

PRODUCTIVE GROWTH AND HIGH VALUE JOBS PILLAR UPDATE JULY 2025



I. Background and context

Productive Growth and High Value Jobs is one of four pillars in the Plymouth Economic Strategy with Skills being cross cutting:-



The Plymouth Economic Strategy states that productivity provides a useful method for defining the scope of living standards as well as the competitiveness of the economy. Over the long-term, productivity growth, alongside better-quality jobs, is generally accepted as the primary route to higher living standards. Plymouth currently has a tight labour market and through growing the number of higher value jobs this could positively shift the city's economy.

- Productivity is measured using GVA per hour worked. Over the last 10 years there has been a downward trend. Productivity within Plymouth peaked in 2012, with GVA per hour worked rising to 89.5 per cent of the national figure and remained at around this level up until 2017. Since 2017,

productivity has decreased consistently, dropping from 88.2 per cent in 2017 to just 81.5 per cent in 2021. Productivity is a good measure of overall living standards and without growth in GVA per hour worked, it is hard to improve wage rates.

- Plymouth and the South West have consistently held weekly total workers wages at figures below the national average. This gap currently stands at £2,500 pa.
- Growing Plymouth's productivity is the foundation for improving prosperity for all residents. Through supporting our higher value sectors where we have natural advantage, we will look to increase wages, create additional highly productive jobs, attract new businesses and investment into the city. Focusing on productive growth puts the emphasis on higher-value and higher quality jobs, supporting both the economy and workforce.

Plymouth has comparatively high employment rates. We are home to three universities and two world renowned research institutions which each have their own research and innovation strengths. We have a plethora of strategic assets; these encompass a diverse range of resources - from the expertise in our universities to that associated with our port facilities. Despite this, our productivity and wages lag behind national averages.

Through this pillar we will concentrate on driving economic output, focusing on sectors where we have natural economic competitive advantages, whether this is clusters, specialisms, knowledge base, assets or skills.

Our Sectors

By supporting the sectors where we have a specific and identifiable advantage, we can increase productive growth and high-value jobs.

Marine and Defence

Plymouth is a globally significant location for Marine Autonomy. We have a unique location, Smart Sound, for autonomous testing, we have key businesses, such as Thales, Frugo, M-Subs and MarineAI, and we have several internationally renowned marine research institutions located in Plymouth. The Plymouth and South Devon Freeport builds on this by focussing on innovation across marine, defence and space as well as advanced manufacturing/ engineering and Net Zero tech. We will support the Marine sector by:

- Developing the Plymouth and South Devon Freeport, which has the potential to create over 3,500 jobs, accelerating well paid job opportunities and progression routes for local people.
- Creating the right conditions to innovate, e.g. by developing a research centre to drive growth opportunities in defence, FLOW and environmental monitoring, supporting the creation of new regulatory frameworks to make innovation easier and supporting businesses to access funding for innovation.
- Helping our business clusters by supporting cluster networks such as FAST and Maritime UK South West.
- Increasing inward investment through our High Potential Opportunity around marine autonomy.

Plymouth is home to the largest naval base in West Europe. Marine and defence are some of the largest employment sectors in the city. We are proud of our military tradition and heritage, and we will continue to ensure that Plymouth can play its part in the defence of the realm. Building on the Government's vision for HMNB Devonport, we will work with Government to deliver the through-life maintenance of the Type 26 and Type 31 and retain a significant footprint of Royal Marines in the city.

In addition, we will support the wider defence sector through fostering the South West Regional Defence and Security Cluster (SWRDC) and working with our strategic partners in Plymouth to design and embed social value activity across their processes.

Advanced Manufacturing

Plymouth is the largest manufacturing base in the South of England. Businesses located in and around the Plymouth travel to work area cover a diverse range of sectors, which include defence, marine, medical, aerospace, rail transportation, automation, tech, agriculture, construction, food production, household items, and more. Many of the companies are in the field of Advanced Manufacturing, with some attracting foreign direct investment. Longstanding names in this field include Barden, BD, Plessey, Kawasaki, Hellermann Tyton, Olympus to name but a few.

