Local ECONOMIC Assessment

Local Economic Assessment for Bournemouth, Dorset and Poole

June 2011

Acknowledgements:

The preparation of a Local Economic Assessment is a duty of county and unitary authorities. In the case of the Dorset Sub-region a joint assessment has been prepared for the areas covered by Dorset County Council (DCC Dorset) and the two unitary authorities of Bournemouth Borough Council and Borough of Poole.

Whilst these three authorities are responsible for the document, its production benefited from a Steering Group which included:

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- Lorna Gibbons, LEA Evidence Co-ordinator, South West Observatory;
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Chapter 1
Introduction, Scope and Context

Chapter One: Introduction, Scope and Context

1.1 Local Enterprise Partnership and the Local Economic Analysis

The localism agenda forms a central plank of Government thinking. Communities and their councils will have much greater autonomy in deciding their own needs. A key component of localism is the Local Enterprise Partnership (LEP). The partnership is one between businesses, local authorities and other public sector and relevant partners. In addition to enterprise and economic growth, an LEP could cover matters such as planning, housing, infrastructure, and the transition to a low carbon economy. It should reflect a functional economic area.

The Government is currently accepting and approving bids from all over the country to form Local Enterprise Partnerships. Rising to this challenge, business and local authorities have come together in Dorset to propose an LEP based on the Dorset sub-region. Although this submission was not approved by the Government in its initial 'first wave' of twenty-four LEPs, partners have since had an opportunity to take stock, to meet and discuss the aspirations of neighbouring authorities and to consider possible alternative geographic configurations.

Running parallel to the setting up of an LEP, a robust evidence base will be essential in advancing such a partnership and in delivering other strategies and initiatives. This is the role of the Local Economic Assessment (LEA). The LEA for Bournemouth, Dorset and Poole will provide a robust evidence base to assist decision makers and local communities in identifying the actions and strategies needed to support future economic growth.

1.2 Why Produce a Local Economic Assessment?

A local economic assessment provides the opportunity to consolidate a range of economic evidence into a single assessment. The LEA will:

- provide an understanding of the economic geography in this area and how it affects the well-being of residents and businesses;
- identify economic linkages at the local, regional and national level;
- identify the strengths and weaknesses of the local economy;
- flag up local economic challenges and opportunities;
- set out an evidence base which can be used or tailored to individual needs.

1.3 The LEA Area

The Bournemouth, Dorset and Poole area has a population of about 700,000. The sub-region is characterised by its outstanding and highly valued natural environment, which includes part of the Jurassic Coast World Heritage Site, Poole Harbour, two Areas of Outstanding Natural Beauty and internationally protected heathland and wetland habitats. There are also significant historic and cultural assets that contribute to the character and distinctiveness of the area. The environment is undoubtedly a key asset, but also presents challenges in terms of managing growth.

The South East Dorset conurbation is the main economic hub. It comprises a diverse mix of services, manufacturing, public sector and tourism-related jobs. Bournemouth Airport serves the conurbation and wider area. After Bristol, this is the second largest conurbation in the South West, with a population of nearly 450,000.

To the west, Weymouth and Portland has a mix of industry, port activities, and tourism. It will host the sailing events of the 2012 Olympics. Neighbouring Dorchester is the County Town and also an important economic hub, with significant public sector employment provided by the County Council, West Dorset District Council, the hospital and Dorchester prison. Elsewhere the County has a number of important market and coastal towns, including Blandford Forum, Bridport, Gillingham, Shaftesbury, Sherborne, Swanage and Wareham.

Prior to the recent national economic difficulties, the Bournemouth, Dorset and Poole economy had grown significantly. Unemployment remains relatively low when compared with regional and national levels and economic activity rates are high. However, the area faces a number of challenges.

- The area is not as productive as it might be, with Bournemouth-Poole having a GVA per resident head lower than the national average and DCC Dorset significantly worse.
- It is disadvantaged by disparity between low earnings and high housing costs. The relatively low wage economy, very high house prices and large stock of second homes makes the area one of the least affordable in the country.
- Skills gaps are present across the sub-region. These are exacerbated by demographic change with a loss of young adults and a growing proportion of retired people.
- Despite being relatively prosperous, there are pockets of deprivation particularly within the larger urban areas.
- Although rural areas do not have the same apparent concentrations of deprivation as those within the worst affected urban neighbourhoods, it is nevertheless an issue for some communities in rural Dorset.
- There is a pressing need from the business and local communities to enhance the sub-region's infrastructure, particularly the need to address increasing congestion in the urban area and inadequate wider connectivity.

1.4 Identifying Issues, Challenges and Priorities

Whilst it is important to remember that the LEA is an assessment and not a strategy, it is helpful to set out the key local priorities of local strategies and programmes. Some of these reflect common themes, such as:

- The demographic profile of the area;
- The need to provide a greater range, type and mix and affordability of housing;
- The importance of skills development and retention, and linkages between further education and business needs;
- A shared desire to move towards a green knowledge economy whilst building on existing economic strengths;
- The strengths and weaknesses of the skills base of the area, including the role of migrant workers in supporting economic performance;
- Specific sectors which are strong or have potential to grow in the area;
- The implications of reduced public sector spending.

1.5 The Assessment

The chapters which follow contain an in-depth assessment of the local economy, based upon the following headline themes:

- Chapter Two: The overall picture
- Chapter Three: Economic competitiveness
- Chapter Four: The industrial and business structure
- Chapter Five: The local labour market
- Chapter Six: Sustainable infrastructure

Chapter 2
The Overall Picture

Chapter Two: The Overall Picture

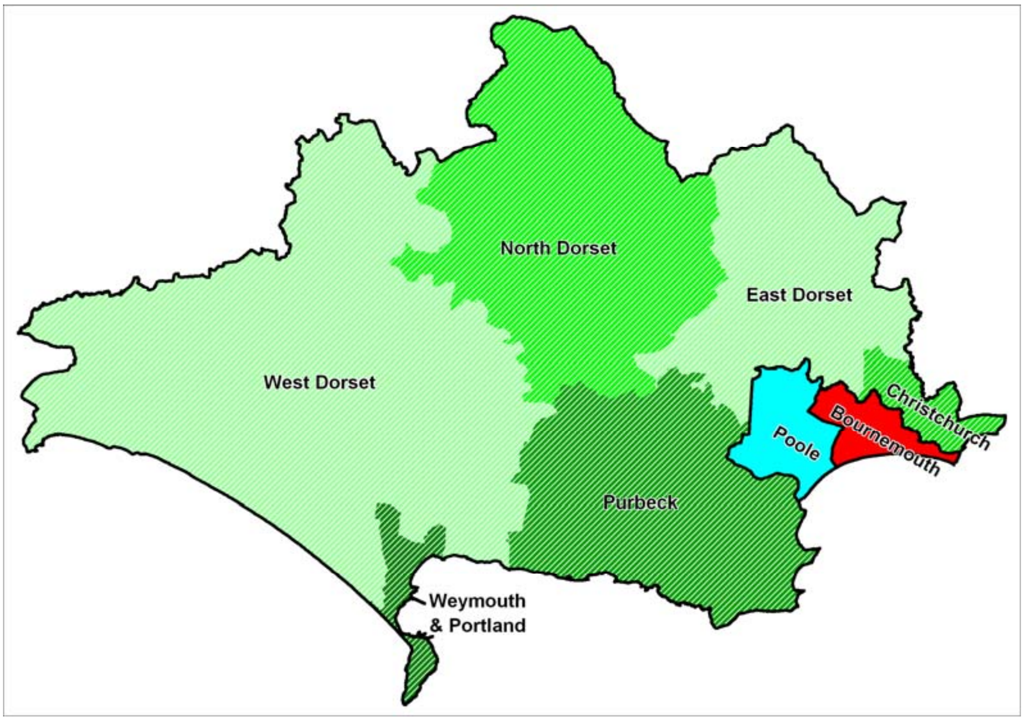
2.1 Geographic Background

Geographic location is fundamental to an understanding of Dorset's economy. Dorset lies at the east of the South West peninsula as it stretches down into Devon and Cornwall. It is to the west of central southern England, focused on the metropolitan conurbations of Southampton and Portsmouth. To the north lie the West Country and the Bristol conurbation. An illustration of this point is demonstrated in the way television broadcasting regions are structured. In everyday, real-world terms TV regions both reflect but also to a large extent define peoples' perception of what part of the country they live in. Dorset is not central to any of these regions, but interacts within them all.

This geographical context helps mould Dorset's strong internal social and economic identity. It is not part of any **single** wider region. In the spirit of localism, it is a place in its own right, but with strong links all around.

