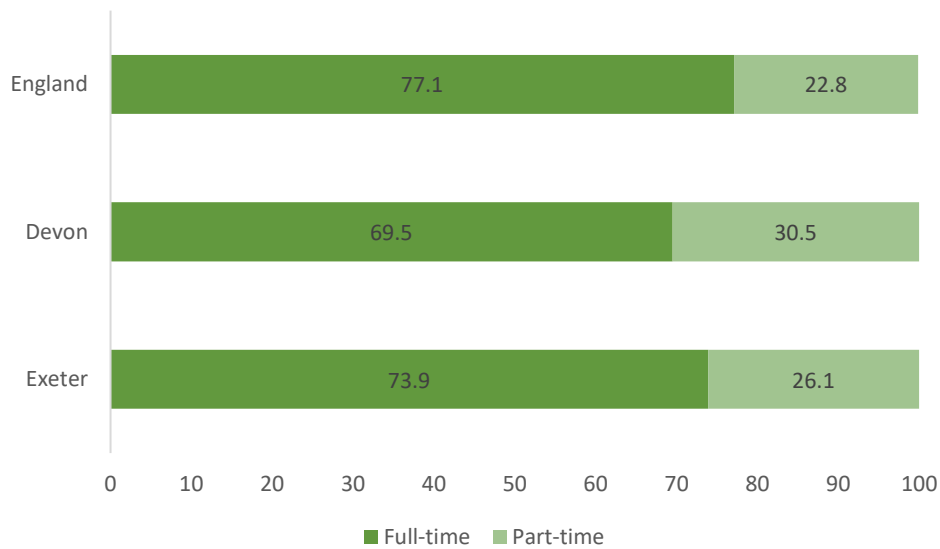
Figure 14: Unemployment rate 2004-2020 (ONS, 2021)



## 1.7 Employment patterns

The rate of full-time employment for those of working age in September 2021 in Exeter was 72.9%. Though there have been fluctuations in full time employment rates in Exeter over the last 5 years, the trajectory has generally been towards more full time employment compared to part time. The figures for Exeter are higher than the rate for Devon, but lower than the England average, as shown in figure 1.14.

Figure 15: Employment patterns (ONS, 2021)



Rates of self-employment in Exeter were 6.6% in 2021, lower than the Devon figure (14%) and below England (9.7%). While robustness of the data limits reliability at the lower Exeter geography, rates of self-employment had been trending upwards since 2012, alongside Devon and England. Though self-employment in Devon and England was decreasing prior to the pandemic, and for Exeter it appears to have been decreasing since 2018, the effect of Covid-19 has been to move more people away from self-employment and into more secure roles.

The Business Insights and Conditions survey provides some insight into the changing patterns of home working since the pandemic across the UK.<sup>15</sup> In June 2020, 27.8% of employees from currently trading companies were working remotely instead of their normal place of work with 41.2% working from their usual place of work as a consequence of the pandemic and lockdown measures.<sup>16</sup> By May 2021 this had fallen to 21.4% working remotely and 65.5% working in their usual place of work (with many having returned from furlough). The latest data suggests that 10.8% are working from home whilst 19.2% are using a hybrid model of working.

There is variation between sector with manual roles having lower proportions of individuals working from home than white-collar roles. 4.6% of construction employees are currently working from home, compared to 12.5% when monitoring started in June 2020 and 21.5% at the high point in January 2021. By contrast, 23.8% of people employed in the professional services are working from home in the most recent data compared to 24.5% in June 2020 and 46.1% in October 2020.

Among those who had worked from home during the pandemic, 85% want to use a hybrid approach to working going forwards.<sup>17</sup> In the sectors of prevalence in Exeter expected home

<sup>15</sup> It should be noted that survey questions change so data may not be consistent.

<sup>16</sup> Business Insights and Conditions Survey data, Wave 51, ONS, March 2022

<sup>17</sup> Business and individual attitudes towards the future of homeworking, UK: April to May 2021, ONS, June 2021

working is 19.1% in Arts, entertainment and recreation, 30.8% in Education, and 35% among Professional services with Construction (6%), Health (8.3%) and Accommodation and food services (2.8%) all far lower given the nature of work in these sectors.<sup>18</sup> This home working shift has had some implications for office space, with evidence suggesting that there is a shift from larger to smaller cities, which may increase as leases and working patterns stabilise.<sup>19</sup> It can also affect house prices with relocation to more desirable areas of the country and may be one factor in the increasing house prices in Exeter (see section 1.9 below). Working patterns are an important factor in employability and the future of work will have implications for the skills needs and labour market in Exeter.

**Figure 16: Rates of home working in the UK 2020-2022**



## 1.8 Furlough claimants

Many of the impacts of the Covid-19 on Exeter, and the UK labour market more broadly may have been deferred due to the Coronavirus Job Retention Scheme (colloquially known as the furlough scheme) introduced in April 2020. The cumulative number of employments on furlough in Exeter was 21,000. By sector on 30 September 2021 (ie. at the end of CJRR scheme), accommodation and food service still had a relatively high amount of furlough claimants (16.6%), higher than Devon and England. Wholesale and retail also still had high amount of claimants (17.2%), which was the same as Devon but higher than England. Equally, Exeter had a lower average for arts, entertainment and recreation (2.8%) and transportation and storage (4.1%) than both Devon and UK averages. Otherwise furlough claimant numbers were broadly speaking on par with Devon and English averages

<sup>18</sup> Business Insights and Conditions Survey data, Wave 51, ONS, March 2022

<sup>19</sup> The future of work after Covid-19, Lund et al. McKinsey, 2021



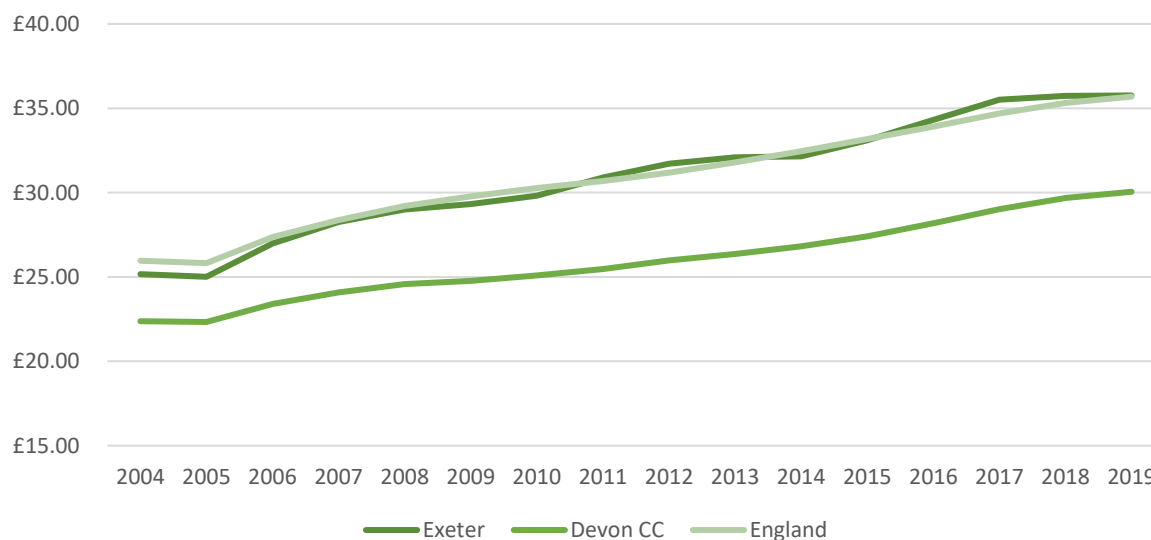
## 1.9 Job density

Job density is the number of jobs per head of the working age population. Areas with job density above 1 have more jobs than residents and therefore have roles being filled by individuals commuting into work from other areas. This is the case in Exeter as a hub for the wider region, with a job density of 1.22, higher than both Devon and the England average but also London and Manchester. The effect on skills and the labour market is that training has to be provided beyond the city and to residents within the wider travel to work area to ensure that there is the skills base to serve the number of roles in the local economy.

## 1.10 Output

Total Gross Value Added to the economy in Exeter was £5709m in 2019, which is a 38.9% increase since 2009.<sup>20</sup> Per hour (an indicator of productivity) GVA is £35.80 in 2019, an increase of 22% since 2009.<sup>21</sup> This figure is comparable with the average for England, but higher than the Devon average of £30.10.

Figure 17: Gross Value Added 2004-2019



## 1.11 Hours and earnings

Mean hours worked reflect the balance of part time to full time workers, with mean hours worked in a week 33.1h for residents of Exeter in 2021, and 32h for those whose workplace is in Exeter. These figures are comparable with the England averages, with Devon lower at 31.8h.