Not only is Plymouth a globally recognised centre for Marine Autonomy, but we also have the largest manufacturing base in the South of England. The manufacturing base has a variety of specialisms from Marine to Aerospace engineering, including organisations such as Plessey and Barden. The University of Plymouth has recently opened the Babbage Building, a £63m state-of-the-art space to inspire the engineering and design pioneers of the future. Working with our business representative groups, such as Plymouth Manufacturers Group, we will support businesses through creating the right business environment and supporting innovation, e.g. through innovation facilities such as the Advanced Digital Manufacturing Innovation Centre and the Digital Reverse Engineering and Metrology facility at Plymouth Science Park

Health and Health Technology

Plymouth's regional leadership position in health and health technology is unrivalled. We have one of the largest teaching hospitals in England and University of Plymouth is not only the largest provider of healthcare courses in the South West but, also the only provider of dental training in the Great South West.

Plymouth Marjon University has a strong history in sport and health-related learning and is growing its nursing and allied health provision in response to employer demand. Overall, close to 20,000 people are employed in the health sector across the city, which includes globally recognised organisations such as K2 Medical and Becton Dickinson. The health technology sector, as a subset of the wider health sector, currently employs 1430 people and enjoys a GVA per FTE of £123,730 (2021), far exceeding the city average.

We will support the development of a health and health technology innovation ecosystem, building on our key innovation facilities, working with research facilities, such as the Brain Research Imaging Centre, Centre for Health Technology and the Derriford Research facility. We will work with partners, such as Health Innovation Southwest, DDRC HealthCare, University of Plymouth and Plymouth Marjon University to enable continued innovation and clinical trials in digital delivery, AI, and automation.

Creative and Immersive Digital

We have a vibrant creative and immersive digital cluster in Plymouth. Real Ideas Organisation's Market Hall in Devonport is home to a 360-degree immersive dome – the first of its kind in Europe. We will work with our stakeholders and partners to grow the sector and encourage cross-sector collaboration. To attract and retain talent in the city, we will be working with Plymouth Culture on enhancing our creative offering.

We will also develop a new creative industries plan working with Plymouth Culture and partner bodies such as Creative UK, Far SW Immersive cluster, University of Plymouth and Arts University Plymouth.

Encouraging Innovation, Business Growth and Investment

Plymouth's businesses are predominantly SMEs and micro businesses. As a city, we are performing worse in terms of business competitiveness and innovation. To improve our competitiveness, we need to attract and encourage new and existing business to grow.

In the last five years there has been marked improvement in the start-up rate in the city, reversing a long-term trend. We have some excellent assets supporting start-ups, such as University of Plymouth's Cube, which is ranked No.2 in the UK for student start-up support and has supported 239 student and graduate businesses generating a turnover of £3.3m. We will support start-ups by providing the right conditions to grow, including incubation space and initiatives such as Plymouth Freelancers.

We will continue to work regionally and nationally with partners such as Great South West, Devon and Torbay Combined Authority and Cornwall Unitary Authority to identify opportunities to deliver at scale and to continue to support the Growth Hub.

We will help local businesses access the right business support through initiatives from organisations such as British Business Bank, Innovate UK and the Department for Business and Trade (DBT).

Having the right mix of employment and commercial space is critical for our business stock to continue to prosper. We will undertake direct development where there is market failure in employment space, using high environmental specifications.

We will work with all three universities, Plymouth Science Park and the Freeport to unlock stalled employment land and create an innovation hotbed where we enable high growth businesses and create high value jobs linked to university specialisms.

We will support the development of our Plymouth Science Park and new innovation assets. We will work with innovate UK through the Marine and Maritime Launchpad to access funding and business support.

Skills and Workforce Development

By focusing on productive growth, it is essential that the local training offer meets employer needs in our higher value sectors. This strategy is therefore closely aligned to and complements our key local skills strategies, including the updated Skills 4 Plymouth Plan, Local Skills Improvement Plan and the Plymouth and South Devon Freeport Skills Plan. As a result, we are committed to maintaining and growing investment in training local people for employment in these sectors. This includes those who live, work and learn within the city's travel to work area.

To achieve this, we will make best use of existing programmes and take advantage of new funding opportunities. This includes:

- Growing the number of apprenticeships, including at higher and degree level, and supported apprenticeships.
- Raising the aspiration / supporting our young people through the education system to take advantage of all sectors, including STEAM and the high value jobs through education, specifically in FE and HE.
- Driving productivity growth through retraining and upskilling to meet the changing demands of AI and automation.
- Creating and building a programme of incentives to retain graduates.
- Maintaining support / brokerage between people looking for work and employers, including our military service leavers, in well-paid jobs through sector skills partnerships and academies.
- Collaborating with employers to ensure training is based on their needs.
- Working with employers to support improved workforce development planning that increases the level of upskilling / retraining investment in the current workforce.
- Sustaining and growing our training and research facilities to be a regional and national leader in identified sectors through new sources of funding.