The Dorset sub-region refers to the area currently served by Bournemouth Borough Council, Borough of Poole Council and Dorset County Council. The population of the sub-region in 2009 was estimated to be 710,000 with 57% living in the area served by Dorset County Council (hereafter referred to as "DCC Dorset"), 23% living in Bournemouth and 20% living in Poole[1].

In this assessment, the area of DCC Dorset is further subdivided into its six constituent local authority areas: Christchurch; East Dorset; North Dorset; Purbeck; West Dorset; and Weymouth and Portland. The geographic relationship between these nine spatial units is shown on the map below where the six areas shaded green combined constitute the area of DCC Dorset.



In terms of land area, the sub-region is predominantly rural, but there are urban centres to the south-east – centred on the coastal resorts of Bournemouth and Poole – and in the Weymouth and Portland district centred on the coastal resort of Weymouth.

[1] Mid year population estimates, 2009, ONS

2.2 The Urban/Rural Split

The Dorset sub-region's larger towns act as population service centres for the wider community. They are hubs for employment, shopping, entertainment, education and other key services. Many of the area's coastal towns have grown over time as a result of their popularity as tourism destinations and tourism continues to be important for their economies. Other market towns have developed in the past largely as a result of their importance as hubs for the farming sector.

Within the Dorset sub-region, three-quarters of the population live in urban settlements[2].In Bournemouth and Poole, the population lives almost entirely in urban settlements whereas in the DCC Dorset area the urban population makes up 54% of the total. In England, 81% of the population live in urban areas, whilst the figure for the South West region is 66%.

Within DCC Dorset, the pattern of settlement ranges from North Dorset with 100% of the population described as resident in rural settlements to Christchurch with almost its entire population resident in urban settlements. North Dorset, West Dorset and Purbeck are the most rural districts of the six.

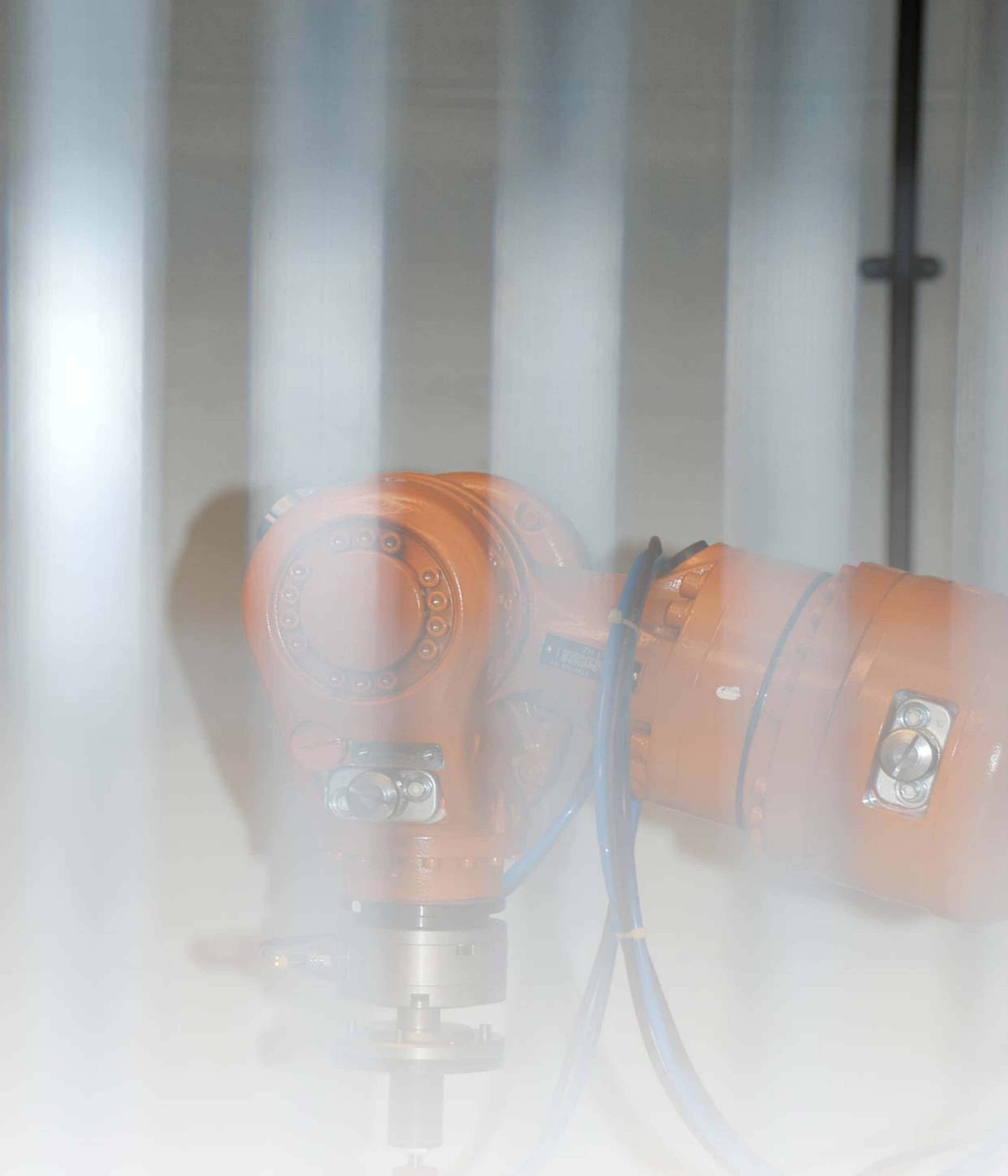
2.3 Comparator Areas

In light of the sub-region's position – in the far east of the South West region and on the border of the South East – and its urban/rural division, many of the tables in the following analysis include comparator areas reflecting these characteristics. Within the Dorset sub-region, in addition to the standard local authority areas, two aggregate areas have been defined: South East Dorset covering the conurbation and Western Dorset. These are benchmarked against groupings of more urban neighbours (Wider Southampton/ Portsmouth) and more rural neighbours (Rural neighbours) as follows:

South East Dorset:	Wider Southampton/Portsmouth:
Bournemouth	Southampton
Poole	Portsmouth
Christchurch	Eastleigh
East Dorset	Havant
	Gosport
	Fareham

Western Dorset:	Rural neighbours:
North Dorset	East Devon
Purbeck	Mid Devon
West Dorset	Taunton Deane
Weymouth & Portland	South Somerset
	Mendip
	West Wiltshire
	Salisbury
	New Forest
	Test Valley

[2] Dorset County Council, based on FHSA Patient Register 2009



Chapter 3
Economic Competitiveness

Chapter Three: Economic Competitiveness

3.1 Business Demographics

Most parts of the sub-region have a business start up rate that is higher than that seen nationally, suggesting that the local area has an enterprising attitude that is above average. These new businesses also have a better performance in terms of survival than is seen nationally suggesting that they are relatively competitive.

There are several measures by which the economic competitiveness of an area can be gauged. One such approach is to examine the extent to which new businesses are formed within an area and the likelihood that these businesses will survive for the first few years. Both of these aspects of business demographics are examined here.

3.1.1 Business Start Up

The business start up rate is calculated by dividing the number of new businesses by the total working age population of an area. It can be expressed as a rate per 10,000 working age population. The data below details the business start up rate for 2009[3] and it can be seen that both South East Dorset and Western Dorset show higher numbers of new businesses per 10,000 working age population than their comparator areas.

Area	*New businesses per 10,000 working age population*
East Dorset	82.3
West Dorset	77.7
Christchurch	72.2
DCC Dorset	**70.3**
South East Dorset	67.9
Dorset sub-region	**67.3**
Western Dorset	66.3
Poole	**66.3**
Purbeck	65.6
England	65.2
North Dorset	63.5
Bournemouth	**61.8**
Rural neighbours	59.8
Weymouth and Portland	54.1
Wider Soton/Portsmouth	47.3

It should be noted that this dataset refers only to businesses that meet the criteria that require them to register for VAT and/or PAYE. Some of these "new" firms may have been established some time previously and only recently met the criteria. There are certain to be a number of new firms and sole traders that are not included in the data above.

3.1.2 Business Survival

In isolation, the business start up rate does not provide an indication of local competitiveness as many new businesses may prove to be unsuccessful. This information needs to be considered alongside the business survival rate to provide an insight to competitiveness. The information provided below illustrates business survival rates in terms of the percentage of all businesses that have been in operation for a minimum of five years[4].

[3] Source: Business Demography 2009, Office for National Statistics
[4] Source: Business Demography 2009, Office for National Statistics

Business survival is higher in both Western Dorset and South East Dorset than in their comparator areas.