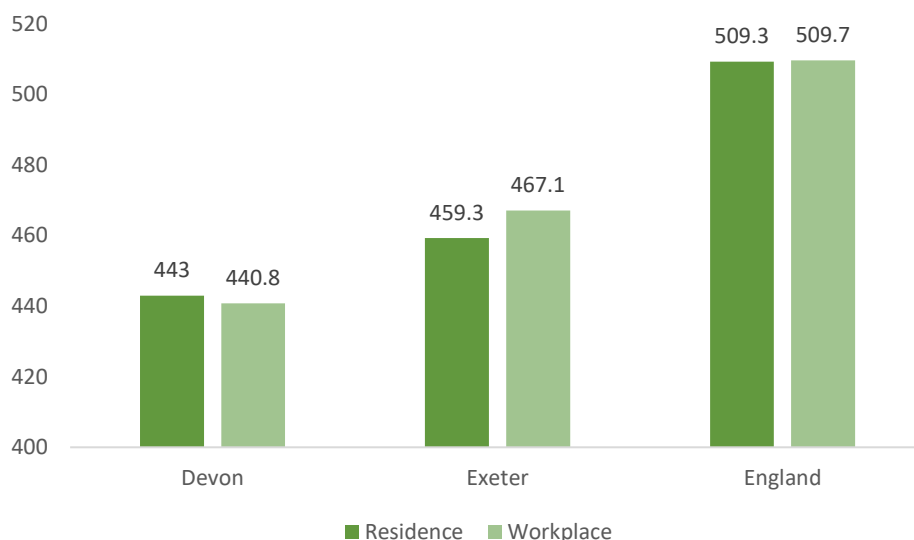
Average earnings per week demonstrate the commuting patterns in Exeter from other areas for higher paid roles. The average gross weekly pay by residence is £459.30, whilst this figure

<sup>20</sup> Regional Gross Value Added (balanced), ONS, 2020

<sup>21</sup> Subregional productivity: Labour productivity indices by local authority district, ONS, 2020

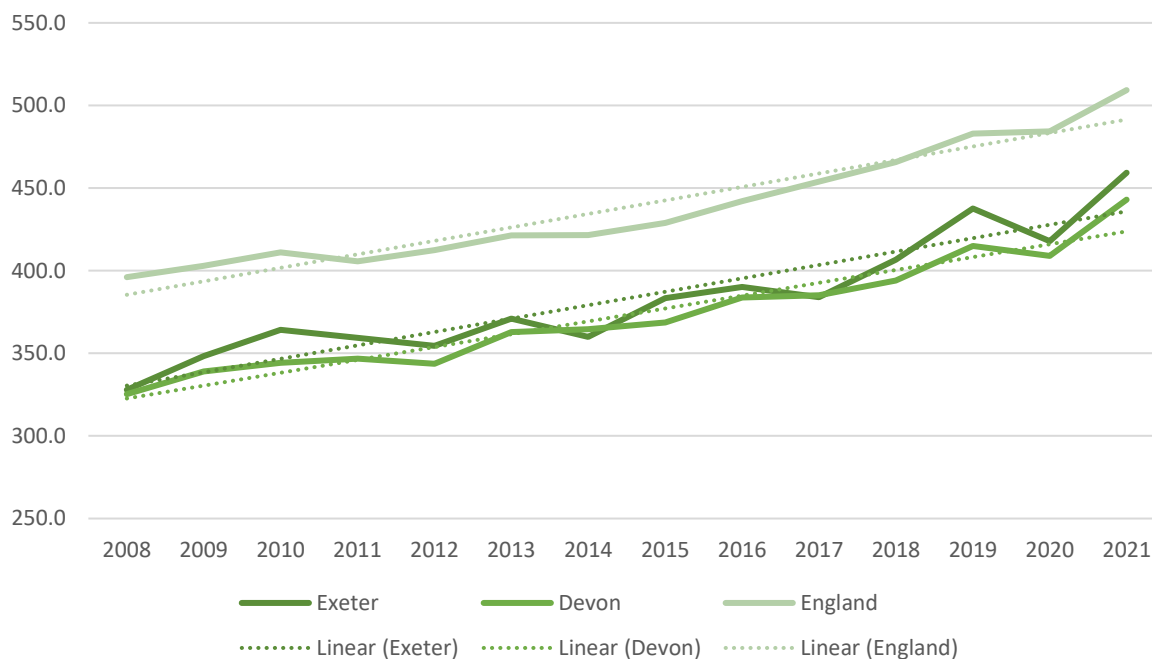
is higher at £467.10 by workplace. Comparatively, the earnings by workplace are lower than the earnings by residence in Devon.

**Figure 18: Median weekly earnings by workplace and residence in 2021 (ONS, 2021)**



Both these averages are lower than the average for England; resident earnings in Exeter are 10% lower than the England average. Over time, weekly earnings have increased at a similar rate to England but the gap has remained constant, as shown by the trendlines in figure 1.18.

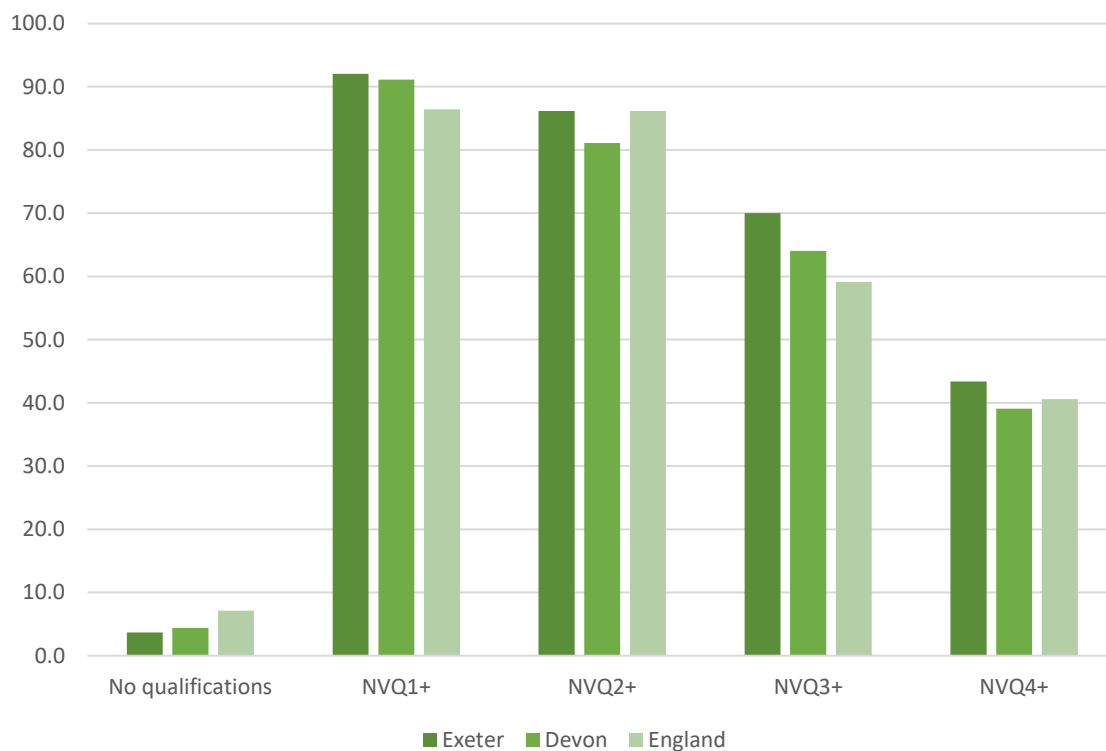
**Figure 19: Median weekly earnings by residence 2008-2021 (ONS, 2021)**



## 1.12 Qualifications

Qualifications data for Exeter indicates that a large proportion of the resident population holds Level 4 and above qualifications at 43.4% compared to 39.1% in Devon and 40.6% across England (three-year average). Only 3.7% of Exeter residents have no qualifications, which is almost half the proportion of England at 7.1%. The qualification level and skills of the local labour market are one of the key factors in the productivity and earnings in the city. However, while qualifications are high, there remain skills shortages and challenges with recruitment, as explored in section 1.16 below.

**Figure 20: Three-year average qualification rates in the working age population (2018-2020)**



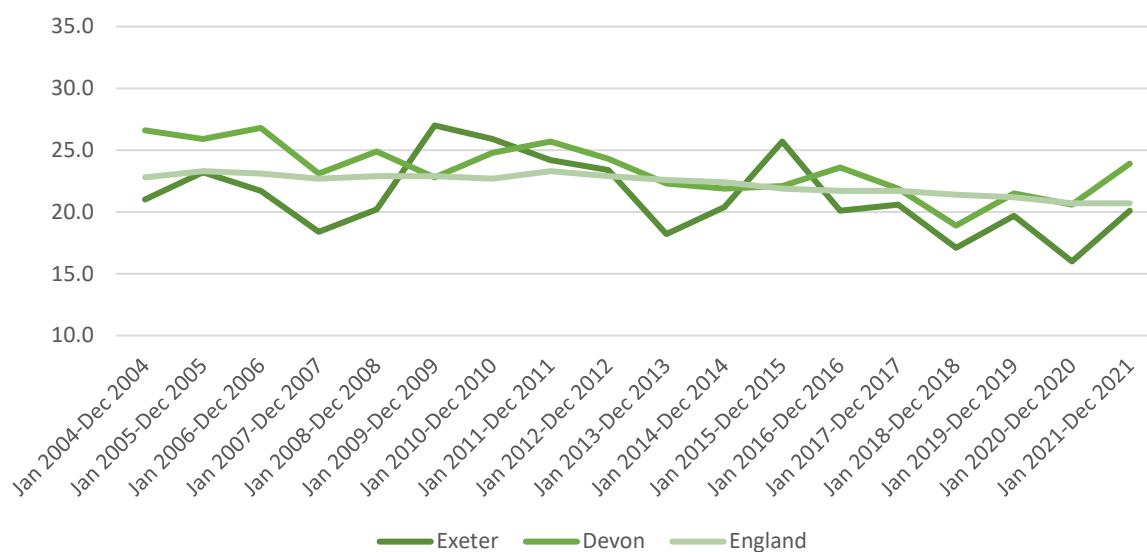
### 1.12.1 GCSE and A Levels

In Exeter 20.1% of the working age population hold GCSE grades A-C or equivalent.<sup>22</sup> This is similar to the England average (20.7%), but below the average for Devon (23.9%). Average attainment 8 scores in Exeter are only available by school in the recent data and vary between 40.7 to 50.9 where nationally the average is 46.7.<sup>23</sup> City wide data from 2017 had average attainment 8 figures for Exeter as 49.4.

