

A photograph of a fountain in front of a stone building. The fountain has a central column with water spraying upwards and several smaller jets at the base. The water is illuminated, creating a bright, shimmering effect. The background is a dark, textured stone wall.

Economic Assessment

Summary of Findings – March 2025

Data, Intelligence & Insight Team

Index of key topics covered:

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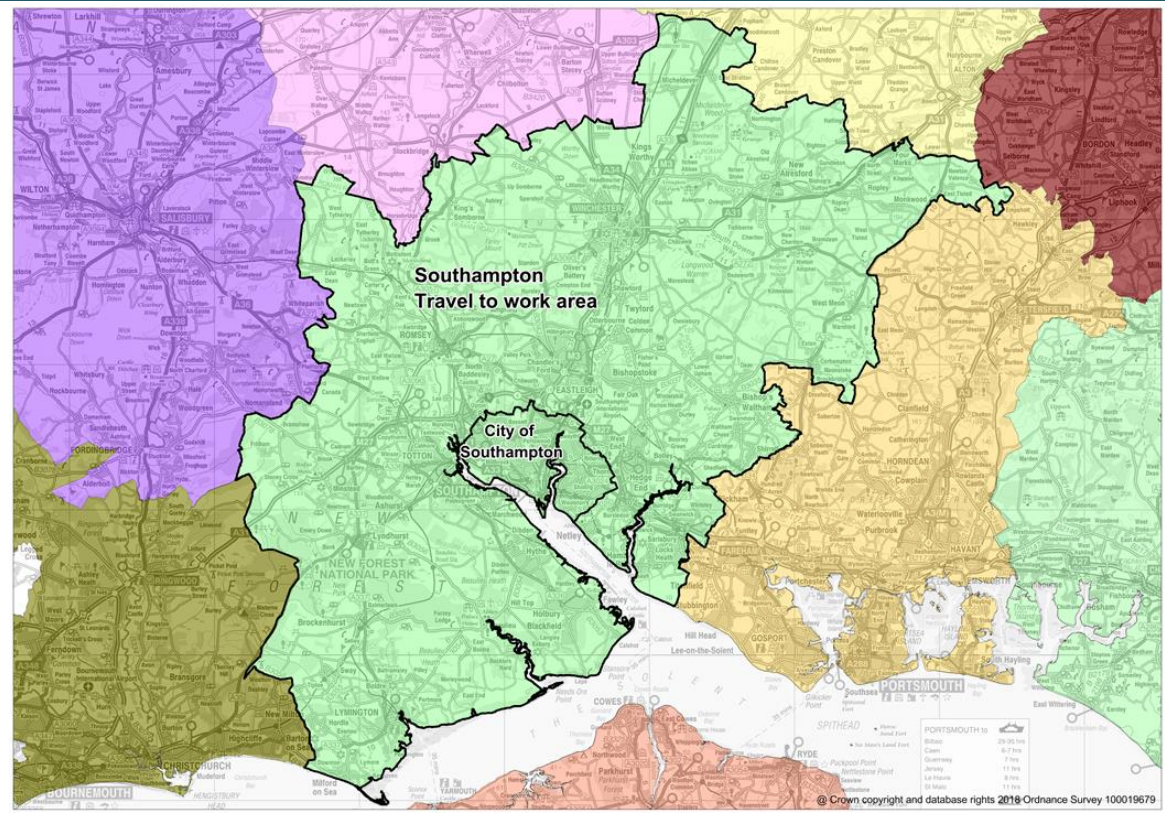


Background



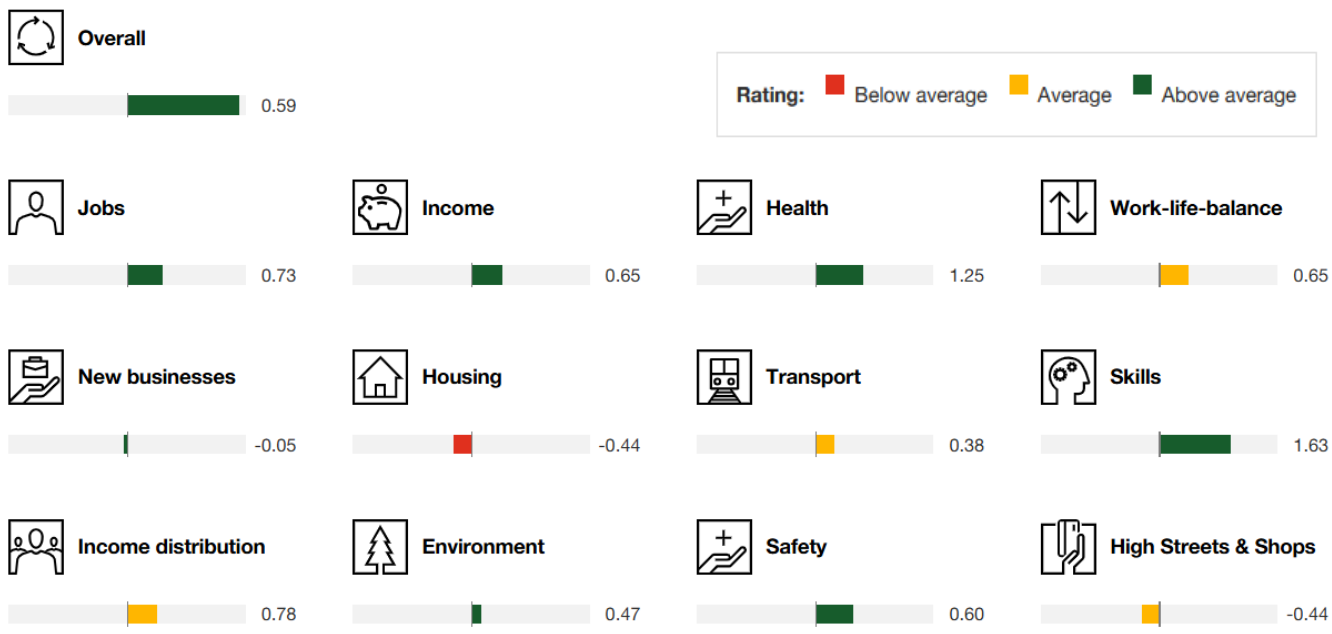
Background to the assessment

- Extended the JSNA model to economic development
 - Ensure decisions and strategic intent are based on the best available evidence
 - Use of appropriate analytical methods and statistics to turn data into intelligence
 - Benchmarking – ONS Statistical Neighbours
 - Trend analysis – pre and post recession periods
 - Deep dive analysis – demographics / industry / geography
 - ONS – primary data source; time lag limitations, therefore some datasets represent the period before covid and the Ukraine war. However, we have attempted to analyse the impact of COVID-19 and economic instability caused by the Ukraine war on different aspects of the Southampton economy wherever possible
- Baseline assessment based on available data



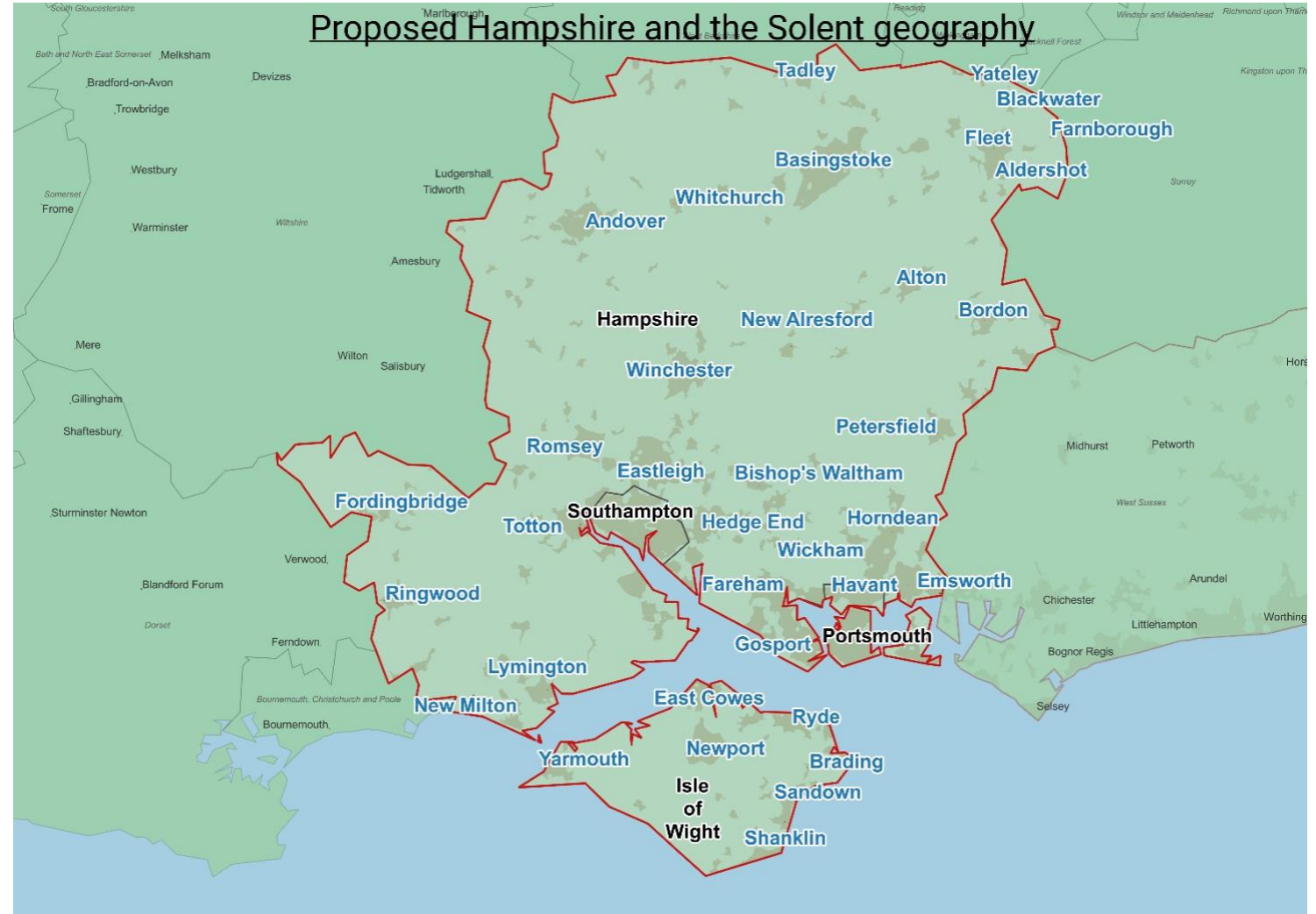
- Good growth report in 2024 highlights that **the ongoing squeeze on living standards sees the UK public focus primarily on economic or finance focused measures**, with the people placing more importance on **income, jobs, health and housing**
- The **UK economy is recovering slowly and steadily**, and economic growth is expected to continue to bounce back and grow
- **Southampton** ranks **3rd** (out of 51) in the latest **Good Growth Cities Index**, having previously ranked **5th in 2023**
- Southampton has an **above average overall rating** and for jobs, income, health, new businesses, skills, environment and safety;
- Work-life balance, transport, income distribution and high streets & shops all have an **average rating**;
- Housing is the only indicator with a **below average rating**

- There are a number of reports on the local economy, but most focus on the Hampshire Economic Area or the Southampton Travel to Work Area (TTWA)
- Although the findings of these reports provide an indication of the direction of travel, they are not specific to Southampton;
- Therefore, there continues to be a need for specific intelligence on the Southampton (LA boundary) economy, which is the focus of this presentation
- Due to methodology changes, comparison with PwC Good Growth rankings prior to 2022 are not possible





- In February 2025, the Government announced that **Southampton City Council, Portsmouth City Council, Hampshire County Council and Isle of Wight Council** had been successful in their joint bid for inclusion on the **Government's fast-track Devolution Priority Programme (DPP)**
- The government's proposal is that the Combined County Authority would be formally known as **Hampshire and the Solent Combined County Authority**
- Devolution is the **transfer of powers** and funding from national **to local government**. It is a process that enables more decisions to be made locally, closer to the residents and businesses affected
- The Mayoral Combined County Authority would receive **devolved funding** from central government, including those relating to the following policies:
 - **Housing and regeneration**
 - **Local growth**
 - **Adult skills (except apprenticeships)**
 - **Local transport**





Productivity and Growth



- The ONS publish GVA estimates annually, with data for the **latest year being provisional**. Therefore, previous years are subject to **revisions and rebalancing** in each release
- In the latest release (up to 2022), the ONS identified a change in the UK National Accounts that resulted in a long-term revision to the **manufacturing of food, beverages and tobacco industry**
- This change happened to be concentrated in Southampton. This is evident in the value of the **manufacturing sector in 2021** being revised from **£265 million** to **£2.1 billion**, therefore making **manufacturing the most prominent industry** in Southampton (21% share of total GVA in 2022)
- Whilst Southampton is not a traditional manufacturing city, any multi-national businesses in the city with **economic ownership of overseas manufacturing operations** are counted as such in GVA estimates
- Overall, the ONS had **previously valued** the Southampton economy at **£6.8 billion in 2021**, however the latest **revised estimates** suggest that the Southampton economy was worth **£8.9 billion in 2021**
- Revisions have also affected long-term trends in Southampton, as well as estimates of GVA per head and GVA by industry. Therefore, it is not advised to compare to previously published estimates
- Furthermore, this is a real economic effect concentrated in Southampton, which has provided a considerable uplift over a number of years. The revisions are a result of the ONS' measurements catching up with reality



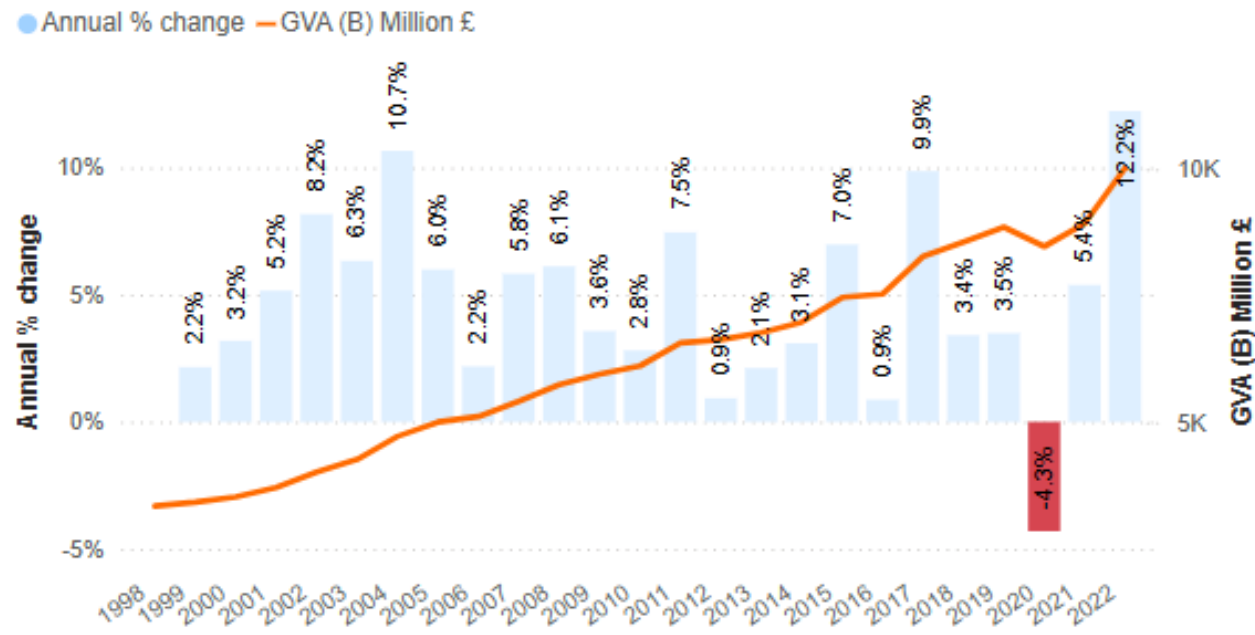
Southampton's Economy in 2022



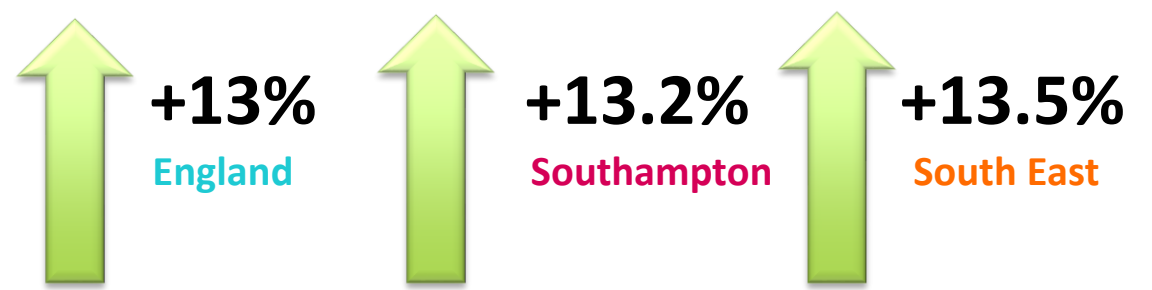
10 billion

- **Gross Value Added (GVA)** is a key economic indicator
- **Southampton represents 3% of South East economy**
- The **Southampton economy** declined by **-4.3%** between **2019 and 2020**, followed by increases of **+5.4% in 2021** and **+12.2% in 2022**
- Since 2019, this represents an increase of **+£1.2 billion (+13.2%)**
- The **England (+13.0%)** and **South East (+13.5%)** economies have also experienced growth in the last three years
- Overall, this highlights the positive economic recovery and subsequent growth since the COVID-19 pandemic

GVA (B) Million £ at current basic prices- Southampton: 1998 to 2022
 Data source: Office for National Statistics



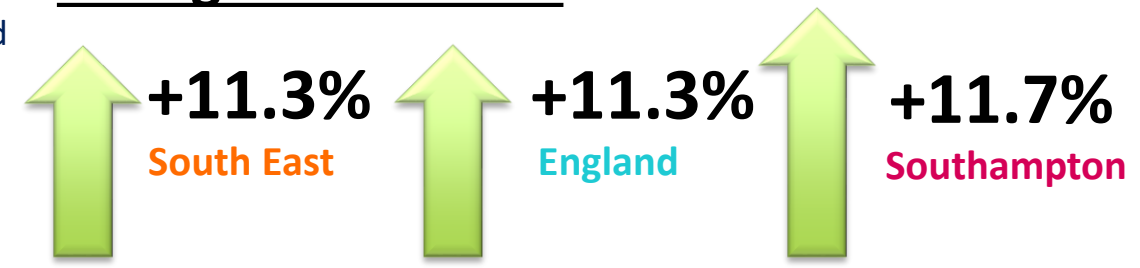
Change since 2019:



Source: Office for National Statistics – GVA. GVA rounded to nearest hundred million.

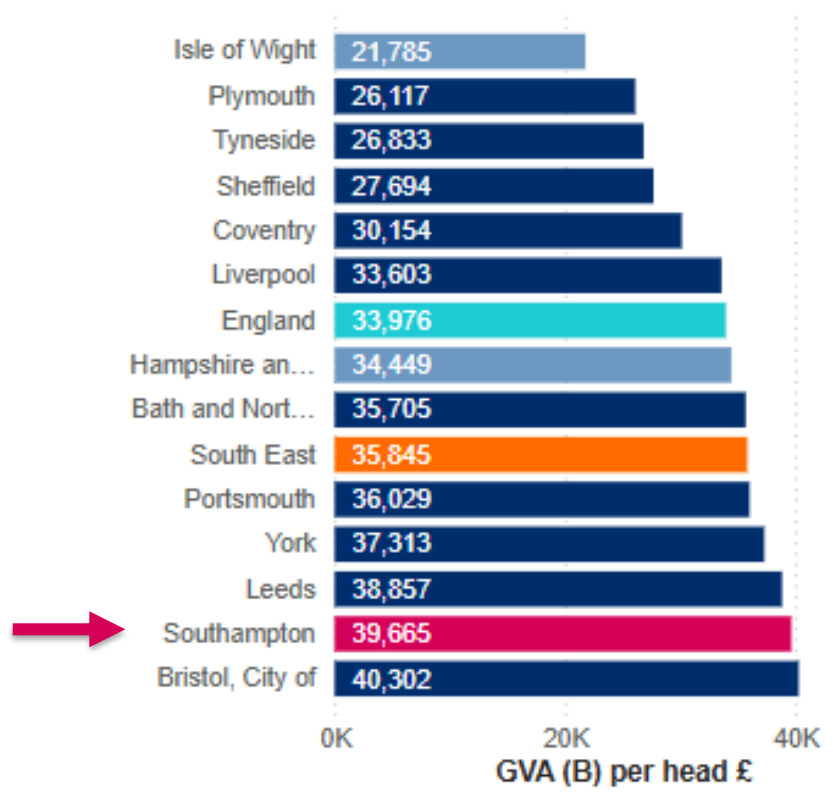
- GVA (B) per head in **Southampton** is **higher** than **England** and the **South East**
- **Southampton** experienced a **+11.7% increase** in GVA (B) per head, with **England** and the **South East** also seeing increases of **+11.3%** and **+11.3%** respectively since 2019
- Southampton has the **second highest** GVA per head amongst ONS comparators, therefore highlighting the relatively **high productivity of the local economy**

Change since 2019:



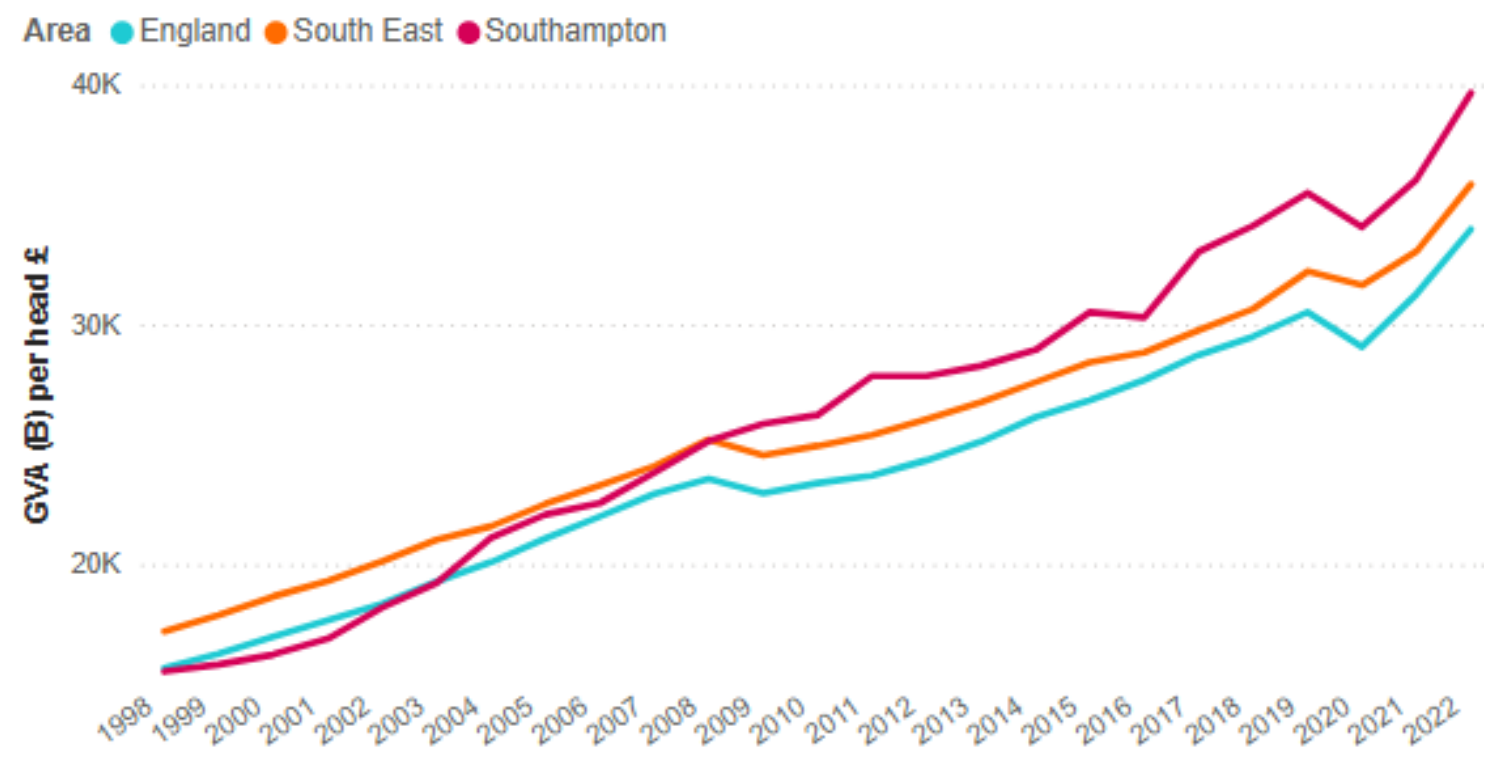
GVA (B) per head of population at current prices - Southampton and ONS comparators: 2022

Data source: Office for National Statistics



GVA (B) per head of population at current prices- England, South East, Southampton: 1998 to 2022

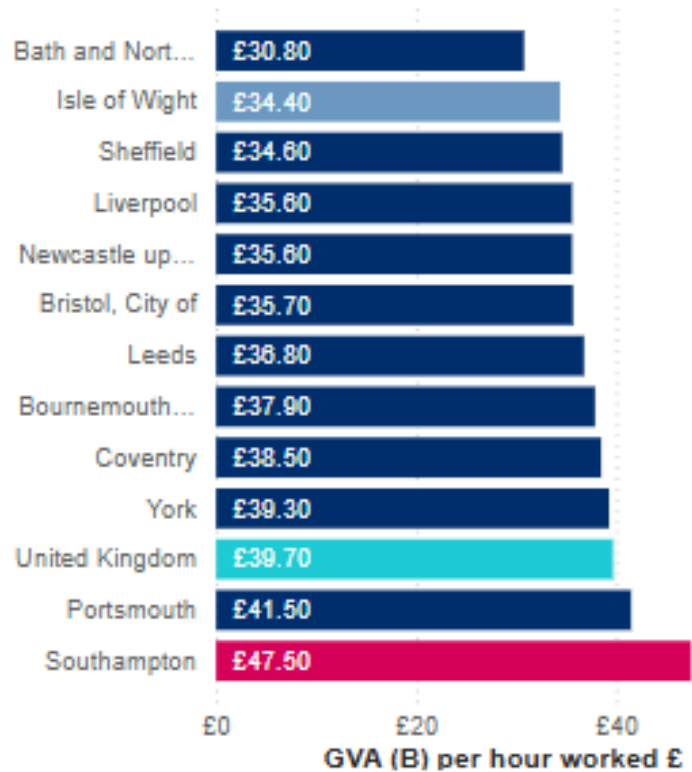
Data source: Office for National Statistics