Area	Firms in operation for at least 5 years
East Dorset	57.0%
West Dorset	55.8%
DCC Dorset	**53.1%**
Purbeck	52.5%
Western Dorset	52.4%
Dorset sub-region	**51.2%**
Poole	**51.1%**
South East Dorset	50.5%
Rural neighbours	50.0%
Christchurch	50.0%
Weymouth and Portland	50.0%
North Dorset	49.3%
Bournemouth	**47.0%**
Wider Southampton/Portsmouth	46.7%
ENGLAND	**46.6%**

As with businesses start ups, the data above refers solely to firms that are registered for VAT and/or PAYE. Some firms may have de-registered and be regarded as having not survived, but in fact simply no longer meet the criteria that require registration for VAT or PAYE.

3.2 Gross Value Added [5]

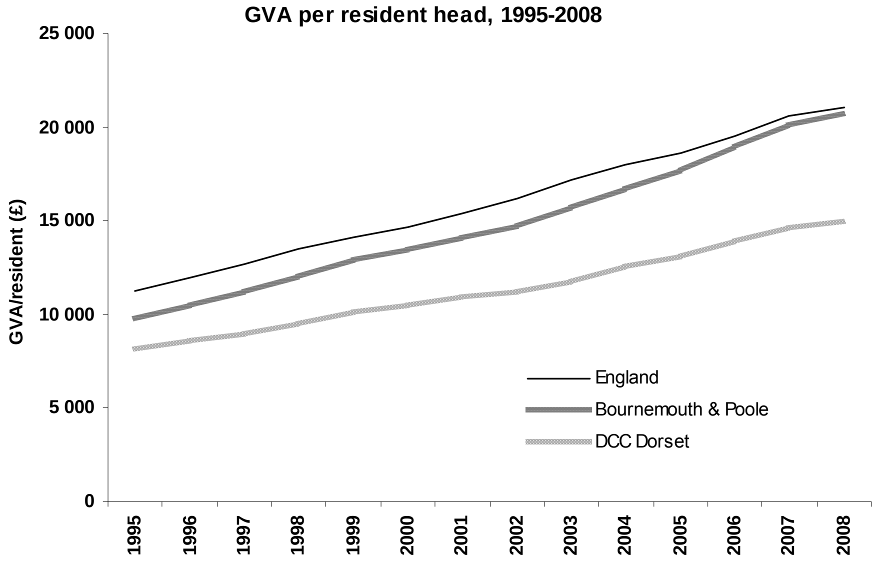
Although the GVA per resident head figure in the sub-region is lower than the national figure, over recent years the figure for Bournemouth and Poole has risen notably whilst the figure for DCC Dorset has remained relatively low.

Gross value added (GVA) is the value of all goods and services produced less the cost of raw materials and other inputs used in production and can therefore be used as a standard measure for both efficiency and productivity. It can also be used as a gauge for competitiveness.

GVA data are produced by the Office for National Statistics (ONS) but, at local level, are published only for the Bournemouth and Poole area (combined) and for the area served by Dorset County Council.

In 2008, GVA per resident head in the sub-region was approximately £17,860. However, a considerable variation was seen within the sub-region with Bournemouth/Poole recording a figure of £20,732 whilst the DCC Dorset figure was £14,983. This gap between the two areas has widened over the past decade as illustrated below.

[5] When used as comparative data, GVA figures for an area are often presented as a monetary value *per resident head.* However, there is a conceptual problem with this in that the denominator is *resident*-based whereas the numerator (GVA) is *workplace*-based. In the case of Dorset, which has a large proportion of older residents who are not economically active, this can result in a skew in the calculations. In addition, this approach ignores the fact that people who live in one area may work in another, thereby making their GVA contribution elsewhere. To address these problems alternative measures based upon GVA *per filled job*, or GVA *per full time equivalent worker*, are often used. The results generated by each method vary



The gap can be partly explained by the differing population structures and commuting patterns within the sub-region, but the structure of the local economy also has an effect. Different employment sectors have different impacts on GVA – some sectors have low GVA (e.g. Health & social services, Education, Agriculture, forestry & fishing) whilst others have higher value added (e.g. Business services, Chemicals, Electronics). Over the past decade[6], the sub-region saw above average growth in Chemicals (particularly in Bournemouth/Poole) and Business services (particularly in DCC Dorset), but decline in Electronics in line with the national trend.

Productivity will also have been undermined by the recent recession and the associated investment cuts, reduced orders and job losses. A national survey of businesses conducted in early 2010[7] identified concerns that a continued decline in capital investment could affect the UK's capacity to meet the expected growing demand as the country emerges from recession. The fact that the Manufacturing and the Service sectors are both experiencing negative cashflow balances suggests that many firms are continuing to face financial difficulties. In Bournemouth, Dorset and Poole, the survey suggested that about 80% of businesses were operating at a level below full capacity in the first quarter of 2010. Although national figures for investment and cashflow have improved in the second quarter of the year, both remain weak.

	England	Ports-mouth	South-ampton	Bourne-mouth	DCC Dorset	Poole
GVA per resident head 2008 (£)	21,049	21,855	21,109	20,732	14,983	20,732 [8]
GVA per resident head index 2008 (UK=100)	102.0	106.4	102.8	100.9	72.9	100.9
Total GVA (£million)	1,083,289	4,357	4,942	6,329	6,080	6,329

[6] 1999-2009, Econ-I, South West Observatory, March 2011 update
[7] Quarterly Economic Survey Quarter One 2010, British Chambers of Commerce
[8] Figures for Bournemouth and Poole are for combined areas

3.3 Output per Hour Worked

Compared to the national figure the sub-region has a below average level of productivity in terms of output per hour worked

Productivity can also be measured in terms of output per hour worked. This is reported as the cumulative value of the output of an hour's work by each full time equivalent worker. The data used here[9] is not available at a district level of geography but figures are provided for the two areas that cover the whole of the assessment area – one covering the combined Bournemouth and Poole area, the other the DCC Dorset area.

Area	*Total output per hour worked*
Hampshire	£45,886
GB	£44,682
Bournemouth/Poole	**£41,101**
DCC Dorset	**£38,998**
Portsmouth	£42,869
Southampton	£43,548

Other parts of the South West, such as Swindon, Bristol, and the combined area of South Gloucestershire, Bath & North East Somerset and North Somerset have above average output per hour worked, higher even than neighbouring Hampshire, Southampton and Portsmouth.

3.4 Economic Specialisms and Sectoral Clusters

Dorset has a varied and mixed sector composition, but these industries are largely centred in small pockets. As examples, small scale clusters can be seen in:

- Financial services in Bournemouth;
- Manufacturing and marine industries in Poole;
- Aerospace/defence at Bournemouth Airport;
- Food and drink on the North Dorset Business Park, Sturminster Newton;
- Businesses with related specialisms and/or supply chains on the Brickfields Business Park in Gillingham;
- Environmental technologies in Purbeck;
- High quality and niche market food producers/processors on the Granby, Weymouth;
- A concentration of marine leisure related businesses at Portland and Poole;

Tourism is an important part of the Dorset sub-region's economy. This benefits from the area's highly distinctive environment which contains some of the country's best beaches, the Jurassic Coast World Heritage site, excellent water sports venues, including the 2012 Olympic sailing venue, one of the largest natural harbours in the world and the resorts of Bournemouh, Swanage and Weymouth. As a consequence the tourism industry comprises numerous hotels, self-catering accommodation, conference facilities and a myriad of activities which are either tourist-related or which benefit from tourism. However it should be noted that as tourism is hard to define and does not respond in the same manner as other industries so it is questionable whether it can be named in a cluster.

One of the issues surrounding clustering in the sub-region is that the majority of clusters are geographic and are in some part based on agglomeration affects, i.e. the location of multiple businesses with similar interests, products, services and skills requirements. There is a very weak supply chain locally around these industries. This does not lead to specific sector clusters, which develop knowledge transfer networks and often benefit from economies of scale.

