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# State of Dorset Economy



The UK grapples with a productivity gap, trailing behind G7 counterparts in output per hour.<sup>14</sup> In Dorset, our local productivity lags, producing 15% less per hour compared to the national average.<sup>3</sup>

Big Numbers Box

**20,000** businesses

**£1.6bn** Value of Dorset's productivity gap<sup>3</sup>

**145,000** employees

**44%** of workforce aged 50+

**£579**

weekly pay for full-time employees working in Dorset

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

**-7,300**

## Box 1: Businesses

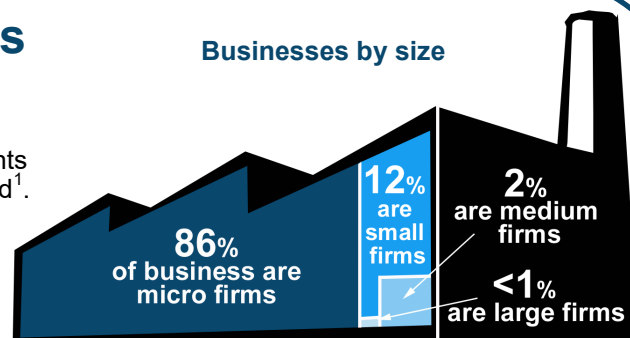
- Although business survival is good, we have fewer than average new business startups, with 73 to every 10,000 residents aged 16-64 compared with 84 in England<sup>1</sup>.

- And we have smaller business units: just 7 employees per unit compared with 10 in England<sup>2</sup>.

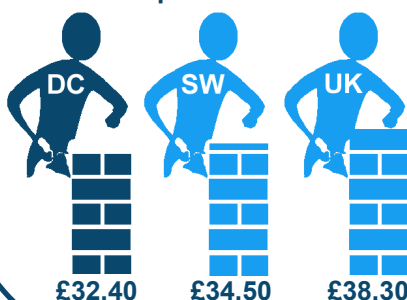
- Whilst large firms represent less than one per cent of Dorset's business stock, they employ about a fifth of the workforce. Ensuring the availability of suitable employment land, such as the Dorset Innovation Park with larger sites and units, provides a growth opportunity for local businesses. This not only prevents the outflow of existing firms but also attracts new businesses, creating additional job opportunities.

- Dorset's competitiveness, though improving, currently ranks 209 out of 362 local authorities. This marks an advance from 2019 when the ranking stood at 222.<sup>4</sup>

### Businesses by size



### GVA per hour worked<sup>3</sup>



- While Dorset boasts above-average representation in advanced engineering and manufacturing, it lags behind in businesses associated with high productivity<sup>5</sup> and high R&D spending sectors.<sup>6</sup>

- Self-employment among economically active residents has risen to 20%, up from 13% in 2011, compared to 16% in England.<sup>7</sup>

## Sources

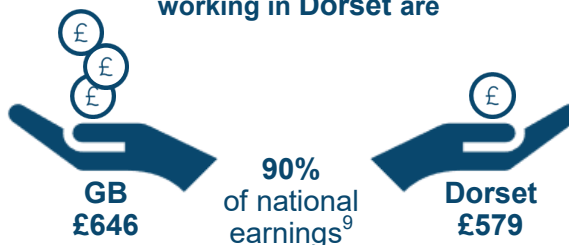
- 1 Business Demography 2022, ONS
- 2 UK Businesses 2023 and BRES 2022, ONS
- 3 Gross Value Added - GVA per hour worked (provisional) 2021, ONS
- 4 UK Competitiveness Index 2023, Centre for International Competitiveness

- 5 UK Businesses 2023
- 6 As defined in UK Gross domestic expenditure on research and development: 2017, ONS
- 7 Census 2011 & 2021, ONS

## Box 2: People

- Manufacturing, health, retail, education and hospitality are all big employers in Dorset.<sup>10</sup>
- 14 neighbourhoods in Dorset are in the most deprived 20% nationally for employment<sup>8</sup> - 10 of these are in the former borough of Weymouth & Portland.

### Weekly earnings for people working in Dorset are



- 44% of the Dorset workforce is aged over 50 compared with 34% in England.<sup>10</sup> This is an increase of 22% in ten years. Older workers have experience and skills and, as more people retire, other workers need training to fill the gaps.



- Over the next decade, the population in Dorset aged 16-64 will shrink by -0.4% per annum. That's a net loss of over 7,300 people in this age group. The old age dependency ratio, is expected to increase from 570 per 1,000 in 2023 to 720 per 1,000 in 2033.<sup>11</sup>
- Around 3,220 apprenticeships were started in Dorset in 2022/23.<sup>12</sup> It is estimated that for every £1 of public money spent on apprenticeships, an economic benefit of £21 is generated.<sup>13</sup>

## Box 3: What did the 2021 Census tell us?<sup>6</sup>

- Dorset's population increased by around 14,400 between the last two censuses (held in 2011 and 2021). Census Day was 21 March 2021.
- However, the working age population fell by 5,700 (3%) whilst the older population increased by 22,300 (25%).
- In addition, the proportion of the 16+ population who were 'economically active' (either working or looking for work) fell from 55% to 51% - one of the biggest declines seen in the South West.<sup>15</sup>
- Industries which saw the greatest increase in employment were Health with an extra 4,100 jobs, followed by Admin Services, Construction and IT. The biggest falls were in Manufacturing, which saw a decline of 3,200 jobs, followed by Retail and Public Admin.

### Sources

- |   |   |
|---|---|
| 8 English Indices of Deprivation (2019), DCLG   | 13 The Economic Impact of Apprenticeships, 2014, Centre for Economic and Business Research  |
| 9 Annual Survey of Hours and Earnings (2022), ONS                                       | 14 International comparisons of UK productivity (ICP), final estimates: 2021  |
| 10 Census of Population (2021), workplace statistics                                    | 15 <a href="https://www.ons.gov.uk/visualisations/censusareachanges/E06000059/">How life has changed in Dorset: Census 2021 (ons.gov.uk) https://www.ons.gov.uk/visualisations/censusareachanges/E06000059/</a> |
| 11 2020-based experimental continuity population projections, 2023-2033, Dorset Council |   |
| 12 Apprenticeship starts 2022-23, The Department for Education                          |   |