<sup>22</sup> KS4 Outcomes, Department for Education, 2022

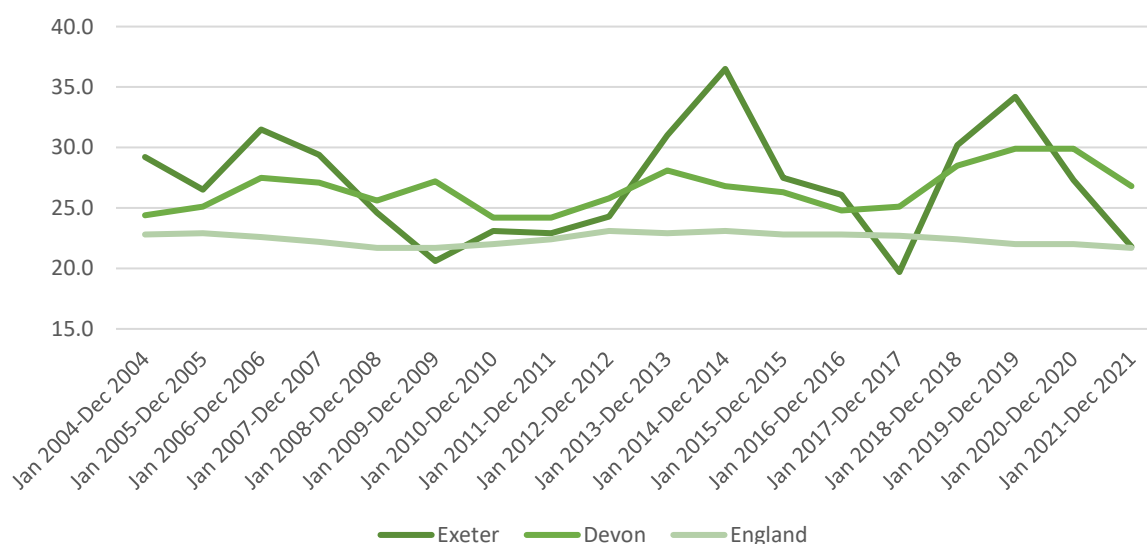
<sup>23</sup> KS4 attainment 8 distribution by local authority district data 2020/21, Department for Education, 2021

**Figure 21: GCSE Attainment Levels 2004-2021**



A level attainment in Exeter (21.8%) is slightly higher than the England average (21.7%).<sup>24</sup> The proportion of pupils getting AAB grades or higher ranged from 10.4% at Exeter College to 71.7% for Exeter Mathematics school.<sup>25</sup> However, it should be pointed out that Exeter College accounted for over 1,000 individuals compared to 62 at the Mathematics school. In England the average number of students getting AAB or higher was 14.1% in 2020/21 and 13.6% in Devon.

**Figure 22: A Level Attainment Levels 2004-2021**



<sup>24</sup> KS5 Outcomes, Department for Education, 2022

<sup>25</sup> A Level and other 16-18 results 2020/21, Attainment and other performance measures, Department for Education, 2021

### 1.12.2 Apprenticeship achievement

Apprenticeships and traineeships data (2021/22) show that more young people in Exeter and Devon undertake an apprenticeship than nationally (4.6% compared to 2.7%) though the types of apprenticeship pursued are relatively similar to the national picture.<sup>26</sup> Exeter has a larger proportion of apprentices completing construction and education apprenticeships, with fewer in engineering and business apprentices than the national average. There has been a decrease in the number of participants in apprenticeships, as there has been nationally with 570 starts in 2021/22 compared to 800 in 2019/20 and 840 in 2020/21.

### 1.12.3 Higher education qualifiers

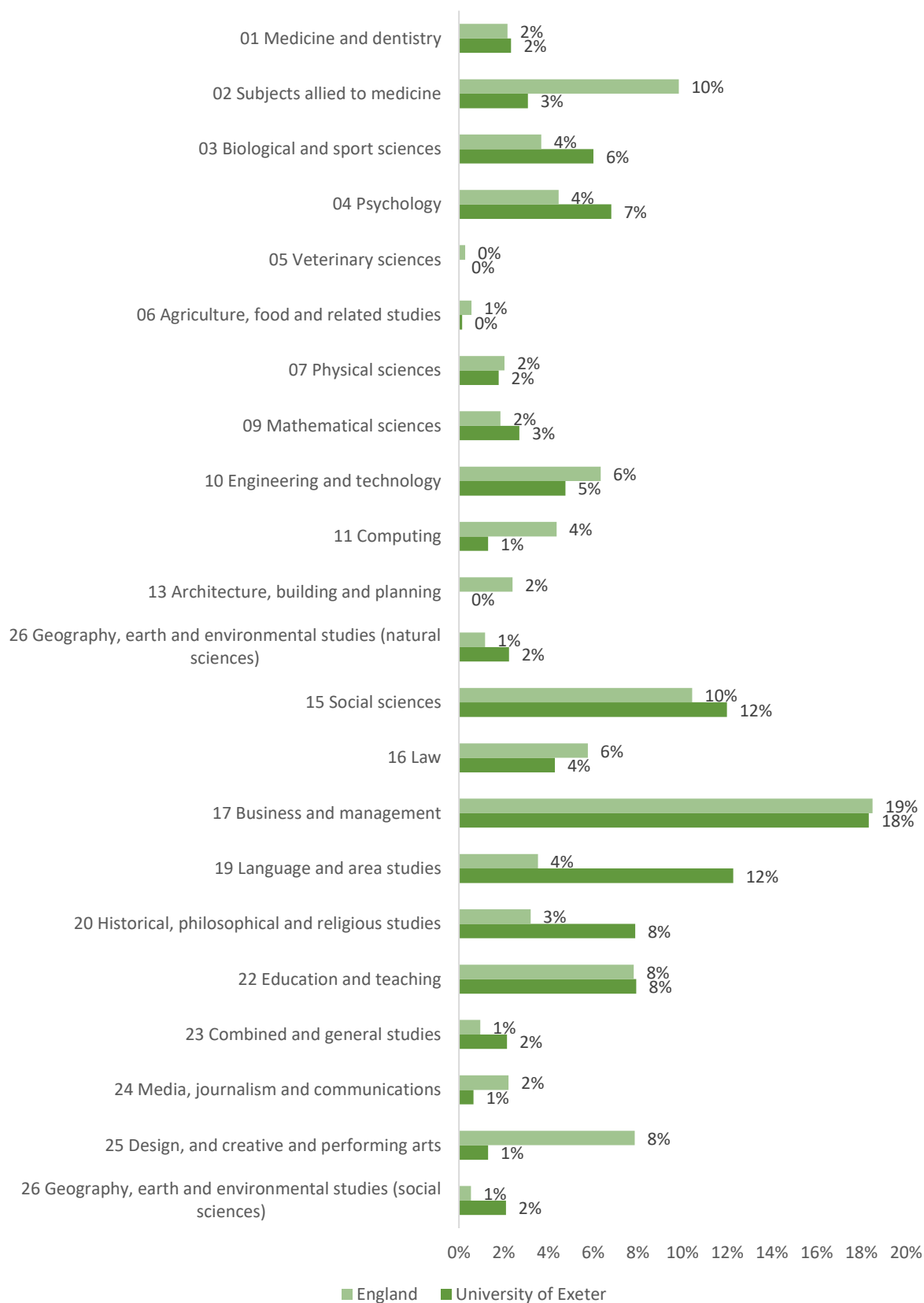
Data from the Higher Education Statistics Agency show that the University of Exeter has a large proportion of graduates in psychology, biology and sport sciences, social sciences, languages, history and philosophy compared to the national averages.<sup>27</sup> It produces comparatively fewer graduates in law, computing, and engineering.

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<sup>26</sup> Apprenticeships and traineeships, 2019 - 2022 Academic Years, Department for Education, 2022

<sup>27</sup> Graduate Outcome Data, Higher Education Statistics Agency, 2018/19

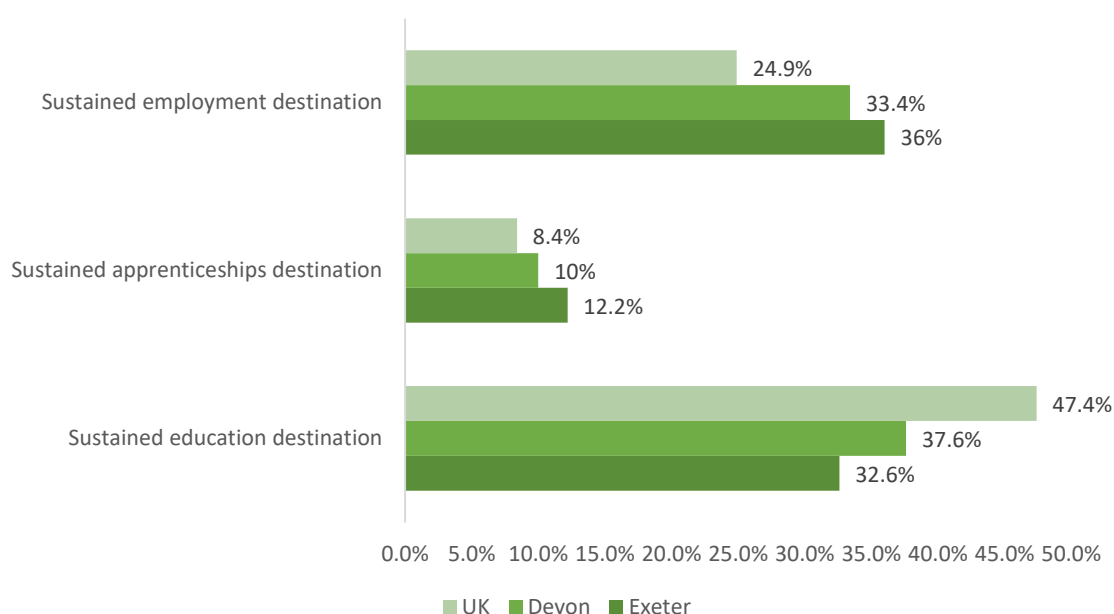
Figure 23: Higher Education graduates by course 2018/19



## 1.13 16-18 destinations

Destination data for 16-18 year old school leavers for the academic year 2019/20 shows that Devon and Exeter have significantly lower rates of young people going into education than the UK average.<sup>28</sup> Instead, 36% of 16-18 year olds in Exeter go into employment compared to 25% in the UK and 12.2% pursue an apprenticeship. Across Devon, 58.5% of pupils from mainstream schools (6<sup>th</sup> Form) progressed on to university degrees in 2017/18 compared to 69.6% in England.<sup>29</sup>

**Figure 24: Destinations of 16-18 year olds 2020**



Total progression to higher education and training demonstrates that the proportion of level 3 students that progressed onto level 4 or higher destination has been increasing year-on-year in Exeter, from 49.6% in 2016/16 to 57.5% in 2017/18.<sup>30</sup> Exeter remains below both Devon and England but the gap is closing; there has been a 7.9% increase since 2015/16 compared to 4.1% in Devon and England. Exeter has also experienced an increase in the proportion of L3 students progressing onto apprenticeships, from 0.7% in 2015/16 to 1.9% in 2017/18. The rate in Exeter is higher than in Devon and is also now above the England average.