[9] Centre for International Competitiveness, University of Cardiff http://www.cforic.org/pages/ukci2010.php

3.5 UK Competitiveness Index 2010

> *The UK Competitiveness Index ranks all local authority areas according to a composite measure of competitiveness. For the past few years, most parts of Dorset have remained just below the national average for competitiveness. The exception to this is Weymouth and Portland Borough which has been measured as being consistently less competitive than other parts of the sub-region.*

A national measure of competitiveness is available in the form of the UK Competitiveness Index, which is produced annually by the Centre for International Competitiveness. The latest edition of the Index was published in 2010.[10]

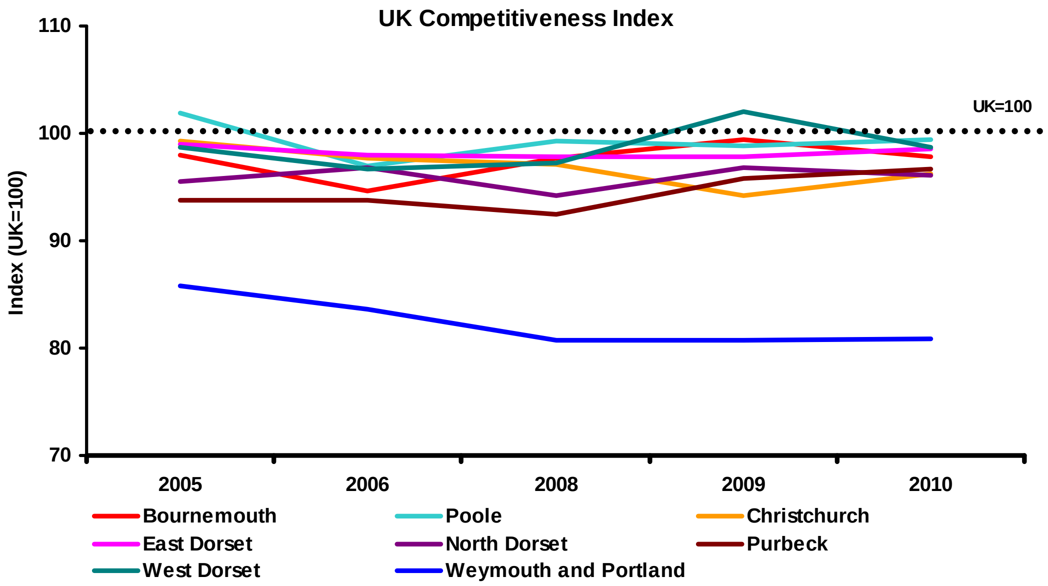
The Index is a ranked comparison of local authority areas based upon a composite measure of competitiveness. The components of competitiveness used in the Index consist of ten variables, each of which is categorized into one of three categories:

Input measures:	• Business start-up rate • Number of businesses • Presence of knowledge intensive businesses • Economic activity • Skill level in working age population
Output measures:	• GVA per *resident* head • Productivity • Employment rate
Outcome measures:	• Weekly earnings • Unemployment rate

The Index is important as it enables direct comparison of the variations in competitiveness between different local authority areas and with the national average. Unfortunately some of the definitions of the variables used in the Index differ from those used elsewhere in this Assessment. For example, the classification of what constitutes a knowledge intensive business is wider in the Index than that used earlier in this document. Similarly the choice of some variables may not be the most appropriate for an area such the sub-region, for instance GVA is measured in the Index by per local resident rather than by per full time equivalent post (see the GVA section above).

The UK Competitiveness Index published in 2010 shows all but one of the local authority areas that fall within the Dorset sub-region as being rated fairly close to, but just below, the UK average for competitiveness. The exception is Weymouth and Portland where the Index value was measured at 80.9 (where the UK figure was 100).This ranks the Borough as the 17th least competitive local authority out of a UK total of 379.

[10] Centre for International Competitiveness, University of Cardiff http://www.cforic.org/pages/ukci2010.php



It should be noted that the UK base for this index will be skewed by the contribution of London and the Home Counties to the national figure. In light of this the performance of most of Dorset's areas can be regarded as being more competitive than the graph suggests when compared to many other parts of the country.

These rankings have been fairly constant over the past four years – although both Poole and West Dorset did register above average competitiveness ratings in 2005 and 2009 respectively. Weymouth and Portland has always been ranked considerably lower than its near geographical neighbours.

There is no single variable included in the Competitiveness Index that would account for the Borough's relatively poor performance. Instead, the area scores lowest of all the areas in the sub-region for every variable used in the Index, with the exception of claimant unemployment rate where Bournemouth ranks lowest. Weymouth and Portland fared especially poorly when compared to its neighbours for business start up, businesses per 1,000 residents, proportion of firms in the knowledge intensive sector and economic activity rate. With regard to GVA per resident, the Borough was ranked as having the 18th lowest of all 380 local authorities in the UK.

Chapter 4
Industrial and Business Structure

Chapter Four: Industrial and Business Structure

4.1 The Number and Size of Local Businesses

> *Firms sited within Bournemouth and Poole tend to be larger, in terms of numbers employed, than those found within DCC Dorset. The areas of the sub-region with the highest proportion of small firms are East Dorset and North Dorset.*

A snapshot of data[11] indicated that within the Dorset sub-region on March 22nd 2010:

- There were 33,550 businesses or “local units”[12] registered for VAT or PAYE;
- That there were approximately 110 firms employing more than 250 people;
- That 69% of all firms employed fewer than five people (similar to the percentage for both England and the South West region – both 68%);
- That 84% of all firms employed fewer than ten people (83% in England).

This relatively higher proportion of small businesses is significant for business support services, particularly during an economic downturn, as smaller firms are more vulnerable to cashflow crises and are more likely to cut back on investment and training during a recession. However, studies suggest that smaller firms are better equipped to cope with an economic downturn owing to their ability to respond quickly and flexibly to a changing economic climate.[13]

A large proportion of the sub-region’s workforce is employed in small businesses. Data from 2008[14] indicate that the average number of employees per business was 9.2 (lower than the figure for England – 10.6) and suggest that 25% of all the sub-region’s employees worked for firms that employed fewer than ten people. The proportion for England as a whole at that date was 21%.

Firms employing more than 200 employees provide jobs for 26% of the sub-region’s workers, a figure that is lower than that for England (31%).

In the sub-region 14% of employment is in “mini micro” firms employing less than five people. The average for England is 12%.

Between 2004 and 2010 there was little change in either the structure or the size of businesses in Dorset. During this period the number of firms employing fewer than five people grew by 2.1 percentage points in Poole and by 0.6 percentage points in Bournemouth. In DCC Dorset the percentage remained unchanged.

Local differences can be identified within the Dorset sub-region with lower business density to the west and a higher proportion of very small businesses.

[11] Source: UK Business: Activity, Size and Location – 2010, ONS/Department of Business Enterprise and Regulatory Reform (BERR)
[12] A local unit is an individual site i.e. may be more than one branch.
[13] For example, The Index of South West Economic Resilience, EkoGen, 2009.
[14] Annual Business Inquiry 2008, ONS

	Eng-land	South East Dorset	Wider South ampton/ Ports-mouth	Western Dorset	Rural neigh bours	Bourne-mouth	Poole	DCC Dor-set
No. of Businesses/Local Units 2010	2,183,845	19,745	29,780	13,805	55,280	6,840	6,295	20,415
Employment density 2008 (= employees per local unit)	10.6	9.7	12.1	8.5	8.6	10.4	11.0	8.1
% of firms employing < 5 people 2010	68%	68%	65%	70%	70%	66%	67%	70%
% of all employees working in firms employing < 5 peo-ple 2008	12%	13%	10%	16%	15%	12%	11%	16%
% of firms employing < 10 people 2010	83%	83%	81%	86%	85%	82%	83%	85%
% of all employees working in firms employing < 10 people 2008	21%	24%	19%	28%	27%	22%	20%	29%
Number of local units em-ploying > than 250 people 2010	9,995 0.5%	75 0.4%	160 0.5%	35 0.3%	150 0.3%	25 0.4%	35 0.6%	50 0.2%
% of all employees working in firms with a workforce >200 people 2008	31%	28%	35%	23%	23%	30%	33%	21%

Data available from the Office for National Statistics[15] provides more localised information that indicates that:

- Poole has a higher employment density and a higher proportion of large firms than are to be found in Bournemouth or DCC Dorset.
- DCC Dorset has a higher proportion of smaller firms than Bournemouth and Poole.
- Within the County, employment density was highest in Weymouth and Portland, West Dorset and Christchurch.
- North Dorset (74%) and East Dorset (73%) had the highest percentages of firms with fewer than five employees.
- Weymouth and Portland, Christchurch and Purbeck had the highest percentages of businesses with more than fifty employees (3%).
- East Dorset and North Dorset had the highest percentages of employees in employment in firms of up to ten employees (34% and 31% respectively).
- Weymouth and Portland and West Dorset had the highest percentages of employees in employment in firms employing fifty or more[16] (both 47% compared with 44% in DCC Dorset and 55% in England).
- Between 2004 and 2010, the more urban parts of DCC Dorset saw an increase in the percentage of businesses with fewer than five employees, particularly in Weymouth and Portland, up by 2.0 percentage points. East Dorset rose by 1.2 percentage points and Christchurch saw an increase of less than one percentage point.

[15] Sources: Business data: UK Business: Activity, Size and Location – 2010, ONS; Employee data: Annual Business Inquiry – 2008, ONS
[16] Data for businesses with 200+ employees is largely confidential at this low geographical level.