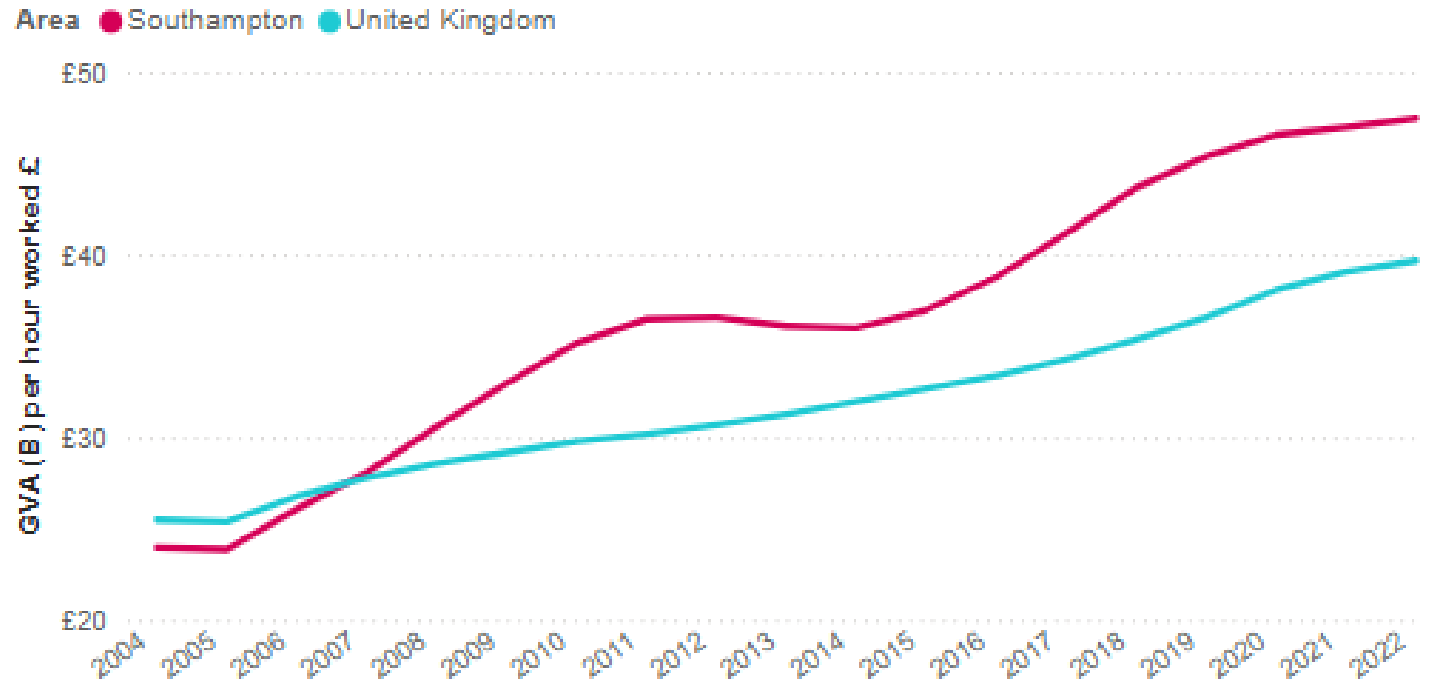
GVA (B) per hour worked (£) at current prices (smoothed) - Southampton and ONS comparators: 2022

Data source: Office for National Statistics



GVA (B) per hour worked (£) at current prices (smoothed) - United Kingdom, Southampton: 2004 to 2022

Data source: Office for National Statistics



- GVA per hour worked in **Southampton** in 2022 was **£47.50**, higher than the UK value of **£39.70**
- **Southampton** experienced a **+1.1% increase** in GVA per hour worked, with the **United Kingdom** also seeing an increase of **+1.5%** since 2021
- Southampton has the **highest** GVA per hour worked amongst ONS comparators, therefore highlighting the relatively **high productivity of the local economy**

Share of total GVA(B) by industry (SIC07) at current prices: 2022

Data source: Office for National Statistics

● England ● Southampton

AB: Agriculture, forestry and fi...

C: Manufacturing

DE: Electricity, gas, water; se...

F: Construction

G: Wholesale and retail trade; ...

H: Transportation and storage

I: Accommodation and food se...

J: Information and communica...

K: Financial and insurance act...

L: Real estate activities

M: Professional, scientific and ...

N: Administrative and support ...

O: Public administration and d...

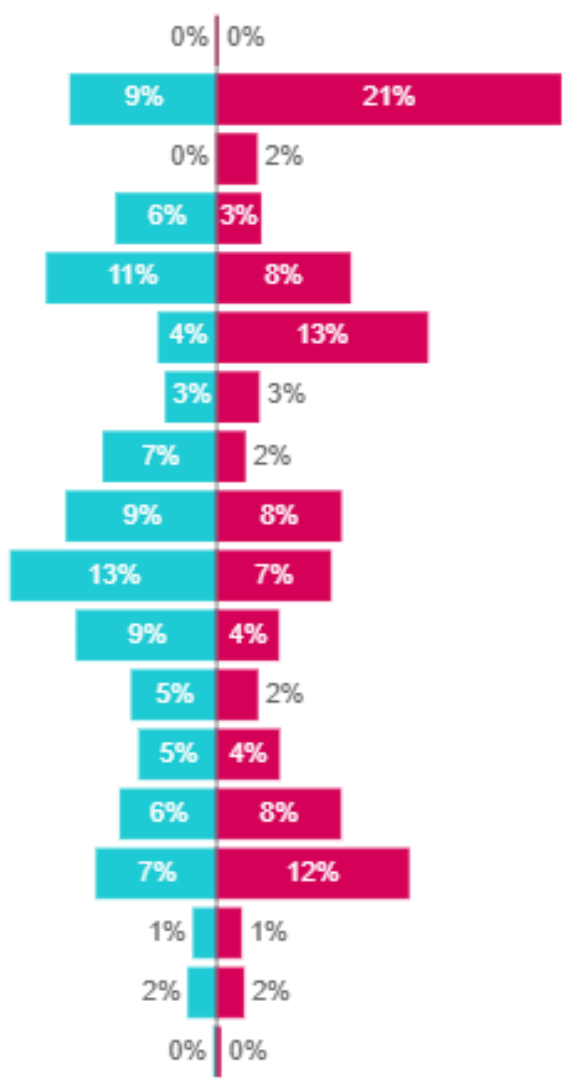
P: Education

Q: Human health and social w...

R: Arts, entertainment and rec...

S: Other service activities

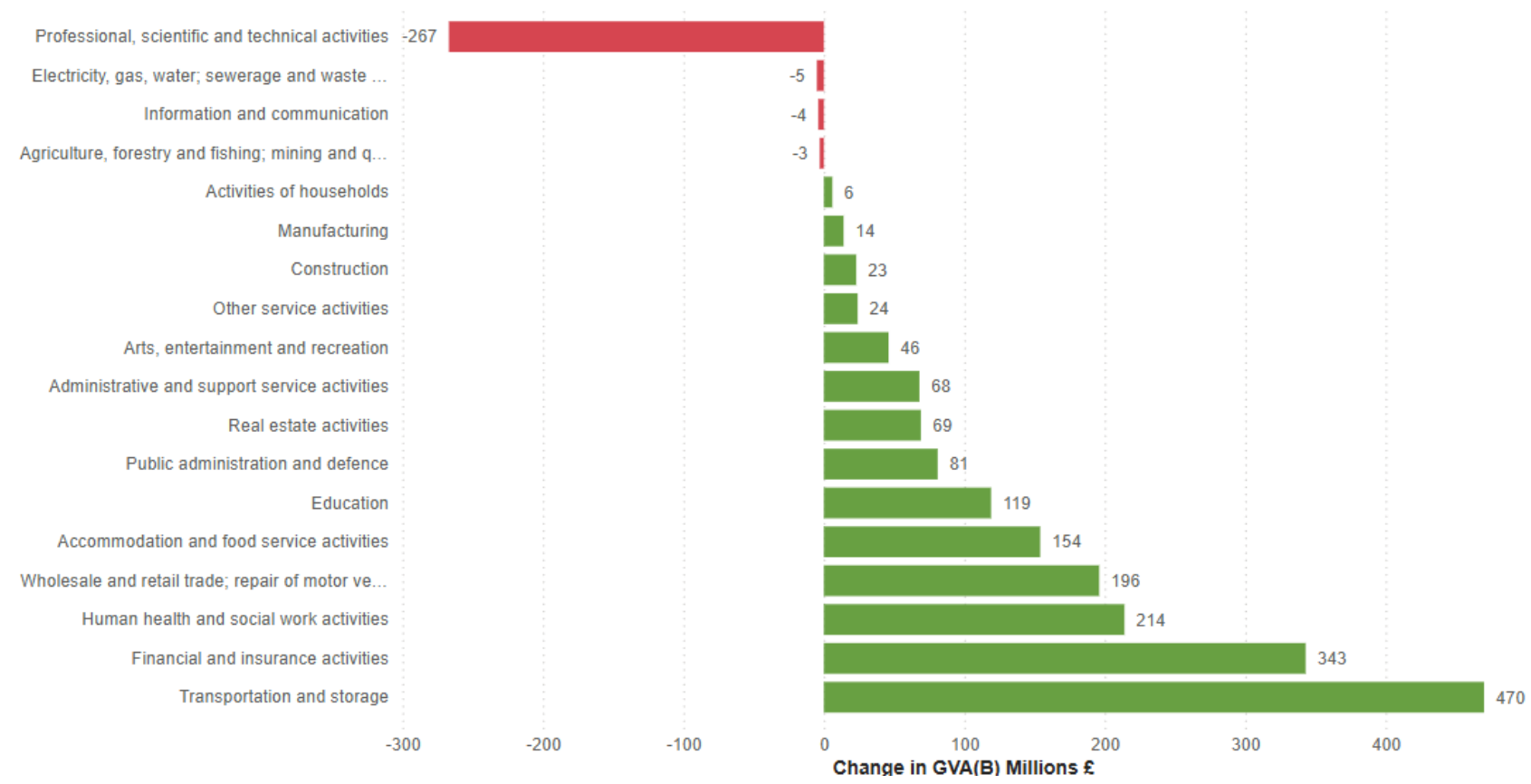
T: Activities of households



- The chart to the left compares the share (%) of GVA that each industry in Southampton and England accounts for in 2022
- **21% of Southampton’s GVA comes from the manufacturing industry a significantly higher proportion compared to England (9%). Manufacturing has been the most prominent industry since 2020 (25%), again this is likely influenced by economic ownership of overseas manufacturing operations**
- **Transportation and storage industries also account for a significantly higher proportion of GVA locally (13%) compared to nationally (4%)**
- **‘Public sector’ industries (public administration & defence, education and health sector) account for 24% of the Southampton economy; compared to 18% nationally**
- Compared to England, Southampton has a notably **lower** percentage share of **information and communication, real estate activities and professional, scientific and technical activities industries**

Source: Office for National Statistics – GVA

Change in GVA(B) at current prices by industry (SIC07) - Southampton: 2020 to 2022
 Data source: Office for National Statistics



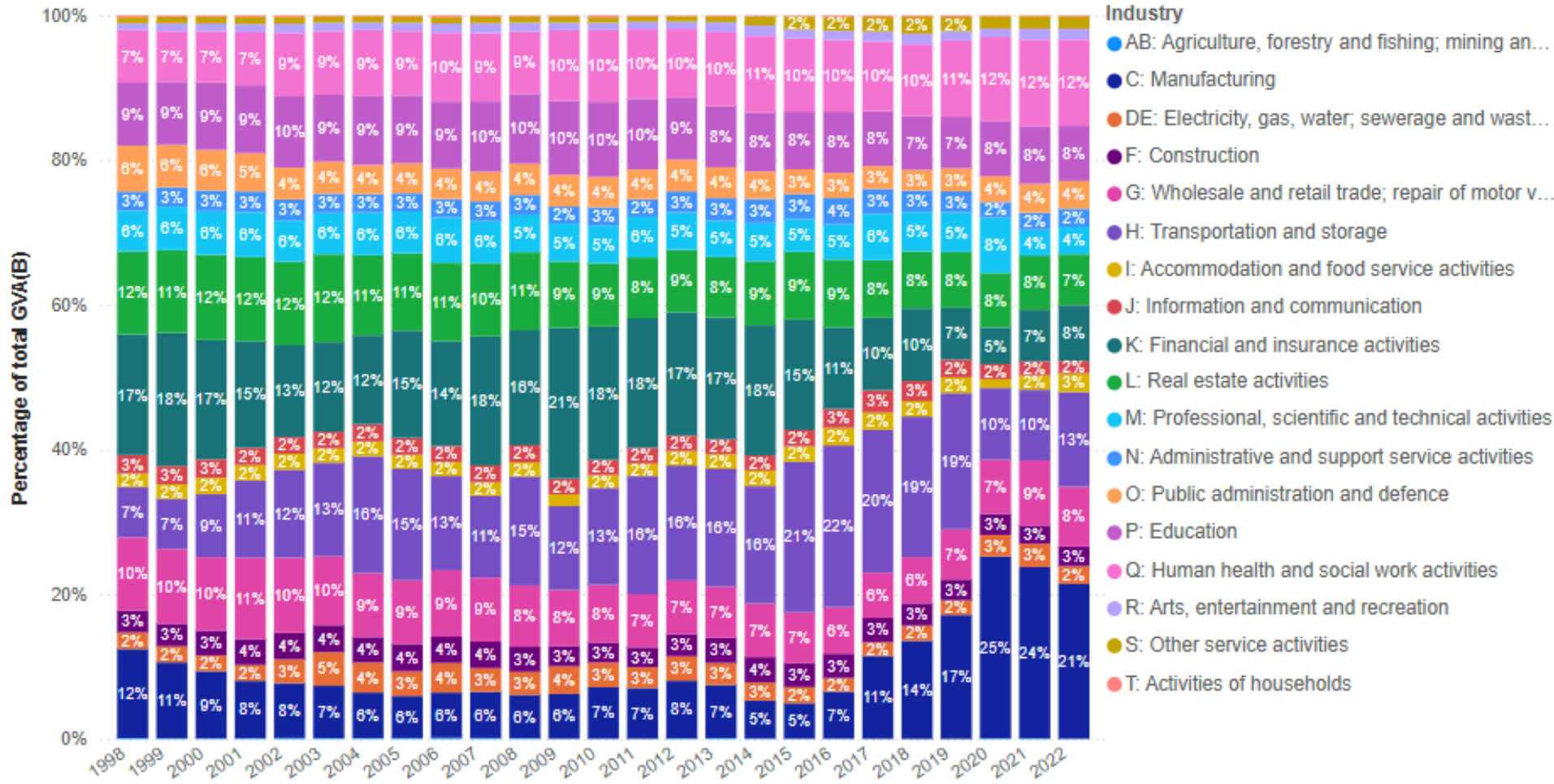
- **Transportation and storage** saw significant recovery between 2020 and 2022 (**£470 million**) in Southampton; although this remains **£356 million** lower than in 2019
- **Financial and insurance activities** saw the second highest increase locally in the last two years (**£343 million**)
- Overall, **14 of the 18** industries analysed experienced an **increase** in GVA between 2020 and 2022, yet **5 remain below 2019**
- **Professional, scientific and technical activities** was the only sector to see a significant decline in GVA from 2020 and 2022 (**£267 million**), returning to levels seen in the last decade (£343 mn in 2012)
- **Manufacturing** experienced the largest increase during the pandemic (**£614 million** between 2019 and 2020) and has maintained this elevated level since (**£14 million** in the last two years); this is likely driven by economic ownership of overseas operations, particularly in the **manufacture of food, beverages and tobacco**



Productivity and Growth – GVA (B) by Industry

GVA(B) at current prices by industry (SIC07) - Southampton: 1998 to 2022

Data source: Office for National Statistics



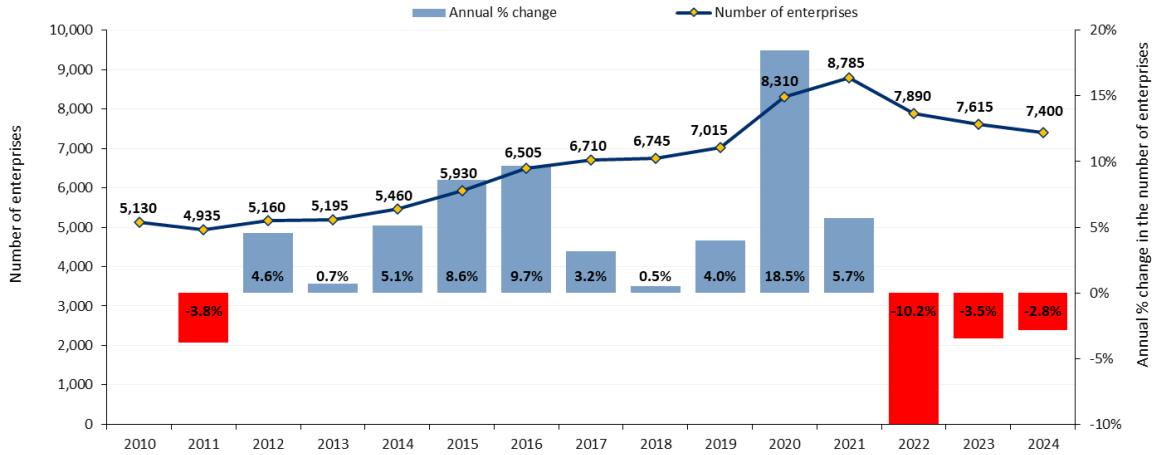
- The chart to the left shows the percentage share of total GVA (B) by industry from 1998 to 2022 in Southampton
- **Manufacturing** has experienced the most growth in the last decade, **increasing 5X** from a share of **5%** total GVA (B) in **2015** to a peak of **25%** in **2020**
- **Transportation and storage** also saw significant growth over the last two decades, from **7%** of total GVA (B) in 1998 to **19%** in **2019**; however this fell significantly to **10%** in **2021** following the pandemic
- **Human health and social work activities** have seen gradual but consistent growth, rising from a share of **7%** in 2000 to **12%** in the latest three years
- **Financial and insurance activities** experienced a notable decline in recent years, halving from **18%** of total GVA (B) in **2014** to **5%** in **2020**, but grew in **2022** to **8%** (+£343 million)



Business and Enterprise



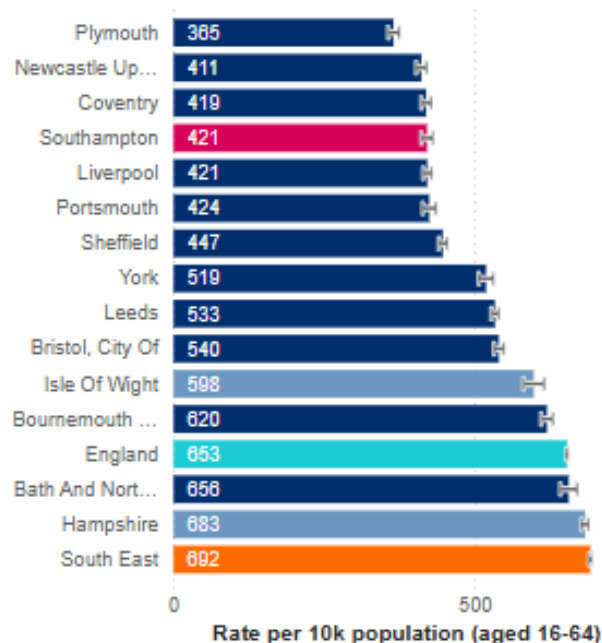
Number of VAT and/or PAYE based business enterprises in Southampton: 2010 to 2024



Source: UK Businesses, Office for National Statistics

Rate of business enterprises per 10k working age population Southampton and ONS comparators: 2024

Data source: Office for National Statistics - UK business: activity, size and location



- **Southampton** experienced a **-2.8% (-215)** decrease in the number of business enterprises over the last year. Compared to a **-0.1% decline** across the **South East** and a **-0.1% decrease** across **England**
- **Almost all the declines** in the **total number** of enterprises over the last year in Southampton was **driven by declines of micro enterprises** (less than 10 employees) (**-185** enterprises). **The retail sector** saw the largest decline (**-155** enterprises) by industry, followed by **construction** (**-35** enterprises) and **professional, scientific and technical** (**-30** enterprises)
- **Southampton (421 per 10,000** working age population) still has a **significantly lower rate** of business enterprises compared to **England** (653) and the **South East** (692) averages
- **Multiple business registrations** at a single postcode may have affected data for Southampton in 2019 and 2020. **670 (37%)** of the **1,820** births in **Southampton** were at **postcodes with multiple registrations** in **2020**. More information on this issue has been published by the [ONS](#)

Change since 2023:

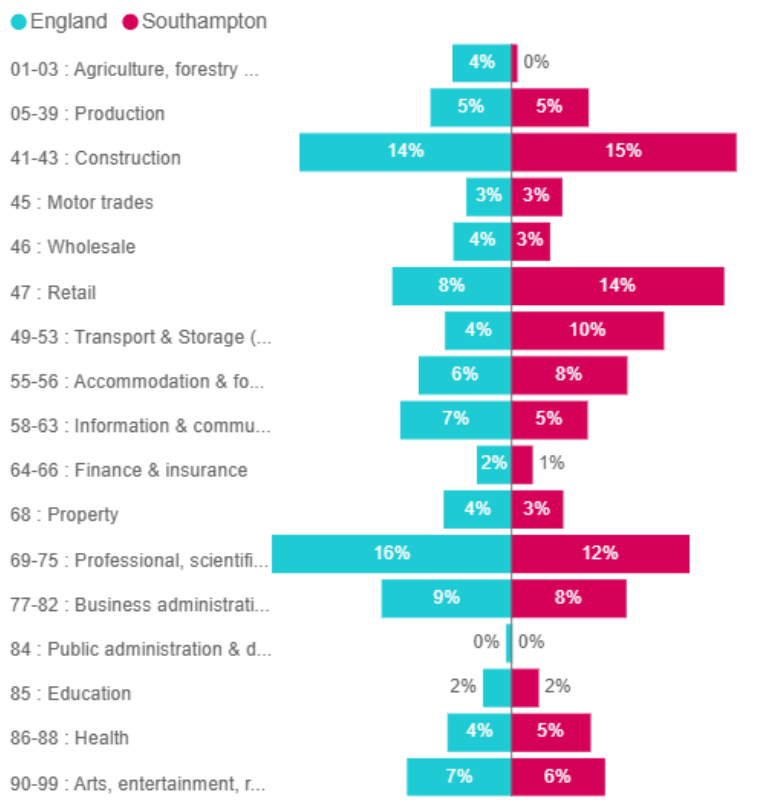


Source: Office for National Statistics - UK business: activity, size and location



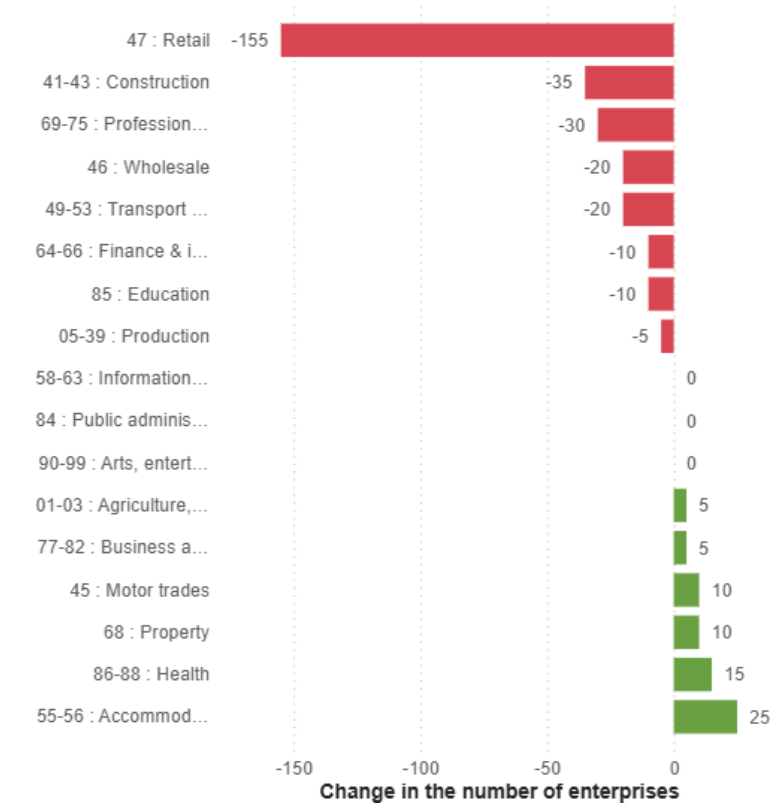
Percentage share of enterprises by industrial group (SIC07) - Southampton and England: 2024

Data source: Office for National Statistics - UK business: activity, size and location



Change in the number of enterprises by industrial group (SIC07) - Southampton: 2023 to 2024

Data source: Office for National Statistics - UK business: activity, size and location

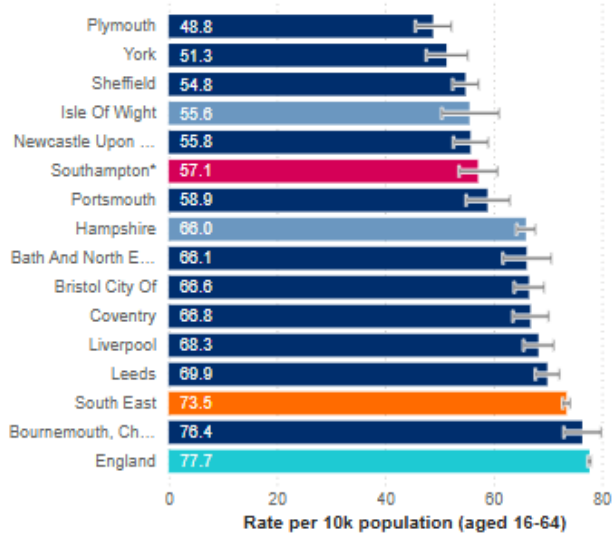


- **Retail** accounted for **14%** of enterprises in Southampton during 2024, compared to **8% nationally**
- **Transport and storage (10%)** also have over **double the share** of enterprises compared to nationally (4%), whereas the proportion of **professional, scientific and technical enterprises** is notably **smaller** (12%, compared to 16%)
- **Retail (-155 enterprises)** saw the largest **decline** by industry, followed by **construction (-35)** and **professional, scientific and technical (-30)**. On the other hand, any **increases were limited**



