

Growth and Infrastructure Overview and Scrutiny Committee



Date of meeting:	09 July 2025
Title of Report:	Plymouth Economic Intelligence and Insight
Lead Member:	Councillor Tudor Evans OBE (Leader)
Lead Strategic Director:	Glenn Caplin-Grey (Strategic Director for Growth)
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Your Reference:	PEI&I Jul 2025
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 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 help to 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

No financial risks associated with this report. For noting only.

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 footprint impacts.

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

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

*Add rows as required to box below

Background papers:

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Sign off:

Fin	N/A	Leg	N/A	Mon Off	NA	HR	NA	Assets	NA	Strat Proc	NA
Originating Senior Leadership Team member: Glenn Caplin-Grey (Strategic Director for Growth)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 25/06/2025											
Cabinet Member approval: Councillor Tudor Evans OBE (Leader)											
Date approved: 26/06/2025											

Plymouth Economic Intelligence Update



This report examines the latest economic data for Plymouth, with a particular focus on productivity growth and its underlying drivers within the city. It begins by setting the context for the city's labour market, including narrative on recent trends in workforce size, job vacancies and wage growth across the economy; these indicators provide important signals about the demand for labour and the capacity of the local economy. **Plymouth has consistently seen high levels of job vacancy advertising and moderate wage increases in recent years** (yet still remaining under regional and national wage averages), thus **reflecting a tight labour market**. The productivity indicators are then explored, which show that while output per hour worked has increased over time, productivity growth relative to national averages has remained low.

On the 23 June 2025, the Department for Business and Trade published [The UK's Modern Industrial Strategy](#) and individual [Sector Plans](#) for eight key sectors that "have the greatest growth potential" and that will play a crucial role in supporting economic growth. These are: Advanced Manufacturing, Clean Energy Industries, Creative Industries, Defence, Digital and Technologies, Financial Services, Life Sciences and Professional and Business Services. **Plymouth has key strengths in Defence and opportunity to create a growth dividend from the announced £4.4bn defence investment**. The Defence Industrial Strategy will be published later this summer. In the Industrial Strategy, Plymouth is directly referenced as a case study to show the effectiveness of clusters (through Plymouth's marine autonomy and defence cluster) and the city is highlighted as playing a fundamental role in the UK's defence and security.

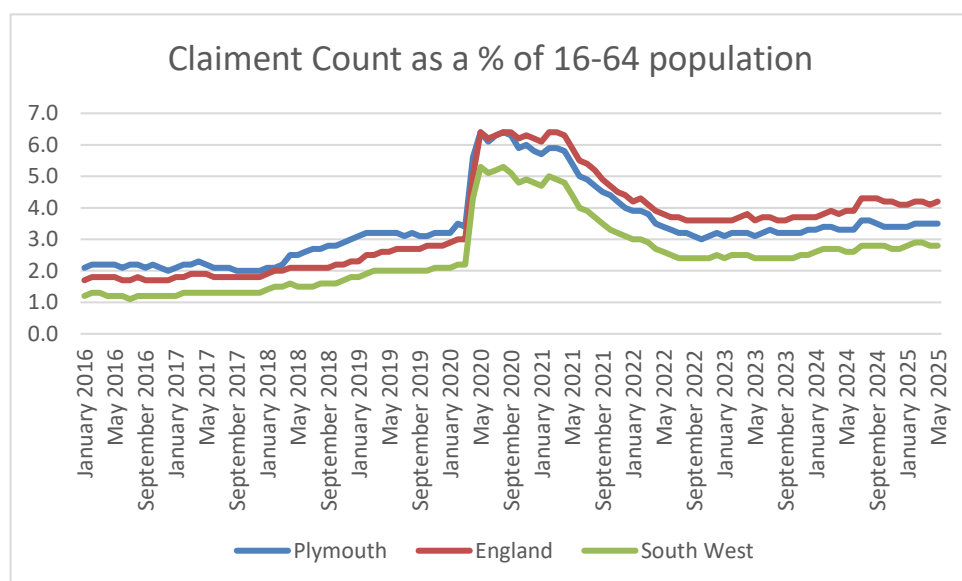
Economic modelling using AMORE (an economic modelling tool) provides further insight into Defence and Marine industry data. In 2021, the Marine and Defence industries in Plymouth accounted for 14.1% and 6.7% of Plymouth's GVA (£822.9m and £390.9m respectively). 13697 FTE jobs were registered under Marine industry and 6414 FTEs under Defence (with estimates suggesting Plymouth holds roughly 3.2% of the total UK defence industry employment). Employment in these sectors can be classified as high-value-jobs due to their requirement of a high-level of skill and training and their ability to drive a large proportion of Plymouth's GVA. GVA per FTE also reflects the high productivity in these industries with both being above the city's average (£60,080 per FTE in Marine (2021) and £60,950 per FTE in Defence (2021)). Following the **designation of Plymouth as the national centre for marine autonomy** and given the announced future £4.4bn investment into the naval base, it is likely these industries will continue to grow and play a critical role in Plymouth's economic growth.