4.2 Number of Businesses by Sector

The most well-represented sectors, relative to England, are Retail; Accommodation & food services and Finance & insurance (Bournemouth); Property; Motor trades; Construction and Production (Poole); and Agriculture, forestry & fishing and Public administration & defence (DCC Dorset).The most under-represented sectors are Agriculture, forestry & fishing (Bournemouth and Poole); Transport & storage (inc postal) in Bournemouth; and Finance & insurance (DCC Dorset).

More than a third of Dorset's VAT/PAYE registered firms fall into one of three sector categories:

- Construction (13% of local units but accounts for just five per cent of employees in employment[17]);
- Retail (12% and accounts for the same percentage of employees in employment);
- Professional, scientific & technical (11% but accounts for just five per cent of employees in employment)[18].

This is in line with the most populous sectors in England; Professional, scientific & technical (14% of local units); Construction (11%); Retail (11%).

The identification of which sectors are "well represented" and which are "under represented" in terms of business numbers is made through the use of the location quotient. This is calculated as an index where the activity within an individual sector is compared to that seen nationally, (the baseline figure for England in each sector being 1.0). Where sectoral activity is higher than seen nationally in an area then the location quotient is above 1.0, where sectoral activity is lower then it is less than 1.0. Here "above average" describes sectors in an area where the location quotient is greater than 1.25. "Below average" is used to describe the sector for which the location quotient is the lowest.

In addition, the Annual Business Inquiry[19] gives a more detailed breakdown of business units by industrial sector. This allows statistics to be amalgamated, for example to create bespoke sectors such as Leisure and Tourism[20] as shown in the last row of the table below.

The characteristics of South East Dorset are a close match to those of its comparator area, Wider Southampton/Portsmouth with a concentration of businesses in Construction, Professional, scientific & technical, Retail, Business administration & support services, and Arts, entertainment, recreation & other services. Agriculture, forestry & fishing is naturally more important to the more rural areas and the importance of tourism to Western Dorset is reflected in the greater significance of the Accommodation & food services sector to the area.

[17] Sources: Business data: UK Business: Activity, Size and Location – 2010, ONS; Employee data: Business Register and Employment Survey 2009, ONS

[18] The " Professional, scientific & technical" sector covers activities requiring a high degree of training which make specialist knowledge and skills available to users and includes: legal and accounting activities; head offices and management consultancy activities; architectural and engineering activities including technical testing; scientific research and development; advertising and market research; veterinary activities.

[19] Annual Business Inquiry, 2008, ONS. Note: *This is a sample survey and the findings need to be treated with caution at lower geographies. The self-employed are excluded from the ABI*

[20] This definition includes: hotels, camp sites and other short stay accommodation; travel agencies, tour operators and other tourist assistance activities; other entertainment activities; libraries, archives, museums and other cultural activities; sporting activities; other recreational activities.

	Bournemouth	Poole	DCC Dorset	South East Dorset	Wider Southampton/ Portsmouth	Western Dorset	Rural neighbours
"Top five" sectors by proportion of businesses 2010	Retail (15% of firms and 15% of employeess) Construction (13% of firms and 3% of emps) Professional, scientific & technical (11% of firms and 5% of emps) Accommodation & food services (9% of firms and 13% of emps) Arts, entertainment, recreation & other services (7% of firms and 4% of emps)	Construction (15% of firms and 5% of emps) Professional, scientific & technical (12% of firms and 4% of emps) Retail (11% of firms and 11% of emps) Production (8% of firms and 14% of emps) Information & communication (7% of firms and 3% of emps)	Construction (13% of firms and 6% of emps) Professional, scientific & technical (11% of firms and 6% of emps) Retail (11% of firms and 12% of emps) Agriculture, forestry & fishing (10% of firms but employment data suppressed) Arts, entertainment, recreation & other services (7% of firms and 5% of emps)	Construction (14% of firms and 5% of emps) Professional, scientific & technical (12% of firms and 5% of emps) Retail (12% of firms and 13% of emps) Business administration & support services (7% of firms and 5% of emps) Arts, entertainment, recreation & other services (7% of firms and 4% of emps)	Construction (14% of firms and 5% of emps) Professional, scientific & technical (12% of firms and 6% of emps) Retail (11% of firms and 12% of emps) Business administration & support services (8% of firms and 9% of emps) Arts, entertainment, recreation & other services (7% of firms and 4% of emps)	Agriculture, forestry & fishing (13% of firms but employee data suppressed) Construction (12% of firms and 6% of emps) Retail (11% of firms and 12% of emps) Professional, scientific & technical (10% of firms and 6% of emps) Accommodation & food services (8% of firms and 10% of emps)	Construction (12% of firms and 6% of emps) Professional, scientific & technical (12% of firms and 6% of emps) Agriculture, forestry & fishing (11% of firms but employee data suppressed) Retail (10% of firms and 12% of emps) Arts, entertainment, recreation & other services (7% of firms and 5% of emps)
Well represented sectors compared to England 2010	Retail Accommodation & food Finance & insurance Property Health	Property Motor trades (sales) Construction Production	Agriculture, forestry & fishing Public administration & defence	Construction	Construction	Agriculture, forestry & fishing Public administration & defence	Agriculture, forestry & fishing
Under represented sectors compared to England 2010	Agriculture, forestry & fishing Transport & storage Public admin & defence Wholesale Production	Agriculture, forestry & fishing	Finance & insurance Information & communication	Agriculture, forestry & fishing	Agriculture, forestry & fishing	Information & communication Finance & insurance Wholesale	Information & communication
Percent of firms in Leisure and Tourism 2008	5% (of firms and 6% of employees)	3% (of firms and 4% of employees)	5% (of firms and 5% of employees)	4% (of firms and 5% of employees)	3% (of firms and 3% of employees)	7% (of firms and 6% of employees)	5% (of firms and 5% of employees)

Important aspects of sectoral activity in the various parts of Dorset include[21]:

- Bournemouth has a high proportion of firms and employees engaged in the Retail sector, with Construction and Professional, scientific & technical also well represented.
- Poole also has a strong proportion of both firms (38%) and employment (20%) in the Retail, Construction and Professional/scientific/technical sectors.
- Like Bournemouth and Poole, DCC Dorset has a high proportion of both firms (35%) and employment (24%) in the Retail, Construction and Professional, scientific & technical sectors.
- Excepting West Dorset, each of the six districts included Construction in their top three sectors for number of businesses.
- Excepting Weymouth and Portland, Professional, scientific & technical activities was in the top three sectors for all districts.
- Agriculture, forestry & fishing was important to North Dorset and West Dorset.
- Retail was significant to Christchurch, West Dorset and Weymouth and Portland.
- The Accommodation & food services sector was significant in Weymouth and Portland and Purbeck.
- Production was a top three sector in East Dorset.
- Purbeck (8%), Weymouth and Portland (8%) and West Dorset (7%) had the highest percentages of firms in Leisure & tourism activities[22]. East Dorset had the lowest percentage (3%).

4.3 Number of Employee Jobs by Sector

There are 303,400 employee jobs in the Dorset sub-region. 84% of these are to be found in the service related industries. In Bournemouth the figure is 93%.

Data from the Business Register and Employment Survey[23], which excludes the self employed, suggests that within the Dorset sub-region there are approximately 303,400 employees in employment. About 60% of all employees work in one of five sectors:

- Wholesale & retail (18% of employee jobs);
- Human health & social work activities (15%);
- Manufacturing (10%);
- Education (10%);
- Accommodation & food service activities (9%).

Compared to the figures for England, the sub-region features… [24]

…an above-average representation of employment in:

- Accommodation & food service activities
- Mining & quarrying
- Human health & social work activities
- Financial & insurance activities

…a below average representation of employment in:

- Electricity & gas
- Administrative & support service activities
- Information & communication
- Professional, scientific & technical activities

An “above” and “below” average representation is defined using the location quotient – see 3.3.2 above for an explanation. Here “above average” describes sectors in an area where the location quotient is greater than 1.15. “Below average” is used to describe any sector for which the location quotient is below 0.7.

