

Growth and Infrastructure Overview and Scrutiny Committee



Date of meeting:	14 February 2024
Title of Report:	Plymouth Economic Intelligence and Insight
Lead Member:	Councillor Tudor Evans OBE (Leader)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
Author:	Toby Hall and Lauren Paton
Contact Email:	Toby.Hall@plymouth.gov.uk or Lauren.Paton@plymouth.gov.uk
Your Reference:	Click here to enter text.
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To provide an update to members of the scrutiny panel on Plymouth's economic data and trends. Members are asked to note the report.

Recommendations and Reasons

To provide an update on economic trends for Plymouth, including key economic metrics linked to growth. Members are asked to note the report.

Alternative options considered and rejected

- I. No Alternative options considered and rejected; this is a paper for noting

Relevance to the Corporate Plan and/or the Plymouth Plan

Economic insight and intelligence helps inform sound decisions. This report provides an update on key trends and economic insight. This will directly contribute to the corporate plan objective to drive:

Green Investment, Jobs, Skills and better education.

Implications for the Medium Term Financial Plan and Resource Implications:

A prosperous and functioning economy for the city impacts on the Council's business rates and associated income. By monitoring economic trends, it will help the Council make informed financial decisions

Financial Risks

This is an update report for noting. There is no direct financial risk.

Carbon Footprint (Environmental) Implications:

Some economic growth can have a negative carbon impact. Not all growth is good growth, so it is important we gather insight and intelligence. The Council is focused on well paid jobs with high

productivity which look to capitalise the economic growth in net zero opportunities. This report has no negative carbon foot print impacts.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

The data provided includes data on equality and information on gender pay gap.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Plymouth Economic Intelligence and Insight							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

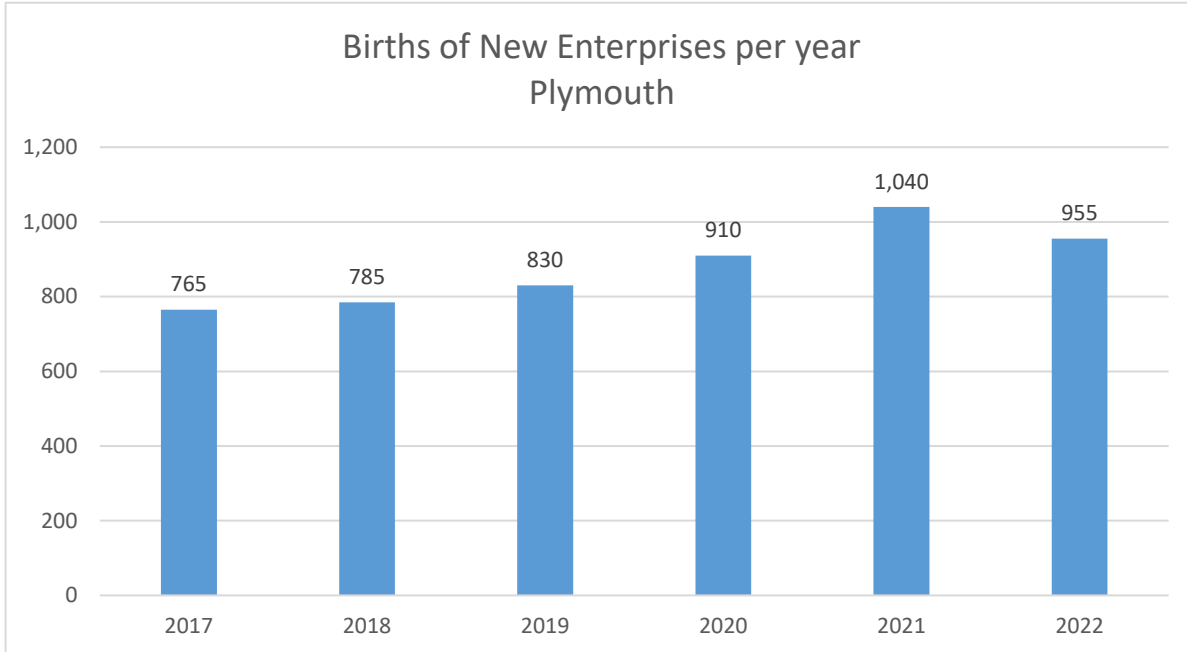
Sign off:

Fin	N/A	Leg	N/A	Mon Off	NA	HR	NA	Asset s	NA	Strat Proc	NA
Originating Senior Leadership Team member: Anthony Payne											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 02/02/2024											
Cabinet Member approval: Councillor Tudor Evans OBE											
Date approved: 02/02/2024											