Looking at Plymouth's productivity data by sector, there is clear overlap between the sector's identified in the Industrial Strategy and the city's most productive sectors. Advanced Manufacturing (16,215 FTEs and £1,052.4m GVA), Creative Industries (3,126 FTEs and £133m GVA), Business Services (15,338 FTEs and £1,311.1m GVA) and Marine and Defence (20,110 FTEs and £1214m GVA) are significant not only in the national but also local context and these sectors have been highlighted in the Plymouth Economic Strategy as areas of knowledge-intensive sectors and with highly productive jobs within the city. Plymouth's economic strategy has identified high-value jobs in the city as those that drive GVA and demand high skills levels. Increasing employee numbers in these highly productive sectors has the potential to increase Plymouth's overall productivity and help to close the persistent gap with national productivity.

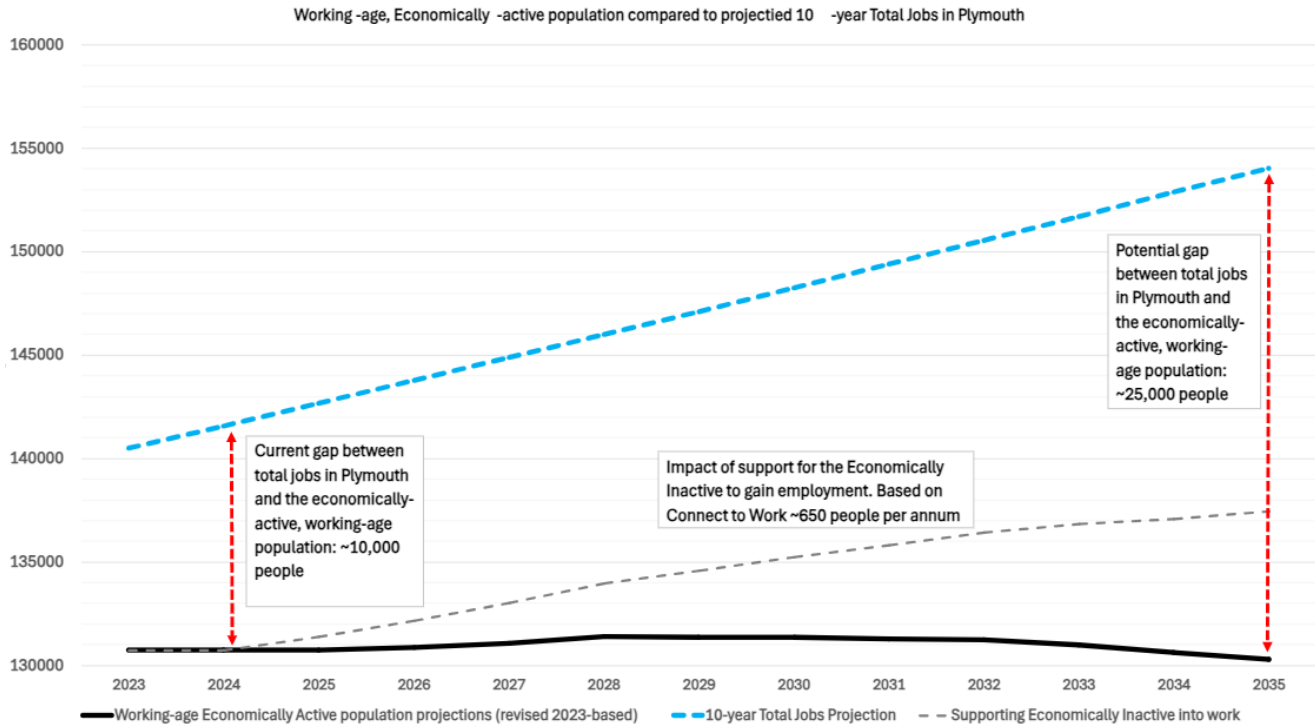
I. Workforce size – Plymouth is at almost full employment.