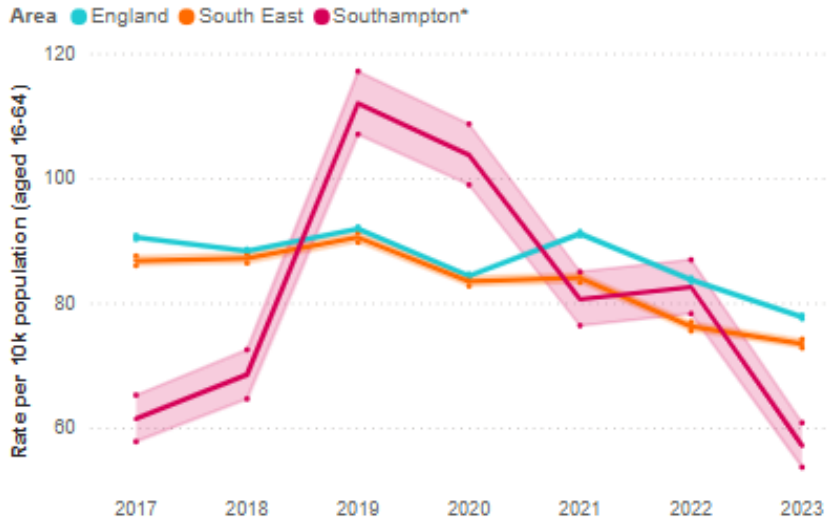
Births of new enterprises - crude rate per 10k working age population - Southampton and ONS comparators: 2023

Data source: Office for National Statistics: Business Demography



Births of new enterprises - crude rate per 10k working aged population England, South East, Southampton*: 2017 to 2023

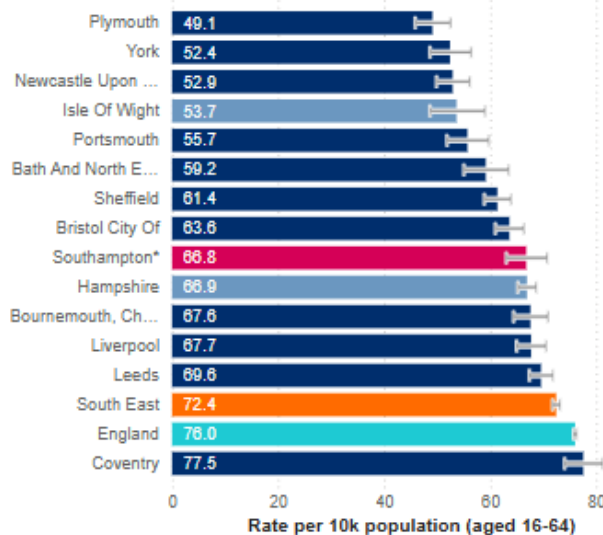
Data source: Office for National Statistics: Business Demography



- There were **1,005** business start ups (**births**) in Southampton during **2023**, a decline of **-29.5%** (**-420**) compared to the previous year.
- The birth rate in 2023 is significantly lower than the national average
- There were **1,175** business **deaths** in **2023**, a year on year decrease of **-17.0%** (**-240**)

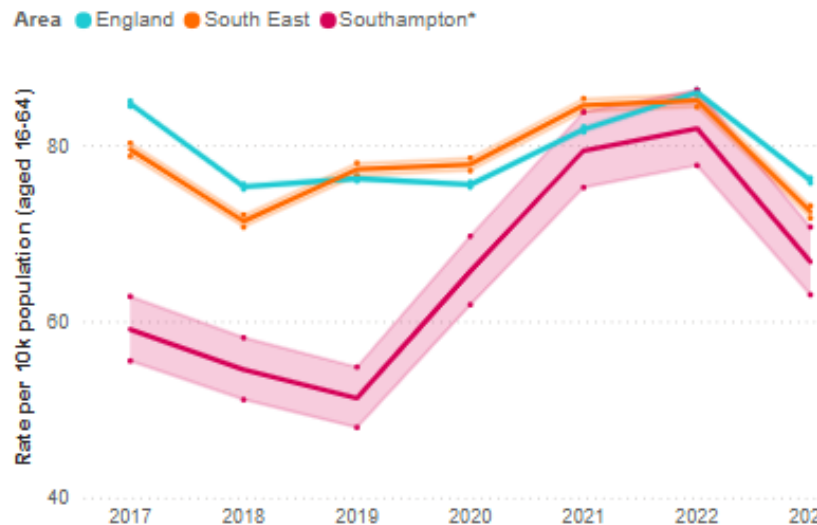
Deaths of enterprises - rate per 10k working aged population - Southampton and ONS comparators: 2023

Data source: Office for National Statistics: Business Demography



Deaths of enterprises - rate per 10k working aged population - England, South East, Southampton*: 2017 to 2023

Data source: Office for National Statistics: Business Demography



- The business death rate for Southampton (**66.8**)
- 2023 was the first time since there was a decrease in deaths of enterprises since 2019
- The previous increases in death rates for Southampton over recent years is likely impacted by multiple registrations, as multiple registrations also impact on business deaths and survival rates

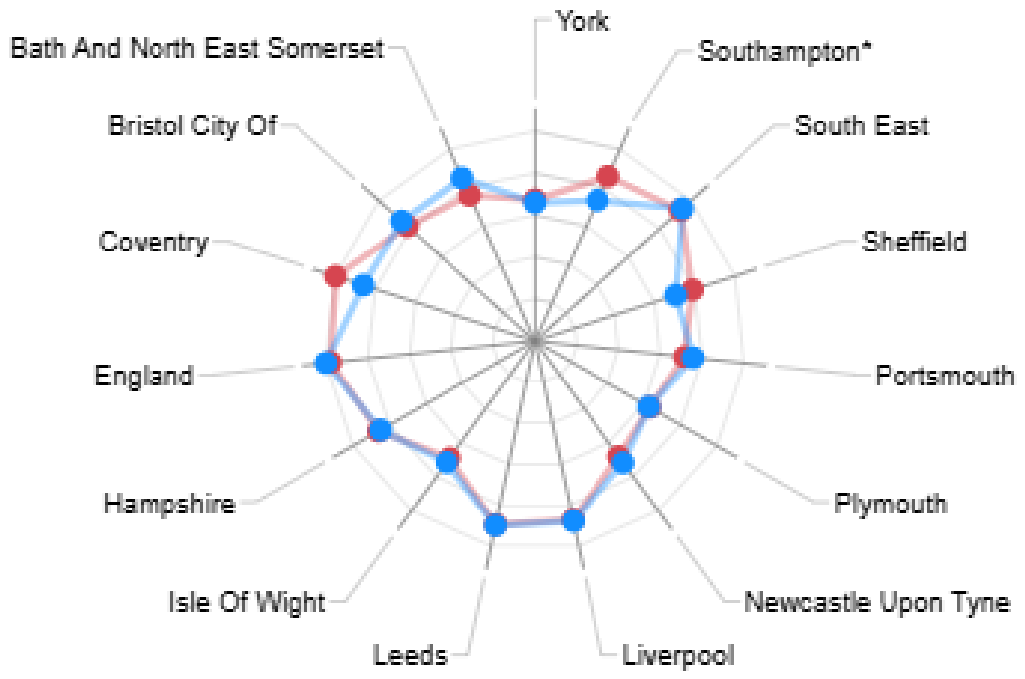


Business Start-ups & Deaths

Business births and deaths per 10k population (aged 16-64) - Southampton and ONS comparators: 2023

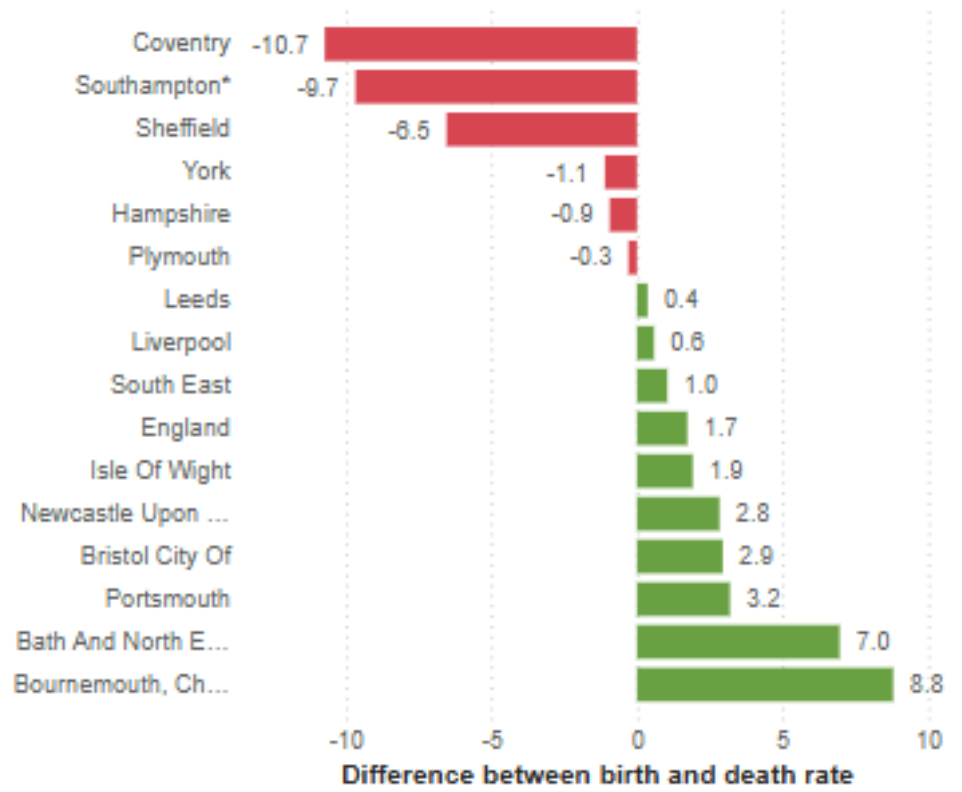
Data source: Office for National Statistics: Business Demography

Axis ● Death rate ● Birth rate



Difference in business birth and death rates (per 10k population aged 16-64) - Southampton and ONS comparators: 2023

Data source: Office for National Statistics: Business Demography



- Southampton had a birth rate of **57.1 business per 10k working age population** in 2023, compared to South East (73.5) and England (77.7)
- Southampton had a death rate of **66.8 business per 10k working age population** in 2023, compared to South East (72.4) and England (76.0)
- Southampton had a net growth rate of **-9.7 business per 10k working age population** in 2023

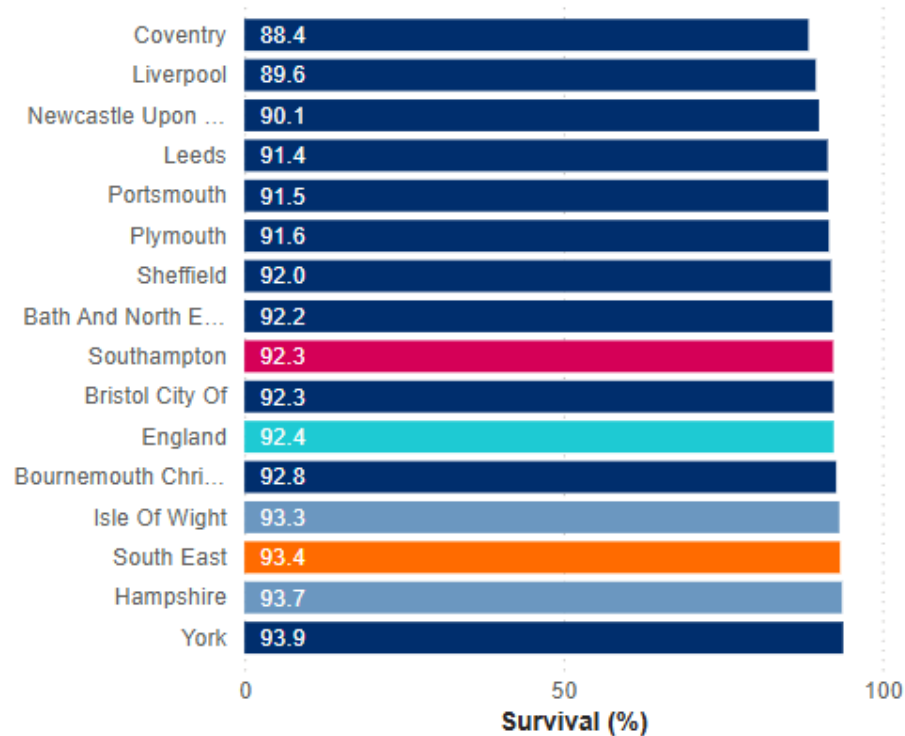
* Areas have been identified as having more than 500 businesses at a single postcode within it in 2019 and 2020



Business Survival in the 1st year

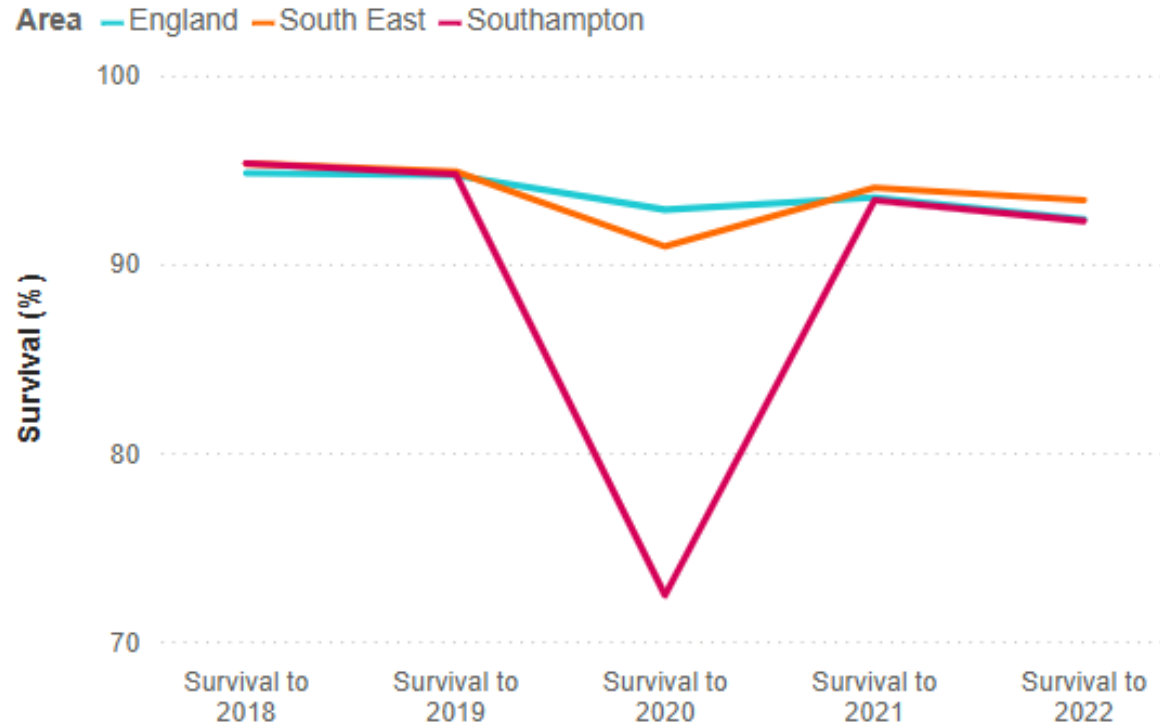
1-year survival (%) of enterprises formed in 2022: Southampton and ONS comparators

Data source: Office for National Statistics: Business Demography



1-year survival (%) of enterprises formed between 2018 and 2022: England, South East, Southampton

Data source: Office for National Statistics: Business Demography

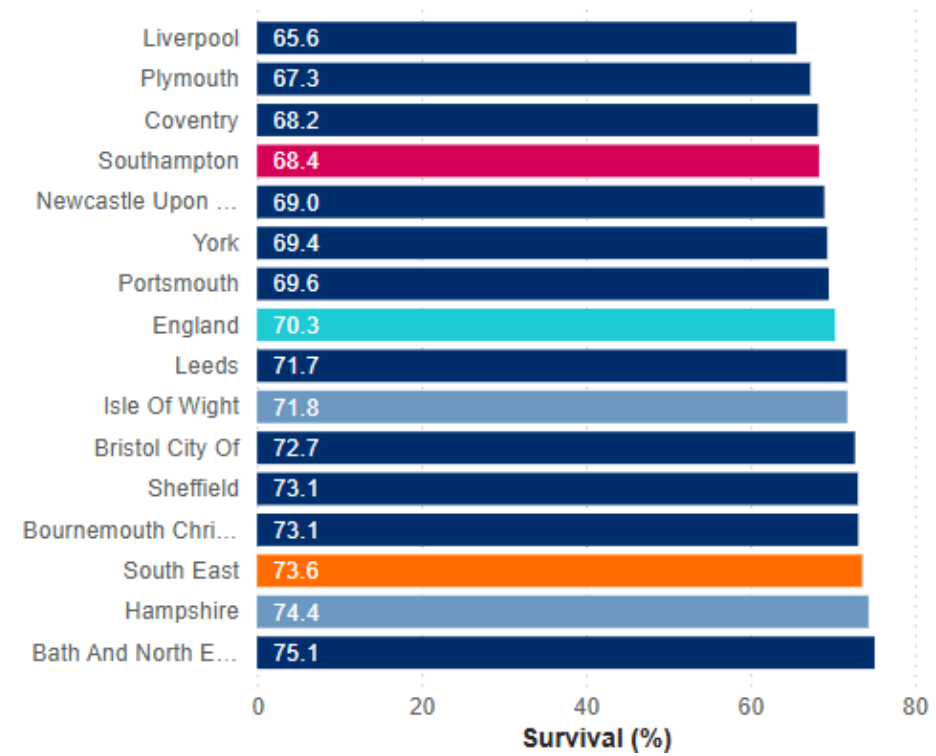


- 1-year survival in Southampton decreased from **93.4%** in 2022 to **92.3%** in 2023, similar to the national average (**92.4%**)
- 1-year survival rates may have been impacted by multiple registrations in Southampton during 2020 as we have seen an increase in business deaths during the same period



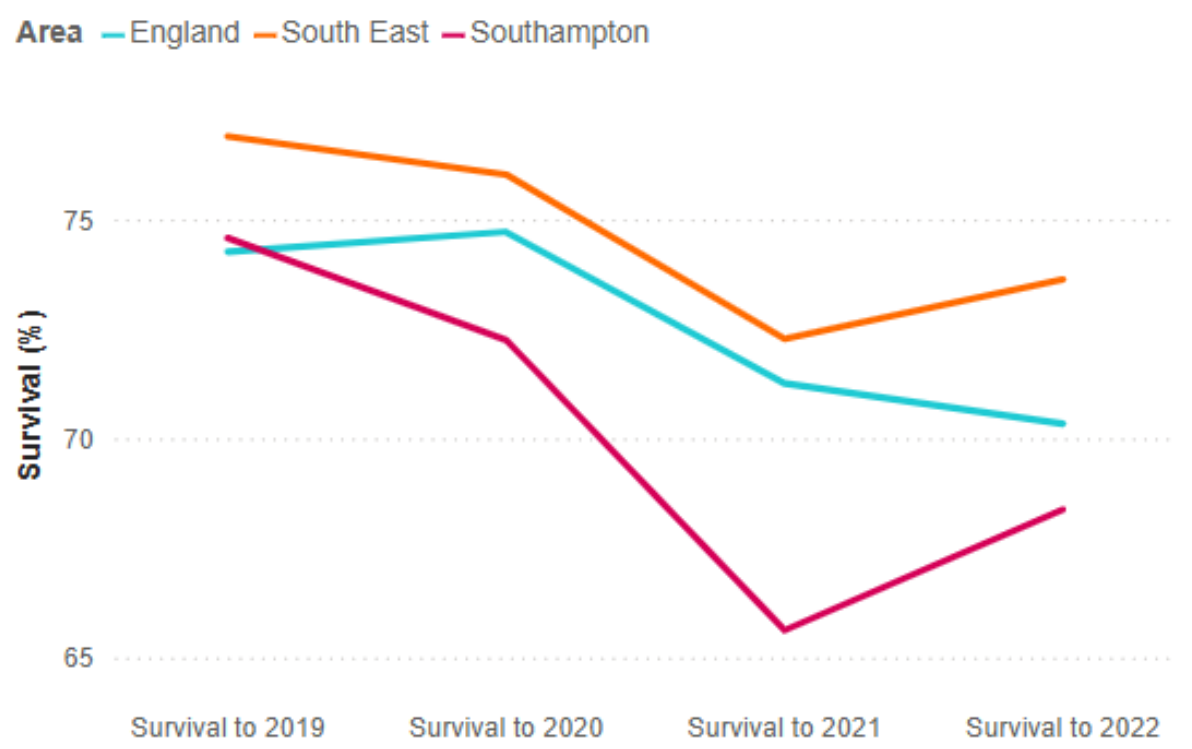
2-year survival (%) of enterprises formed in 2021: Southampton and ONS comparators

Data source: Office for National Statistics: Business Demography



2-year survival (%) of enterprises formed between 2018 and 2021: England, South East, Southampton

Data source: Office for National Statistics: Business Demography

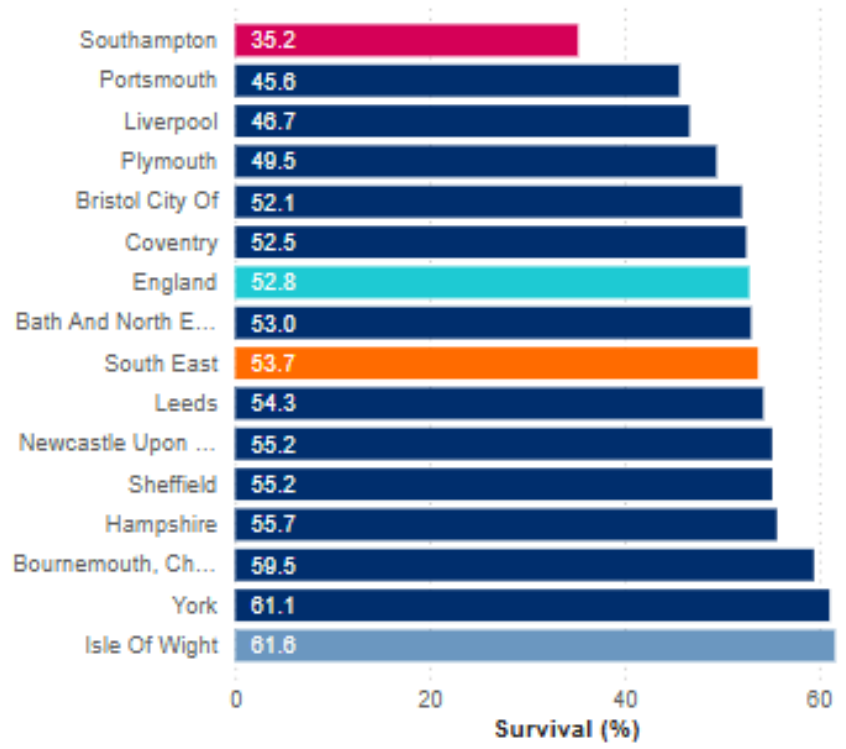


- **68.4%** of businesses formed in Southampton during 2021 **survived at least 2-years** (survived to 2023)
- The Southampton 2-year survival to 2021 is likely skewed by multiple business registrations to a single postcode and subsequent deaths of these businesses



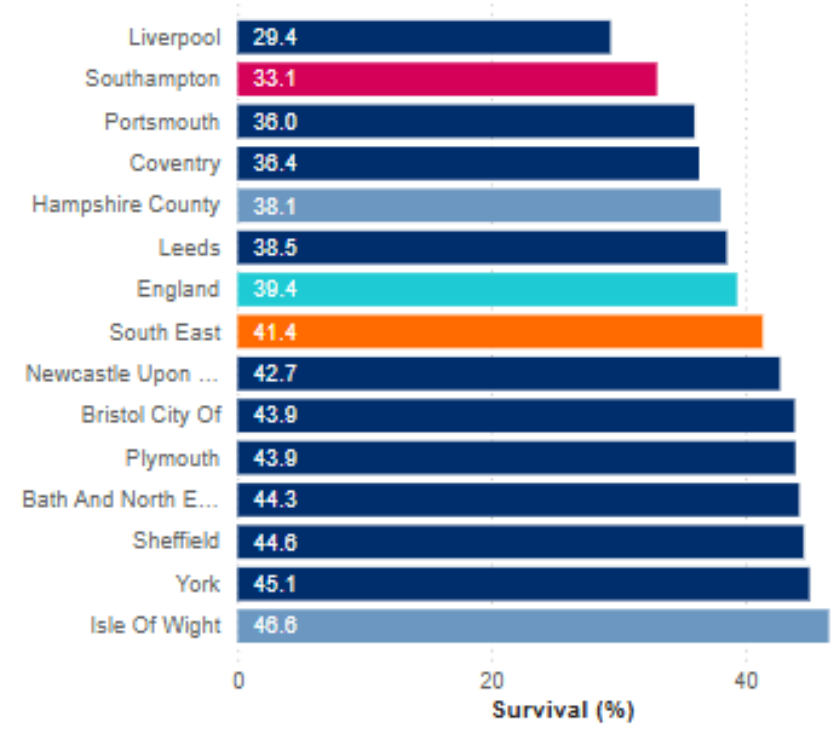
3-year survival (%) of enterprises formed in 2020: Southampton and ONS comparators

Data source: Office for National Statistics: Business Demography



5-year survival (%) of enterprises formed in 2018: Southampton and ONS comparators

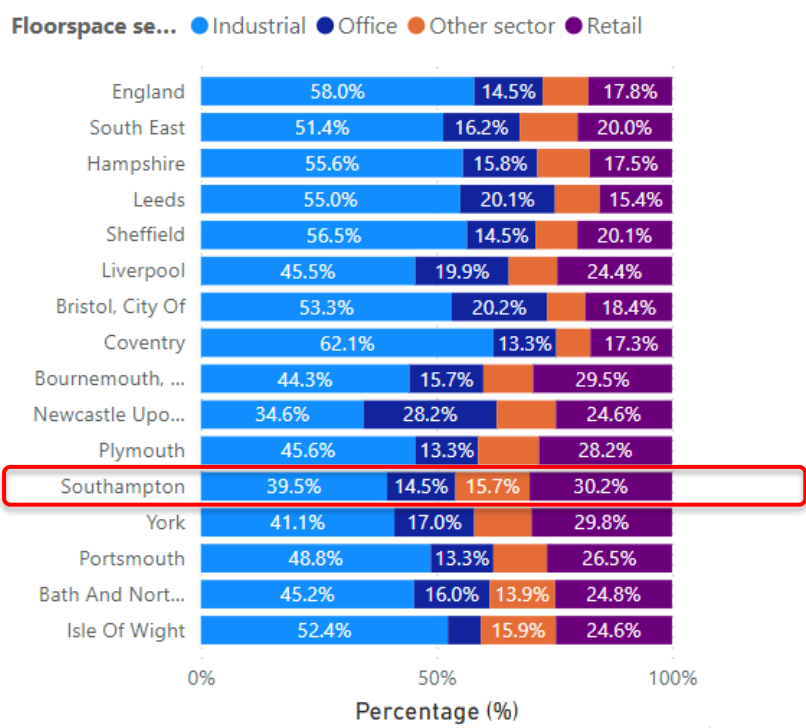
Data source: Office for National Statistics: Business Demography