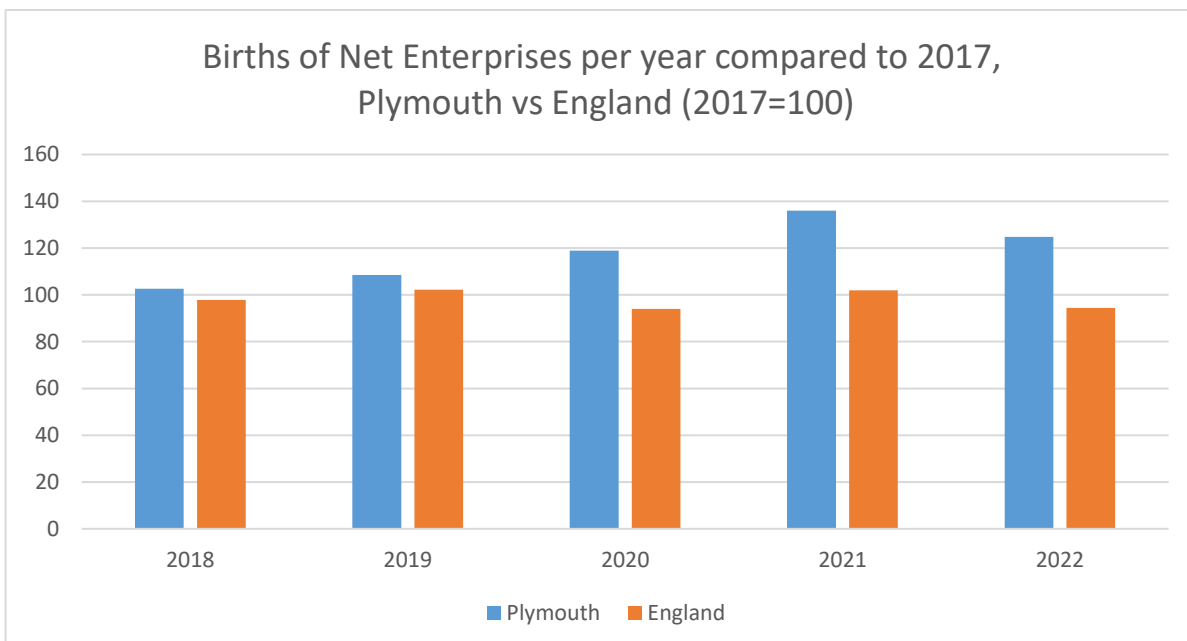
Plymouth Economic Intelligence Update



I.1. Plymouth Business Economy

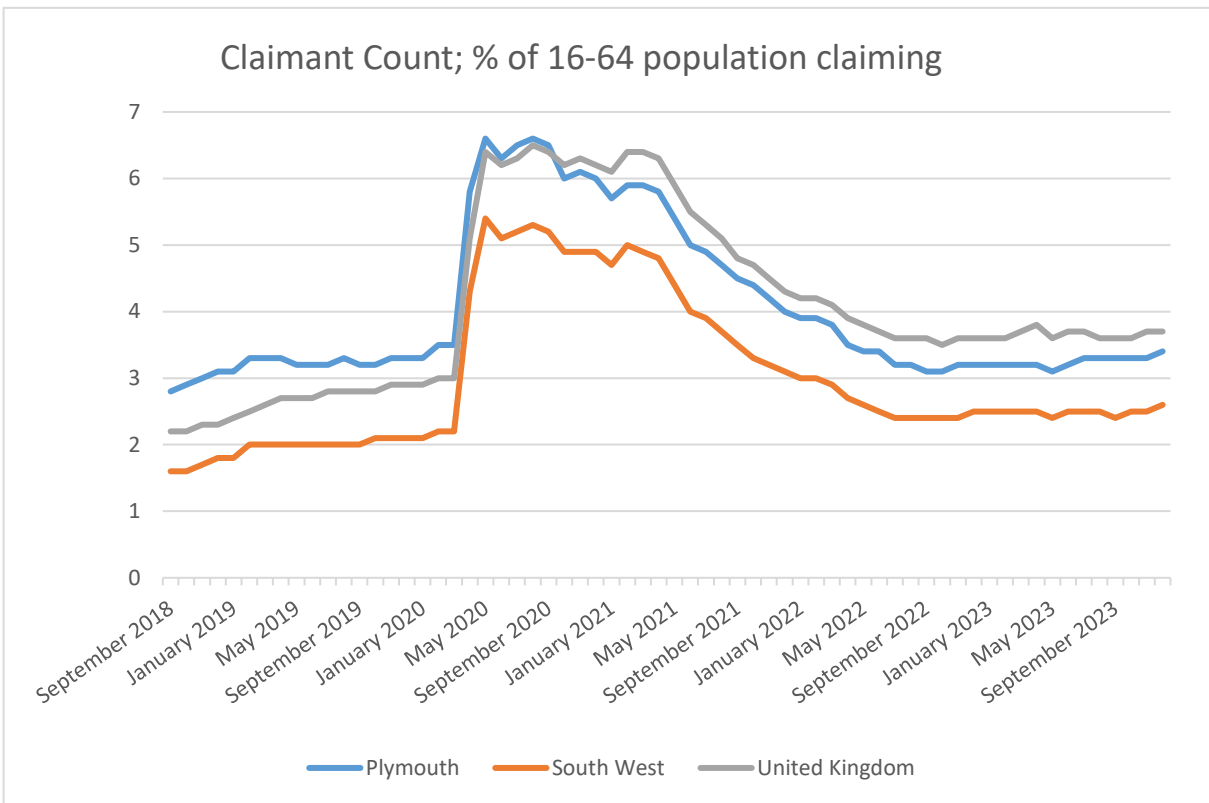


Historically, the births of new enterprises per year have been low in Plymouth. Partly due to the structural make-up of the city, with large organisations in Defence, Health and Public Sector, there have been low number of new enterprises starting up. However, more recent data has shown the numbers of births of new enterprises has been rising relatively quickly.