To summarise:-

- **Productivity per hour worked is a useful measure of living standards and competitiveness of an economy**
- **Plymouth is currently at 81.5% of UK national average**
- **We have high employment rates but Plymouth and the SW have consistently held weekly total workers wages at figures below the national average. This gap currently stands at £2,500 pa.**
- **Growing Plymouth productivity is the foundation for improving prosperity for all residents**

- **Supporting our higher value sectors such as defence, marine autonomy, advanced manufacturing, health technologies, creative and immersive digital will lead to increased wages, more highly productive jobs, attract new business and investment to the City**
- **We have amazing assets 3 universities, a science park, immersive dome, strong private sector engagement, a Freeport etc.**
- **Of course, developing and attracting people with the right skills is key too and this can only be delivered through collaborative working through multi-agency bodies, such as Plymouth Growth Board and the Plymouth Employment and Skills Board**

2. Growth Alliance Plymouth

Growth Alliance Plymouth (GAP) has been created to maximise the opportunity for defence investment to support CASD, whilst driving sustainable and inclusive growth, encouraging innovation, and building opportunities extending well beyond Plymouth city boundaries into the regional footprint.

The aims and outcomes of GAP:-

- Address the skills and workforce agenda and remove barriers to employment.
- Deliver the vital housing and transformational public realm needed to attract workforce.
- Recognise the need for investment in infrastructure and natural environment (transport, health and culture).
- Support the wider business ecosystem to encourage innovation and strong supply chains.
- Address stubborn inequalities and inter-generational factors undermining social mobility.

The scale of the opportunity:-

- HMNB Devonport is the largest naval base in Western Europe and where the UK undertakes operational, training and maintenance activities for its naval fleet.
- Home of Continuous At Sea Deterrent (CASD) – £4.4 billion investment over 10 years.
- Plymouth has a skills requirement, a need for 5,500 people over the next 10 years, made up of 1,800 entry level jobs and 3,700 experienced workers for Babcock alone.
- Plus, at least an additional 2,000 construction workers (2,000 jobs min, profile raising to 4,250 in 2027).

Marine Autonomy announced as a National Centre:-

The future of defence is changing:

- PM has stated his desire to accelerate innovation at a war-time pace, so the UK become the fastest innovator in NATO.
- Technology such as marine autonomy is projected to grow to £103bn by 2030. The UK could benefit from 10% of that growth.
- Plymouth is the National Centre for Marine Autonomy.
 - Plymouth's Smart Sound - a cutting-edge network - provides a unique venue for the combined testing and validation of aerial, surface and subsurface platforms.

- Home to world-class business cluster, university and research provision.
- The MOD is strengthening its autonomy capabilities in Plymouth as part of the Defence Industrial Strategy

GAP Progress to date: -

- Roundtable held with Senior government – Dec 2024
- Programme governance, workstreams and projects established – Skills, Education, City Centre, Transport and Innovation/Business
- Funding secured for Civic Centre regeneration including a blue/green skills hub and Oceansgate Innovation Barns, autonomy confirmed as a cluster, defence STEM outreach
- UK REiF – Regional pitch to investors supported by Babcock and MOD investment
- Cohesive and coordinated input to Defence Industrial Strategy - Plymouth regional response
- Research - contract let to Santec on specific skills/workforce needs from local businesses (timings and numbers). Covers regional and Plymouth – 10 year and 2070
- Working cross government with MHCLG / MOD to influence other Government departments to recognise Plymouth as a city of strategic importance.
- MOD have underpinned its importance through the Defence Industrial Strategy and a 'Growth' place.
- PM has reflected in his SDR Speech to “Seize a defence dividend, to drive job opportunities and community pride in the defence effort.” He also highlighted the increase in defence spending reaffirming commitments to spend 2.5% of GDP by '27.
- Looking for Ministerial Sponsor and with a Director General level sponsorship

3. Our Universities have a pivotal role to play and their value proposition to the city and region is centred around: -

- Supporting **economic growth and prosperity**
- Leading **research, innovation and skills** in key sectors - defence, marine, health, environment, creative industries
- Extending the City's **international dimension** - bi-lateral activities and students from c.130 countries, operations in four continents
- Raising **aspiration and opportunity** for disadvantaged young people
- **Championing Plymouth** as a place to live work and study