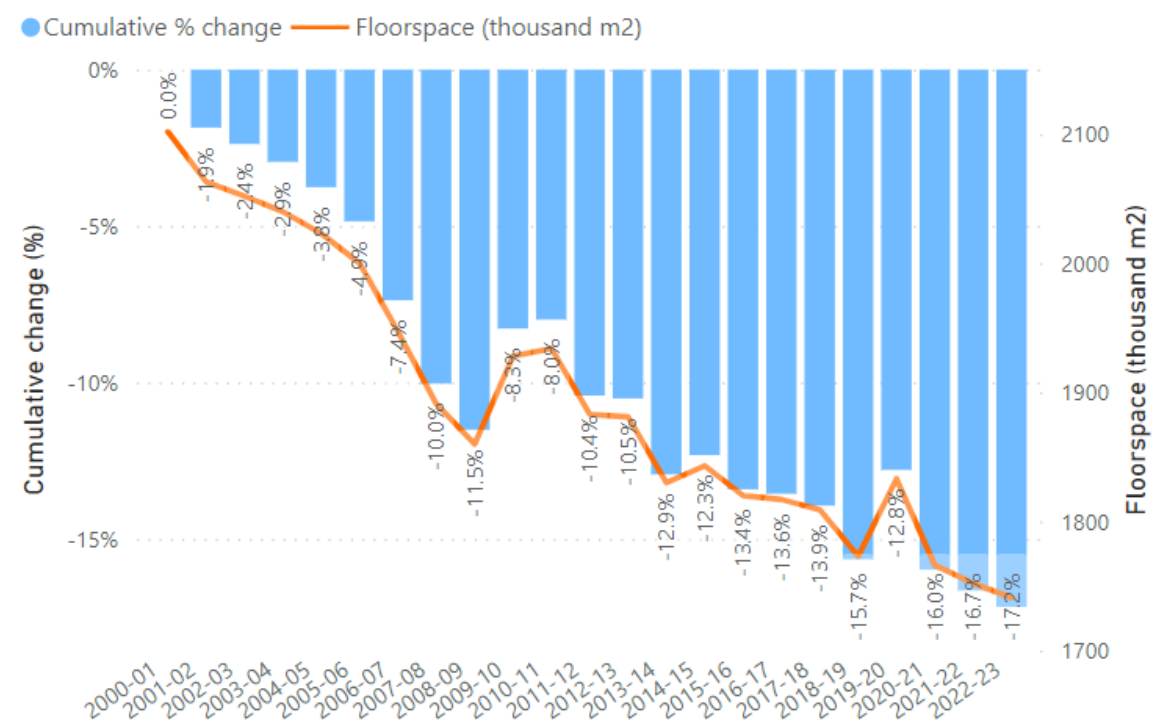
- Business survival over 3-years in Southampton is **35.2%**, lower than the national average (52.8%) and a decrease from last year (**50.8%**). However, the 3-year survival for Southampton will be affected by multiple registrations to a single postcode in 2020
- The 5-year survival is also lower than the England average (39.4%), with **33.1%** of businesses in Southampton surviving
- Challenges brought about the coronavirus pandemic and recent economic uncertainty could continue to create obstacles for longer term business survival going forwards



Percentage of business floorspace by sector - Southampton and ONS comparators: 2022-23



Change in Total floorspace - Southampton trend: 2000-01 to 2022-23

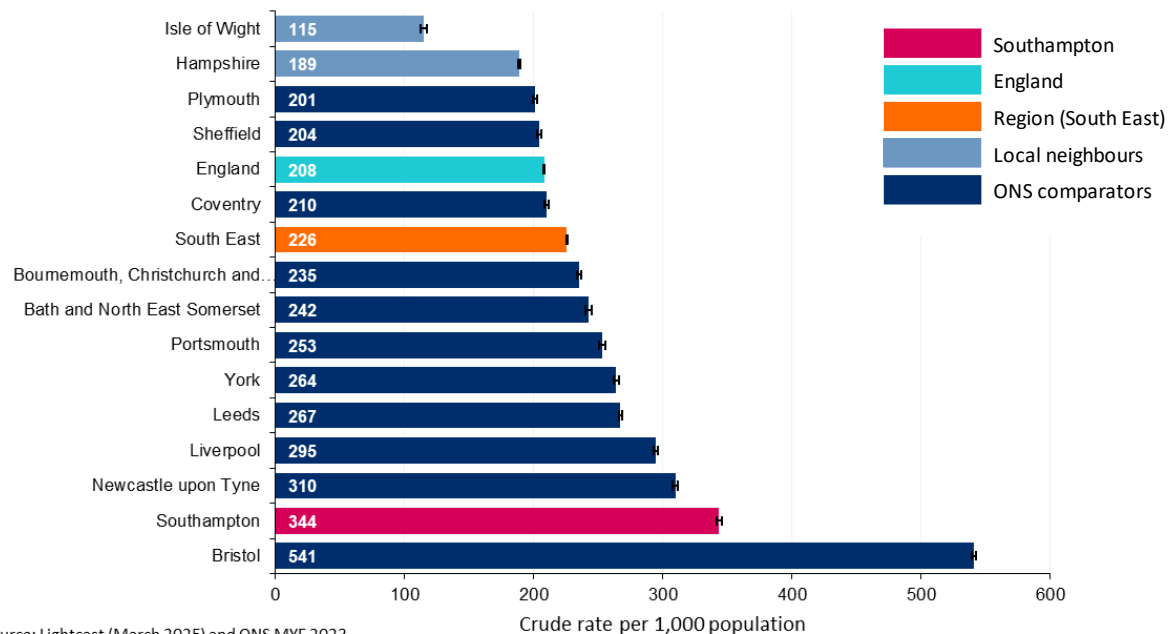


- In 2022/23, there was **1,741 m²** of available business floorspace in Southampton
- Since 2000/01, **Southampton** has seen a **reduction** in total floorspace by **-17.2%**, compared to **increases** of **1.7%** across **England** and **4.6%** in the **South East**
- **Office (-40.2%)** and **industrial (-24.6%)** floorspace has reduced the most in Southampton since 2000/01
- The **majority** of floorspace in **Southampton** is still classed as **industrial (39.5%)**, although this is much **lower** than the **England** average (**58.0%**) and the **second lowest** amongst comparator cities
- **30.2%** of floorspace in Southampton is classified as **retail**, the **largest amongst comparator cities**

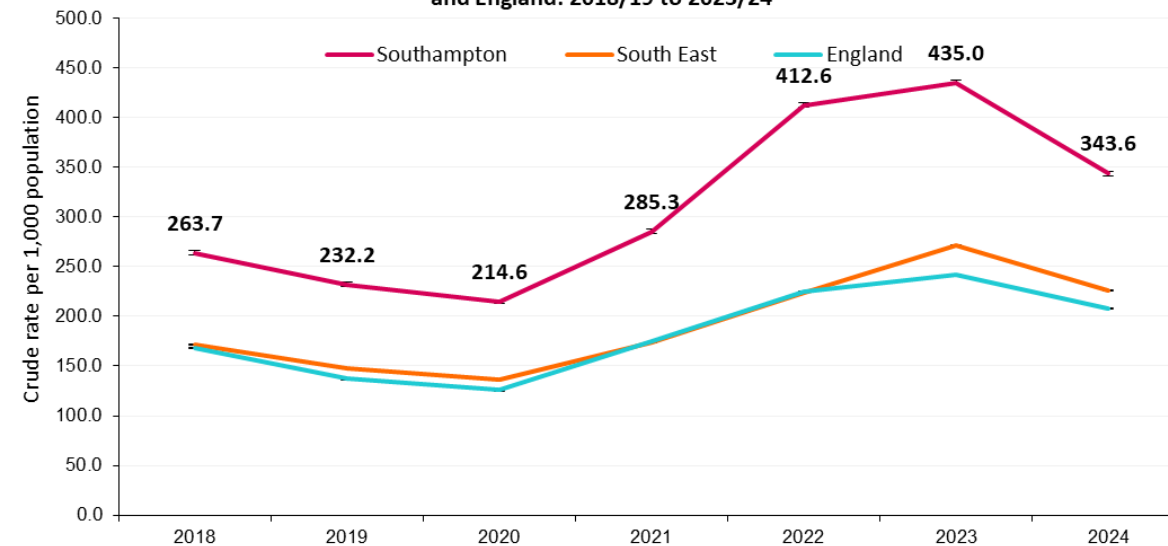


Employee Jobs

Unique job postings, crude rate per 1,000 population, Southampton and ONS Comparators: 2024



Unique job postings, crude rate per 1,000 working age population, Southampton, South East and England: 2018/19 to 2023/24



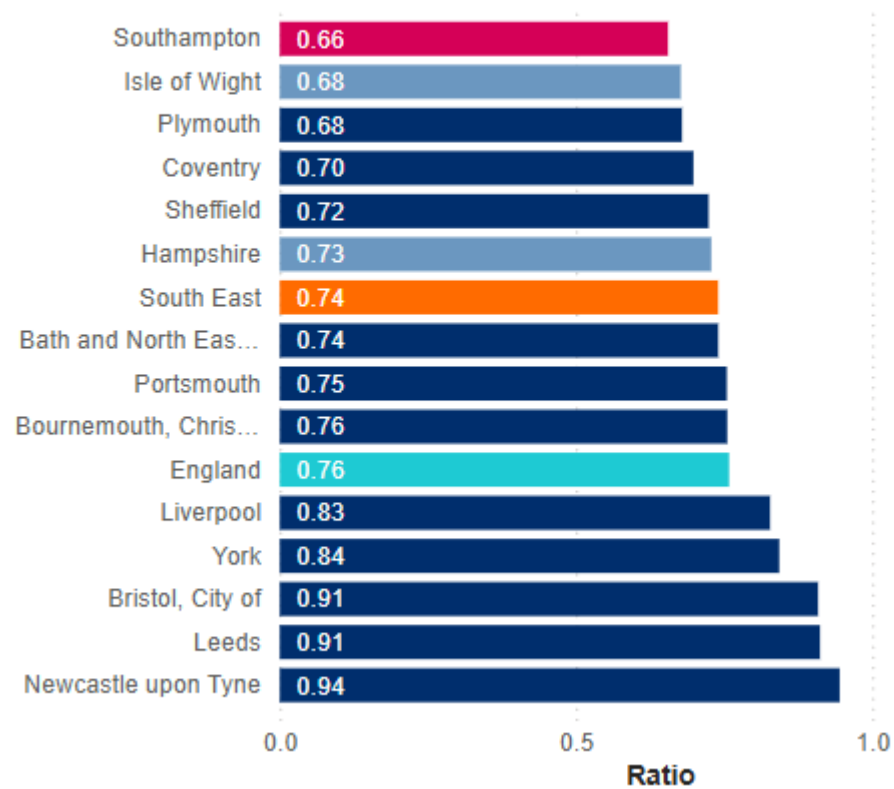
Source: Lightcast (March 2025) and ONS Mid-Year Population Estimates

- In 2024, **Southampton** had a crude rate of **344 unique job postings per 1,000 working age population** (aged 16 to 64), **significantly higher** than the national (208 per 1,000) and regional (226 per 1,000) averages
- The crude rate of unique job postings **decreased** for Southampton and all comparators in 2024 compared to 2023
- **Southampton ranks second highest** amongst ONS comparators in 2024 for the rate of job postings. This is consistent with previous years, which indicates that **Southampton remains a major area for employment opportunities** in the region
- **Median advertised wages** continue to remain higher than the long-term average, having **averaged £31.8k per year** in 2024
- The above evidence suggests that Southampton remains a major centre for employment in the region, but it is **important to attract higher value businesses and more skilled jobs**, which our residents can benefit from



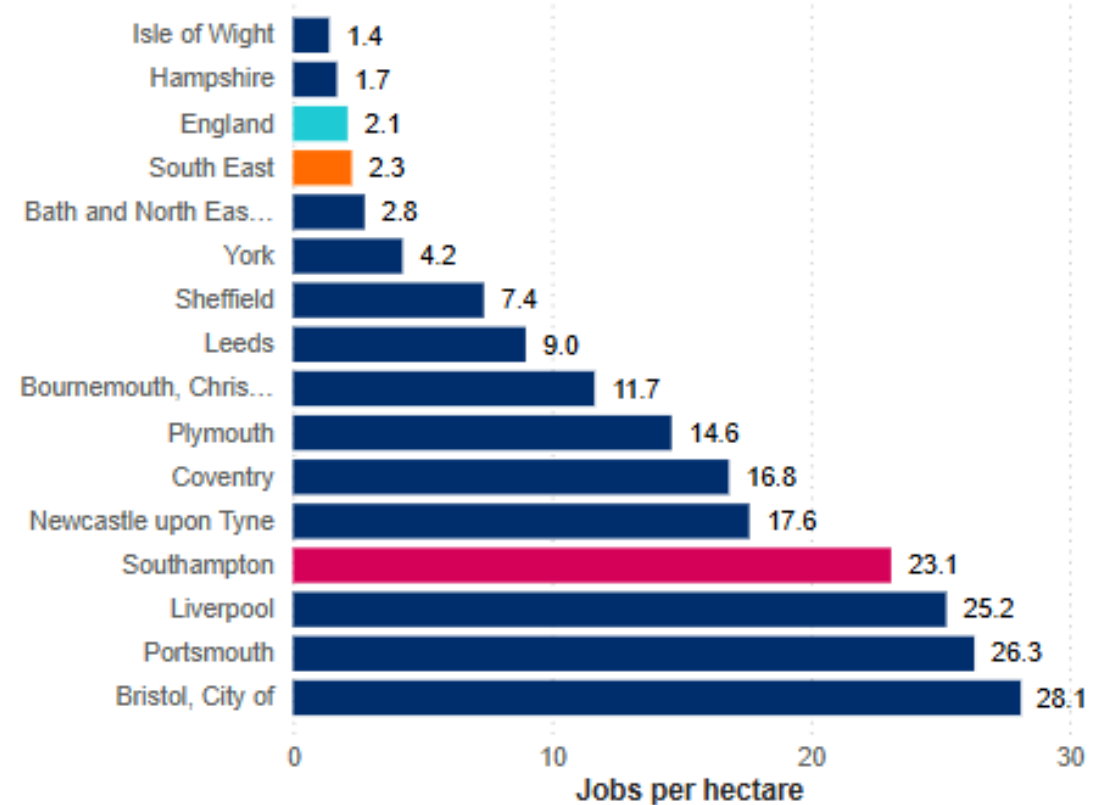
Ratio of employee jobs to working age (16-64) population - Southampton and ONS comparators: 2023

Data source: Office for National Statistics - Business Register and Employment Survey



Number of employee jobs per hectare - Southampton and ONS comparators: 2023

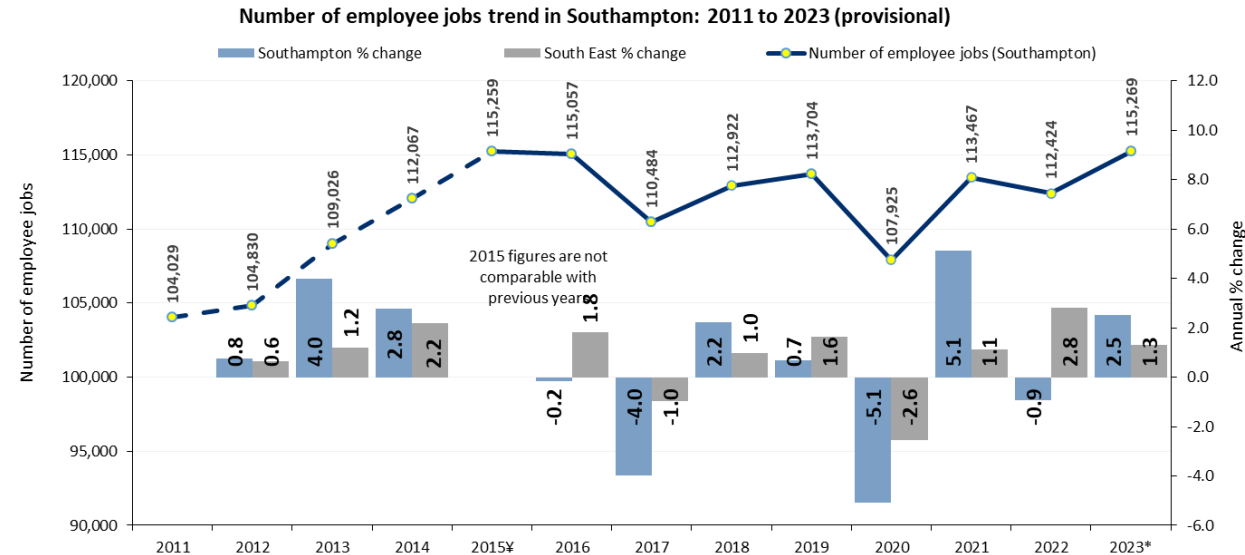
Data source: Office for National Statistics - Business Register and Employment Survey



- The ratio of jobs to working age population in Southampton is **0.66**; lowest among comparator areas
- However, Southampton has a job density of **23.1 jobs per hectare**, the fourth highest among comparators



- There were **115,269** employee jobs in Southampton in 2023, which is an **increase of 2.5% (2,845)** compared to 2022
- The number of employee jobs in Southampton **remains similar to 2015**, with a net increase of **10** jobs; with England (+9.8%) and the South East (+6.2%) experiencing an increase in jobs during the same period
- Employee jobs can be broken down into more detail; by sector of employment (public and private) and employment status (all employees, full-time and part-time)
- Whilst Southampton experienced an overall increase of **+2.5%** in the number of employee jobs since 2022, **changes vary** depending on **sector** and **employment status**;
 - The number of **private sector** employees increased (**+2,536, +3.0%**), with an increase in both the number of **full-time** employees (**+1,380, +2.4%**) and **part-time** employees (**+1,156, +4.0%**)
 - The number of **public sector** employees increased by **1.1%** (**+309**), which was driven by increase in both **full-time** (**+293, +1.6%**) and **part-time** employees (**+16, +0.2%**)

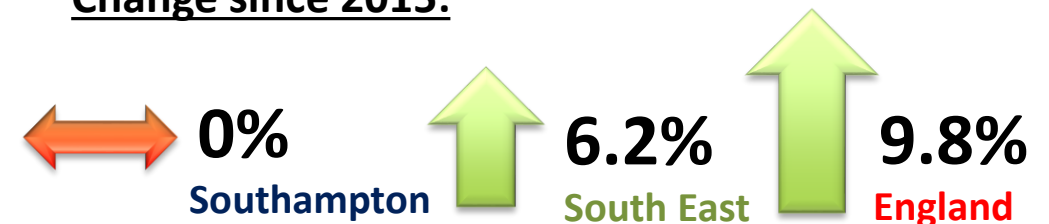


Source: ONS Business Register & Employment Survey (BRES)

* Most recent data is provisional † figures from 2015 include PAYE only and VAT registered and are not directly comparable with previous years

Data prior to 2015 is not comparable with recent years. Between 2011 and 2014 there was a net increase of 8,038 jobs (+7.7%)

Change since 2015:

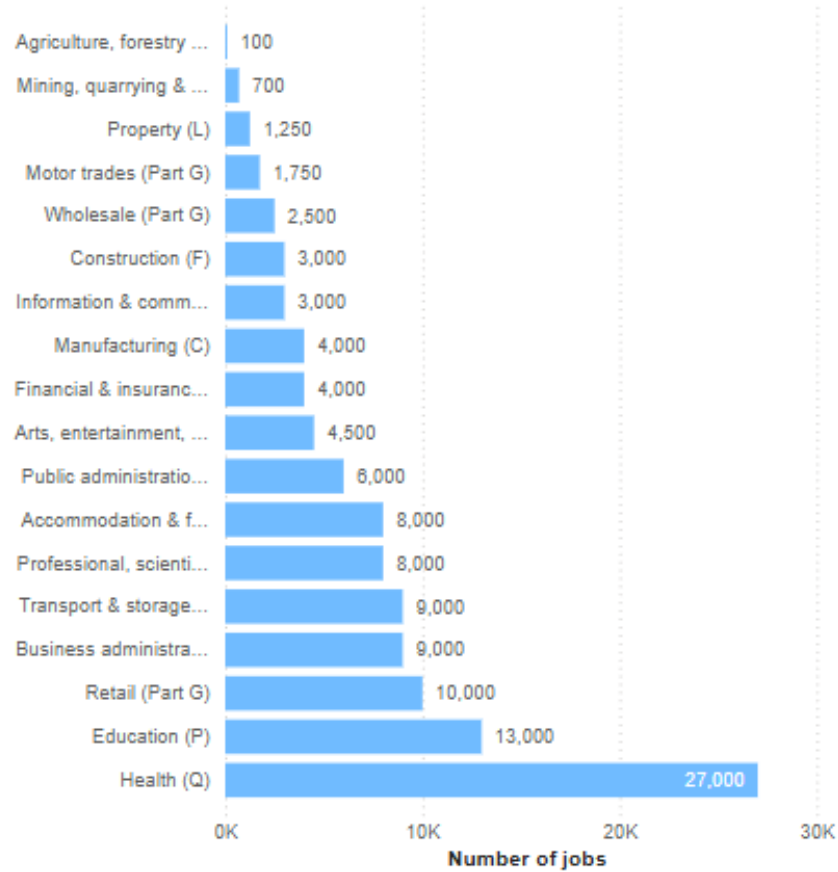


Change since 2022:

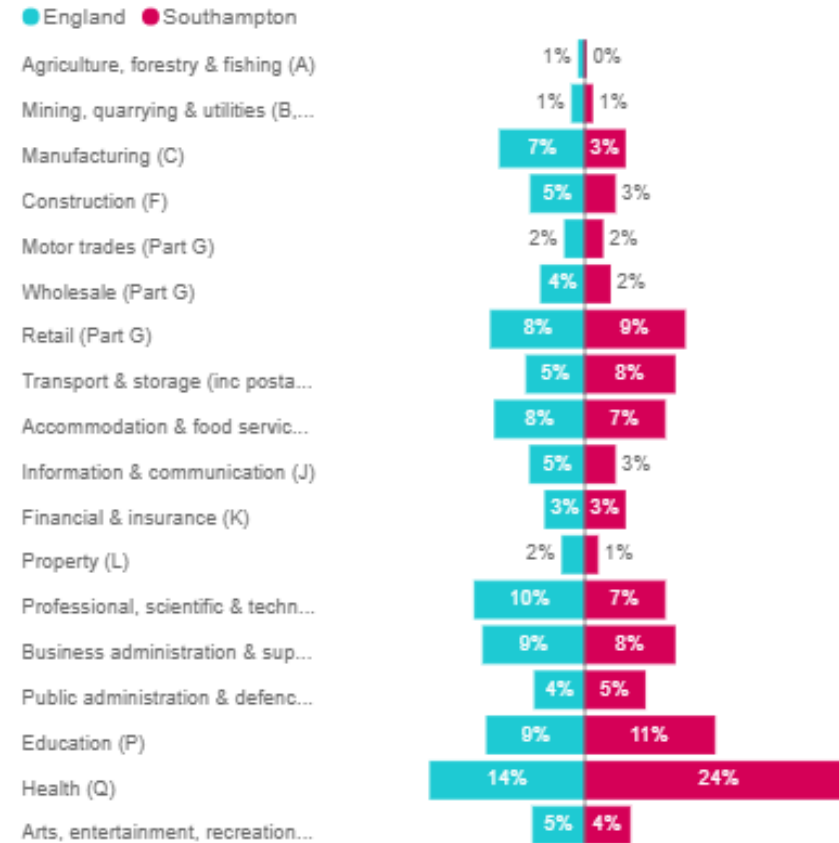




Number of jobs by industrial group (SIC07) - (Employees) Southampton: 2023
Data source: Office for National Statistics - Business Register and Employment Survey



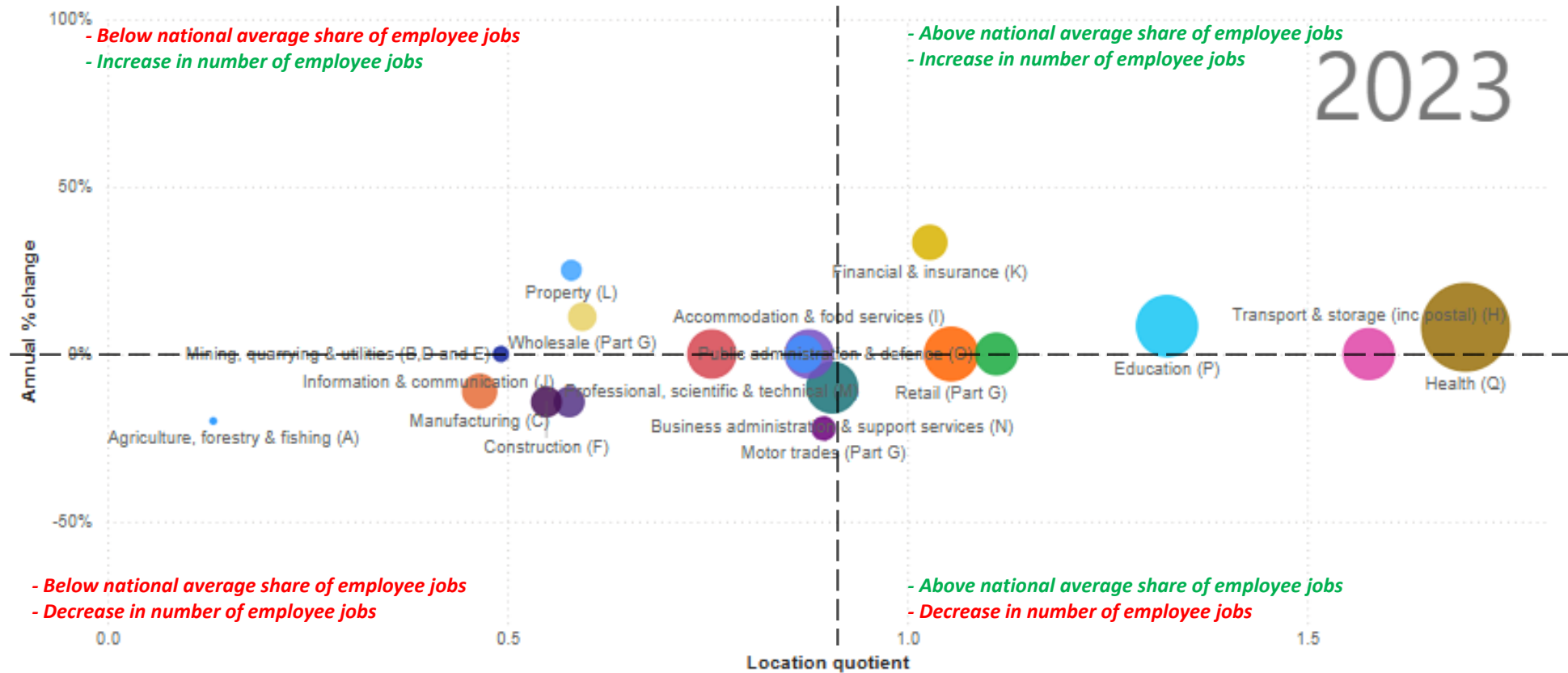
Percentage share of jobs by industrial group (SIC07) - (Employees) Southampton and England: 2023
Data source: Office for National Statistics - Business Register and Employment Sur..