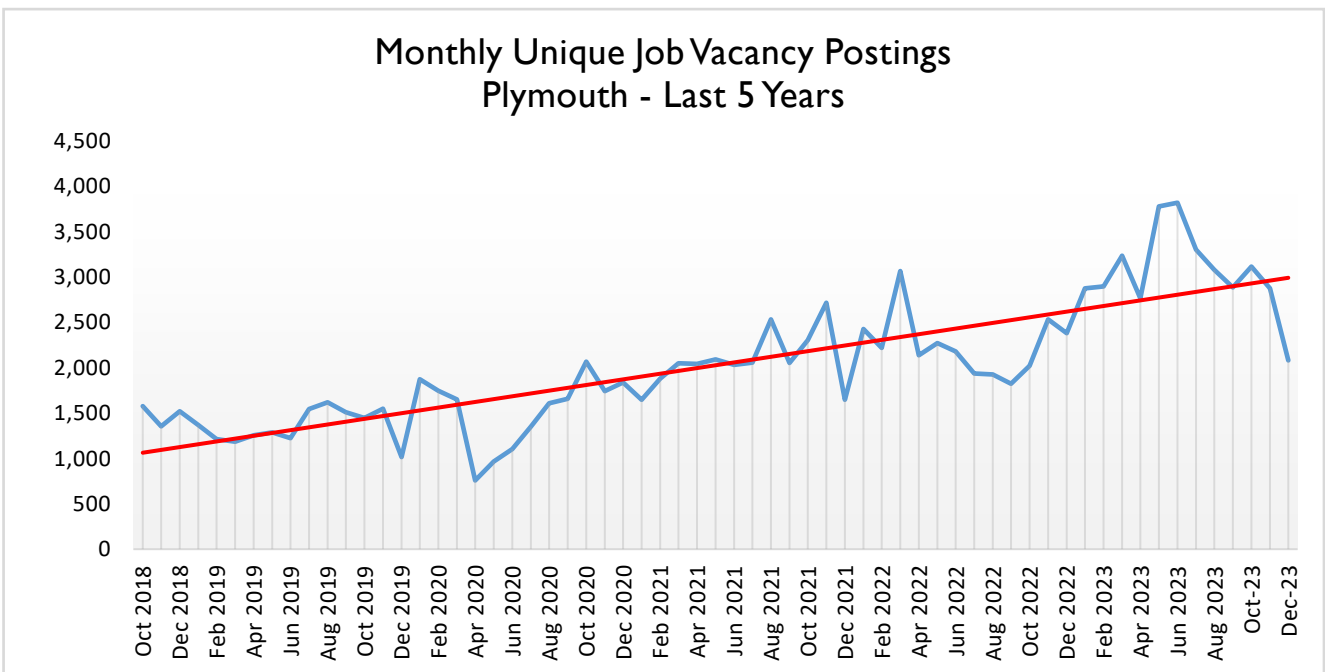


This graph compares the growth in births of new enterprises in England to Plymouth. Treating 2017 as the index value 100, we can see in Plymouth that the births in 2021 were 35% higher than in 2017 and in 2022 there were almost 25% more. However, England has seen a reduction, with the level in 2022 only 94% of 2017. This highlights the growth in the enterprise start-up rate in Plymouth when compared to England.