[21] UK Business: Activity, Size and Location – 2009, ONS. Annual Business Inquiry, 2008, ONS
[22] This definition includes: hotels, camp sites and other short stay accommodation; travel agencies, tour operators and other tourist assistance activities; other entertainment activities; libraries, archives, museums and other cultural activities; sporting activities; other recreational activities. Other wider definitions may include an element of distribution & retail employment estimated to be supported through tourism activities.
[23] Business Register and Employment Survey, 2009, ONS
[24] Note: agriculture data suppressed in BRES

	Bournemouth	*Poole*	*DCC Dorset*	*South East Dorset*	*Wider Southampton/ Portsmouth*	*Western Dorset*	*Rural neighbours*
No. of employee jobs, 2009	71,000	76,100	156,200	195,500	370,000	107,800	437,300
% of employee jobs in the service sector *(England = 84%)*	93%	80%	82%	85%	86%	83%	82%
"Top five" sectors by no. of employee jobs	Wholesale & retail Human health & social work Accommodation & food service Financial & insurance Education	Wholesale & retail Human health & social work Manufacturing Education Accommodation & food service	Wholesale & retail Human health & social work Manufacturing Education Accommodation & food service	Wholesale & retail Human health & social work Manufacturing Accommodation & food service Education	Wholesale & retail Human health & social work Education Administrative & support activities Manufacturing	Wholesale & retail Human health & social work Education Accommodation & food service Manufacturing	Wholesale & retail Human health & social work Manufacturing Education Accommodation & food service
Well represented sectors compared to England	Financial & insurance Accommodation & food service Human health & social work	Manufacturing Financial & insurance Human health & social work	Mining & quarrying Accommodation & food service Water supply Public admin & defence Manufacturing Construction	Financial & insurance Accommodation & food service	Electricity, gas etc Water supply Information & communication	Mining & quarrying Accommodation & food service Public admin & defence health & social work Arts, entertainment & recreation Education	Mining & quarrying Manufacturing Accommodation & food service
Under represented sectors compared to England	Electricity, gas etc Manufacturing Mining & quarrying Professional, scientific & technical Administrative & support activities	Mining & quarrying Professional, scientific & technical Administrative & support activities Information & communication Real estate Transportation & storage	Electricity, gas etc Financial & insurance Information & communication Administrative & support activities	Mining & quarrying Electricity, gas etc Administrative & support activities Professional, scientific & technical Information & communication	Mining & quarrying Real estate	Electricity, gas etc Financial & insurance Information & communication Administrative & support activities Transportation & storage Real estate	Electricity, gas etc Financial & insurance Information & communication Administrative & support activities

Looking at the comparator areas, the top five employment sectors are very similar across the board, although South East Dorset reflects the more rural areas with greater importance of the Accommodation & food services sector.

The service sector as a whole is of more significance to the more urban areas. Both Western Dorset and the Rural Neighbours group are under-represented in terms of employment in Financial & insurance services and, in common with South East Dorset, the Information & communication and Administrative & support activities and utilities sectors.

Within the sub-region some localised findings include:

- Bournemouth has a higher proportion of employment in the service sector than is found in Poole or DCC Dorset.
- Within DCC Dorset service sector employment is highest in Weymouth and Portland.
- Purbeck and East Dorset have the lowest percentage of employment in the service sector.
- In Christchurch and East Dorset, the most significant employee numbers were in Wholesale & retail, followed by Manufacturing, then Human health & social work activities.
- Accommodation & food service activities was also a significant sector in Christchurch.
- Wholesale & retail was the most significant sector in North Dorset, followed by Education and Manufacturing. Human health & social work activities accounted for 11% of employment.
- In Purbeck, Manufacturing was the most significant employment sector, followed by Accommodation & food service activities and Wholesale & retail.
- In West Dorset, Human health & social work activities was the most significant employment sector, followed by Wholesale & retail, Manufacturing, Education and Public administration & defence.
- Wholesale & retail, Accommodation & food service activities, Education, Human health & social work activities and Professional, scientific & technical activities were significant in Weymouth and Portland.
- Purbeck and Weymouth and Portland had the highest levels of employment in Leisure & tourism, (10% and 9% respectively). North Dorset and East Dorset had the lowest percentages (2% and 3% respectively).

4.3.1 Employment in the Knowledge Intensive Sector

In the Dorset sub-region 50% of all employees work in knowledge intensive businesses, with a slightly higher proportion found in the eastern part of the area.

Knowledge intensive businesses comprise a range of types from the manufacturing and service sectors, but there is no single Standard Industrial Classification code that covers the full range of economic activity that falls in that category. In this assessment the Eurostat definition of knowledge intensive service, “high technology manufacturing”, and “medium-high technology manufacturing” sectors will be used. These three sectors comprise the following industries:

Knowledge intensive services:

- Water transport
- Air transport
- Post & telecommunications
- Financial intermediation
- Insurance & pensions
- Health & social
- Real estate
- Renting
- Computer & related activities
- R&D
- Other bus activities
- Education
- Recreation, culture, sport
- Activities auxiliary to financial intermediation

High-technology manufacturing:

- Manufacture of basic pharmaceutical products and pharmaceutical preparations
- Manufacture of computer, electronic and optical products
- Manufacture of air and spacecraft and related machinery

<u>Medium-high-technology manufacturing:</u>

- Manufacture of chemicals and chemical products
- Manufacture of weapons and ammunition
- Manufacture of electrical equip, machinery, motor vehicles, trailers and semi-trailers
- Manufacture of other transport equipment
- Manufacture of medical and dental instruments and supplies

These industries are regarded as important as they make a disproportional contribution to local gross value added. In the Dorset sub-region, 50% of all employees work in knowledge intensive businesses[25], but there are local variations with the figure for Poole being 51%, Bournemouth 55%, and DCC Dorset 47%. In comparison, 52% of all jobs in England are found in this category.

Within the DCC Dorset area, the highest levels of employment in knowledge intensive firms are in Christchurch, West Dorset and Weymouth and Portland. In contrast Purbeck (43%) and East Dorset (43%) are much lower than the English figure. When looking specifically at the levels of employment in High and Medium-High Technology Manufacturing both Christchurch (8%) and Purbeck (7%) have a notably higher proportion than seen nationally (3%).

4.3.2 Employment in the Public Sector[26]

The Dorset sub-region has a higher proportion of public sector workers within its workforce than is found nationally. Of those working in public services sectors, half are employed on a part time basis. Cuts in public spending will directly affect many of these workers, and this will, in turn, have a secondary impact on local private sector enterprises.

Public Sector Employment in Dorchester

Although the proportion of employment provided by the public sector is high throughout the whole of the sub-region it is particularly the case in Dorchester.

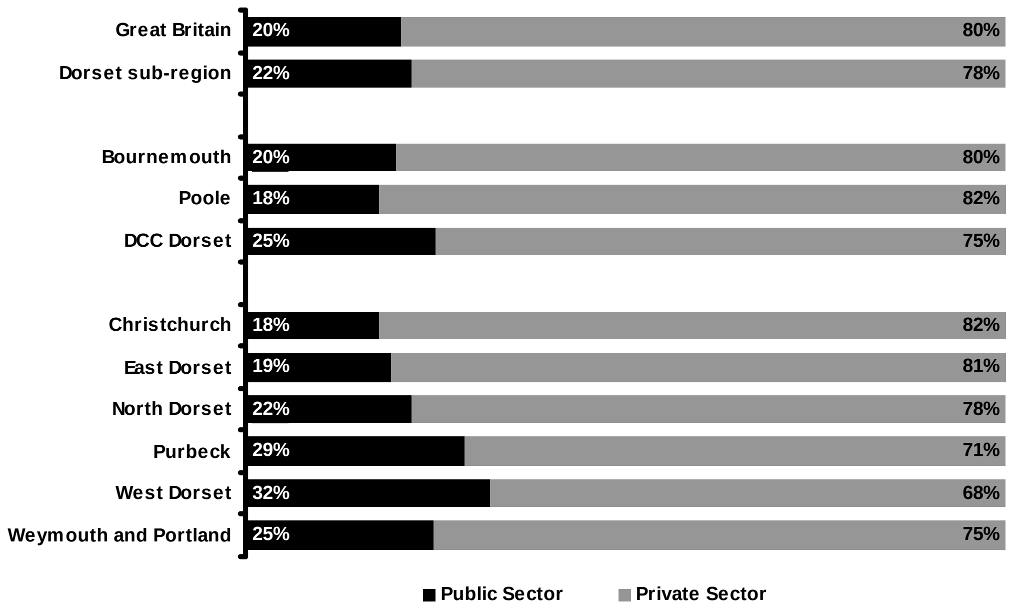
Major employers within the town include the County Hospital, Dorset County Council, West Dorset District Council, and Dorchester Prison.

It is estimated that 57% of employees working in the town are employed within the public sector. This makes Dorchester more vulnerable to the impact of the cuts in public sector spending than other Dorset towns.

Based on organisation type, the Public Sector provides approximately 20% employment in Great Britain. At about 22% the proportion in the Dorset sub-region is marginally higher. The figure is higher still within some parts of the County – for example 32% of all employment in West Dorset is in the Public Sector.

[25] Source: Annual Business Inquiry 2008, ONS, using SIC03
[26] Public/private sector data (2008) provided by ONS based on organisation type rather than sector. Agriculture is excluded.