Exeter has seen a further increase in the proportion of L3 students progressing into degrees, from 41.4% in 2015/16 to 50.1% in 2017/18, however this is still behind Devon and England averages, reflecting the different destination choices for 16-18 year-olds above. However, the pattern is shifting with change over time increasing in Exeter is 8.7%, compared to 5.3% in

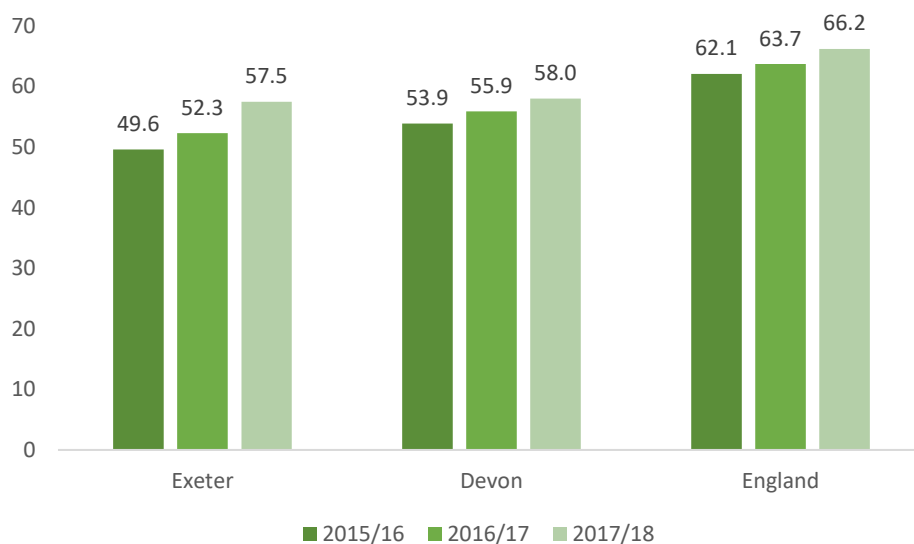
<sup>28</sup> KS4 & KS5 destinations of 2019/20 leavers, 16-18 destination measures, Department for Education, October 2021

<sup>29</sup> Progression to higher education or training: 2019/20, KS4, Department for Education, 2020

<sup>30</sup> Further education: outcome-based success measures 2018/19, Destinations by local education authority, Department for Education, October 2021

Devon and 4.1% in England. Finally, Exeter has seen a decrease in the proportion of L3 students progressing onto L4 or L5 destination, from 7.5% in 2015/16 to 5.4% in 2017/18, though this is still higher than Devon and England averages. This could be due to the substitution effect towards more university degrees.

**Figure 25: Progression to higher education or training over time from L3**



## 1.14 Graduate attraction and retention

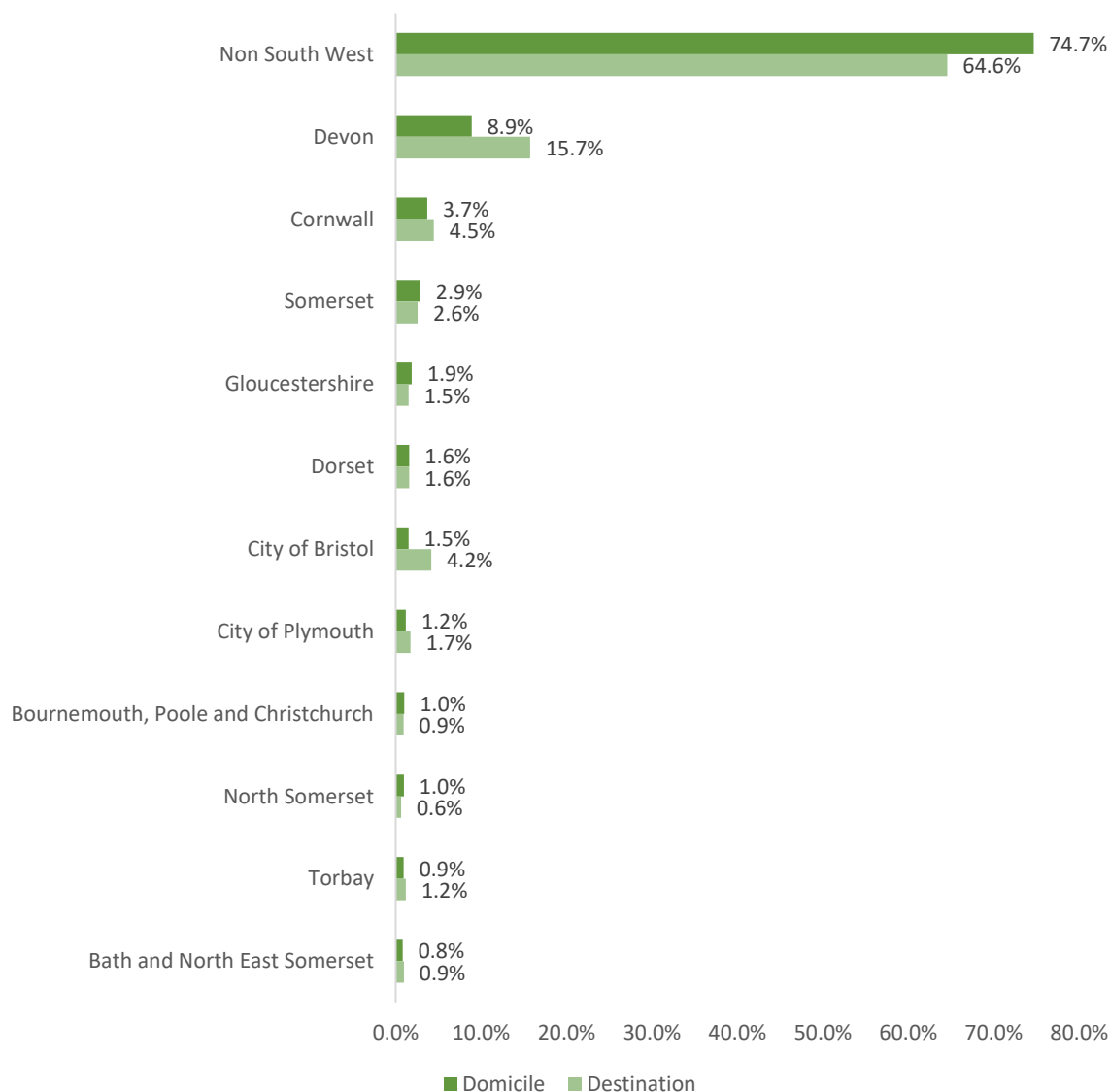
Graduate retention is a key challenge facing Exeter. Figures show that students at the University of Exeter mostly come from outside of the South West, particularly from London and the South East and upon graduating many return to their home domicile.<sup>31</sup> In the 15 months after graduating 15.7% of University of Exeter graduates are still in Devon with 8.9% domiciled there before, attracting a net gain of 5.8%. 19.7% are in the wider South West where 16.4% were located previously (with much of the addition going to Bristol).<sup>32</sup>

<sup>31</sup> Where do HE students come from?, Higher Education Statistical Agency, February 2022

<sup>32</sup> HESA Graduate Outcomes Survey Results Record 2018/19, HESA, 2022



Figure 26: University of Exeter graduate domicile location 2018/19



5 years after graduating, there is a larger shift towards the South East and London where 58.4% now reside, though 23.8% are in the South West, though this is the same proportion who were in the South West to begin with so there has been no net gain.<sup>33</sup>

<sup>33</sup> Graduate Outcomes (LEO): provider level data, 2018/19, Department for Education, 2020

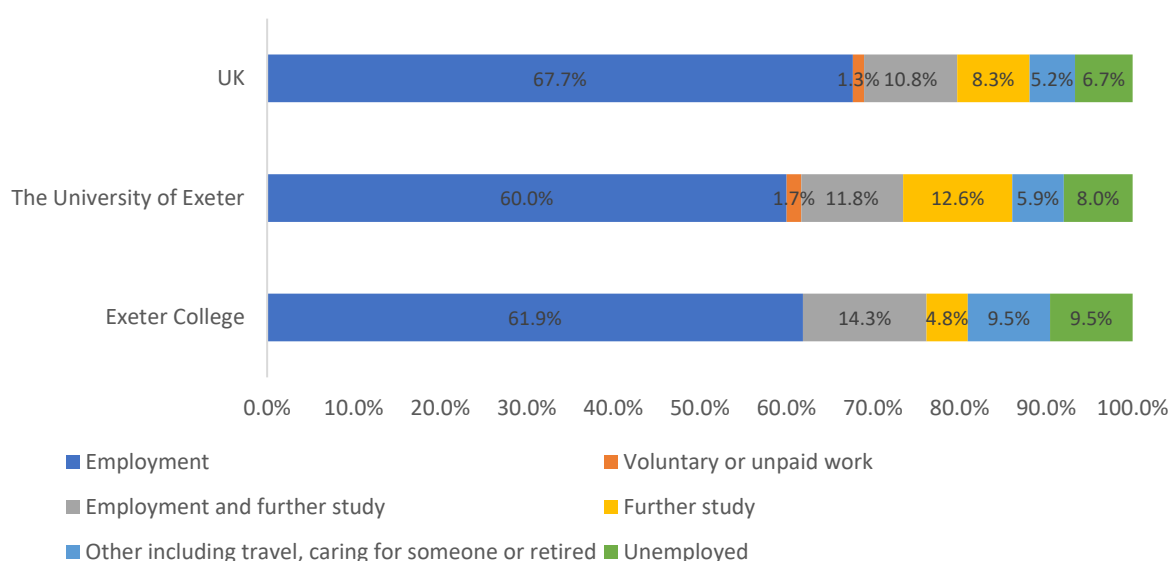
Table 1: Graduate destination by graduate home region 2018/19