- **Health, education, retail and business administration & support services** are the industries that are the **largest employers** in Southampton – combined these industries account for **over half** of the jobs in Southampton
- **Public sector** industries (health, education and public administration & defence) are large employers in Southampton, providing **40%** of jobs locally in 2023 (compared to 27% nationally)
- **Just under a quarter** (24% , 27,000) jobs in Southampton are within the **health sector**, a significantly higher proportion compared to England (14%) (2023)



Southampton jobs by industrial group (SIC07), location quotient and annual percentage change (Employees): 2016 to 2023
Data source: Office for National Statistics - Business Register and Employment Survey



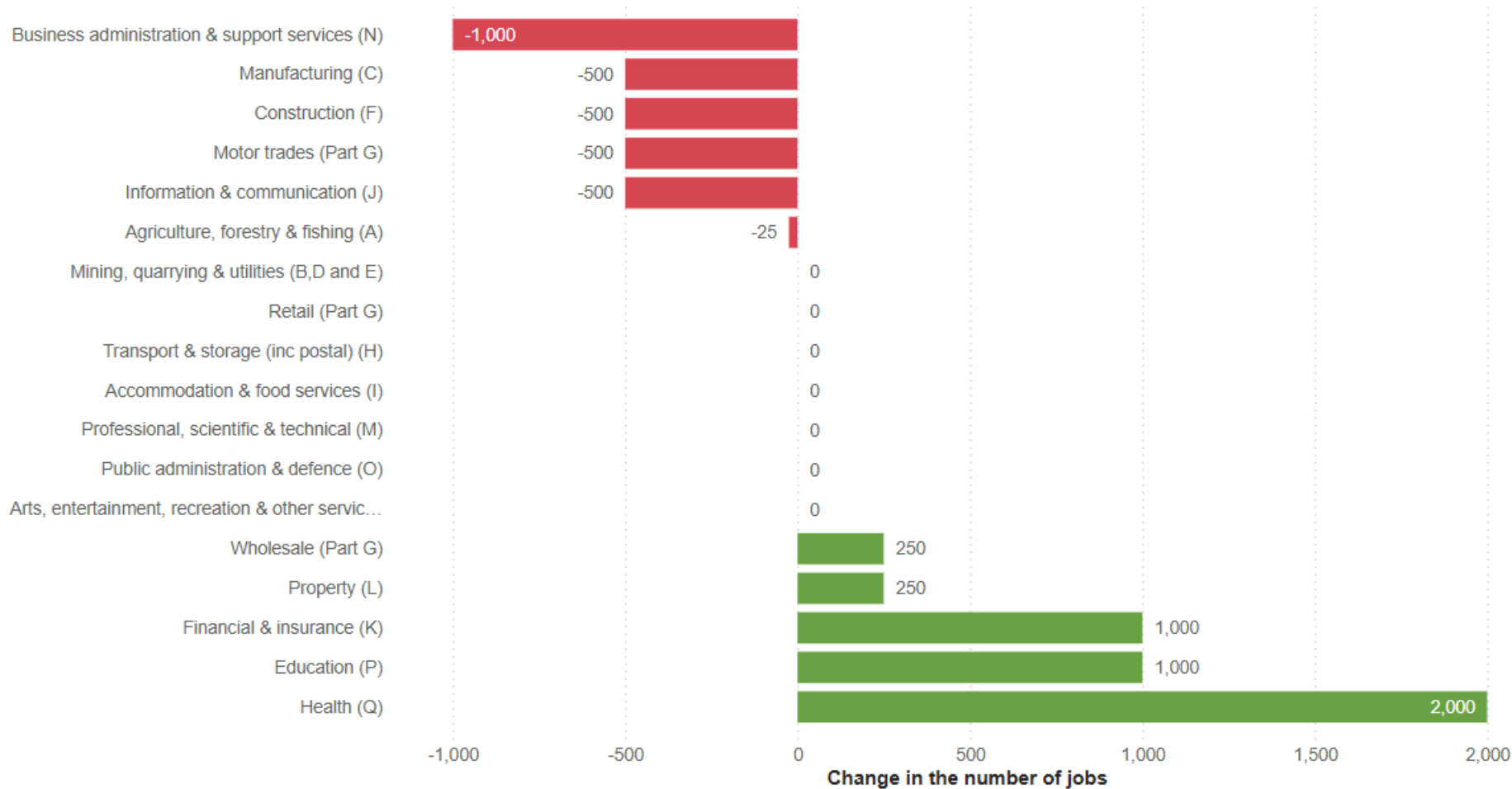
- The chart above shows the number of jobs by industry (bubble size), location quotient (bottom axis) and annual percentage change (left axis). Location quotient is a local measure of the concentration of industries, a value greater than 1 indicates that the local area has a higher share of employee jobs in a particular industry than its share of national employee jobs
- Health** continues to be the **largest employer** in Southampton (**27,000 jobs**), with a **location quotient above 1**; indicating a **higher share of jobs** in the city when compared nationally
- Education** (13,000 jobs), **retail** (10,000), **transportation and storage** (9,000 jobs), **public administration & defence** (6,000) and **financial & insurance** (4,000) also have a **higher share** locally



Change in Employee Jobs by Industry

Change in the number of jobs by industrial group (SIC07) - (Employees) Southampton: 2022 to 2023

Data source: Office for National Statistics - Business Register and Employment Survey

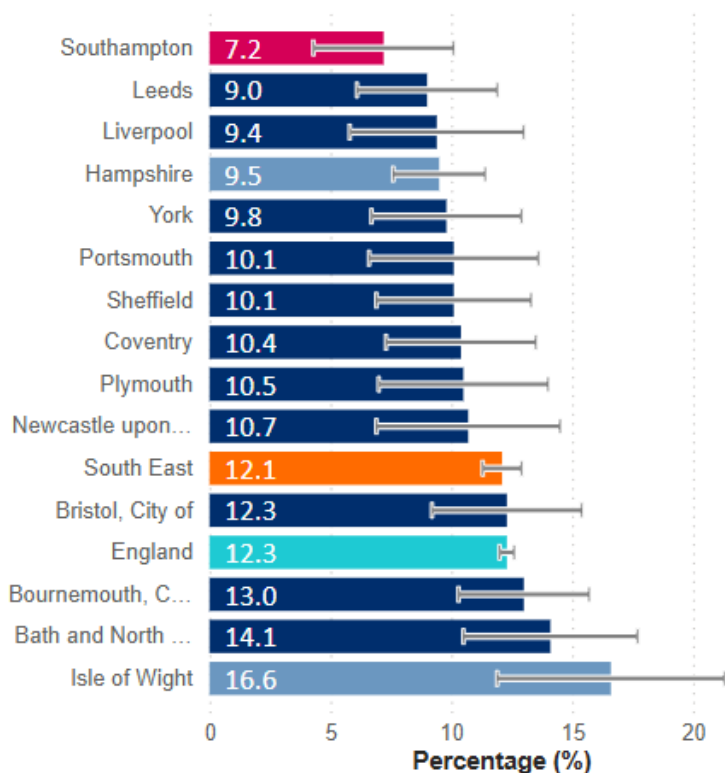


- In Southampton **job losses** were seen across multiple industries including: **Business administration & support service, Manufacturing, Construction, Motor trades, Information & communication and Agriculture, forestry & fishing**
- **Jobs were created** in five industries: **Health, Education, Financial & insurance, Property and Wholesale**



% in employment who are self employed - aged 16-64 - Southampton and ONS comparators: 2023/24

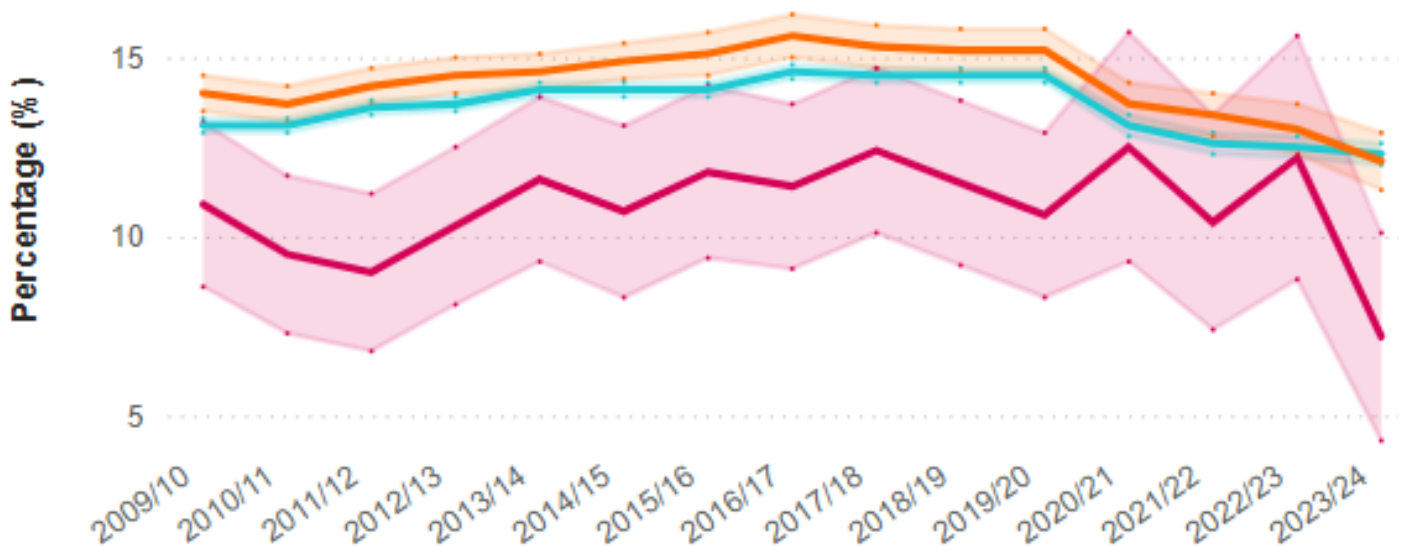
Data source: Office for National Statistics - Annual Population Survey



% in employment who are self employed - aged 16-64 - England, Southampton, South East: 2009/10 to 2023/24

Data source: Office for National Statistics - Annual Population Survey

Area ● England ● South East ● Southampton



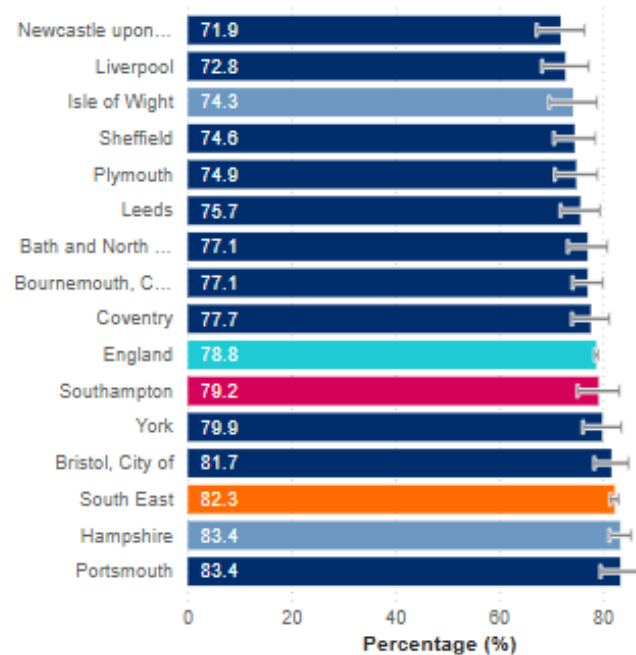
- **7.2%** (9,500) of those who are in **employment** in Southampton are **self-employed**; significantly lower than both the England and South East averages of **12.3%** and **12.1%** respectively
- Southampton has experienced a non-significant decrease from **12.2%** in 2022/23 to **7.2%** in 2023/24



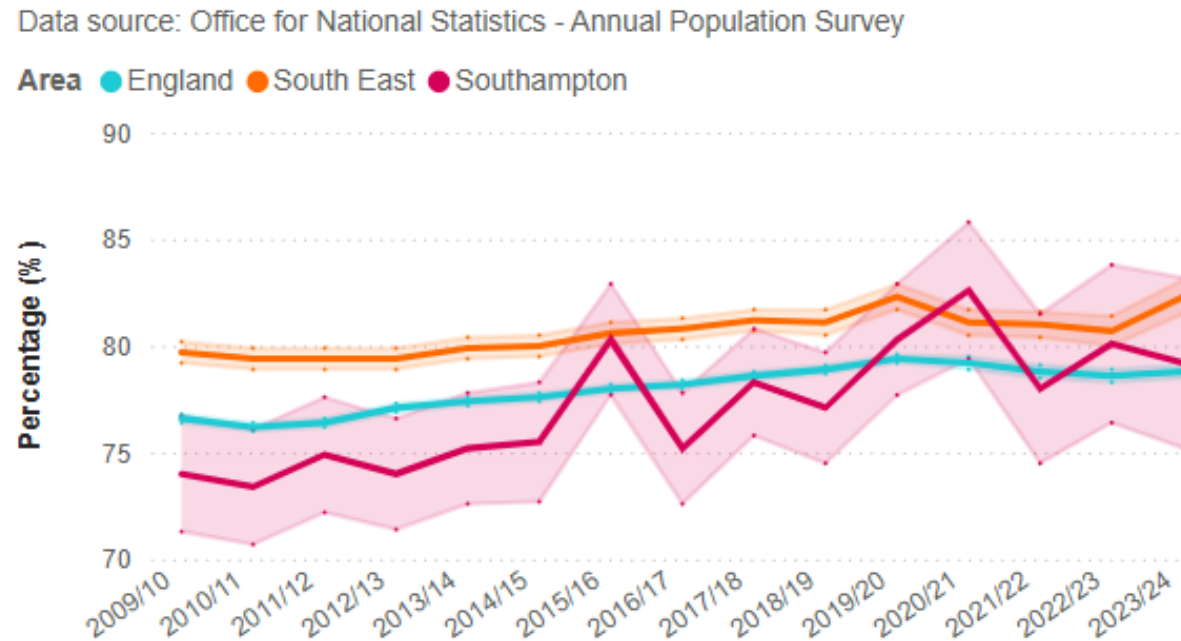
Labour Market



Economic activity rate - aged 16-64 - Southampton and ONS comparators: 2023/24
Data source: Office for National Statistics - Annual Population Survey



Economic activity rate - aged 16-64 - England, South East, South East: 2009/10 to 2023/24
Data source: Office for National Statistics - Annual Population Survey

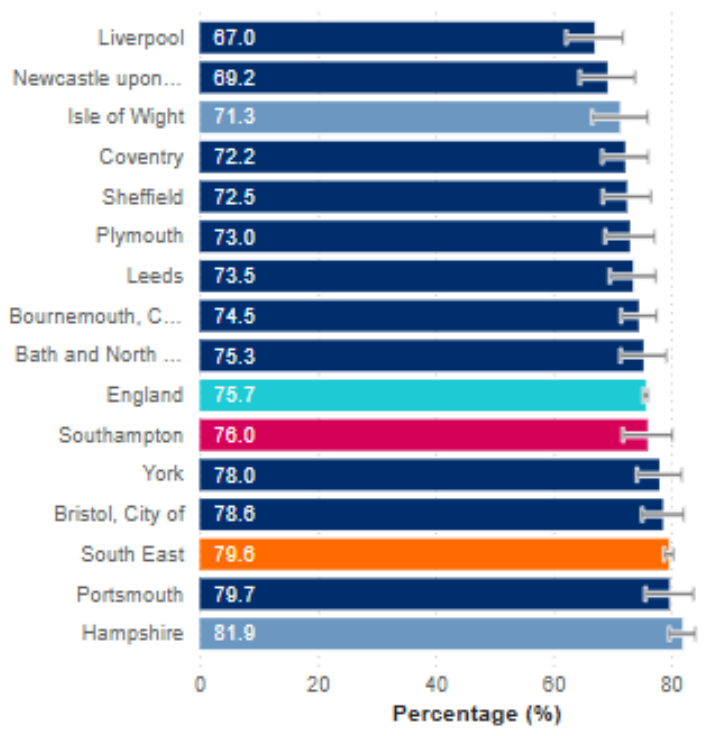


- In 2023/24, **79.2% (137,300)** of the working age population in **Southampton** were **economically active**; similar to both the England average (**78.8%**) and the South East average (**82.3%**)
- The proportion of **economically active** people in **Southampton** **decreased by -0.9** percentage points (**-2,000**) in the last year, compared to increases of **+1.8** across England and **+1.6** across the South East
- The large student population has traditionally impacted local economic activity/inactivity rates; **22.7%** in **Southampton** reported the **main reason for inactivity** as being a **student** in 2023/24, **statistically similar to** the England average (27.0%). **Looking after family/home (30.5%)** and **long-term sick (21.9%)** are other common reasons



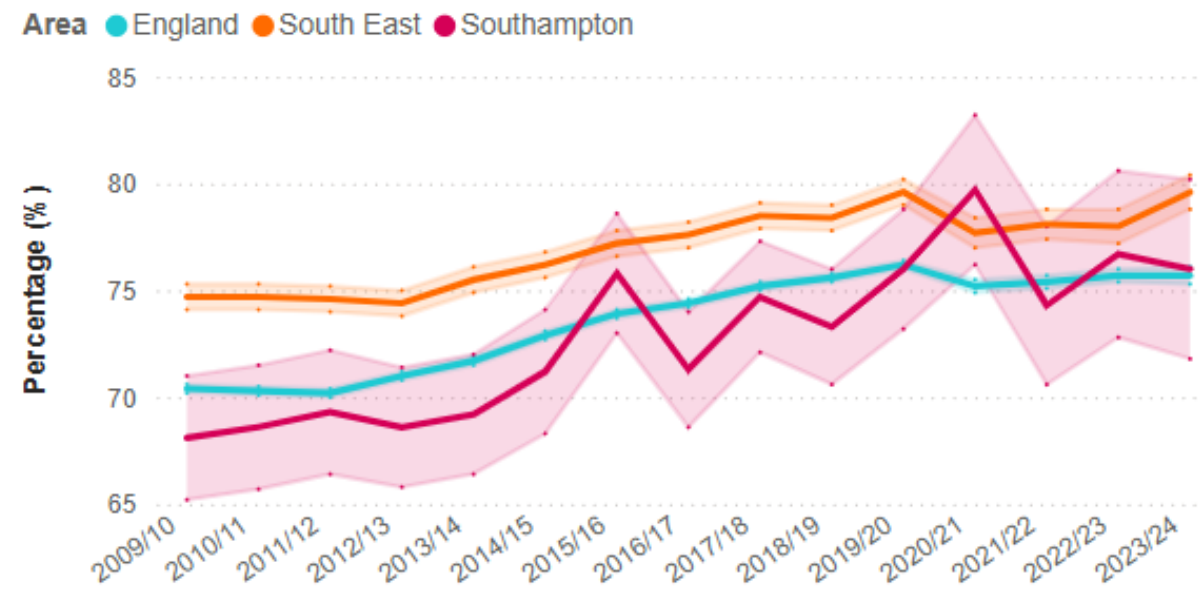
Employment rate - aged 16-64 - Southampton and ONS comparators: 2023/24

Data source: Office for National Statistics - Annual Population Survey



Employment rate - aged 16-64 - England, Southampton, South East: 2009/10 to 2023/24

Data source: Office for National Statistics - Annual Population Survey

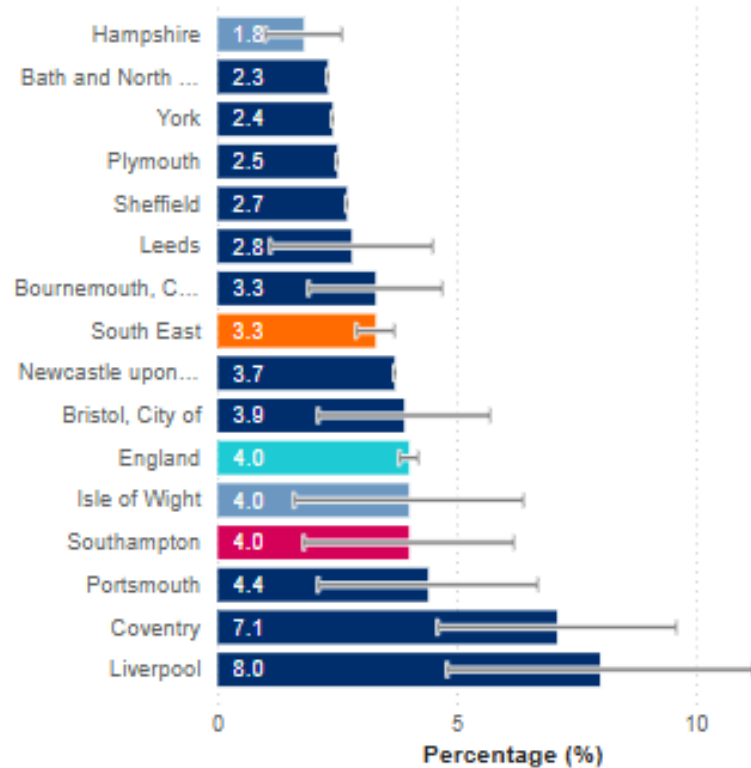


- The recession impacted employment rates in the city, falling to a low of **68.1%** in 2009/10
- Post recession saw a recovery in employment, both locally and nationally
- The employment rate in Southampton as of 2023/24 was **76.0%** (131,900); similar to the national (**75.7%**) and South East (**79.6%**) averages
- Any recent changes in employment rate in Southampton **do not represent statistically significant changes**



Unemployment rate - aged 16-64 - Southampton and ONS comparators: 2023/24

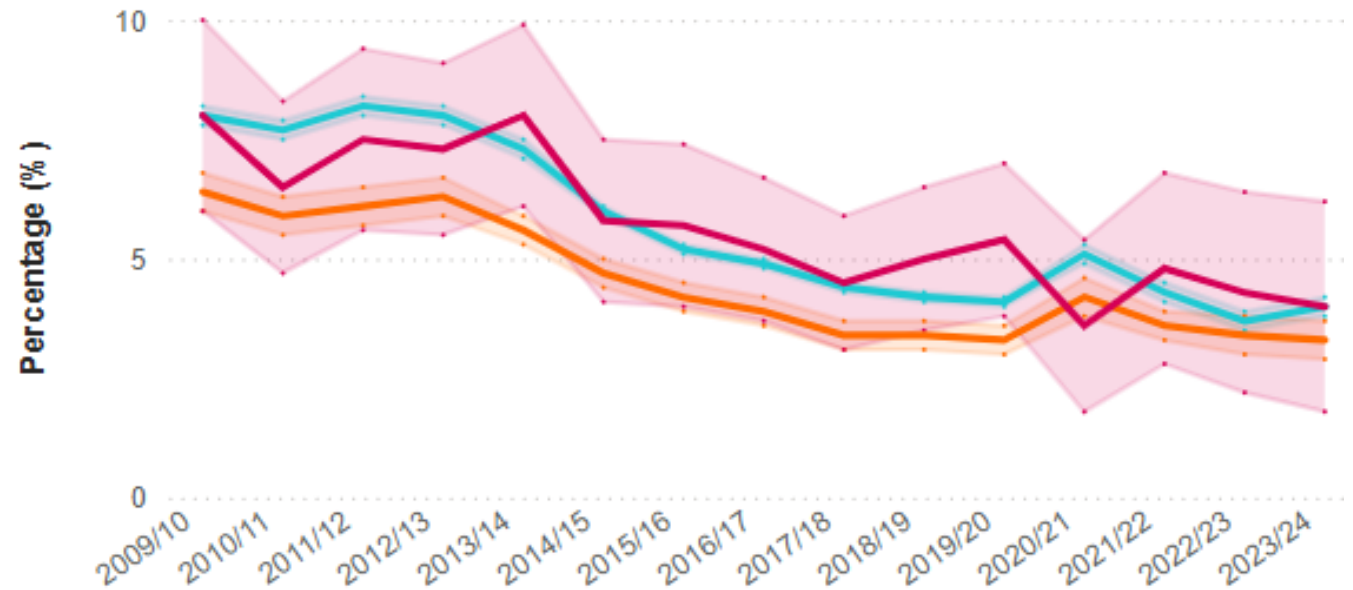
Data source: Office for National Statistics - Annual Population Survey



Unemployment rate - aged 16-64 - England, Southampton, South East: 2009/10 to 2023/24

Data source: Office for National Statistics - Annual Population Survey

Area ● England ● South East ● Southampton



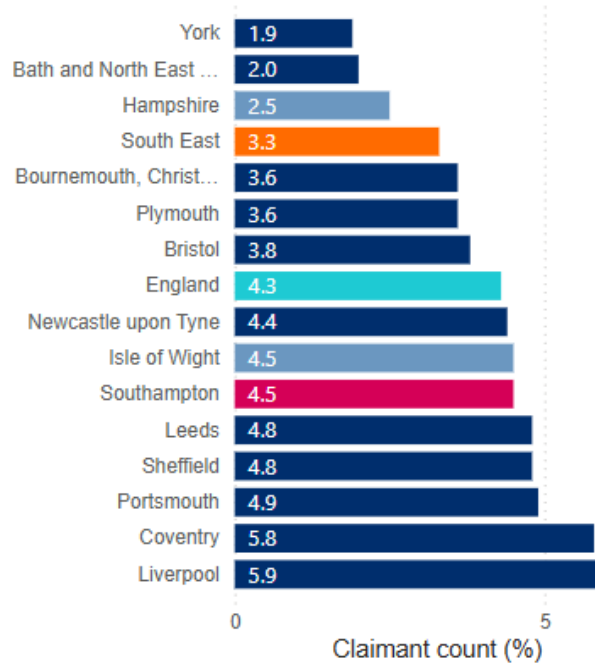
- **5,400** people were **unemployed** in Southampton; **4.0%** of the working age population (2023/24)
- The unemployment rate has **declined** in Southampton over the last year from **4.3%** (2022/23) to **4.0%** (2023/24) (-600 fewer unemployed)
- It is important to emphasise that **recent changes are not statistically significant**