Percentage of Employees in Public/Private Sector Employment



The public services sectors are important providers of jobs to women. In 2008, throughout Great Britain 40% of all female employees work in the public services sectors[27]. The figure within the Dorset sub-region is higher, with 43% of women workers being employed in the public sector. Within the DCC Dorset area it is higher still at 46%. This is also reflected in the public sector workforce itself. In Great Britain almost three-quarters of all public sector employment is filled by female workers (73%). In the Dorset sub-region the figure is the same (73%) with Bournemouth highest at 76%.

Another feature of public sector employment is prevalence of part time employment. 42% of workers in the public sector are employed on a part time basis in Great Britain, compared to 27% in the private sector. In the Dorset sub-region the proportion of public sector employees on part time contracts is 53%.

Through the supply chain and household spending, the public sector partly sustains some private sector enterprises. In the Dorset sub-region, economic impact modelling suggests that for every 100 full time equivalent jobs shed in the public sector locally there would be an additional 34 jobs lost[28], including:

- 15 additional public sector jobs
- 4 in business services
- 2 in other services
- 6 in distribution and retail
- 2 in hotels and catering
- 2 in transport and communications

The loss of these 100 public sector jobs would also be likely to lead to a £5.4m per year loss in GVA from the local economy, largely from the Business Services and Distribution & Retail sectors.

The forthcoming reduction in local government spending will also have an impact on the Private Sector. For every £10million cut in spending in the Dorset sub-region a loss of 230 full time equivalent jobs can be expected, with more than a quarter of these outside the 'public services' sectors. Spending cuts of £10million could also be expected to result in the loss of about £9million GVA per year from the local economy, with about a third of this from non public services sectors.

[27] Public private sector analysis from Annual Business Inquiry 2008, ONS, based on sectors LMN; This analysis includes some private sector employees.
[28] SWO regional accounts (Econi) impact model (scaled to local level by DCC using local multipliers)

Tabulated below are the numbers employed in both the private and public sector[29] in the various parts of Dorset alongside an estimate of the number of private sector jobs that are supported by the public sector.

	Private sector	Public sector	Private sector employment supported by public sector [30]
Great Britain	21,088,600	5,403,300	*1,837,100*
Dorset sub-region	234,800	65,800	*22,400*
Bournemouth	61,000	15,100	*5,100*
Poole	59,200	12,600	*4,300*
DCC Dorset	114,600	38,100	*13,000*
Christchurch	15,000	3,200	*1,100*
East Dorset	24,400	5,800	*2,000*
North Dorset	18,100	5,000	*1,700*
Purbeck	11,900	4,800	*1,600*
West Dorset	30,300	14,400	*4,900*
Weymouth and Portland	14,900	4,900	*1,700*

4.3.3 Self Employment

Within the Dorset sub-region, approximately one in eight of the working age population is self-employed.

Another feature of the economic structure of the Dorset sub-region is the extent of self-employment amongst the working age population. The data below illustrates the percentage of working age people classed as self-employed (residence based) during the twelve months to December 2009[31].

Area	Working age population classed as self-employed
West Dorset	15.6%
Purbeck	15.0%
North Dorset	13.9%
Western Dorset	12.9%
DCC Dorset	**12.6%**
Christchurch	12.4%
East Dorset	11.7%
Dorset sub-region	**11.2%**
Rural neighbours	11.2%
South East Dorset	10.2%
Bournemouth	**10.0%**
Great Britain	9.0%
Poole	**8.9%**
Wider Soton/Portsmouth	7.4%
Weymouth and Portland	6.8%

Note: These data should be treated with caution, especially for small geographic areas – as the data are collected via a sample survey, and low numbers of responses leads to low confidence levels.

Why do People Choose Self-Employment?

A number of reasons have been identified that influence people to become self-employed. These include:

- Independence - The attraction of being your own boss, planning your own working patterns, and having control often outweigh the hard work and cost involved.
- Age – Older people are more likely to start their own business as they tend to have more disposable income and might be seeking to supplement their (future) pensions.
- Family life – Self-employment allows more flexibility to fit alongside family commitments.
- The economy – Some people will start their own business as the result of other work being unavailable.

Sources

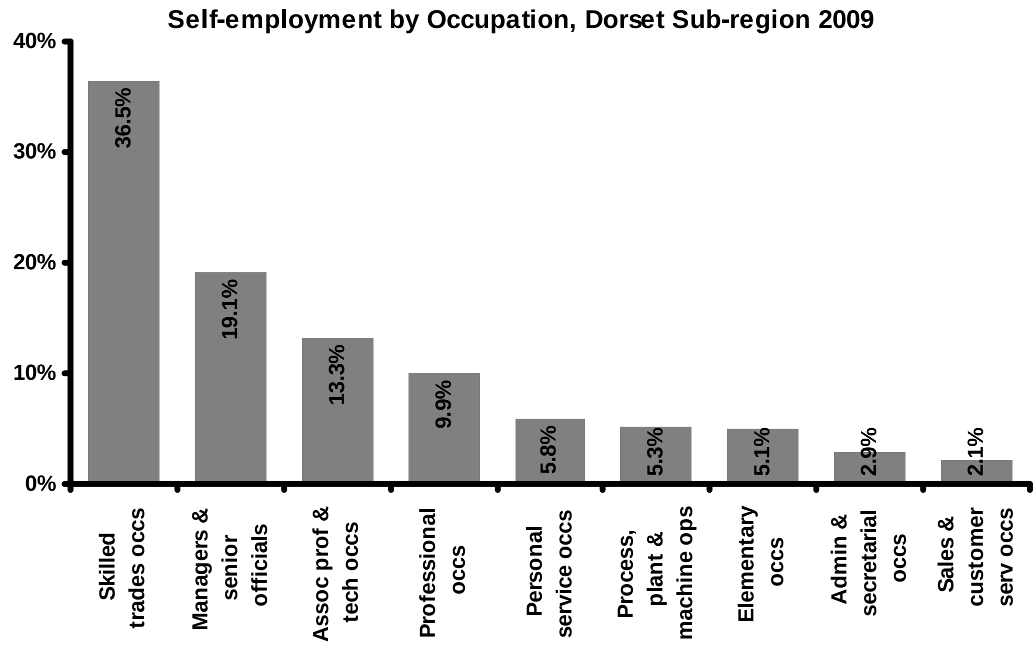
Weir, G. (2003), *Self-employment in the UK Labour Market*, Labour Market Trends, September 2003.

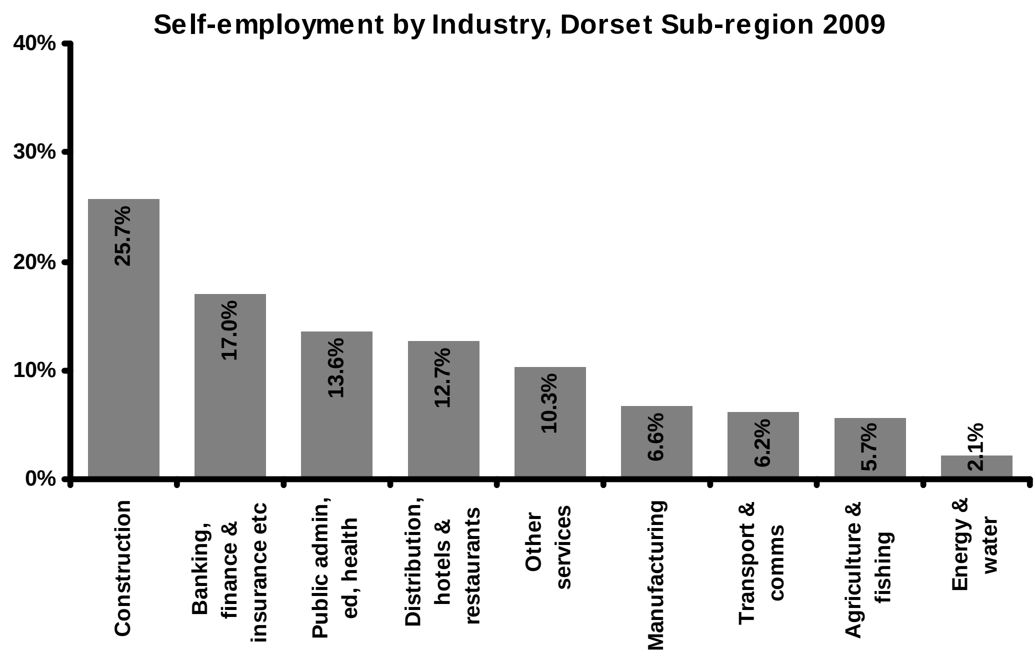
Dawson, C., Henley, A. and Latreille, P. (2009), *Why Do Individuals Choose Self -Employment?* Institute for the Study of Labor (IZA), Germany, Discussion Paper No. 3974.