		Current region											Total		
		North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West	Scotland	Wales		Northern Ireland	
Home region	North East	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	<b>0.0%</b>
	North West	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	<b>2.1%</b>
	Yorkshire & the Humber	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	<b>0.8%</b>
	East Midlands	0.0%	0.0%	0.0%	1.7%	0.0%	0.0%	1.1%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	<b>3.4%</b>
	West Midlands	0.0%	0.0%	0.0%	0.0%	3.6%	0.0%	2.1%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	<b>6.5%</b>
	East of England	0.0%	0.0%	0.0%	0.0%	0.0%	6.3%	3.8%	0.8%	1.1%	0.0%	0.0%	0.0%	0.0%	<b>12.0%</b>
	London	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	12.2%	0.8%	1.0%	0.0%	0.0%	0.0%	0.0%	<b>14.4%</b>
	South East	0.0%	0.0%	0.0%	0.0%	0.4%	0.6%	10.5%	18.8%	2.7%	0.0%	0.0%	0.0%	0.0%	<b>32.9%</b>
	South West	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	4.8%	1.5%	16.9%	0.0%	0.0%	0.0%	0.0%	<b>23.8%</b>
	Scotland	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	<b>0.4%</b>
	Wales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.8%	0.0%	2.3%	0.0%	0.0%	<b>3.8%</b>
	Northern Ireland	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	<b>0.0%</b>
	Total	<b>0.0%</b>	<b>1.1%</b>	<b>0.8%</b>	<b>1.7%</b>	<b>4.0%</b>	<b>8.0%</b>	<b>36.5%</b>	<b>21.9%</b>	<b>23.8%</b>	<b>0.0%</b>	<b>2.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>

## 1.15 Graduate outcomes

Graduate activities for the academic years 2017/18 to 2018/19 show that University of Exeter and Exeter College both have lower rates of graduates attaining employment than UK average, however both have higher than UK average rates for employment and further study. University of Exeter graduates are more likely to engage in voluntary or unpaid work than UK average or Exeter College graduates, and the same pattern can be seen for those engaging in further study. Both University of Exeter and Exeter College have higher than UK average rates for unemployment and other outcomes including travel and caring, which is particularly high for Exeter College.

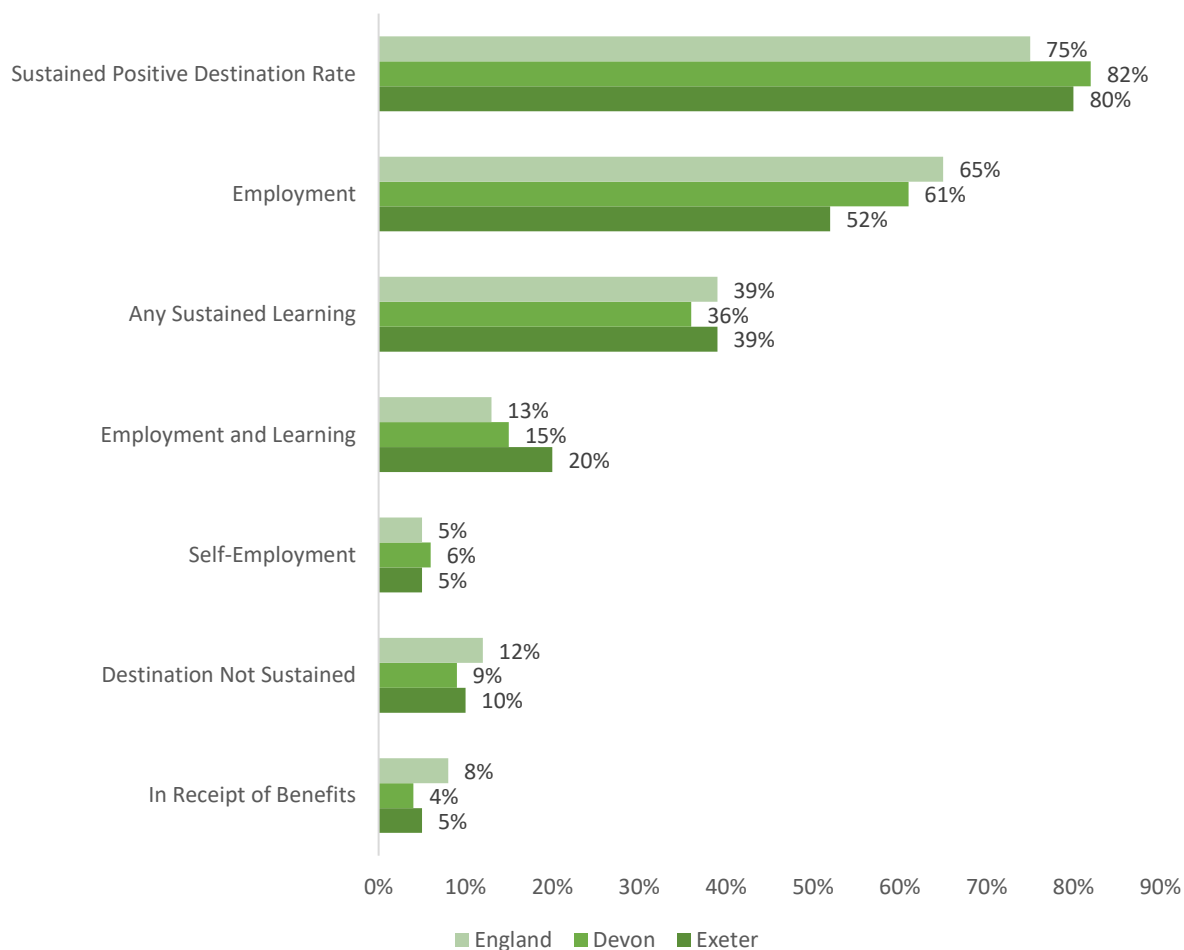
**Figure 27: Graduate outcomes 2017/2018 and 2018/2019 (HESA, 2021)**



Considering further education outcome-based success measures, Devon and Exeter have higher sustained positive destination rate than England average, but this figure is marginally lower for Exeter than Devon.<sup>34</sup> Employment in Exeter and Devon is lower than England average (in line with Graduate Outcome findings above). Further Learning is higher in Exeter than Devon, but on par with England which is roughly in line with findings above. Combining employment and learning is higher in Exeter than in Devon, and both are higher than England, again in line with findings above. Combining further study and employment together appears popular in Exeter, which may be a reflection of the high cost of living and cost of further study. Finally, Exeter and Devon perform better than the English average for destinations not sustained or being in receipt of benefits.

<sup>34</sup> Further education: outcome-based success measures 2018/19, Destinations by local education authority, Department for Education, October 2021

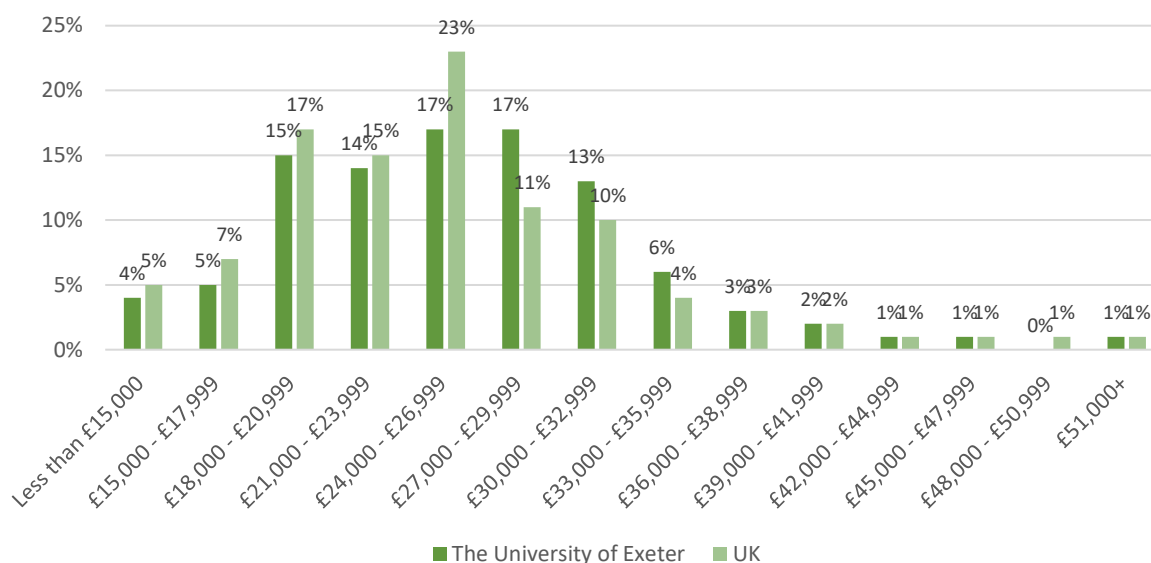
Figure 28: Graduate outcomes breakdown 2017/2018 and 2018/2019



Data on UK domiciled graduates who obtained first-degree qualification and entered full-time paid employment in the UK by provider and salary band indicates that Exeter has a broader distribution of salaries than UK averages. More Exeter graduates earn higher salaries from £27-£29k salary band onwards.<sup>35</sup> Average earnings across all University of Exeter graduates are higher at 1, 3 and 5 years after graduating than the UK average.