Claimant Count

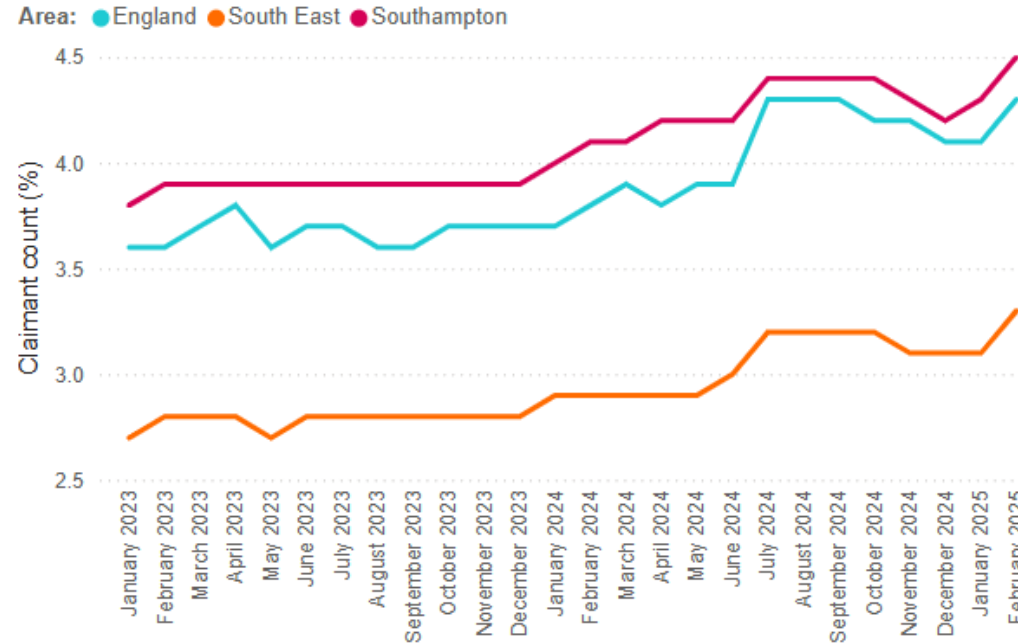
Claimants as a proportion of residents aged 16-64 (Total) - Southampton and ONS comparators: February-2025

Source: DWP via Nomis



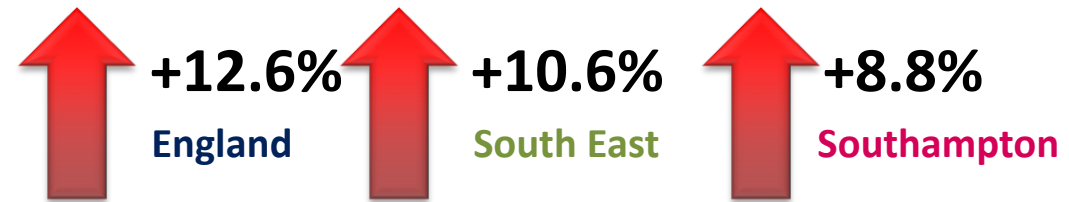
Claimants as a proportion of residents aged 16-64 (Total) - Southampton, England, South East: August-2022 to February-2025

Source: DWP via Nomis



- Overall, the number of adults claiming out of work benefits has **significantly decreased** locally and nationally over the years since the end of COVID-19 restrictions. However, there has been a slight **increase** in 2024 and 2025.
- 4.5%** (7,910) of the working aged population in Southampton were claiming out of work benefits in **February 2025**; an increase of +640 (+8.8%) since February 2024 (4.1%)
- Southampton is **yet to return to the pre-pandemic baseline** (< 3.5% in Jan to Mar'20)
- It is important to monitor trends such as the increases over the last two data points but also fluctuations. These trends can suggest changes in the labour market as it is a more timely indicator

Change February 2024 to February 2025



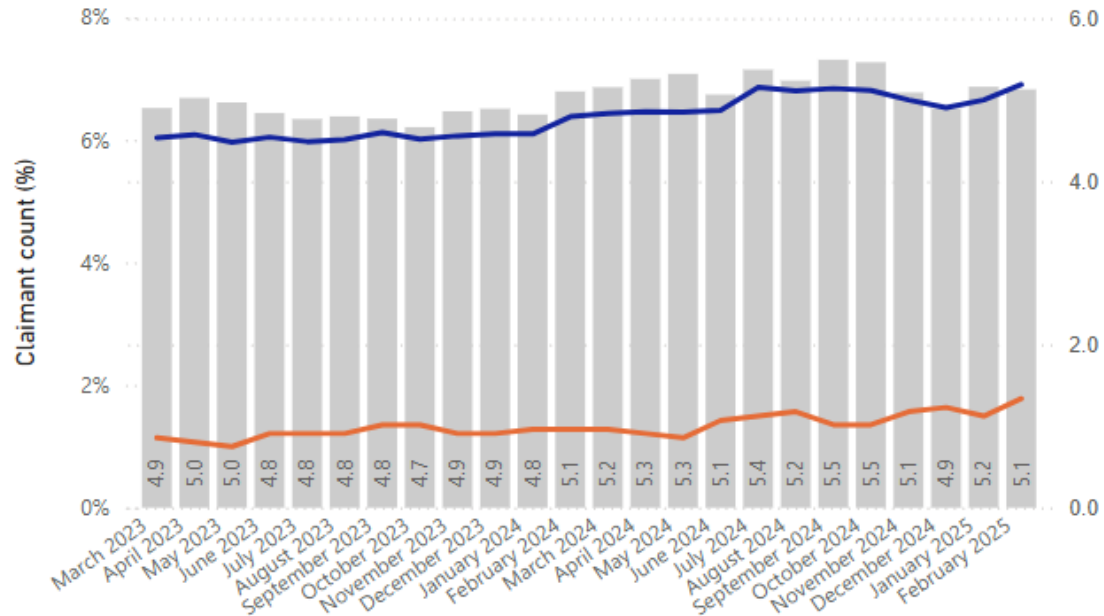


- The **map below** shows the latest **claimant count (%)** by Southampton neighbourhoods – **February 2025**
- Higher claimant counts are seen across neighbourhoods in **Thornhill, Woolston, Bevois** and **Redbridge** wards, which is where some of the **most deprived neighbourhoods** in the city are located
- The chart below shows the **inequality gap** in the claimant count between the **most and least deprived neighbourhoods** over time, which has **decreased** from a **peak percentage point gap of 8.1** in **April 2021** to **5.1** in **February 2025**. Whilst the inequality gap remains lower than the pre pandemic baseline, there is still progress to be made

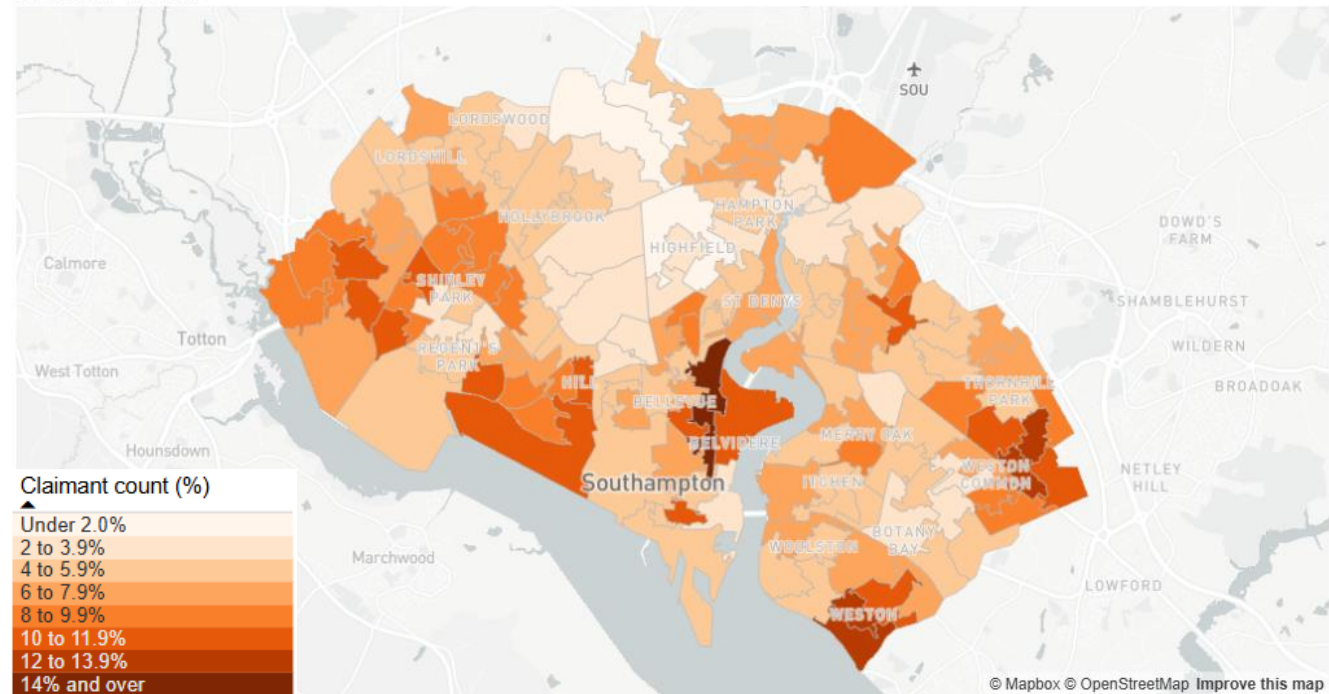
Change in the claimant count for the most and least deprived national deprivation quintiles in Southampton: March-2023 to February-2025

Source: DWP via Nomis

Legend: ● Inequality gap ● 20% most deprived ● 20% least deprived



Claimant count (total) as a percentage of the working age population by LSOA: June-2020
Source: DWP via Nomis



© Mapbox © OpenStreetMap Improve this map

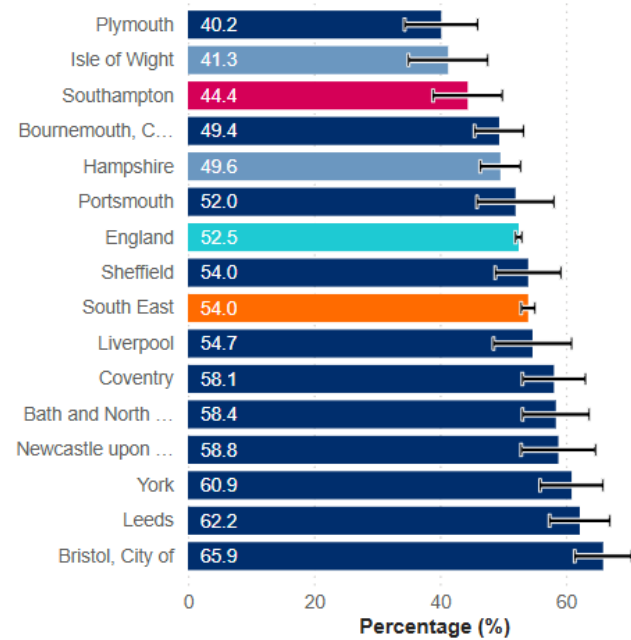


Skills and Qualifications



% of economically active with RQF4+ - aged 16-64 - Southampton and ONS comparators: 2023

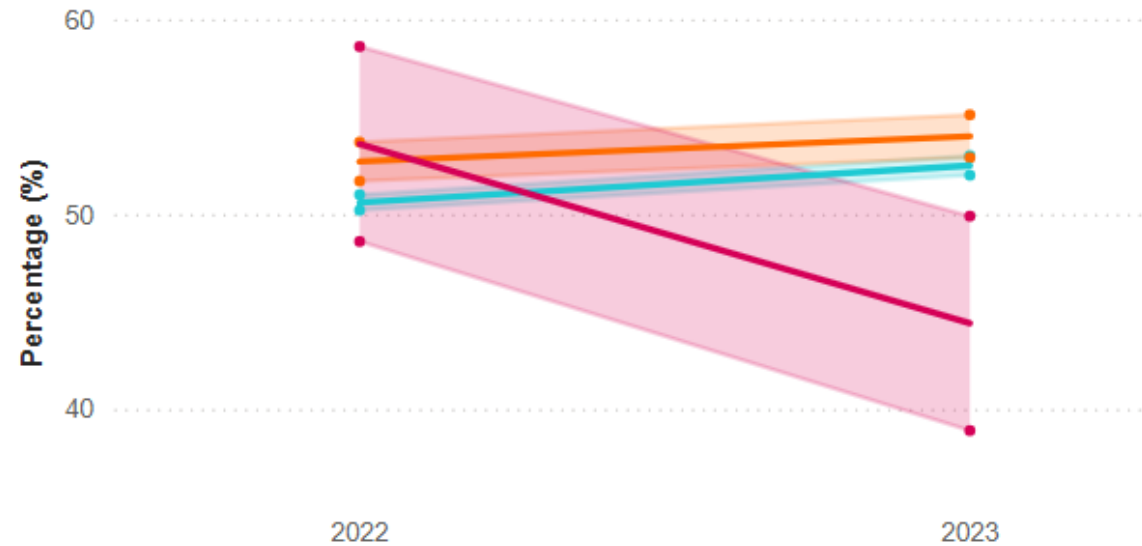
Data source: Office for National Statistics - Annual Population Survey



% of economically active with RQF4+ - aged 16-64 - Southampton, England, South East: 2022 to 2023

Data source: Office for National Statistics - Annual Population Survey

Area ● England ● South East ● Southampton

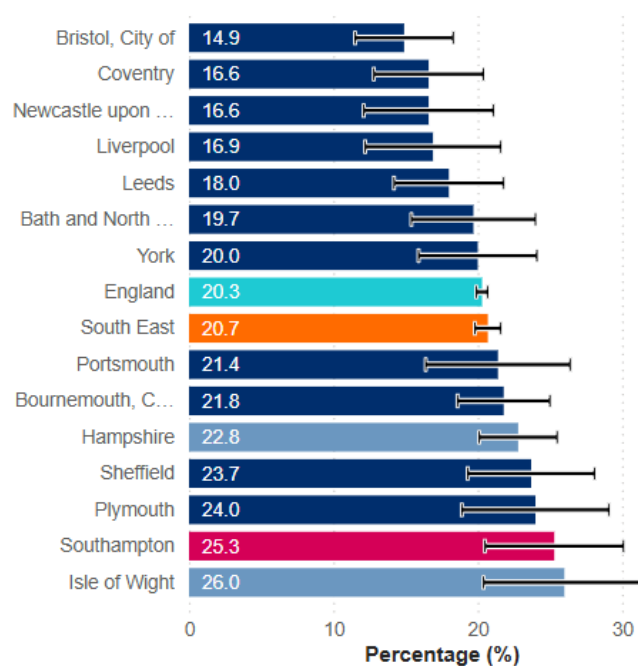


- The Annual Population Survey (APS) records the qualifications of working age residents classified into the Regulated Qualifications Framework (RQF); this replaced the previous National Vocational Qualification (NVQ) and equivalent levels classification
- RQF Level 4 + (degree level) qualifications often taken as a prerequisite for participation in the high value-added knowledge economy
- **44.4% (59,900)** of the economically active resident population in Southampton were qualified to **RQF4+** (degree level) in 2023; **significantly lower** than both the **England (52.5%)** and **South East averages (54.0%)**
- RQF4+ qualifications in **Southampton** experienced a **decline** from **53.6%** in 2022 to **44.4%** in 2023 (**-12,400**), degree level qualifications are often used as a proxy to understand graduate retention. However, there is currently only two data points on this measure therefore, it will be important to measure this trend moving forward



% of economically active with RQF3 only - aged 16-64 - Southampton and ONS comparators: 2023

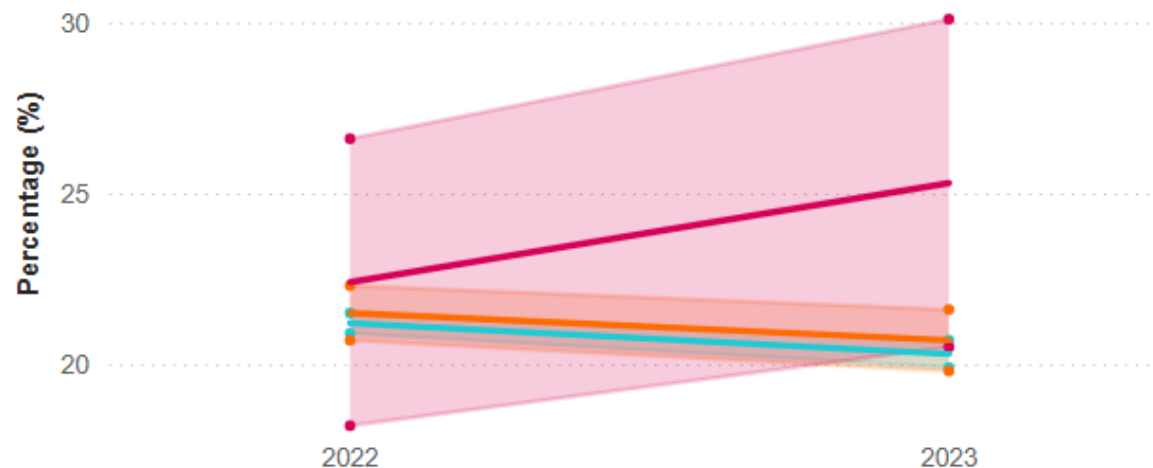
Data source: Office for National Statistics - Annual Population Survey



% of economically active with RQF3 only - aged 16-64 - Southampton, England, South East: 2022 to 2023

Data source: Office for National Statistics - Annual Population Survey

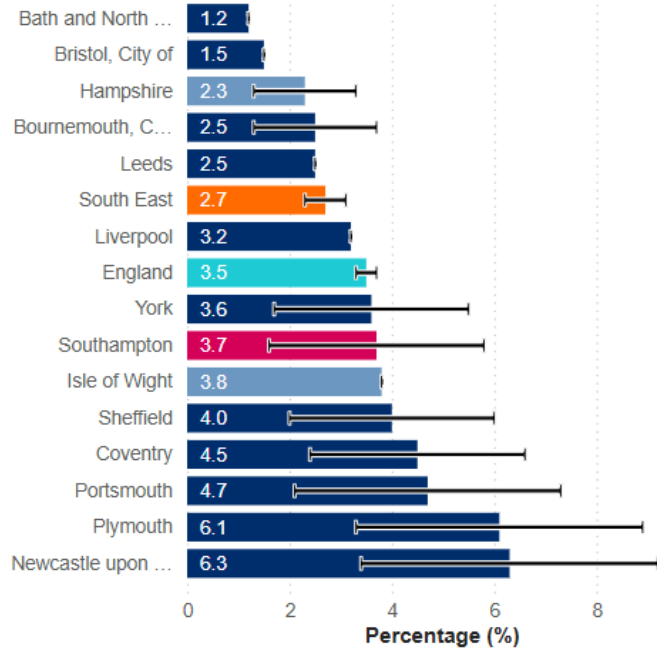
Area ● England ● South East ● Southampton



- **25.3% (34,200)** of the economically active resident population in Southampton were qualified to **RQF3** in 2023; **higher but not significantly** than the England (**20.3%**) and South East (**20.7%**) averages; and highest among comparators;
- This is likely because of the large student population, who require RQF3 qualifications (A-Levels or equivalent) as a gateway into university
- RQF3 qualifications in **Southampton** have **increased over the last year** from **22.4%** in 2022 to **25.3%** in 2023 (**+4,000**);

% of economically active with no qualifications (RQF) - aged 16-64 - Southampton and ONS comparators: 2023

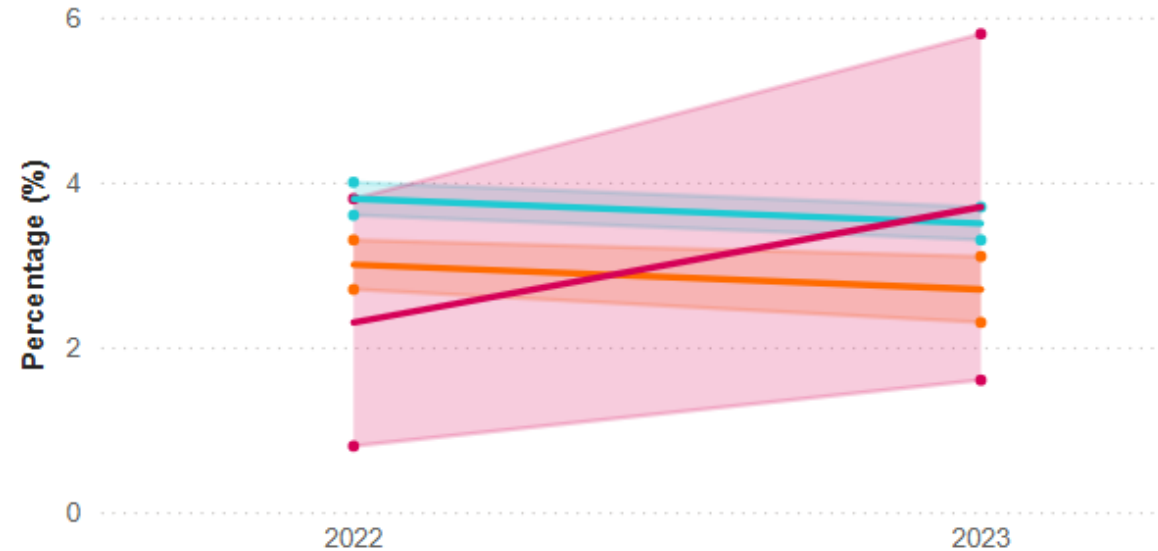
Data source: Office for National Statistics - Annual Population Survey



% of economically active with no qualifications (RQF) - aged 16-64 - Southampton, England, South East: 2022 to 2023

Data source: Office for National Statistics - Annual Population Survey

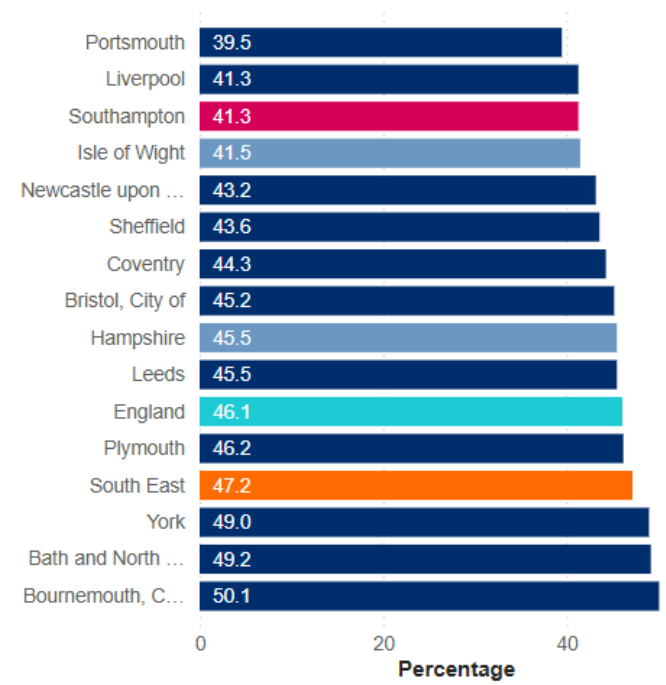
Area ● England ● South East ● Southampton



- At the other end of the spectrum **7.7% (10,400)** of Southampton’s economically active resident population have **no qualifications** or **RQF1** only (GCSE grades 3 to 1; previously D to G or equivalent)
- The proportion of economically active residents in Southampton that have no qualifications or NVQ1 only has **increased over the last year** from **5.0%** in 2022 to **7.7%** in 2023;
 - The proportion with no qualifications increased from **2.3%** in 2022 to **3.7%** in 2023
 - RQF1 only also increased from **2.7%** in 2022 to **4.0%** in 2023
- Whilst it is not advised to compare RQF to the historic NVQ classification, the proportion of economically active residents with low or no qualifications in Southampton had declined between 2011 and 2021, which suggests that the level of qualifications among residents was improving, however trends under the RQF classification will continue to be monitored

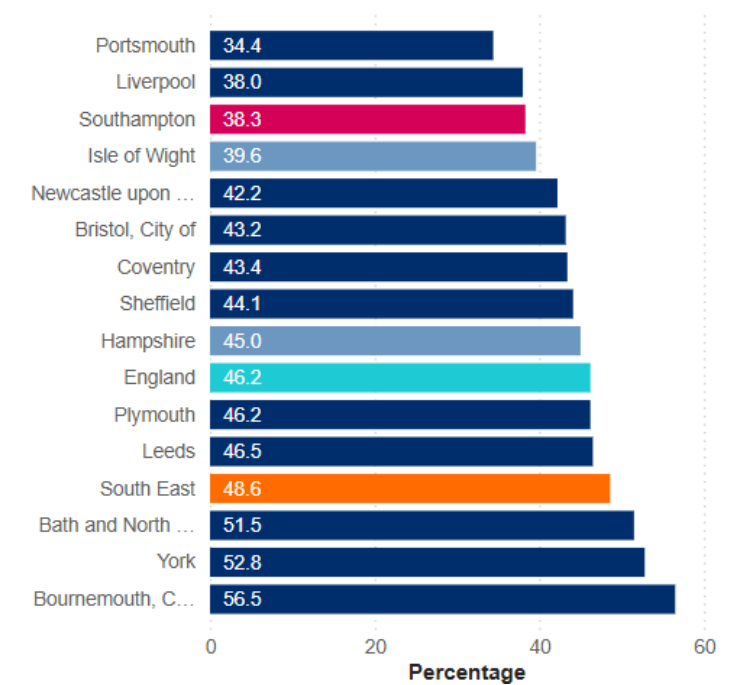
Average Attainment 8 score, Total - Southampton and ONS comparators: 2023/24

Data source: Department for Education



% of pupils achieving grades 5 or above in English and Mathematics GCSEs, Total - Southampton and ONS comparators: 2023/24

Data source: Department for Education



- Southampton had the **third lowest** pupil attainment 8 score among comparators in 2023/24, with an average score of **41.3**
- Only **38.3%** of pupils in Southampton achieved a **grade 5 or above** in **English and Maths**; this is also the **third lowest** among comparators and below the national average of **46.2%**
- Raising school attainment is important to improve life chances of young people in the city, particularly with regards to finding skilled employment on leaving school, especially for children from the most deprived areas of the city, where school attainment is poor and unemployment and benefit claimant rates high

