

Socio-Economic Impact Assessment of Portsmouth Naval Base Executive Summary



Submitted to
Portsmouth City Council and SEEDA

Prepared by
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Socio- Economic Impact Assessment of Portsmouth Naval Base - Executive Summary

The Ministry of Defence (MoD) is undertaking a review of the status of the status of Britain's three main surface fleet naval bases; HMNB Portsmouth, HMNB Devonport and HMNB Clyde/Faslane¹ The Naval Base Review Team appointed to undertake this exercise is examining three main options, the closure or minimisation of either Portsmouth or Devonport Naval Base or the introduction of 'local initiatives' at each base in order to minimise costs.

As part of this review process this report provides an assessment of the socio-economic impact of Portsmouth Naval Base under three scenarios:

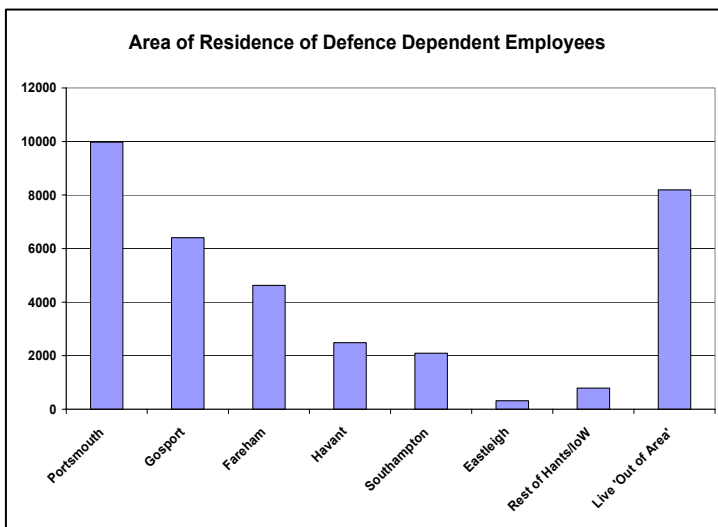
1. **A 'no change' baseline scenario**
2. **The minimisation of Portsmouth Naval Base**
3. **The Expansion of Portsmouth Naval Base (due to the minimisation of Devonport)**

The Main findings of the study are as follows:

Current Employment and Income – The Baseline Scenario.

The Portsmouth Naval Base and associated activities supports:

- **A total of just under 35,000 jobs within South Hampshire – consisting of**
- **13,300 Service jobs and**
- **21,600 Civilian jobs**
- **These jobs account for 8% of all jobs located in the sub-region and for the employment of 6.2% of people living within the area.**
- **15% of people living in Gosport, 10% of those in Portsmouth and 8% of those in Fareham are in 'defence dependent' jobs**
- **This employment and the spending of defence firms generates an income of £680m for the local economy.**



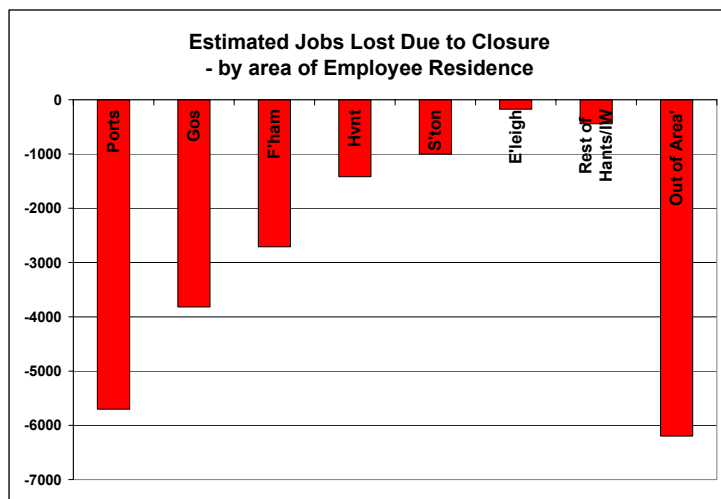
The people employed in these jobs live throughout the sub-region but the highest concentrations are in Portsmouth, Gosport and Fareham. Most of those living 'out of the area' are service personnel who have homes elsewhere in the country. In addition to those employed by the MoD many of the jobs are in firms that form part of the local defence 'supply chain'. The Portsmouth Naval Base is at the heart of this supply chain with many small specialist suppliers working directly or indirectly for

the Naval Base or one of the three large contractors located on the Base (VT, FSL and BAE).

The Potential Impacts of Minimisation

Minimisation of Portsmouth Naval Base would mean the relocation of all ships currently based at Portsmouth to Devonport or elsewhere. This would mean that many service personnel and civilians currently living within the sub-region would relocate to Plymouth. In addition, the closure of the base would have knock on effects on the demand for the output of firms in the defence supply chain and on local household spending. The main impacts are:

- **The potential loss of 21,600 jobs from the area – consisting of**
- **10,300 service jobs and**
- **11,300 civilian jobs.**
- **Job losses will impact most heavily upon Portsmouth, Gosport, Fareham and Havant, the residents of which could lose in the region of 13,650 jobs.**



The impact of these job losses upon local income could be in the region of £350m across the sub-region. Much of this in the key districts of Portsmouth, Gosport, Fareham and Havant, which combined face a loss of more than £270m.

This loss of income would be the result of lost household spending, reduced demand for the output of firms in the defence supply chain and reduced tourist numbers.

The Potential Impacts of Growth

Minimisation of Devonport Naval Base would mean the relocation of all ships currently based at Devonport to Portsmouth. This would mean a net increase in the number of service personnel on locally based ships or stationed at PNB. In addition, the growth of the base would have knock on effects on the number of civilians directly employed, the demand for the output of firms in the defence supply chain and on household spending. Main impacts are:

- **The potential increase of over 2,900 jobs within the area – consisting of**
- **830 service jobs and**
- **2,100 civilian jobs.**
- **Any job gains will impact most upon Portsmouth, Gosport and Fareham, the residents of which could gain some 2,100 more jobs.**
- **The impact of this growth scenario upon income could see in the region of £65m flow into the sub-regional economy.**

In conclusion it is clear that the brunt of any change would impact most heavily upon the three authorities of Portsmouth, Gosport and Fareham where most of the current jobs are located and employees live (and spend their income). Any consideration of plans to either

minimise or close the Portsmouth Naval Base MUST take into account the impacts that will undoubtedly fall upon these local areas as well as the rest of sub-region and South East.