<sup>35</sup> Graduate outcome data, Higher Education Statistics Agency, 2021

**Figure 29: UK domiciled graduates who obtained first-degree qualification and entered full-time paid employment in the UK for University of Exeter and UK by salary band 2018/19**



**Table 2: Average earnings for University of Exeter graduates 2018/19**

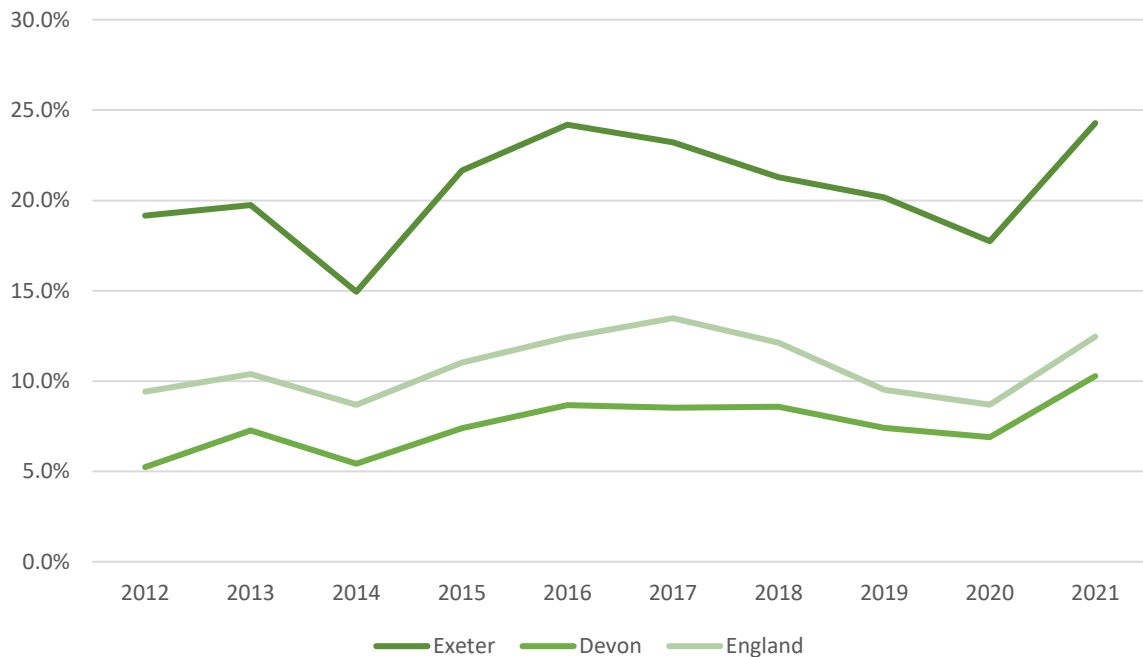
HEI	1 year after graduation	3 years after graduation	5 years after graduation
<b>University of Exeter</b>	£23,000	£28,100	£32,500
<b>UK</b>	<b>£21,100</b>	<b>£25,000</b>	<b>£27,700</b>

## 1.16 Skill gaps and job vacancies

Burning Glass data for total job postings shows that the annual change in the number of job postings since 2013 in Exeter has closely mirrored national and Devon trends.<sup>36</sup> Despite a gradual decrease in job vacancies leading up to 2019, Exeter witnessed a sharp increase in vacancies from 2020 onwards to 2021. This is characteristic of a tighter labour market, with too many job roles and too few suitable candidates.

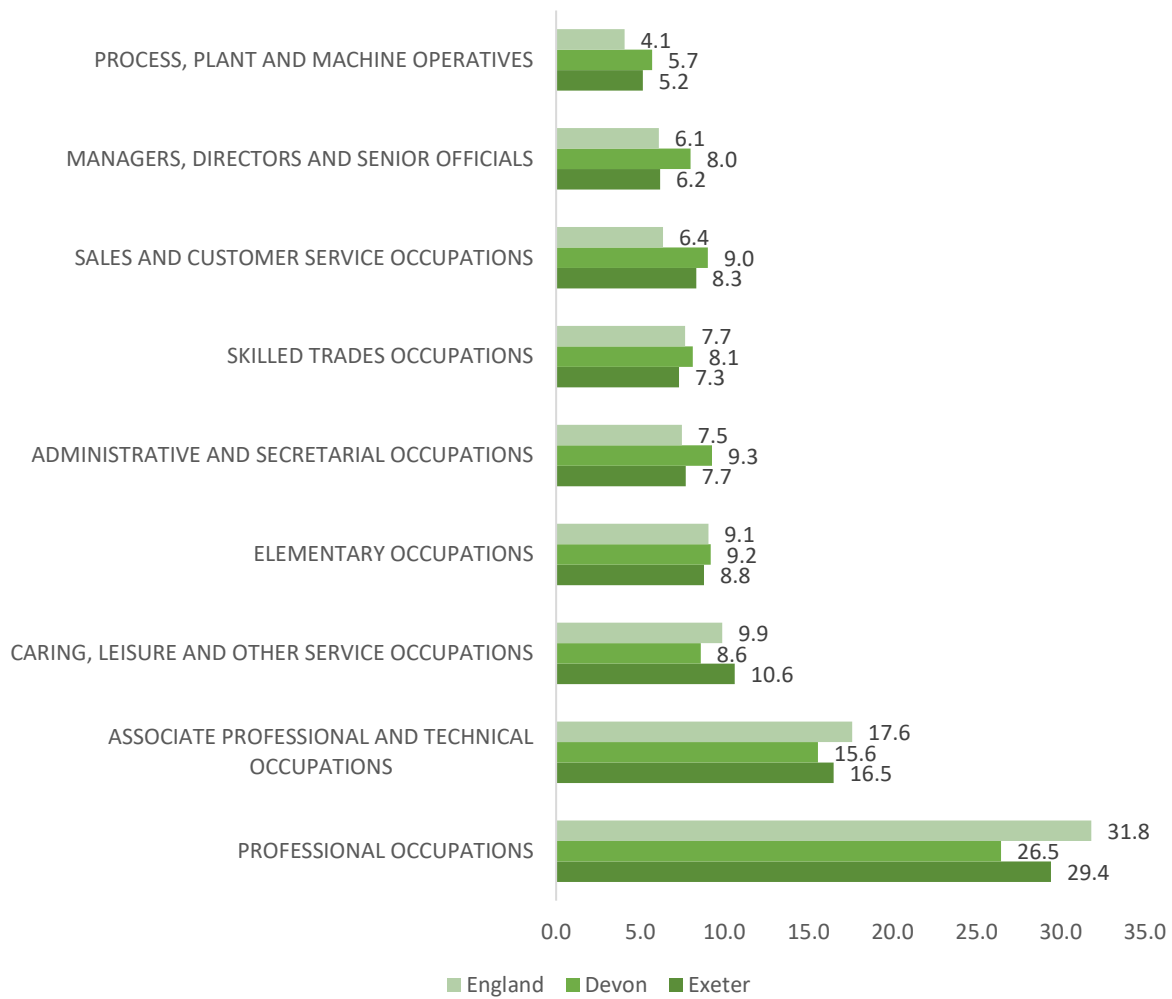
Job postings as proportion of total population since 2012 has been higher than in England and Devon. Exeter has consistently stayed between 15% and 25% of total population, while Devon and English average has stayed between 5% and 15% of total population. In January 2021, Exeter had 32,364 job postings, which was 17.7% as proportion of total population. For Devon this figure was 6.9%, and for England 8.7%. This indicates there was a high rate of vacancies in Exeter compared to Devon and English averages. However, this also reflects that many of the jobs in Exeter will be attracting individuals from the travel to work area to fill the posts.

<sup>36</sup> Job posting data, Burning Glass, Accessed April 2022

**Figure 30: Job postings as a proportion of total population**

Broadly, vacancies by occupation in Exeter track trends in England and Devon, with the highest amount of vacancies for professional occupations, followed by associate professional and technical occupations. This reflects earlier findings that Exeter is a hub for the professional services in Devon. Professional occupations represent 29.4% vacancies in Exeter compared to 26.5% in Devon. Exeter also has more vacancies for higher-skilled roles than the rest of Devon where lower-skilled vacancies are also in demand. There is also relatively high demand for caring, leisure and other service occupations, reflecting Exeter's hospitality industry and health & social care sector. It should be noted that Exeter's figures are more closely aligned with English average than with Devon average.

