

December
2020

State of Dorset Economy



In this bulletin all data relates to statistics that pre-date Covid unless stated otherwise

The UK has a productivity gap with output per hour below the average for the rest of the G7 major industrialised countries. In Dorset, for every hour worked we produce almost 21% less than the UK average.³

Big Numbers Box

20,000 businesses

£1.7bn

Value of Dorset's productivity gap³

147,000 employees

11,000 expected employment growth by 2029

£537

weekly pay for full-time employees working in Dorset

36% of workforce aged 50+

34% workers in high productivity employment

Expected fall in the working age population over the next 10 years

4,000

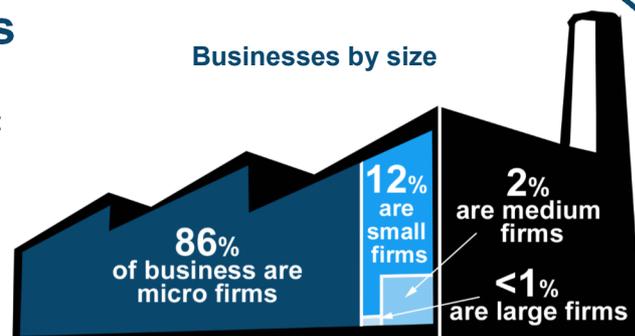
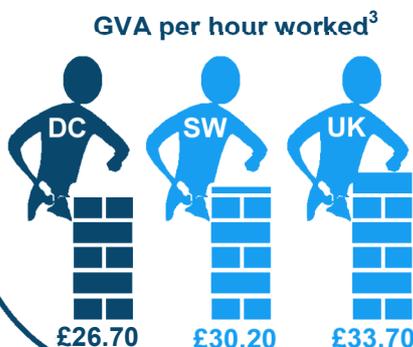
Box 1: Businesses

- Although business survival is good, we have fewer than average business births: 73 to every 10,000 residents aged 16-64 compared with 100 in England¹.

- And we have smaller business units: just 7.3 employees per business unit compared with 9.5 in England².

- Whilst large firms represent less than one per cent of Dorset's business stock, they employ about a fifth of the workforce. Ensuring the availability of suitable employment land like the Dorset Innovation Park to offer larger sites and units gives local firms the chance to expand and relocate here, rather than leave the area. It also offers choice to new businesses considering a move to Dorset, bringing new jobs with them.

- Dorset is less competitive than the national average. In recent years competitiveness has worsened, with all parts of Dorset becoming less competitive. Only the former district areas of East Dorset and West Dorset rank at or above the median for the country. The former area of Weymouth & Portland ranks 372 out of 379 localities and Purbeck is among the ten areas reporting the greatest fall in competitiveness ranking⁴.



- Whilst we have above national average representation of advanced engineering and of manufacturing as a whole, we have low representation of businesses in high productivity sectors² and also below average representation in high R&D spending sectors⁵.
- Self-employment is high in Dorset: about 18% of economically active residents compared with 14% in England⁶.

Sources

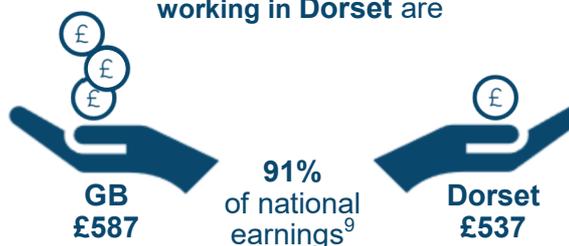
- 1 Business Demography 2019, ONS
- 2 UK Businesses 2019 and BRES 2019, ONS
- 3 Gross Value Added - GVA per hour worked (provisional) 2004-2017, ONS
- 4 UK Competitiveness Index 2019, Centre for International Competitiveness

- 5 As defined in UK Gross domestic expenditure on research and development: 2017, ONS
- 6 Census of Population 2011, ONS

Box 2: People

- Employment is expected to grow by more than 11,000 in Dorset over 2019-29⁷ - but most of this new employment will be part time.
- Manufacturing, health, retail, education and hospitality are all big employers in Dorset.
- 45% of skills required by employers over the next decade are for level 4 and above⁷.
- 14 neighbourhoods in Dorset are in the most deprived 20% nationally for employment⁸ - 10 of these are in the former borough of Weymouth & Portland.
- 36% of the Dorset workforce is aged over 50 compared with 28% in England¹⁰. Older workers have experience and skills and, as more people retire, other workers need training to fill the gaps.

Weekly earnings for people working in Dorset are



- Over the next decade, the population in Dorset aged 16-64 will shrink by 0.2% per annum. That's a net loss of over 4,000 people in this age group. The old age dependency ratio, is expected to increase from 527 per 1,000 in 2019 to 655 per 1,000 in 2029¹¹.
- Around 4,000 apprenticeships were started in Dorset in 2018/19¹². It is estimated that for every £1 of public monies spent on apprenticeships, an economic benefit of £21 is created¹³.

What are we doing about it?

The council manages investments in digital and physical connectivity through projects like Superfast Dorset. This project involves the council working with contractors to upgrade the communications infrastructure across the area that will enable most people and businesses to get superfast broadband speeds (24Mbps+).

Investment in the Dorset Innovation Park (Enterprise Zone) near Wool by the Council and Dorset Local Enterprise Partnership has secured hundreds of high quality jobs in engineering and manufacturing, and with the construction of twenty new workshop units. Further investment has been secured to construct an exciting Defence Innovation Centre, working with the Armed Forces, which will be completed in 2021. This will reinforce the objective of developing an advanced engineering cluster of excellence building on strengths in marine, defence and energy.

By means of local procurement, the council can add to social and environmental wellbeing as well as economic value, for example through contracts with firms that ensure sustainable working practices and those offering quality Apprenticeships.

Sources

- 7 LEFM 2019/Dorset County Council
- 8 English Indices of Deprivation (2019), DCLG
- 9 Annual Survey of Hours and Earnings (2020), ONS
- 10 Census of Population (2011), workplace statistics

- 11 2019-based experimental continuity population projections, 2019-2029, Dorset Council
- 12 Apprenticeship starts 2018/19, The Department for Education
- 13 The Economic Impact of Apprenticeships, 26/11/2014, Centre for Economic and Business Research