1.2. **Plymouth Labour Market**



The unemployment rate, as shown by the claimant count, has recovered strongly from the Covid-19 pandemic. Plymouth is now at an almost full-employment position with unemployment of only 3.4%. Nationally, we are seeing a similar picture with a very tight labour market.

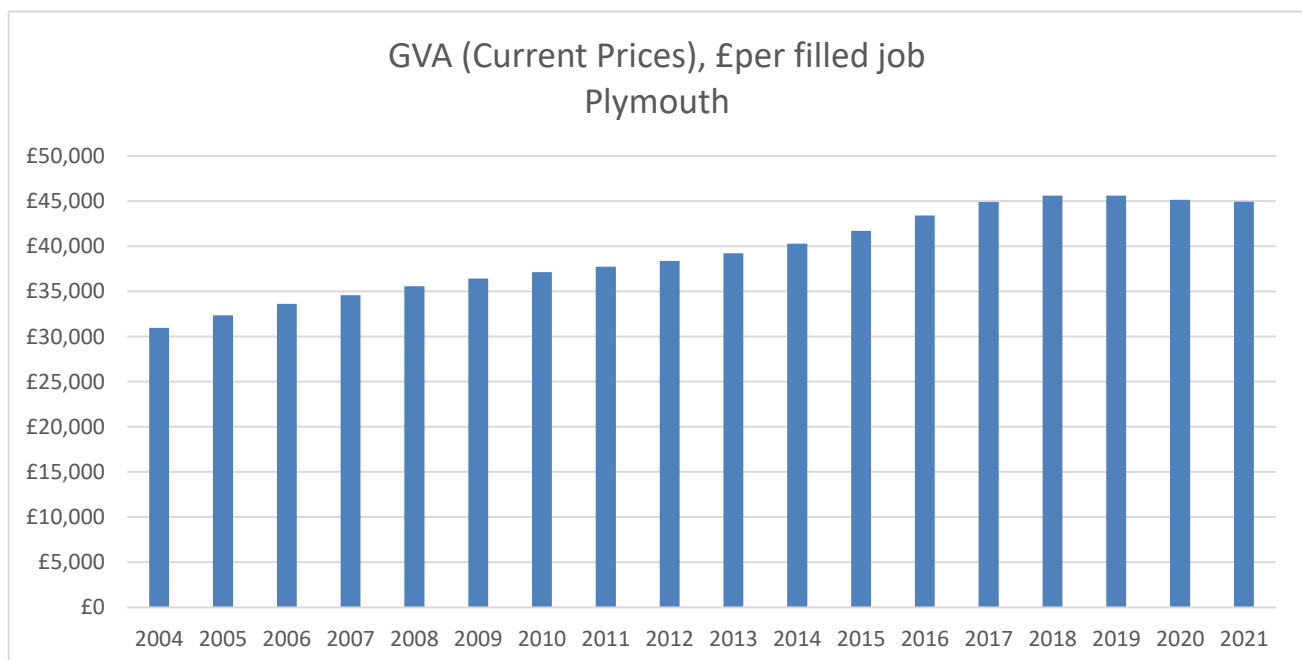


The number of unique job vacancy postings remains on trend for significant growth. The summer of 2023 showed some of the highest levels of job vacancies postings on record for Plymouth. The latest figure for December 2023 did show some contraction with 2,000 job vacancy postings, however this is likely due to the seasonal variation in recruitment and we do not expect this to signify a change in direction of the broader trend.

These vacancies are across many different sectors and skills levels but we are seeing a concentration growing in the Healthcare industry particularly. The table below shows a breakdown of the top 5 career areas in Plymouth. Healthcare and Education hold the top 2 positions and account for 8,000 unique job postings over the last year.