**Figure 31: Vacancies by occupation 2021**

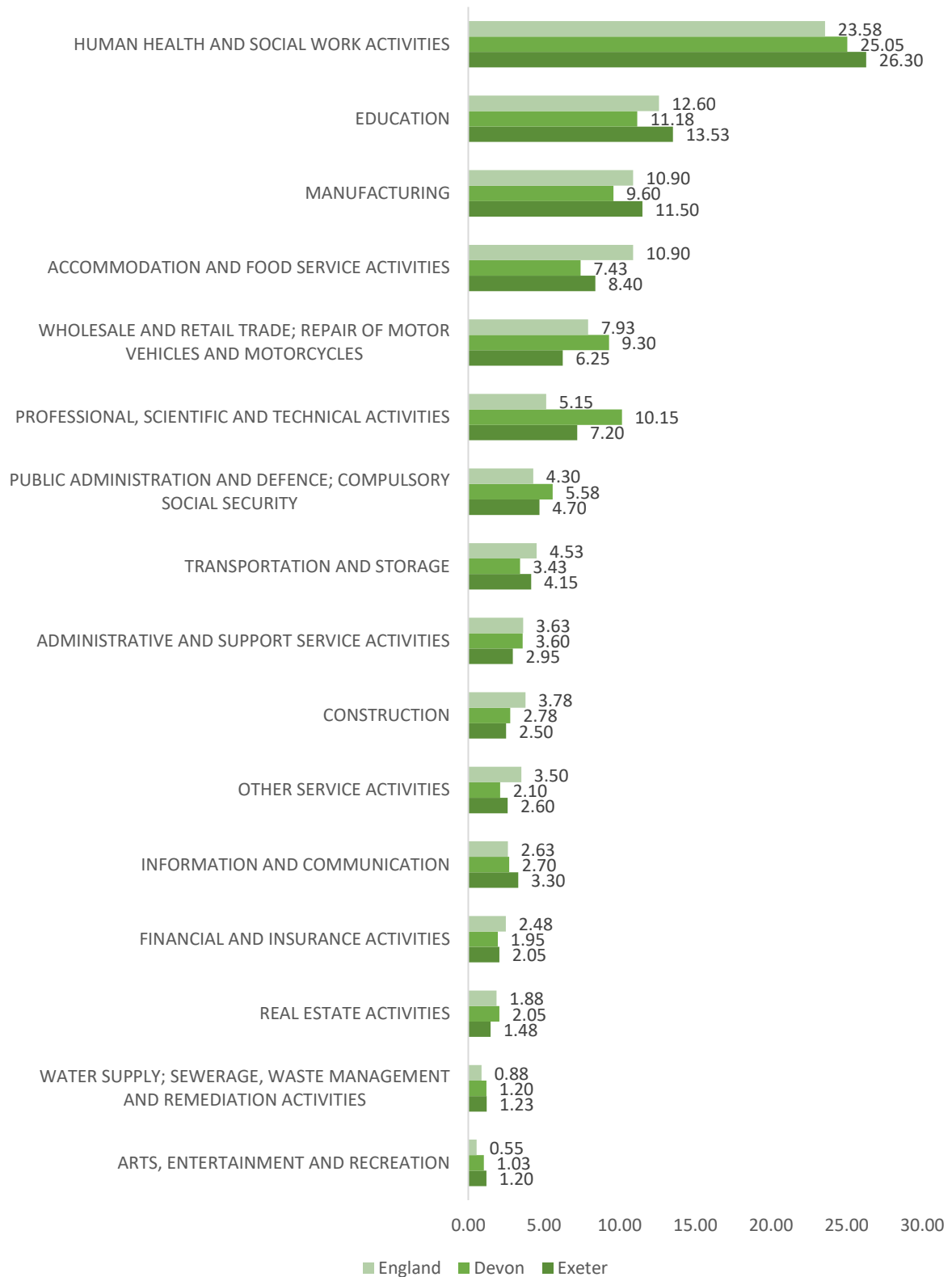


By sector, vacancies in Exeter generally also track national and Devon averages, with the highest demand for human health and social work activities, though Exeter has the highest proportion of vacancies at 26.3% compared to 25.1% in Devon, and 23.6% in England. Education, manufacturing, accommodation and food service activities are also in high demand.

Although Exeter is a hub for professional, scientific and technical activities, it has a lower proportion of vacancies in this industry than in Devon (7.2% in Exeter, 10.2% in Devon), which may suggest that Exeter has a better labour supply for this industry than the rest of Devon. Both have higher demand than England average, indicating that there are still some labour gaps.

Although there are proportionately much fewer information and communication vacancies in Exeter, Devon and England than many of the other industries, it is notable that Exeter has a higher proportion of these; 3.3% compared to 2.7% in Devon, 2.6% in England.

**Figure 32: Vacancies by sector in 2021**

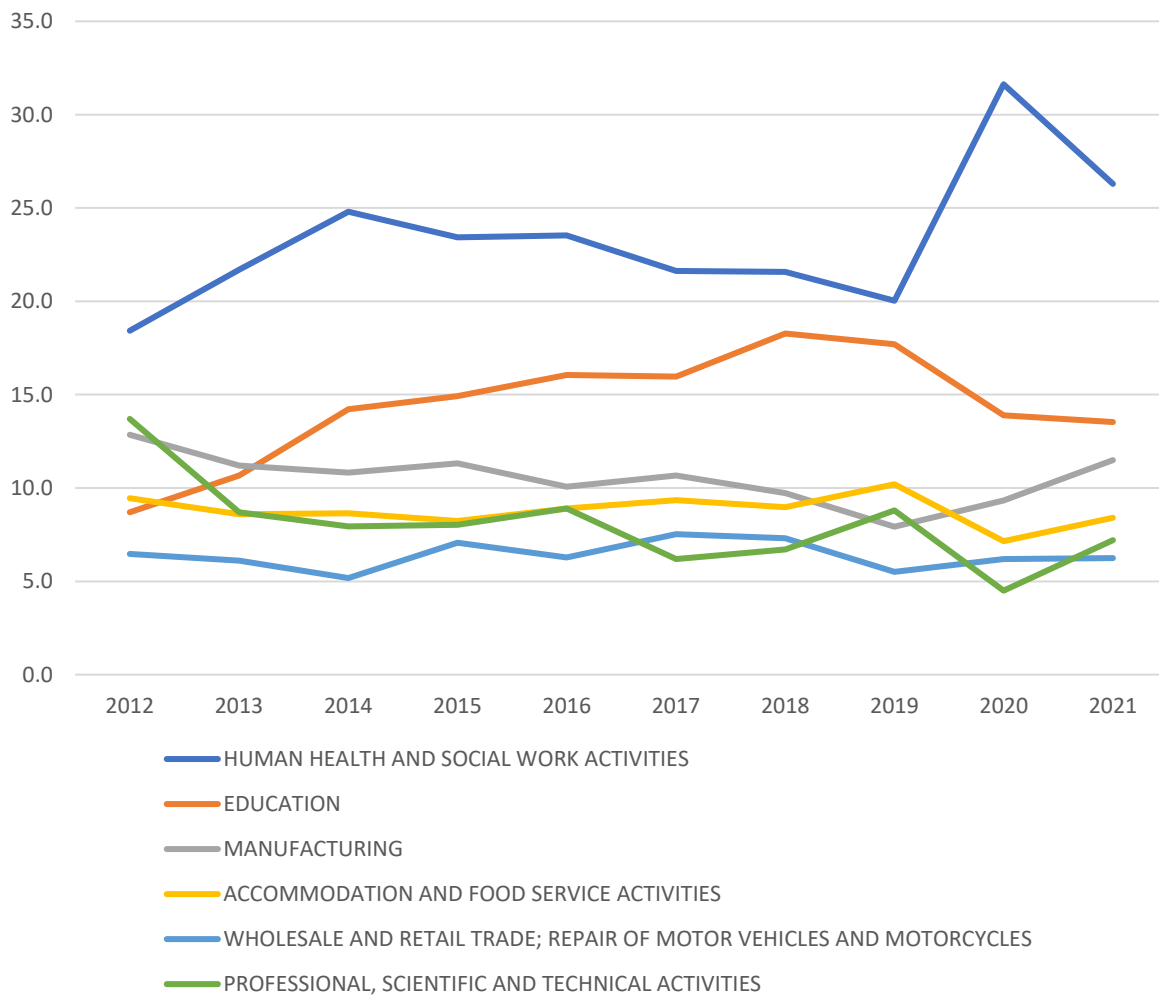


Reviewing vacancies by industry over time, since 2012, human health and social work activities has consistently had the highest number of vacancies in Exeter. There was a sharp increase from 2019 to 2020 due to the Covid-19 pandemic, from 20% of vacancies to 31.6%.



This has since started declining, but still remains at 26.3% of all vacancies. Education has the second-highest amount of vacancies since 2013, with increasing gaps until 2018, after which it has steadily decreased but still remains high. Manufacturing and accommodation and food service activities have both seen an increase in vacancies since 2020.