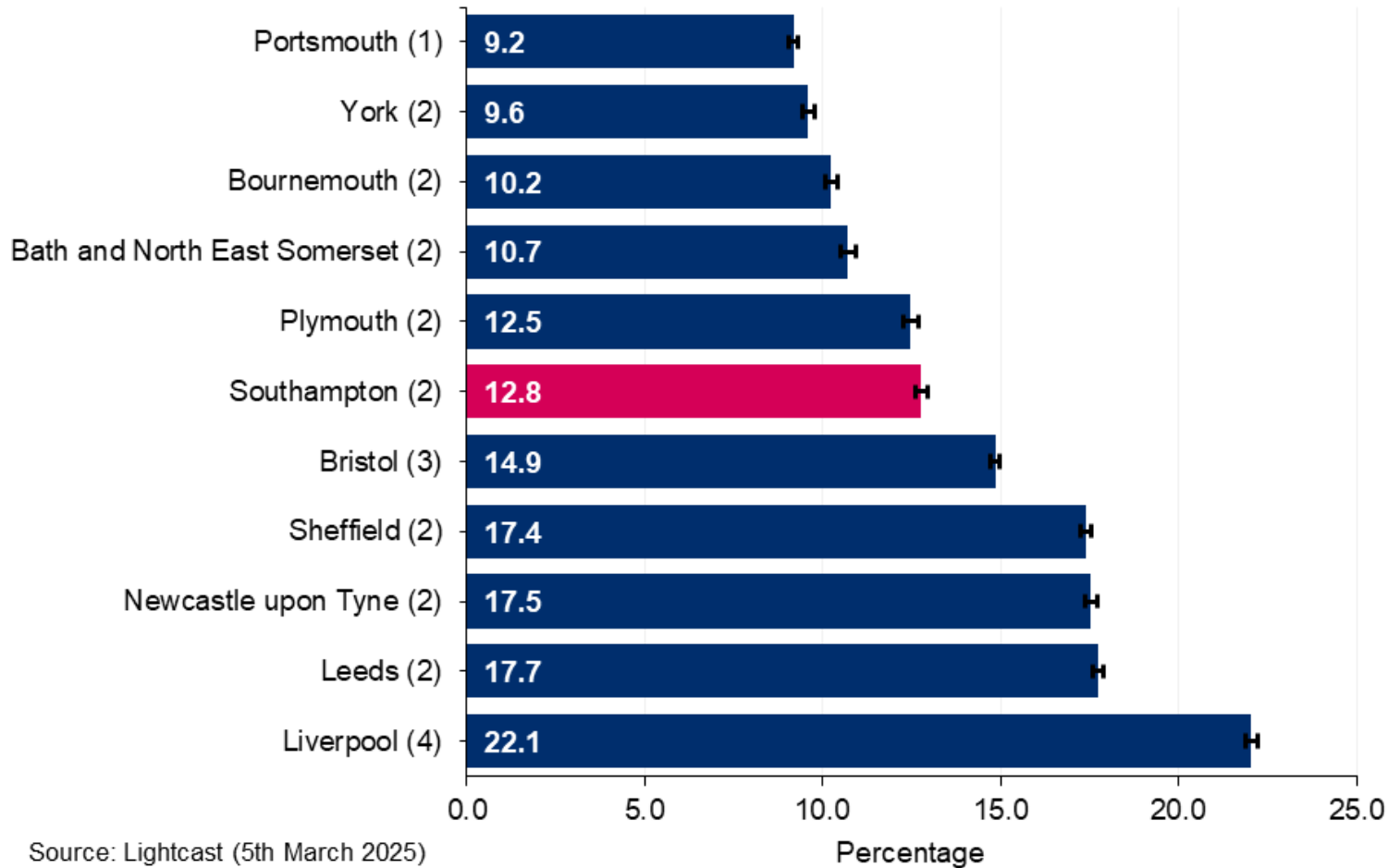


University	Category	2011/12		2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23	
		No.	% change	No.	% change	No.	% change	No.	% change	No.	% change	No.	% change	No.	% change	No.	% change	No.	% change	No.	% change	No.	% change	No.	% change
University of Southampton	Postgraduate	7,325		7,060	-3.6%	7,840	11.0%	7,645	-2.5%	7,390	-3.3%	7,650	3.5%	7,620	-0.4%	6,925	-9.1%	7,960	14.9%	7,070	-11.2%	8,685	22.8%	10,305	18.7%
	Undergraduate	16,805		16,055	-4.5%	16,195	0.9%	16,150	-0.3%	17,485	8.3%	17,530	0.3%	17,000	-3.0%	15,790	-7.1%	14,705	-6.9%	14,325	-2.6%	15,110	5.5%	15,650	3.6%
	Total	24,135		23,115	-4.2%	24,040	4.0%	23,795	-1.0%	24,875	4.5%	25,180	1.2%	24,625	-2.2%	22,715	-7.8%	22,665	-0.2%	21,395	-5.6%	23,795	11.2%	25,955	9.1%
Solent University	Postgraduate	665		575	-13.5%	440	-23.5%	355	-19.3%	405	14.1%	515	27.2%	560	8.7%	650	16.1%	745	14.6%	1,265	69.8%	1,070	-15.4%	1,080	0.9%
	Undergraduate	11,865		11,515	-2.9%	11,285	-2.0%	10,950	-3.0%	10,885	-0.6%	10,545	-3.1%	10,015	-5.0%	9,260	-7.5%	9,765	5.5%	10,075	3.2%	9,000	-10.7%	8,285	-7.9%
	Total	12,530		12,090	-3.5%	11,725	-3.0%	11,305	-3.6%	11,285	-0.2%	11,060	-2.0%	10,575	-4.4%	9,910	-6.3%	10,510	6.1%	11,340	7.9%	10,700	-5.6%	9,370	-12.4%
Southampton Total	Postgraduate	7,990		7,635	-4.4%	8,280	8.4%	8,000	-3.4%	7,795	-2.6%	8,165	4.7%	8,180	0.2%	7,575	-7.4%	8,705	14.9%	8,335	-4.3%	9,755	17.0%	11,385	16.7%
	Undergraduate	28,670		27,570	-3.8%	27,480	-0.3%	27,100	-1.4%	28,370	4.7%	28,075	-1.0%	27,015	-3.8%	25,050	-7.3%	24,470	-2.3%	24,400	-0.3%	24,110	-1.2%	23,935	-0.7%
	Total	36,665		35,205	-4.0%	35,765	1.6%	35,100	-1.9%	36,160	3.0%	36,240	0.2%	35,195	-2.9%	32,625	-7.3%	33,175	1.7%	32,735	-1.3%	34,495	5.4%	35,325	2.4%

- In 2022/23 there were **35,325** higher education students in Southampton, with **73% (25,955)** of them studying at the University of Southampton
- There was a **+2.4% (+830)** increase in the number of higher education students in the city over the last year, although the number of students in 2022/23 remains **-3.7% lower than the peak** in 2011/12 (36,665)
- Southampton has seen an increase in the number of **postgraduate** students (**+16.7%, 1,630**) over the last year, whilst the number of **undergraduate** students declined overall (**-0.7%, -175**);
- This varies by university, with the total number of students at the **University of Southampton** increasing by **+9.1% (+2,160)**, whereas the total number of students at **Solent University** has decreased by **-12.4% (-1,330)** over the last year
- The two universities in Southampton are valuable assets in terms of employment, improving workforce skills and supporting knowledge based industries in the city
- It is important the city makes the most of these institutions and aims to improve graduate retention
- In 2022/23 a new data collection system was introduced; this has led to more [data quality issues](#) observed



Proportion of residents with an online job profile who attended a local university, Southampton and ONS Comparators



Source: Lightcast (5th March 2025)

- **12.8%** of residents in Southampton with online job profiles attended either the University of Southampton (**6.8%**) or Southampton Solent University (**6.0%**)
- The chart on the left shows how Southampton ranks against ONS comparators;
- Number in brackets shows the number of universities considered within each local authority
- **Southampton is mid-rank**, higher than other southern comparators and York, but lower than northern comparators and Bristol
- 18,874 profiles were considered within Southampton, from a database built over the last couple of years

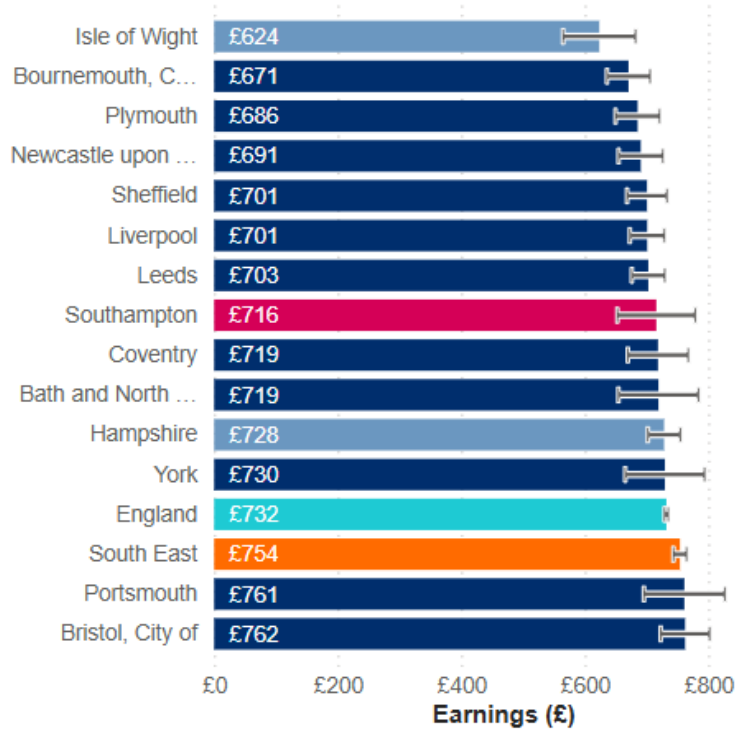


Earnings and Economic Flows



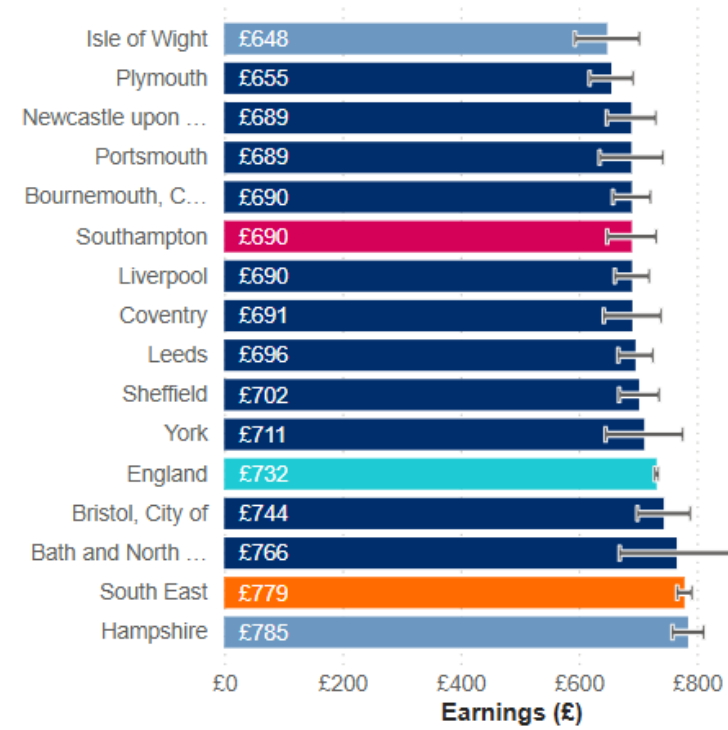
Weekly pay - gross, Full Time Workers, Total (Workplace) - Southampton and ONS comparators: 2024

Data source: Office for National Statistics - Annual Survey of Hours and E...



Weekly pay - gross, Full Time Workers, Total (Resident) - Southampton and ONS comparators: 2024

Data source: Office for National Statistics - Annual Survey of Hours and E...



- Weekly pay for full time workers who **work** in Southampton was **£716** in 2024; compared to £704 in 2023
- Weekly pay for those **resident** in Southampton is **£690**; lower than the England and South East averages
- Southampton experienced less of a wage growth compared to both the South East and England between 2023 and 2024 for both residents and workers;
 - For residents in Southampton, wages increased by 4.7% (£31) compared to 7.0% (£51) in the South East and 6.1% (£42) in England
 - For Southampton workers, wages increased by 0.4% (£3) compared to 6.3% (£45) in the South East and 6.1% (£42) in England



- The **‘cost of living crisis’** refers to a decline in ‘real’ income (adjusted for inflation) experienced in the UK since late 2021
- The consumer price index (CPI) inflation rate increased exponentially from 2.0% in July 2021 to a **peak of 11.1% in October 2022**, the highest annual CPI inflation rate in the National Statistic Series (began 1997)
- Whilst this figure has declined in recent years and months, falling to **2.8% as of February 2025**, inflation remains above the **long-term target of 2%**;
- The Office for Budget Responsibility forecast that CPI inflation will **return to this target in 2029** ([OBR – Economic and fiscal outlook October 2024](#))
- Although this will affect all, it is expected that **more deprived households** are experiencing **poorer outcomes**
- This is because lower income households have to spend a **greater proportion of their income on necessities**

CPIH, owner occupiers' housing (OOH) costs component and CPI annual inflation rates, UK, February 2015 to February 2025

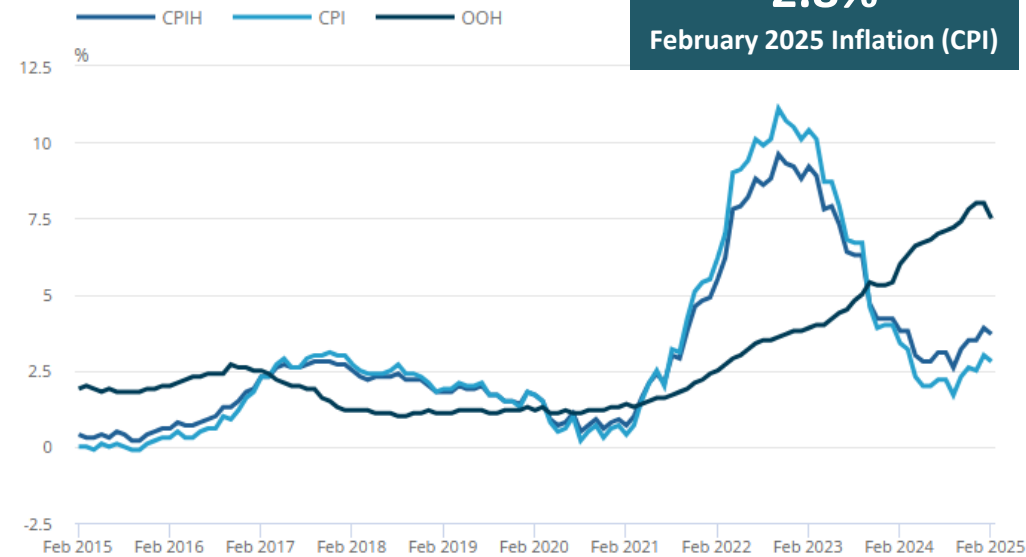
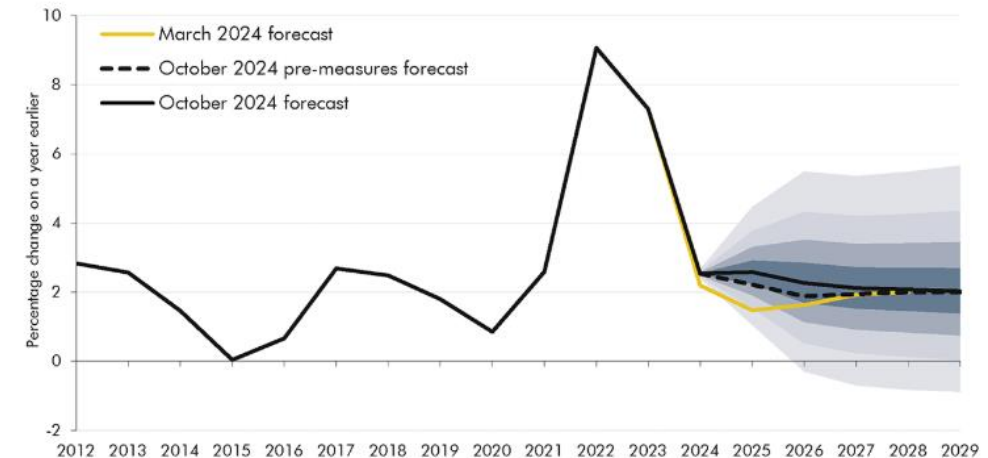


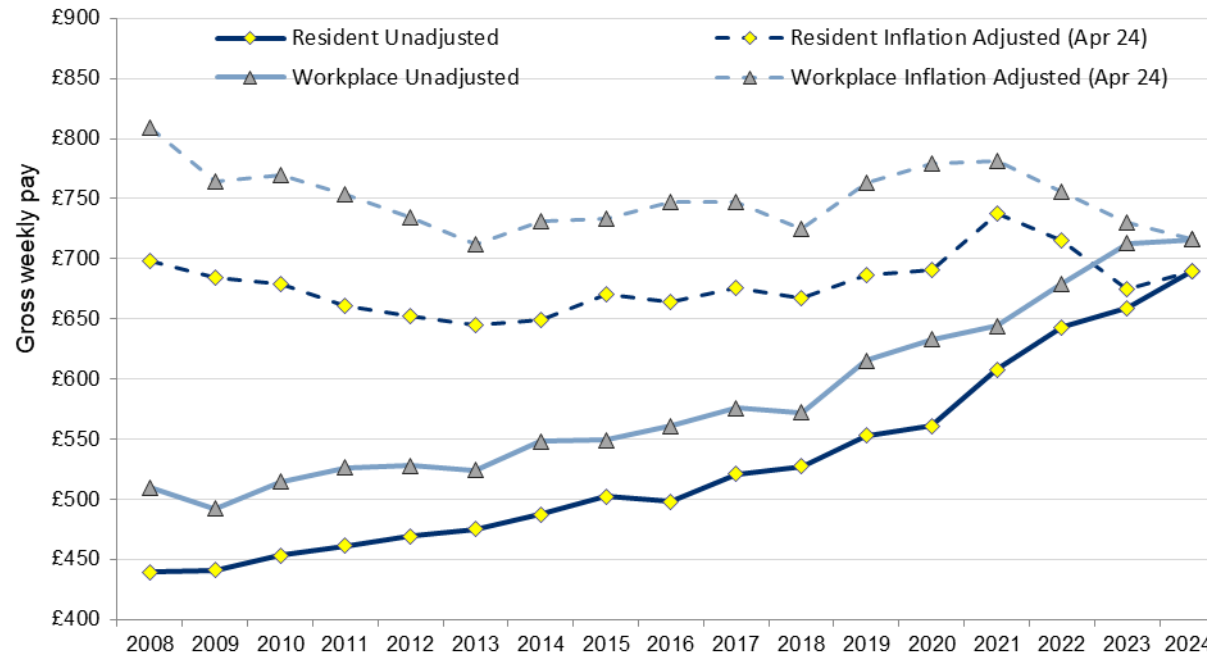
Chart 2.10: CPI inflation



Note: Successive pairs of lighter-shaded areas around our forecast represent 20 per cent probability bands.
Source: ONS, OBR



Gross weekly pay for full time workers - resident and workplace analysis:
Southampton trend: 2008 to 2024 (provisional)

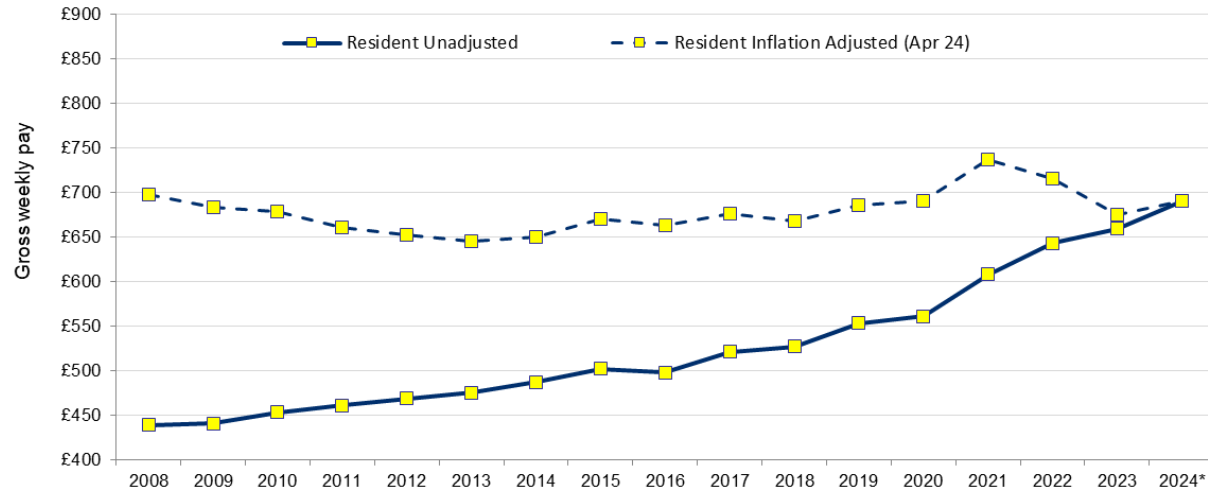


Source: ONS - Annual Survey of Hours and Earnings & Consumer Price Inflation

- Both resident and workplace earnings for full time workers in Southampton experienced an overall increase post recession (unadjusted)
- After adjusting for inflation, pay declined in ‘real’ terms between 2008 and 2013. Yet since 2013, weekly pay has generally increased in ‘real’ terms for both residents and workers in Southampton
- **Adjusted for inflation, resident (+£15, +2.3%) earnings increased between 2023 and 2024 but workplace (-£14, -1.9%) earnings declined between 2023 and 2024**
- This is a result of wages being unable to keep up with **unprecedented inflation** since late 2021 as shown on the next slide

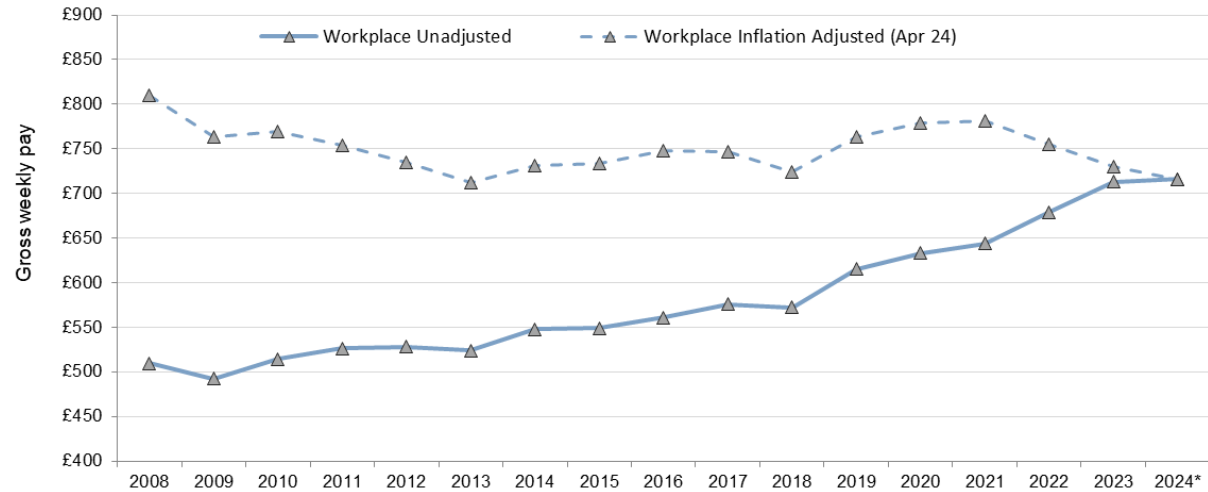


Gross weekly pay for full time workers - residents: Southampton trend: 2008 to 2024



Source: ONS - Annual Survey of Hours and Earnings & Consumer Price Inflation. *Data for the latest year is provisional.

Gross weekly pay for full time workers - workplace: Southampton trend: 2008 to 2024

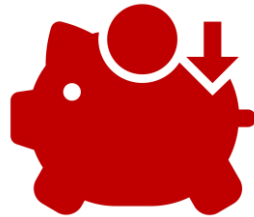


Source: ONS - Annual Survey of Hours and Earnings & Consumer Price Inflation. *Data for the latest year is provisional.