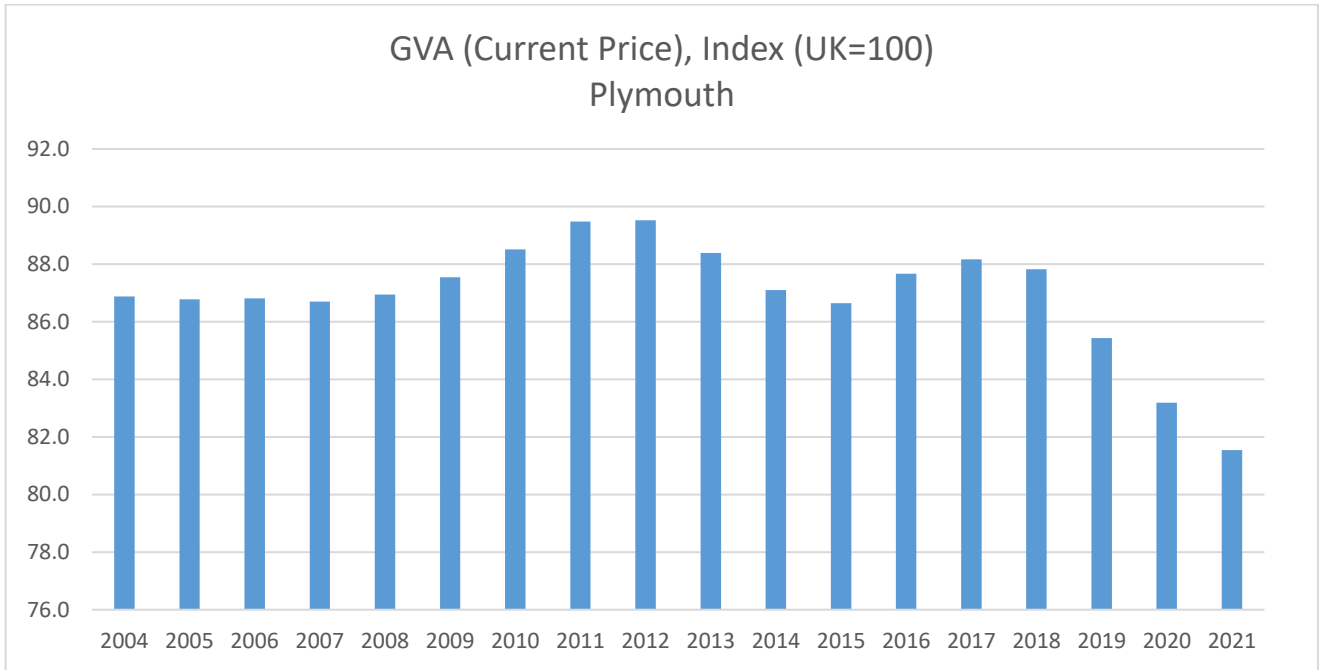
Career Area	Number of unique job postings (Jan 2023 – Dec 2023)
Healthcare	4,621
Education and Training	3,396
Business management and Operation	2,950
Hospitality, Food and Tourism	2,942
Engineering	2,736

1.3. Plymouth Productivity



Plymouth's productivity can be measured in a number of different ways.