University of Plymouth Contribution: -

- **Innovation Taskforce/Board**
 - Strategic lead for innovation in the city, chairing the PGB Innovation Taskforce and the GAP Marine Innovation subgroup
 - Delivering commercialisation of knowledge and ideas, raising productivity, attracting/retaining talent, and accelerating growth and international competitiveness

- **Sectors:**
 - Marine and Defence - COAST, Maritime Simulation and Cyber-SHIP Labs plus proposed AMTech
 - Advanced Manufacturing - Plymouth Electron Microscopy Centre, Composites Engineering Lab
 - Health and Health Technology – e.g. The Plymouth Health Determinants Research Collaboration (PHDRC); BRICS.
 - Creative and Immersive Digital – e.g. creative technologies, digital storytelling and immersive (VR/AR) experience design, digital fabrication technologies
- **Encouraging Innovation, Business Growth and Investment:-**
 - Support for Business Start-Ups via The Cube
 - Knowledge Transfer Partnerships (KTPs)
 - Access to facilities and equipment e.g. Babbage Building Digital Fabrication and Immersive Media Laboratories and learning spaces as well as cultural and civic engagement spaces e.g., Moot Court and Foulston Room (The Box)
- **Skills and Workforce Development**
 - Extensive range of undergrad, postgrad, degree apprenticeships, CPD and bootcamps

4. City-wide projects relevant to this Pillar: -

There are 16 projects in the Plymouth Economic Strategy Delivery Plan that are primarily aligned to the Productive Growth and High Value Jobs Pillar. They are:

Investable Theme	Project Area	Project Name	Lead Organisation
Defence Sector and Devonport	Oceansgate, Innovation and Business Support	Supporting local supply chain initiatives	Devon Chamber
		Building the Oceansgate Innovation Barns	Plymouth City Council
		Supporting the SW Defence and Security Cluster	Plymouth City Council
		MOD - Establishing the Maritime Autonomous System Centre of Excellence	Ministry of Defence
		Strengthening the interface between business and research	University of Plymouth
		Developing the skills work with Babcock and the MoD	City College Plymouth
The Waterfront and Maritime	PASD Freeport	Supporting and maximising the impact of PASD Freeport	PASD Freeport
	Autonomy and Innovation	UoP Establishing an Advanced Marine Technology Hub (AMTechHub)	University of Plymouth
		Growing Smart Sound Plymouth	Plymouth Marine Laboratory
		Supporting and engaging with Maritime UK SW	Maritime UK SW
		Creating an Innovation Taskforce	University of Plymouth
The North of the City	Health-tech, Life Science and Healthcare Sectors	Growing the health-tech, life science and healthcare sectors	Plymouth Science Park

	UHP NHS Trust Supply Chains	Strengthening supply chains for UHP NHS Trust	UHP NHS Trust
	Manufacturing Sector	Supporting our manufacturing sector (city-wide)	Plymouth Manufacturer's Group
	Tech Sector	Supporting our tech sector (city-wide)	Plymouth Culture
	Start-ups and Entrepreneurs	Supporting our start-ups and entrepreneurs (city-wide)	Plymouth City Council

Approach to Monitoring:-

The Plymouth Economic Startegy will monitored by Pillar. The intention is to keep this both light touch and outcome focused around the 10-year aspirations in the Plymouth Economic Strategy rather than trying to measure individual / cumulative outputs.

The monitoring will have two levels:

- Quarterly review of progress using a RAG rating system to cover: progress, barriers/issues, funding etc.
- Annual review of baseline data to report on cumulative progress, leading to annual update of Driving Growth brochure

The PCC Officer Lead for each Pillar, will gather the individual project RAG reports and liaise with the Political Pillar Lead and the External Pillar Lead on progress reporting.

5. Call to action

Finally Scrutiny Members are encouraged to visit www.investplymouth.co.uk to:-

1. See our '10 Reasons to invest in Plymouth' here [10 reasons to invest in Plymouth | Invest Plymouth](#)
2. See our business relevant news here [News | Invest Plymouth](#)
3. See and sign up to our vibrant our bi-weekly business newsletter here [Newsletter archive | Invest Plymouth](#)
4. Have a look at our extensive library of sector factsheets and business facing marketing collateral here [Resources | Invest Plymouth](#)