Source: Office for National Statistics – Consumer Price Inflation & Annual Survey of Hours and Earnings



▲ **110.1 to 133.5** 2021 to 2024
Consumer Price Index (all items April)



▼ **£47** Resident
▼ **£65** Worker
Adjusted earnings 2021 to 2024

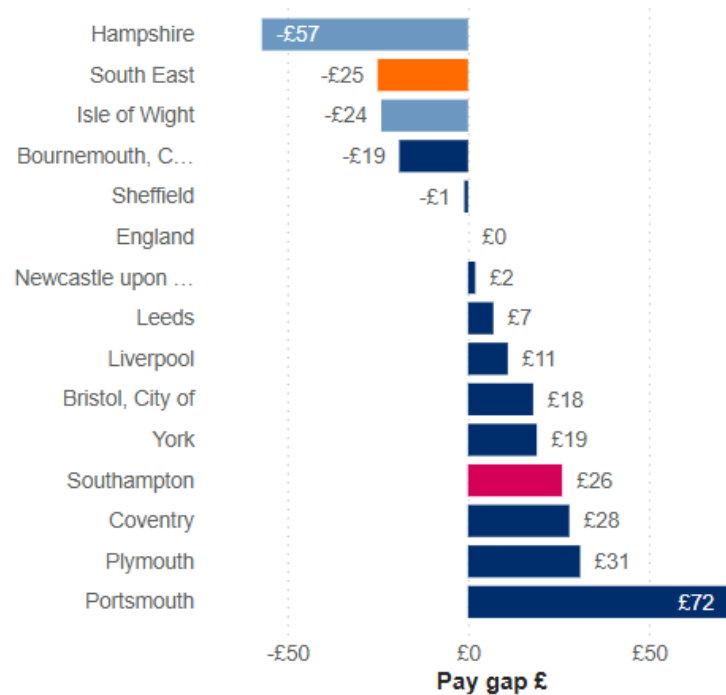
- After adjusting for inflation, pay declined in ‘real’ terms between 2008 and 2013. Between 2013 and 2021, weekly pay had generally increased in ‘real’ terms for both residents and workers in Southampton
- However, any growth since has been stunted by unprecedented high inflation since late 2021;
- The PwC estimate **real earnings** to be lower than they were in 2006, which is equivalent to **almost two decades of no net growth** in earnings. However real earnings have been on a broadly upward trajectory since early 2023
- After adjusting for inflation, as of April 2024 (133.5 CPI all items), both resident (**-£47, -6.4%**) and workplace (**-£65, -8.3%**) declined between 2021 and 2024 in Southampton



Inequalities – Workplace vs Resident

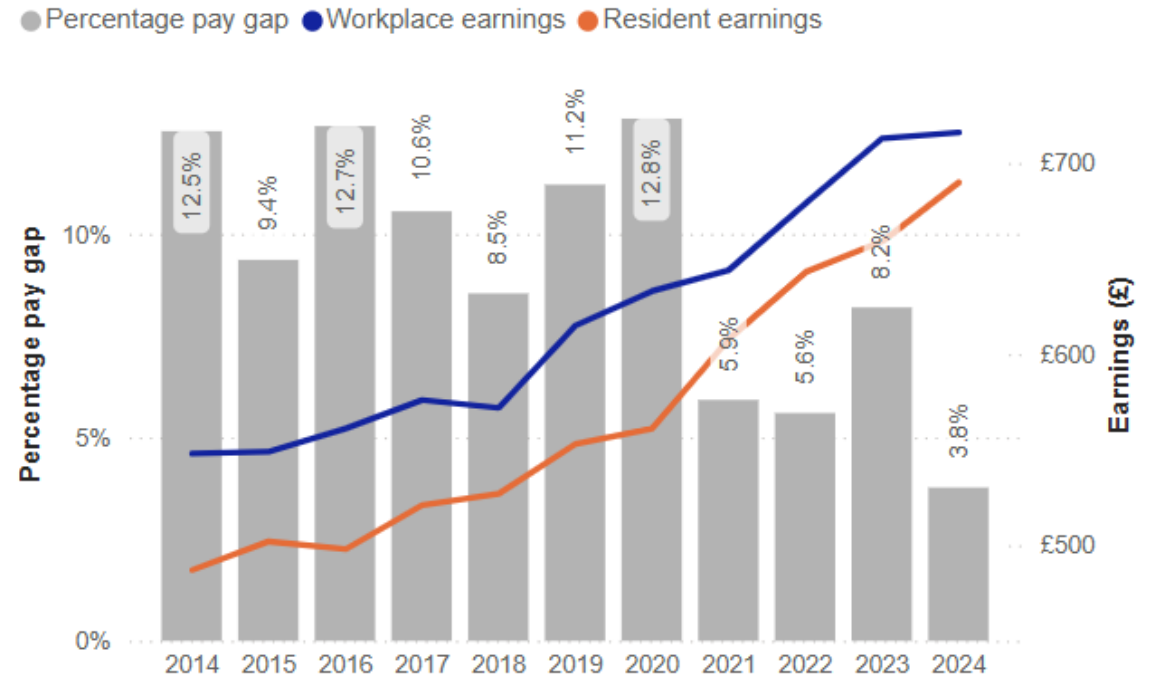
Workplace to Resident pay gap, Weekly pay - gross, Full Time Workers, (Total) - Southampton and ONS comparators: 2024

Data source: Office for National Statistics - ASHE



Workplace to Resident pay gap, Weekly pay - gross, Full Time Workers - (Total) Southampton: 2014 to 2024

Data source: Office for National Statistics - Annual Survey of Hours and Earnings



- **Workplace earnings are £26 (3.8%) more per week than resident earnings** for full time workers in Southampton in 2024
- Whilst the **inequality gap** between workplace and resident earnings appears to have **narrowed** in recent years, the gap is still the **fourth largest among comparators**. One of the reasons for the narrowing of the gap is low growth in workplace earnings in 2024 (+4.7% increase in resident earnings compared to +0.4% increase in worker earnings)
- High workplace earnings suggests that good skilled employment opportunities exist in the city. However, lower resident earnings suggests that commuters into the city have those high skilled jobs, which residents are not benefitting from

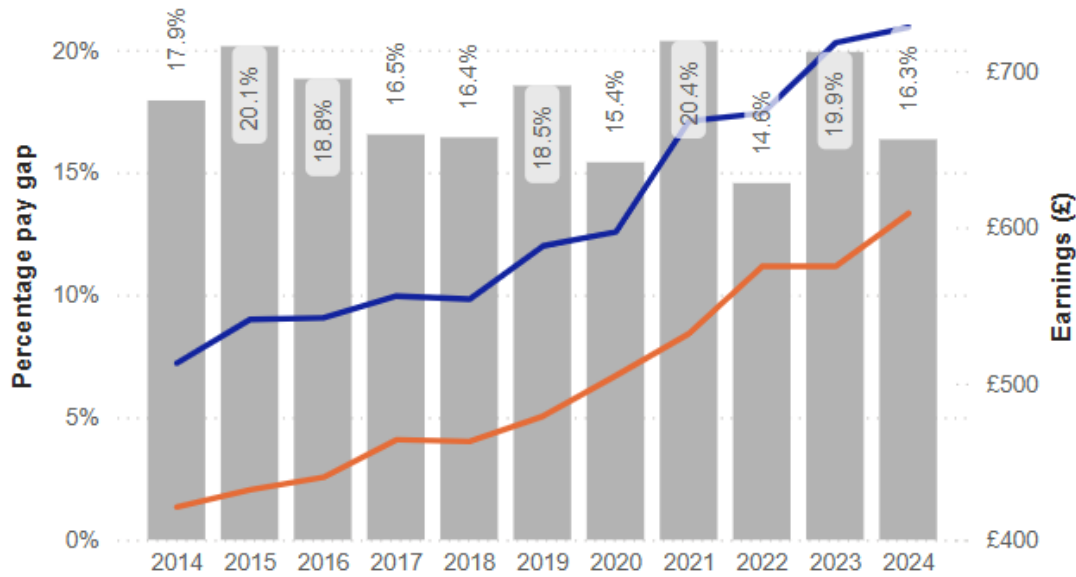


Inequalities – Male vs Female

Male to Female pay gap, Weekly pay - gross, Full Time Workers - (Resident) Southampton: 2014 to 2024

Data source: Office for National Statistics - Annual Survey of Hours and Earnings

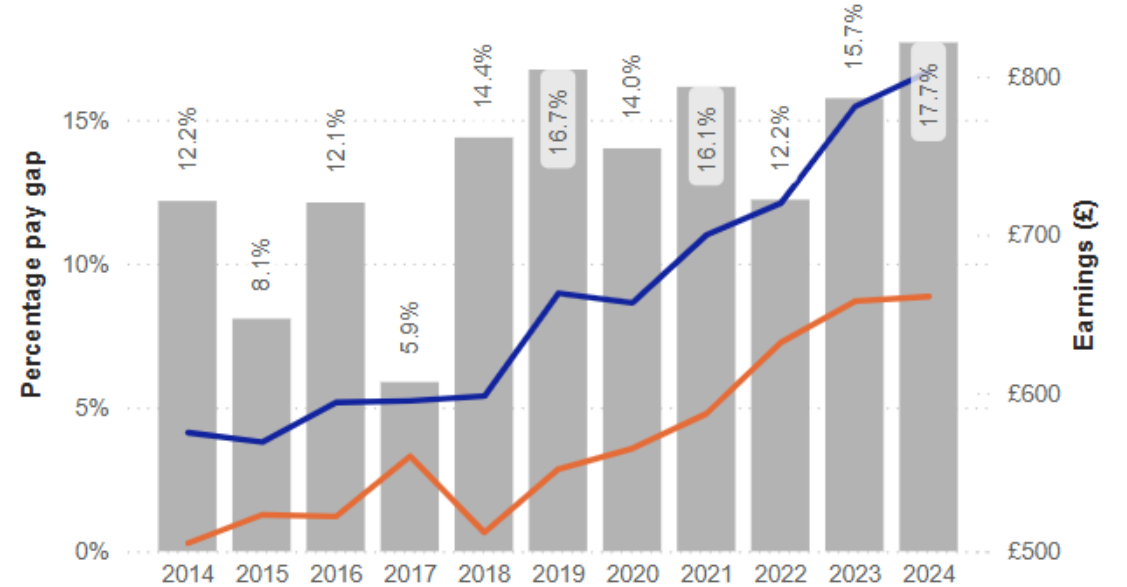
● Percentage pay gap ● Male earnings ● Female earnings



Male to Female pay gap, Weekly pay - gross, Full Time Workers - (Workplace) Southampton: 2014 to 2024

Data source: Office for National Statistics - Annual Survey of Hours and Earnings

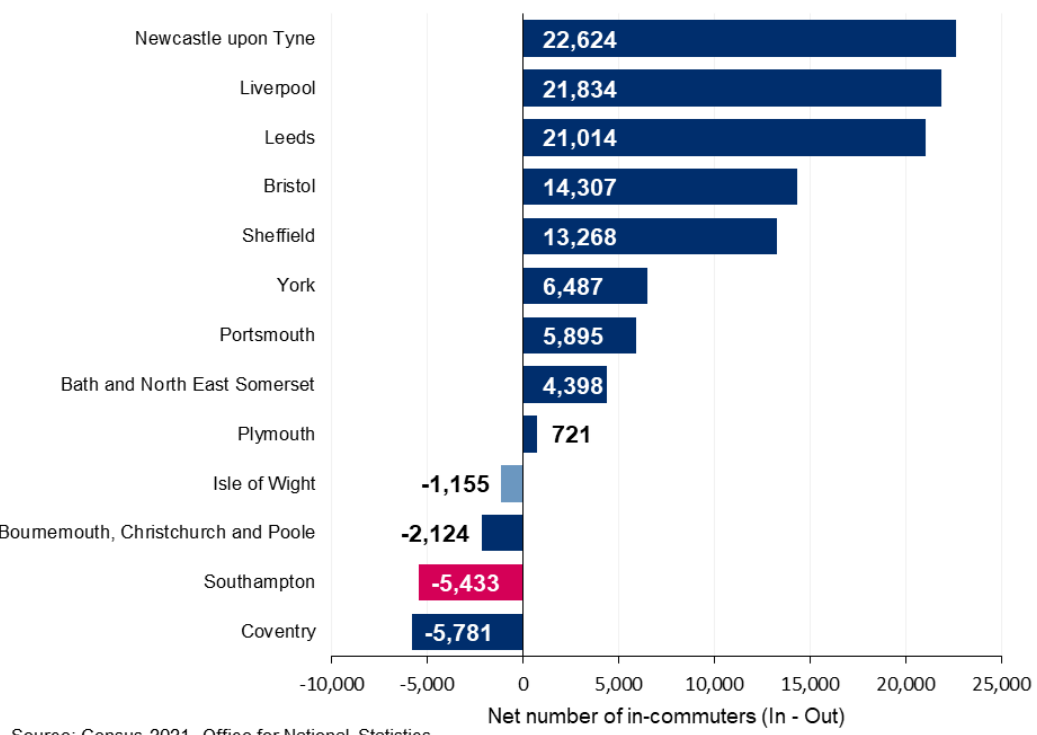
● Percentage pay gap ● Male earnings ● Female earnings



- There is also a pay gap between male and female pay in Southampton, with this gap also experienced nationally
- In 2024, the full time resident weekly gender pay gap was 16.4% (£120) in Southampton, this compares to a gap of £112 (14.3%) nationally
- The full-time workplace gender weekly pay gap in Southampton was similar at 17.6% (£141) in 2024
- There is no evidence that gap is narrowing – for either workplace and resident



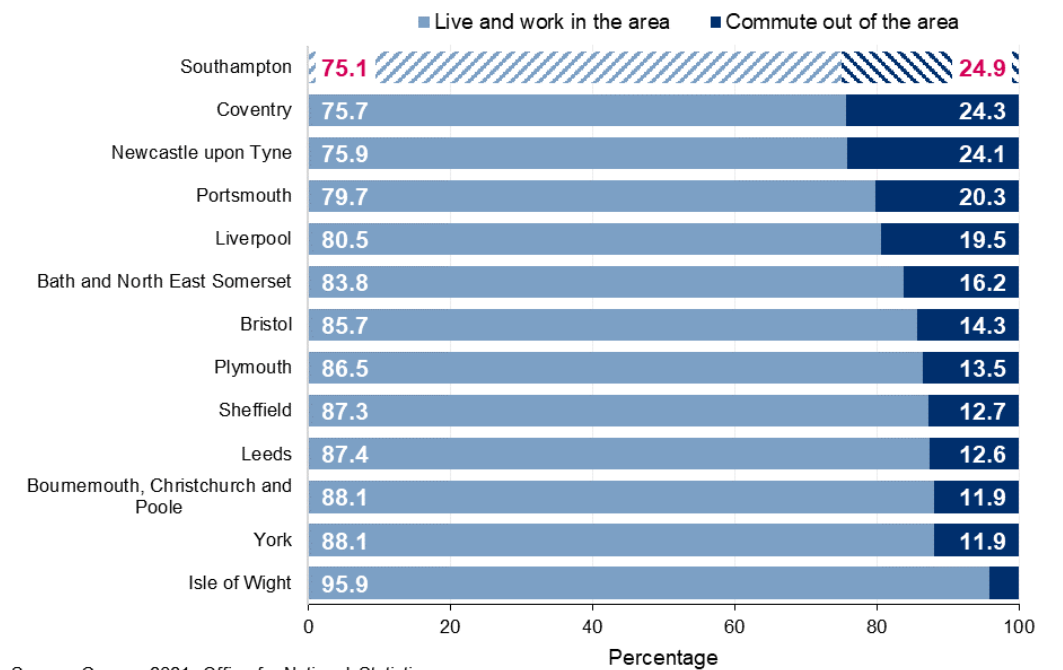
Net number of in-commuters, Southampton and ONS Comparators: Census 2021



Source: Census 2021, Office for National Statistics

- Based on 2021 Census data, over **24,000 people commute into** Southampton for work, whilst almost **29,500 commute out** of the city;
- With significant numbers commuting in both directions between Eastleigh, the New Forest, Test Valley and Winchester
- Southampton has a **substantial negative net in-commute of workers (-5,433)**, second lowest among ONS comparators
- Additionally, Southampton has the **lowest proportion of people who both live and work within their local area (75.1%)**, lowest among comparator cities

Percentage of working residents by location of workplace, Southampton and ONS Comparators: Census 2021



Source: Census 2021, Office for National Statistics

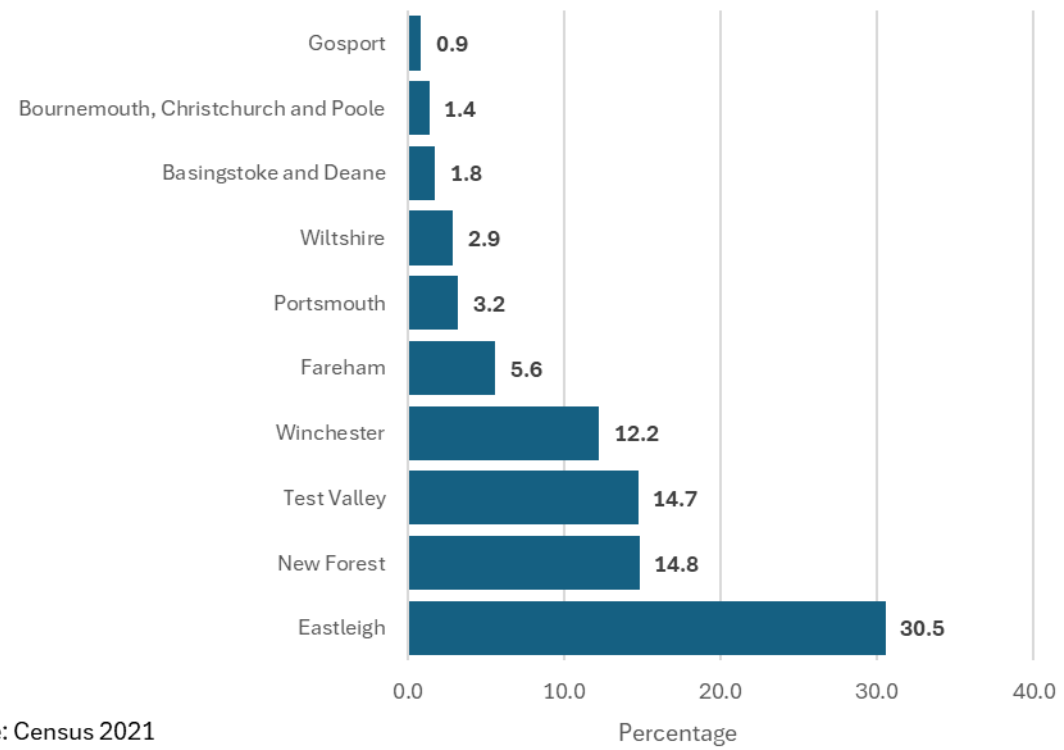
Percentage

Source: Office for National Statistics – 2021 Census

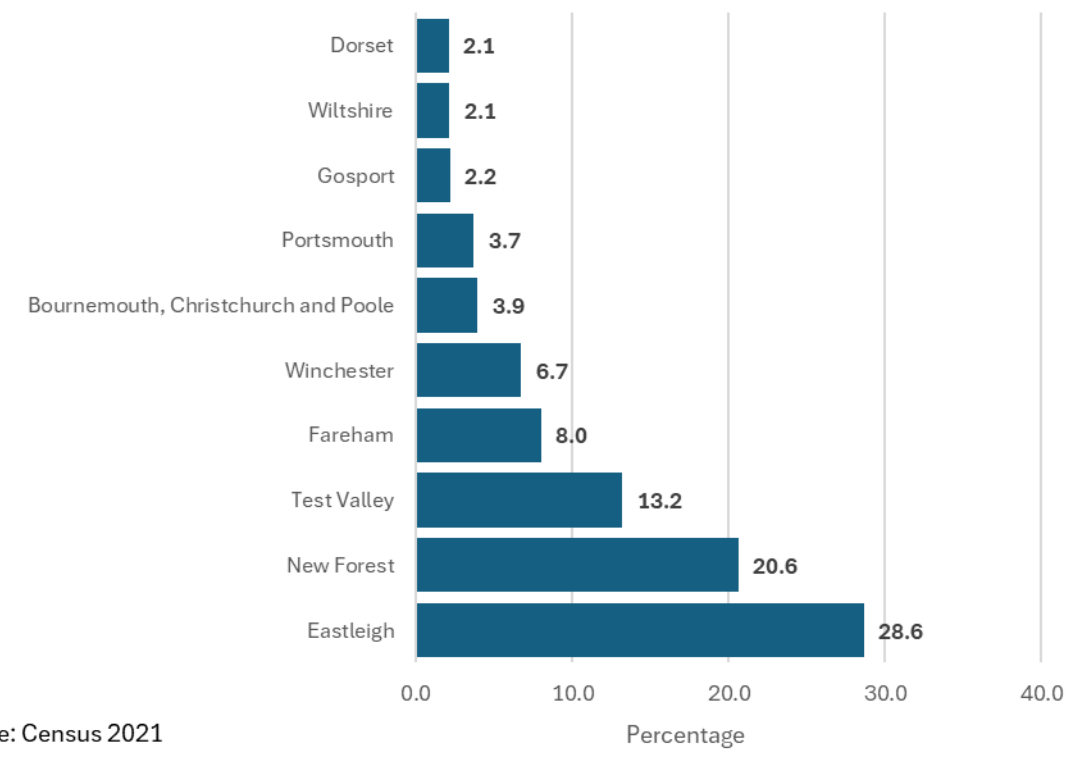
- Given the difference between resident and workplace earnings, it is possible that some lower skilled **residents are being displaced into lower paid employment outside of the city** by skilled workers commuting into the city
- As 2021 Census data was collected during the COVID-19 pandemic, it is likely that lockdowns and furlough impact travel to work data. Therefore, it is not advised to compare to previously published data
- Additionally, **hybrid and homeworking** have remained more common post-pandemic ([ONS – Is hybrid working here to stay?](#))



Top 10 Local Authorities where Southampton residents commute to: 2021



Top 10 Local Authorities where Southampton workers commute from: 2021



- Earnings inequalities data leads us to look at economic flows i.e. commuting
- Census 2021 data on Origin–Destination workplace data suggests that for Southampton the top three commuter in / out flows are Eastleigh, New Forest and Test Valley
- Data is from the 2021 Census which was undertaken during the pandemic, where the government advised people to stay at home and only attend work if they had no alternative. Home working increased from 10.3% in 2011 to 31.2% in 2021



Summary of Findings



- The most recent data (2022) estimates the Southampton economy to be worth £10 billion; an increase of +£1.2 billion (+13.2%) compared to 2019 – highlighting the economic recovery and subsequent growth since the COVID-19 pandemic
- In the latest release the ONS identified a change to the UK National Accounts that resulted in a long-term revision to the manufacturing of food, beverages and tobacco industry. This change happened to be concentrated in Southampton, evident in the revisions to long-term trends in local GVA estimates, especially with the manufacturing industry which now appears as the most prominent industry in the city
- Many industries have experienced growth in Southampton in the last year, with 14 of the 18 analysed seeing an increase in GVA between 2020 and 2022. Although, 5 industries remain below the 2019 level, most notably transportation and storage (-£356 million since 2019)
- Manufacturing experienced the largest increase during the pandemic (+£628 million between 2019 and 2020) and has maintained this elevated level since (+£14 million in the last two years); driven by the manufacture of food, beverages and tobacco
- Southampton experienced a -2.8% decline in the number of businesses between 2023 and 2024. Almost all the decline in the number of enterprises in the last year was driven by declines of micro enterprises. With the retail, construction and professional, scientific and technical sectors experiencing the largest declines by industry.
- In 2024, construction had the largest percentage share of enterprise in Southampton (15%). Next largest is retail enterprises which account for 14% of enterprises in Southampton, compared to 8% nationally
- There has been a +2.5% increase in the number of employee jobs between 2022 and 2023 in Southampton. However, this varies depending on work status and sector. The number of private sector employees increased (+2,536, +3.0%), with an increase in both the number of full-time employees (+1,380, +2.4%) and part-time employees (+1,156, +4.0%). The number of public sector employees increased by 1.1% (+309), which was driven by increase in both full-time (+293, +1.6%) and part-time employees (+16, +0.2%)



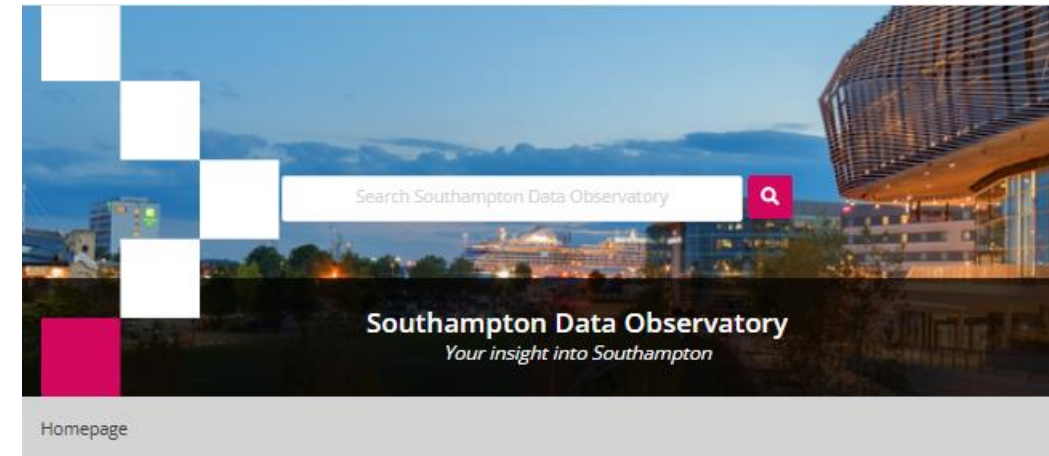
- Southampton remains a major centre for employment in the region, but it is important to attract higher value businesses and more skilled jobs, which our residents can benefit from, as a gap between resident and workplace earnings remains (£26 per week for full-time workers). This gap has narrowed in the most recent year, however, it is likely due to low wage growth of workers (+0.4%) in Southampton between 2023 and 2024, compared to residents (+4.7%).
- Southampton experienced a lower wage growth compared to the South East and England between 2023 and 2024 for both residents and workers
- The unemployment rate decline in Southampton over the last year 4.3% (2022/23) to 4.0% (2023/24) (-600 fewer unemployed)
- The proportion of residents qualified to RQF4+ declined from 53.6% in 2022 to 44.4% in 2023, now significantly lower than the national average (52.5%). The proportion of residents with RQF3 only has increased (22.4% in 2022 to 25.3% in 2023). Whilst degree level qualifications can be used as a proxy for graduate retention, there are currently only two data points in the RQF series. Therefore, it will be important to monitor this trend going forwards
- The proportion of residents with only low end skills (no qualifications or RQF1 only) increased in the last year, however the long-term historic trend in NVQ would suggest that the level of qualifications among residents was improving; again, trends in RQF will be monitored
- The performance of KS4 pupils in Southampton ranks low against ONS comparators for the 2023/24 academic year
- Adjusted for inflation, resident earnings increased (+£15, +2.3%) but workplace (-£14, -1.9%) earnings continued to decline between 2023 and 2024. However, comparing between 2021 and 2024 both resident (-£47, -6.4%) and workplace (-£65, -8.3%) declined in Southampton
- Based on 2021 Census data, Southampton has the second lowest net in-commute of workers (-5,433) among ONS comparators. Additionally, Southampton has the lowest proportion of people who both live and work within their local area (75.1%) among comparator cities. This again suggests that residents are being displaced into lower paid employment outside of the city by skilled workers commuting into the city



<https://data.southampton.gov.uk/>

Southampton Data Observatory contains a large range of data, intelligence and insight on a range of topics:

- **Economic Assessment**
- [Neighbourhood, ward and locality \(geographical\) profiles](#)
- [Inequality profiles](#)
- *Community Safety Assessment*
- *VAWG Profile*
- Research
- Population
- Health and Wellbeing (JSNA)
- Profiles
- Needs assessments
- Key facts, datasets and dashboards
- Signpost to externally published resources



Population



Health



Economy



Place



Community Safety



Children and Young People



Research



Data and Resources

KEY FACTS

RESIDENT POPULATION 264,957 HCC 2023-BASED SAPF	NUMBER OF DWELLINGS 109,226 HCC 2023-BASED SAPF	NUMBER OF BUSINESSES 7,615 ONS UK BUSINESS 2023	UNEMPLOYMENT 6,000 (4.3%) ONS APS 2022/23
MALE LIFE EXPECTANCY 77.8 ONS 2020-22 (POOLED)	FEMALE LIFE EXPECTANCY 82.4 ONS 2020-22 (POOLED)	LIVE BIRTHS PER YEAR 2,660 ONS 2022	DEATHS PER YEAR 1,948 NHS ENGLAND PCMD 2022