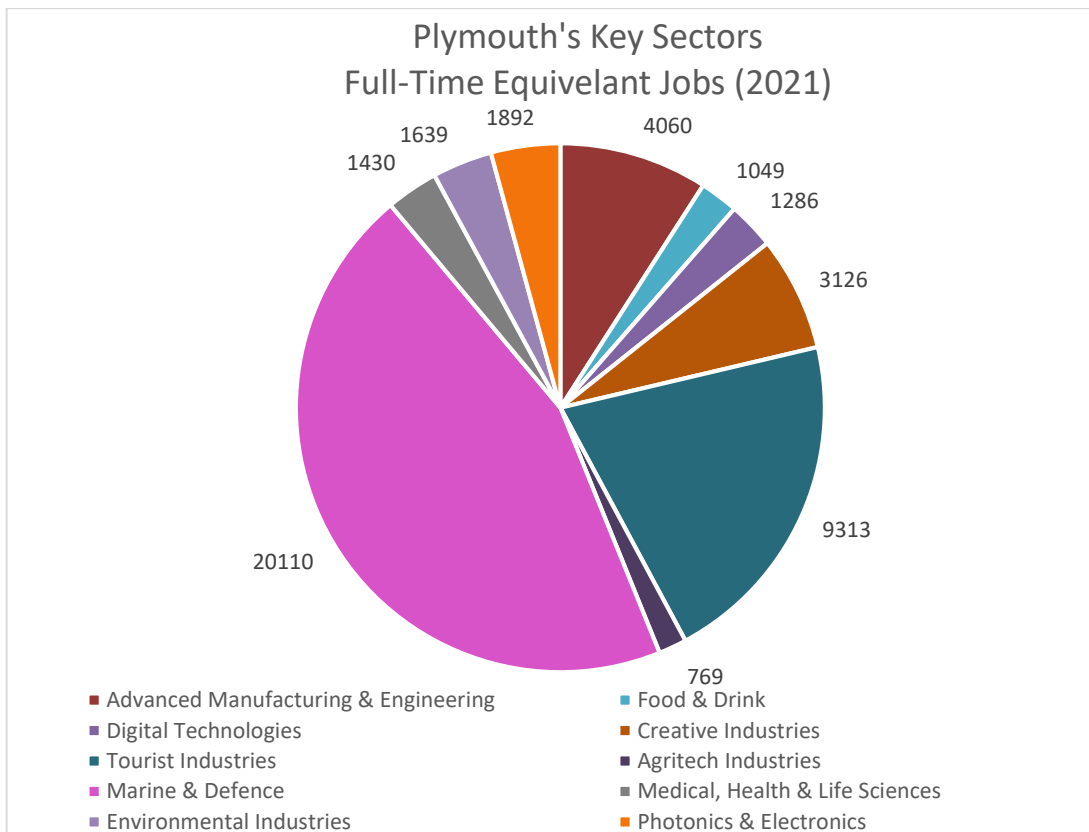
Starting by presenting the GVA per filled job which measures the value in £GBP in Plymouths economy. Presenting this we can see the clear growth in value over the period. Increasing from approximately £30,000 per filled job in 2004 to £45,000 in 2021. However, what is also clear is the significant slow down seen from 2017 until 2021, in which the data looks to have flattened. We can see that for the last 5 years of data, the value of productivity has remained at approximately £45,000 per filled job.



Presenting productivity using a different measure we can compare Plymouth's performance to the average for the UK. The data above presents the GVA per hour worked as an index value with the UK representing the 100 position. This indicates the difference between the productivity of Plymouth and the UK each year.

Looking back we can see that in 2004, Plymouth approximately 87% as productive per hour worked as the UK. The fluctuated considerably but saw positive trends to 2012, a dip and then another increase to 2017. However, there has been a very notable decline in this measure in the last 5 years. The measure for 2021 finding Plymouth only 81.5% as productive as the UK per hour worked.

1.4. **Sector Breakdown**



Source: Plymouth AMORE Regional Economic Model – **Key Sectors account for 40% of Plymouth's Economy.**

The key sectors account for 40% of Plymouth's total economy, the residual 60% of the economy is made up of a combination of other sectors; these key sectors are a subset that we focus on.

As shown in the chart above, of Plymouth's key sectors (which account for 40% of Plymouth's entire economy) there is a very large percentage of Full-time Equivalent (FTE) jobs within the Marine and Defence sector; the number of FTE jobs in the marine and defence sector is equivalent to more than twice the number of FTE jobs in the next biggest key sector. The second and third largest key sectors being tourism and advanced manufacturing & engineering which account for a 9,000 FTE jobs and 4,000 FTE jobs respectively.

Below we have focused on one of our fastest growing and most valuable key sectors:

Advanced Manufacturing and Engineering:

- 4,060 FTE jobs (2021)
- £328m GVA (2021)
- £80,880 GVA per FTE (2021)

Sector	Plymouth % Change for FTE Jobs 2011-2021	GB % Change for FTE Jobs 2011-2021	Plymouth % Change for GVA 2011-2021	GB % Change for GVA 2011-2021
Advanced Manufacturing and Engineering	25.20	0.69	78.46	4.44

Plymouth has seen massive growth in both FTE job numbers and GVA within the Advanced Manufacturing and Engineering sector over the last decade - this large level of growth far outweighs that seen at the national level.

This key sector has a very high GVA per FTE, considerably above the city average of approximately £55,000, which also suggests it is highly productive.

The city hosts a number of specialist organisations within the Advanced Manufacturing and Engineering sector. Some examples include; Plymouth Manufacturers' Group (PMG) and South West Manufacturing Advisory Ltd (SWMAS). There are also significant opportunities to develop skills for this sector through the University of Plymouth and City College Plymouth and their specialist schools and facilities.

Advanced Manufacturing and Engineering organisations are also able to capitalise on the places and initiatives the city has to offer, with world-class environments such as Plymouth Science Park and the considerably opportunities of Plymouth and South Devon Freeport.