The recent data shows that Plymouth's economic position exhibits a **tight labour market**. 64% of the city's population qualifies as working age (i.e. those aged 16-64 years old) (2021) and the proportion of those who are economically active was recorded to be 77.5% in 2024. The proportion of those who are economically active (i.e. actively in work or looking for a job) in the city is relatively low when compared the national and regional averages within the same year; 78.9% for England and 81.0% for the South West (2024).

To illustrate this point further, the graph below shows Plymouth's claimant count as a percentage of working aged population (16-64 years old). This claimant count can be used to show long-term trends in unemployment and shows the city has recovered strongly from the Covid-19 pandemic. The data again suggests that Plymouth is showing a tight labour market, with the proportion of people currently claiming **universal credit stabilising at around 3.5%**. This figure, whilst **indicating almost full employment in the city**, has remained consistently above the regional average for the South West but below the national average for England. The most recent monthly figures show a claimant count of 3.5% in Plymouth (6,085 individuals) compared to 4.2% in England and 2.8% in the South West for May 2025.



Looking to the future gap between Plymouth's workforce and job numbers, the graph below illustrates how this gap is likely to increase over the next 10 years. The modelling conducted forecasts an increase of 15,000 in the total number of jobs needed in Plymouth over this 10-year period. However, due to the projected stagnant population growth over this same period, this increase in jobs demand will cause the overall gap between the number of local, working age and economically active population and the number of jobs to increase to 25,000 in 2035. This increase in the gap of in the projected number of people willing and able to work and the number of jobs shows how the labour market in Plymouth is likely to tighten even more in the coming decade if there was no intervention. While it is important to note that some of these additional jobs (and thus the gap) will be filled by people travelling into the city to work, it is important to ensure these opportunities are made available for local residents and the benefits are seen in the local economy. One route to allow for this to be realised would be to increase job accessibility to the population that is currently economically inactive but of working age.



2. Job postings – Plymouth has seen a decrease in the average monthly job posting rate in recent months. Vacancies remain focused in the healthcare and education industries.

The number of unique job vacancy postings shows **an upward trend over the past 10 years**. The recent data showed some of the highest levels of job vacancies postings on record for Plymouth were seen over the summer of 2023. The latest figure does show a drop in the number of monthly postings, with just over 4,500 postings recorded in May 2025. The number of monthly postings has still averaged over 6,500 in the past 2 years and rates remain above the levels seen pre-covid.

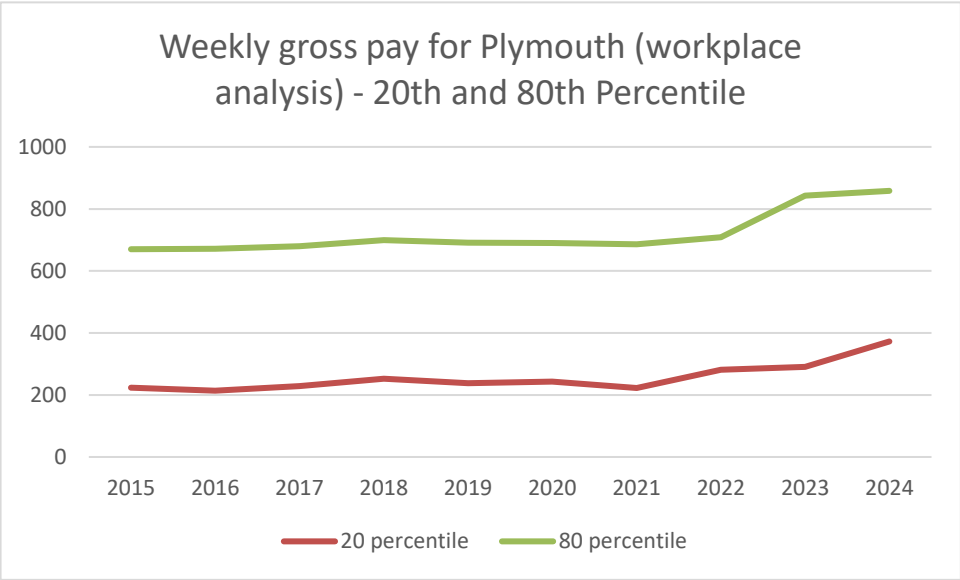
These vacancies are across many different sectors and skills levels. In the past 12 months, we have seen a growing concentration in occupations relating to healthcare and education industries. The table below shows a breakdown of the top 5 occupations posted in Plymouth.

