

## Portsmouth City Council

### Internal Report

#### Portsmouth Annual Economic KPI Targets 2023 Update

Report by Kim Pellett

Date 17/10/23

Summary:

#### **Target 1: 7,000 more jobs in Portsmouth in 2036 than in 2017**

The pandemic affected employment in Portsmouth in 2020 causing the target to fall 57% below the 2036 baseline target with no job creation. However, the economy largely rebounded in 2021 and the data shows job creation of around 2,000 more employees on 2020 levels to reach 103,000, but still 29% below the baseline target (although effectively halving the 2020 deficit). The long-term job creation target still remains below the 2017 baseline, with 9,000 additional new jobs required by 2036 to meet 112,000 jobs.

#### **Target 2: An extra 7,000 Portsmouth residents in work by 2036 compared to 2017**

Portsmouth's resident working age (16-64-years) employment levels for 2022 met 11% of the 2036 baseline target, which is a backwards step compared to 2021 estimates (53% met). This is partly explained by rising non-participation in the labour market in 2022 (early retirement and/or long-term illness) alongside a number of headwinds faced by businesses (war in Ukraine, rising energy and labour costs, skills shortages). A further 6,200 residents need to be in employment by 2036 to meet the baseline target.

#### **Target 3: £60,000 of GVA per person by 2036 compared to £45,000 in 2017**

The productivity KPI measure continues to see improvement and on the latest data close to two thirds (64%) of the 2036 baseline target has already been met by 2022. To reach the baseline target a further £5,400 per filled job in productivity is required by 2036.

#### **Target 4: £1,000 a week average earning by employees in Portsmouth by 2036 compared to £500 today in 2017**

Earnings growth has seen a steady improvement on the 2017 baseline, and 2022 data is four percentage point higher on the previous year. On the latest 2022 data, 28% of the 2036 baseline target has been met and an additional £360 is required to meet the target. It more than likely that record wage inflation seen in 2022- 2023 will result in further earnings growth in next year's data.

### **Target 5: 5% with no qualifications in 2036, compared to 7.5% today in 2017**

The percentage of Portsmouth residents with no formal qualifications has improved on the previous year by 16 percentage points, with 72% of the 2036 baseline target met by 2022. A further decrease of 0.7% is needed to reach the 2036 target. Increased participation in education and reskilling alongside a natural decline in the elderly population, who are more likely not to have formal qualifications, will naturally see a decrease for this measure.

### **Target 6: 40% educated to at least NVQ (RFQ) Level 4 by 2036 compared to 35% today in 2017**

The target for Portsmouth residents educated to at least NVQ/RQF<sup>1</sup> Level 4 was already met in 2021. The target remains met in 2022, although the percentage has slipped from 46.8% to 44.5% (nonetheless nearly twice the baseline target). There is some concern over the reliability of the APS<sup>2</sup> data but going forwards the main area of concern for Portsmouth will be ensuring that the 40% 2036 target threshold is not breached in future years.

#### Notes

1. The NVQ framework has been replaced by the RQF (Regulated Qualification Framework which replaced the Qualifications and Credit Framework, and National Qualifications Framework in October 2015.). All data for 2022 onwards comes under RQF and pre-2022 data under NVQ. The main difference is an extra entry level under RQF. Otherwise all levels 1 through to 8+ are broadly equivalent.
2. Next year the new Transformed Labour Force Survey will filter through to a larger sample size for the Annual Population Survey that provides measures for KPI target 1, 5 and 6. This should result in more precise and reliable estimates. However, it could affect annual comparisons.