**Figure 33: Vacancies by industry in Exeter 2012-2021 for 6 biggest sectors by number of vacancies**

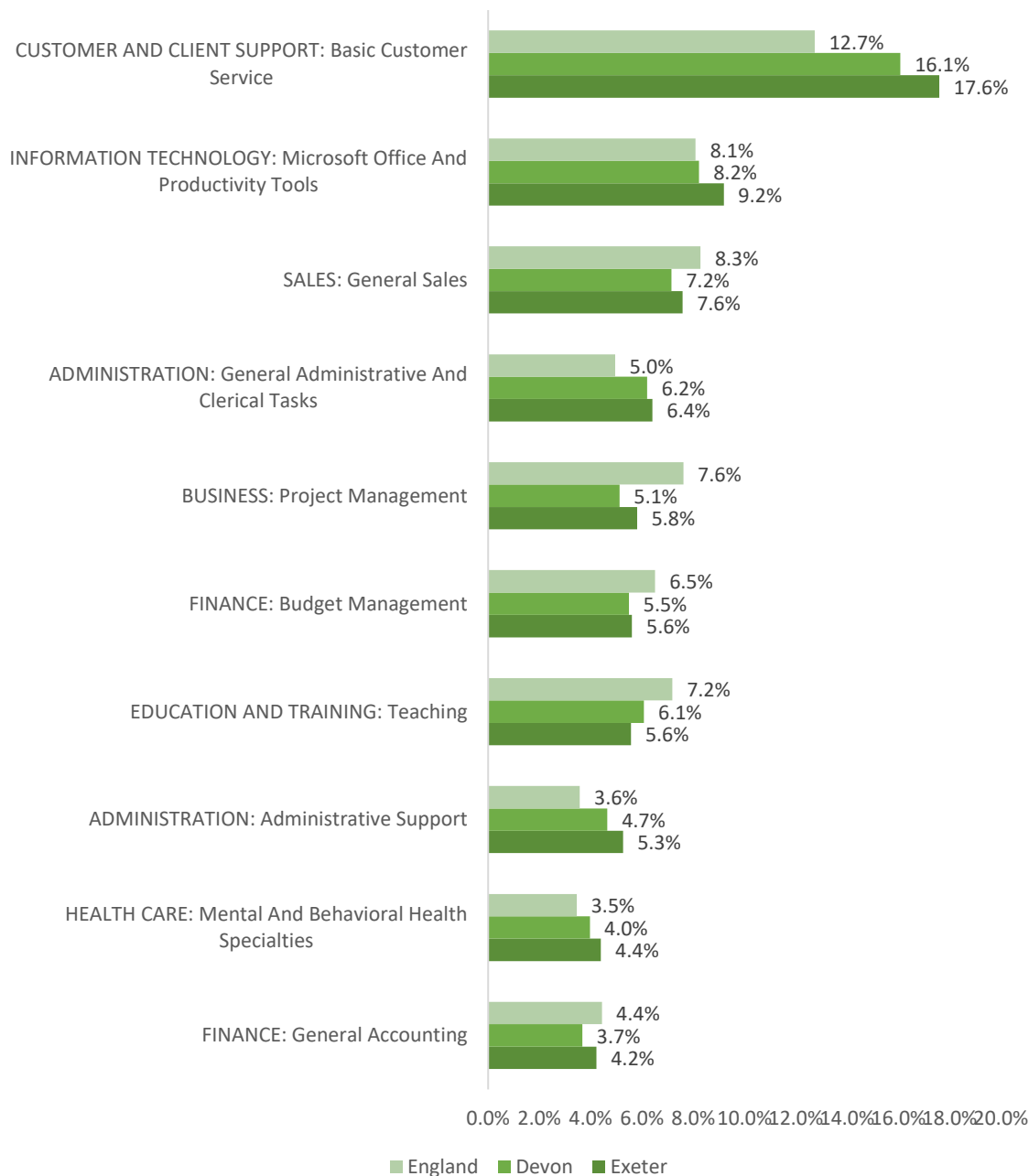


The skills most cited in vacancy postings (suggesting high demand) in Exeter were customer and client support (basic customer service) at 17.5% compared to 16.1% in Devon and 12.7% in England. The Top 5 skills in demand in Exeter are:

- Customer and client support 17.6%
- Information technology 9.2%
- Sales: 7.6%
- Administration: 6.4%
- Business: project management: 5.8%

Exeter also has higher demand than Devon and England for Microsoft Office and productivity tools, general administrative and clerical tasks and mental and behavioural health specialities. The overall themes are that sales, general IT, admin, business and finance skills are needed in Exeter, reflecting the sectors locally.

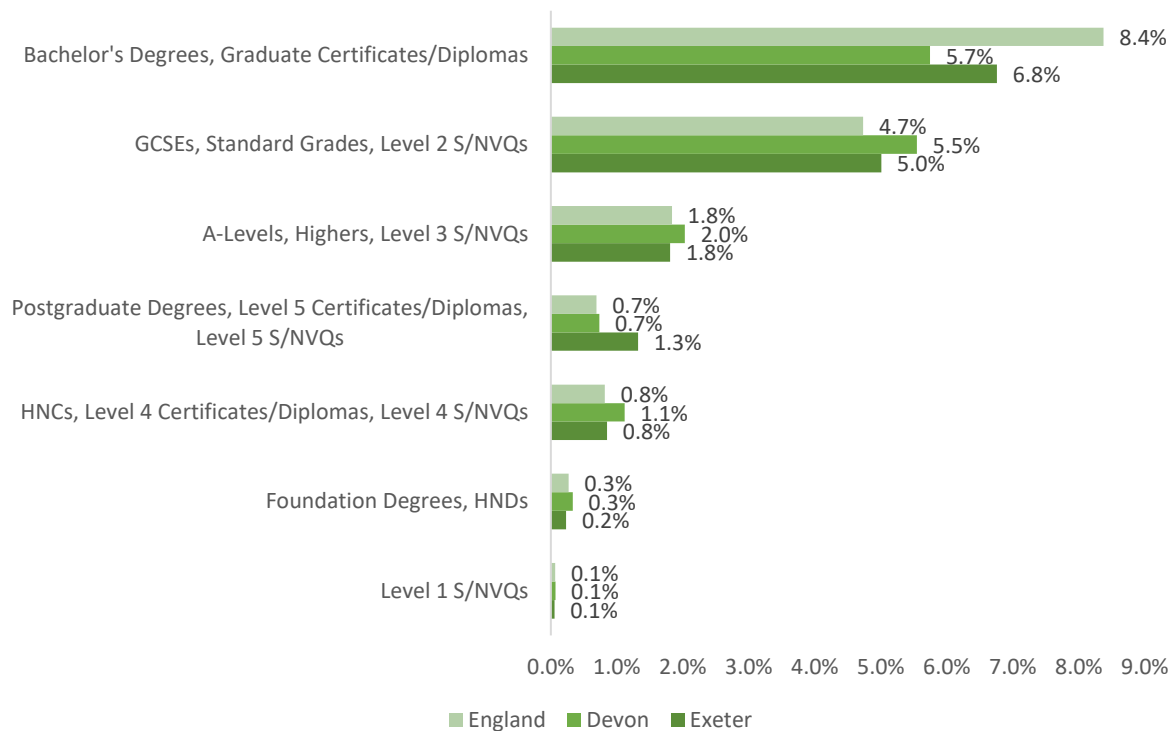
**Figure 34: Skills in demand in Exeter 2021**



Qualifications stipulated in vacancy postings suggest that there is a high demand for bachelors’ degrees, graduate certificates/diplomas, with 6.8% of job adverts requesting this. This was also most in demand in England and Devon but to varying degrees, at 5.7% in Devon and 8.4% in England. GCSEs and Level 2 were in greater demand than A Levels or NVQ3,

reflecting the national trend, with limited demand for postgrad degrees and foundation degrees, though more than in Devon and England, driven in part by the university.

**Figure 35: Qualifications in demand, 2021 (Burning door, 2021)**



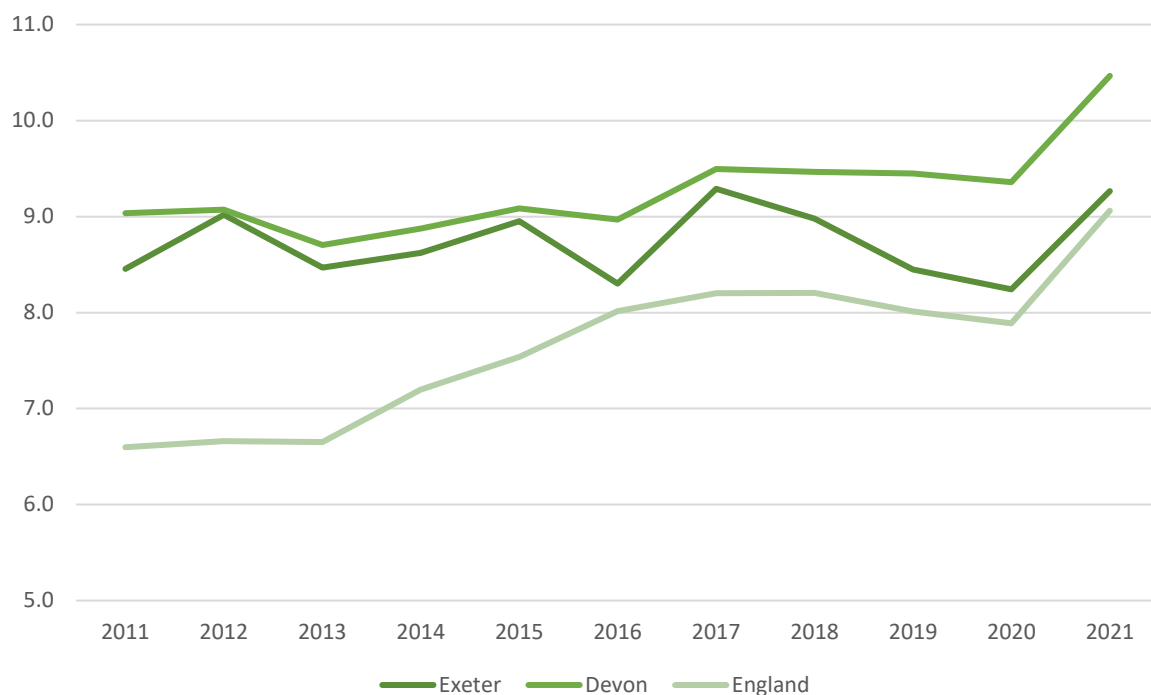
## 1.17 Housing

Average house prices in Exeter are higher than the England averages, but lower than the wider Devon averages. There has been a significant increase in house prices in the decade up to January 2022, up 58.6% in Exeter and 57.7% in Devon more widely.<sup>37</sup> This increase is lower than the rise across the rest of England which was 67.4%. However, the increase in house prices since the pandemic (January 2020 to January 2022) was significantly higher in Exeter than other geographies (17.8% compared to 6.9% in Devon and 7.5% in England).

The ratio between average house prices and annual median earnings is marginally higher for Exeter than the English average. In Exeter, with full-time average earnings £30,444 and average house price £282,076, the ratio is 1:9.3.<sup>38</sup> In Devon this ratio is 1:10.5 and in England 1:9.1. There has been a sharp fall in house price affordability in all geographies since 2020. In Exeter the house price ratio has been high but relatively stable over time, consistently having a lower ratio than Devon but higher than England.

<sup>37</sup> Average House Prices, Land Registry, March 2022

<sup>38</sup> House Price to Earnings Ratio, ONS, 2021

**Figure 36: Earnings to house price ratio 2021**

Rental prices in Exeter in 2020-2021 are much higher than both Devon and England, with the mean rent of £1,085 per month in Exeter compared to £813 in Devon and £893 in England.<sup>39</sup> The median rent in Exeter is £850, compared to £720 in Devon and £755 in England.

The availability of rental property has sharply decreased in Exeter by 41% since the pandemic, from 3,330 rents in 2019 to 1,960 in 2021. There has been a similar reduction across Devon from 12,740 to 7,920 (-38%). This reduction of the rental housing stock has implications for employment and attracting and retaining people in Exeter.

**Table 3: Change in rental property stock 2019-2021**

Authority Area	2019	2021	Difference
<b>Exeter</b>	3,330	1,960	-41%
<b>Devon</b>	12,740	7,920	-38%

<sup>39</sup> Private Rental Market Statistics, ONS and Valuation Office Agency, 2021. Note that comparisons between years should be treated with caution, however the decreasing trend in available rental accommodation is borne out nationally suggesting a challenge.