Occupation	Number of unique job postings (June 2024 – May 2025)
Care Workers and Home Carers	1,062
Teaching Assistants	903
Cleaners and Domestic	902
Sales Related Occupations	885
Secondary Education Teaching Professionals	706

3. Wage Growth – Both high and low earners have seen wage increased over the past 10 years, with the lowest earners seeing increases of over 28%, suggesting a rise in general productivity.

The median weekly pay for total workers in Plymouth is £572.60 (2024); this has grown by 35.1% in the past decade but remains under both the national average (£619.50) and regional average (£575.60). Whilst the difference is city and national average is large (£46.90 per week), it is worth noting there are many factors that can contribute to this. One major example is the artificial inflation that occurs in the national averages caused by the inclusion of London wages. To account for this, we can look at Plymouth’s average weekly pay in comparison with regional average; whilst Plymouth’s average remains lower than regional, the weekly pay difference is much lower £3.00.

When looking at wage figures in more detail, the data suggests that both the highest and lowest earners in the city have seen increases in average weekly pay, however the rate of increase varies. The graph below shows the 20th percentile and 80th percentile for weekly pay, looking at all workers in Plymouth (i.e. both full-time and part-time); the 20th percentile is used to represent the low earners in the city and 80th the highest.



When reviewing the last 10 years for Plymouth, we can see that the first few years of data (2015 to 2020) saw relatively little growth for either the highest or lowest earners in the city. However, the last 4 years of data **from 2021 to 2024 show an upward trend for both the highest and lowest earners in Plymouth, showing an increase in average weekly pay.** In the last year, the 80th percentile (i.e. highest earners) in the city saw an increase of 1.8% whilst the 20th percentile (i.e. lowest earners) saw increases of 28.1% on average. The overall wage growth, seen across both percentiles, suggests that there is general economic growth across the city and could also suggest the rise in general productivity.

4. Productive Growth – While overall productivity in Plymouth continues to grow, the rate of growth is slower than national averages and is likely limited due to the labour market constraints.

Plymouth’s labour productivity remains below the national average

Whilst relative GVA per hour worked has shown a declining trend over the past 10 year, this is not reflected in the nominal GVA per hour figures. GVA per hour worked has increased from £27.9 to £34.0 between 2014 and 2023. The increase in productivity within Plymouth suggests that the local economy is improving its real output (i.e. creating more added value per unit of labour) but the data

suggests other regions are seeing stronger productivity gains. **One reason for this is likely due to constraints within the labour (such as skills shortages) that slow the city's relative improvement.**

5. High Productive Sectors

The Table below shows the most productive sectors (by SIC Codes) in Plymouth (2021); these sectors hold an GVA/FTE of over £100,000. Some of the sectors, such as marine autonomy, do not comfortably fit into SIC codes but provide high value and productive jobs in the City; it is important to remember these would be considered a combination of a number of different sectors and so would not necessarily be seen individually on the table below.

Sector	Productivity (GVA/FTE) (£k)	Number of Jobs (FTEs)	Total GVA (£m)
Photonics and electronics	111.36	1892	210.7
Medical, health and life sciences	123.73	1430	177.0
Water supply, sewerage and waste management	134.85	527	71.1
Environmental Industries	175.57	1639	287.7
Electricity, gas, steam and air-conditioning supply	192.67	530	102.2
Real Estate activities	408.87	1717	701.9