29 ONS, based on organisation type
30 Estimate by Dorset County Council based on Regional Accounts data
31 ONS Annual Population Survey (January to December 2009)

Self-employment is evidently more significant to areas with more rural characteristics and both Western Dorset and South East Dorset have higher self-employment than their comparator areas.

Graphed below are the proportions of local self-employment classed by occupation and by industry[32].





Self-employment by occupation is dominated by skilled trade occupations, with self-employed managers and senior officials also strongly represented. This is reflected in the industries where self-employment is most evident, with Construction having the highest proportion and other white collar employment (Banking, finance and insurance and Public administration, education and health) also featuring significantly.

32 Annual Population Survey Jan-Dec 2009

The current recession can pose threats as well as opportunities for the self-employed. The impact will in part depend upon which sector they operate. For example:

- Construction – employment could be at risk as a consequence of an insecure property market.
- Banking and finance – currently this sector seems to be performing well.
- Public administration, education and health – assuming that the self-employed in this sector are working in the private teaching and health occupations, they may be at risk should members of the public cut back on health treatments, leisure courses etc owing to a reduction in disposable income.
- Distribution, hotels and restaurants – potential customer numbers may be reduced.
- Manufacturing – the Government is hoping that the Manufacturing sector will help drive the recovery, but prospects depend upon on what is being produced and potential customers having sufficient disposable income.

4.3.4 The Voluntary and Community Sector

The voluntary and community sector (also referred to as the third sector) includes an array of voluntary and community groups, charities, social enterprises, co-operatives and mutuals. There are organisations which support the role of the voluntary and community sector such as the Councils for Voluntary Service in Bournemouth and Poole and Dorset Community Action. They also work in partnership to support the role of this sector, for example via the Engage Dorset forum. Such organisations help to build capacity and improve skills within the voluntary and community sector and much of their services are provided free of charge.

The existing and future role of the voluntary and community sector is difficult to quantify using traditional economic data sources and so relies upon specific surveys of organisations in this sector.

In the Dorset sub-region, two useful surveys have been carried out. One was conducted on the area covered by DCC Dorset[33]. The other[34] is a more detailed assessment of particular locations: Bridport (which falls within the DCC Dorset area), and Boscombe and Springbourne (which fall outside the DCC Dorset area). The survey covering DCC Dorset was published in 2009 and took account of findings from a national survey[35]. Despite the qualification that these surveys do are not fully up-to-date they nevertheless provide useful indications about the role of the 'third' sector and challenges it faces in the future.

Case Study: Poole Council for Voluntary Service

Poole CVS spends in the region of £140,000 annually on supporting this sector, together with an additional £50,000 on a volunteer centre. Core funders are Borough of Poole Council and the NHS, between them providing about £90,000 last year. There are 336 voluntary organisations in Poole, compared with 619 in Bournemouth, and a further 102 based outside of the area but who are working in Poole. This amounts to 1,057 organisations working in Bournemouth and Poole. Key areas of support that Poole CVS provides include funding advice, training and providing a voice for the sector in partnership working. The 2009/10 Annual Report for Poole CVS showed that it:

- gave advice to 160 groups (almost 50% of Poole voluntary organisations);
- held 173 funding advice sessions;
- held 259 organisational development sessions; and secured an estimated £458,485 additional income for organisations as a result of its funding advice.

[33] Telling the Story: The Voluntary and Community Sector in Dorset (December 2009)
[34] The Economic Contribution of the Social Economy in Bridport (West Dorset), and Boscombe & Springbourne (Bournemouth) (Bournemouth, Dorset and Poole Learning and Skills Council, 2005)
[35] National Survey of Third Sector Organisations, Office of the Third Sector, 2009

Evidence suggests that the voluntary and community sector plays an important role in the sub-regional economy, with an income of £174 million in DCC Dorset alone. This amounted to some 5,000 full-time equivalent posts or 3.6% of DCC Dorset's workforce. It is estimated that the economic replacement value of volunteering at that time would be approximately £45 million. The Bridport, Boscombe and Springbourne study reveals that for every paid job in the social economy there are seven volunteers. Its contribution represented 3.6% of the local economy in Bridport and 8.3% of that in Boscombe and Springbourne. In Bridport, women make up 75% of the social economy workforce and 71% of jobs are part-time. In Boscombe and Springbourne women make up 60% of the sector's workforce although there is an equal split of full and part-time workers.

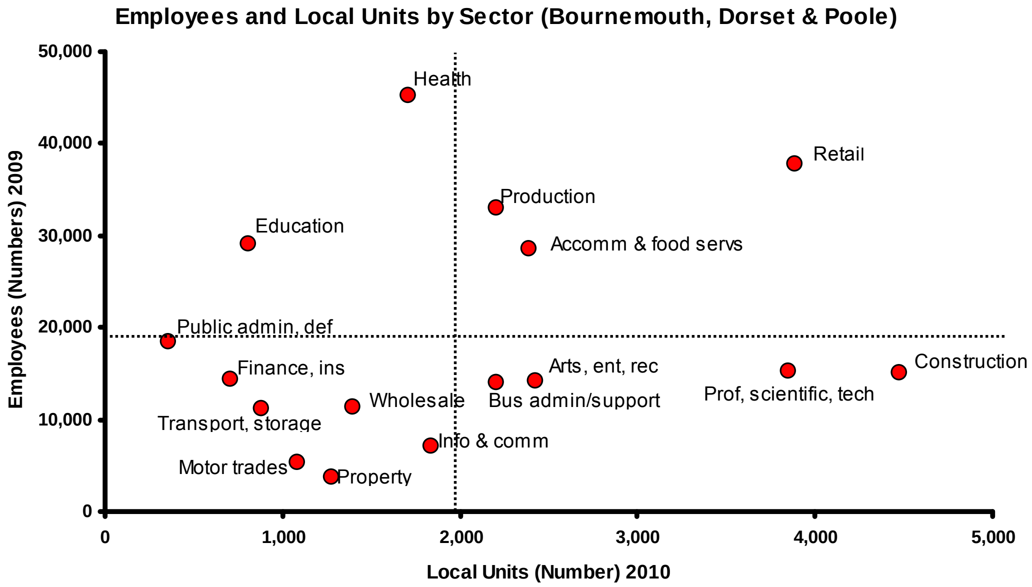
The sector gains much of its funding from membership fees, donations and fundraising. However, for 16% of organisations in DCC Dorset, grants provide the largest source of funding. National survey data indicates that voluntary and community sector organisations received a higher percentage of their income from grants from the county / borough / district councils (23%) than the national average (11%). Boscombe & Springbourne organisations have even greater reliance on public sector grants (43%), while Bridport (at 13%) is nearer to the DCC Dorset average. This means that the leverage that the social economy brings for every pound of public investment is much higher in Bridport (£6.90 : £1) than in Boscombe and Springbourne (£1.30 : £1). This partly reflects the availability of Single Regeneration Budget funding in Boscombe and Springbourne at the time of the survey.

Key challenges identified in the surveys are that:

- recruitment, particularly of volunteers is proving difficult for most organisations. Evidence suggests that volunteering levels are greater in areas where unemployment is higher, so whilst an economic down turn and public sector cutbacks could increase the pool of available volunteers, this could in fact be an indicator of poorer economic performance with a commensurate reduction in purchasing power within the local population;
- whilst there is significant interest in public sector contracts there is a reluctance to bid, partly reflecting a fear that the organisations involved might be perceived as public sector organisations rather than voluntary ones. Even if the Big Society agenda leads to more funding opportunities for the voluntary and community sector there is an apparent reluctance among some organisations to pursue this as they do not wish to deviate from their original (often socially motivated) core values and purpose, particularly among the smaller organisations;
- procurement and tendering policies and procedures present an additional barrier to smaller organisations who are unable to meet some of the qualifying criteria involved in many pre-tender questionnaires due to lack of resources and training budgets. The relative short term nature of the contracts also leads to uncertainty about funding which can affect staff motivation and job security;
- training opportunities are hampered by a lack of dedicated training budgets, and the need for specialist funding advice was seen as being particularly important by a number of organisations; there is an apparent lack of capacity within voluntary and community organisations for influencing or getting involved in local decision making within local authorities and multi-sector partnerships.

4.4 Number of Businesses and Employees by Sector

By plotting the information supplied on employee numbers by sector (section 3.3.2) with the data provided on the number of businesses by sector (section 3.3.3) it is possible to get a clearer picture of the placement of each sector in the economy of the sub-region. So, for example, the Retail sector has high representation in terms of both business units and employment whereas the Health sector has high employee numbers but few business units.



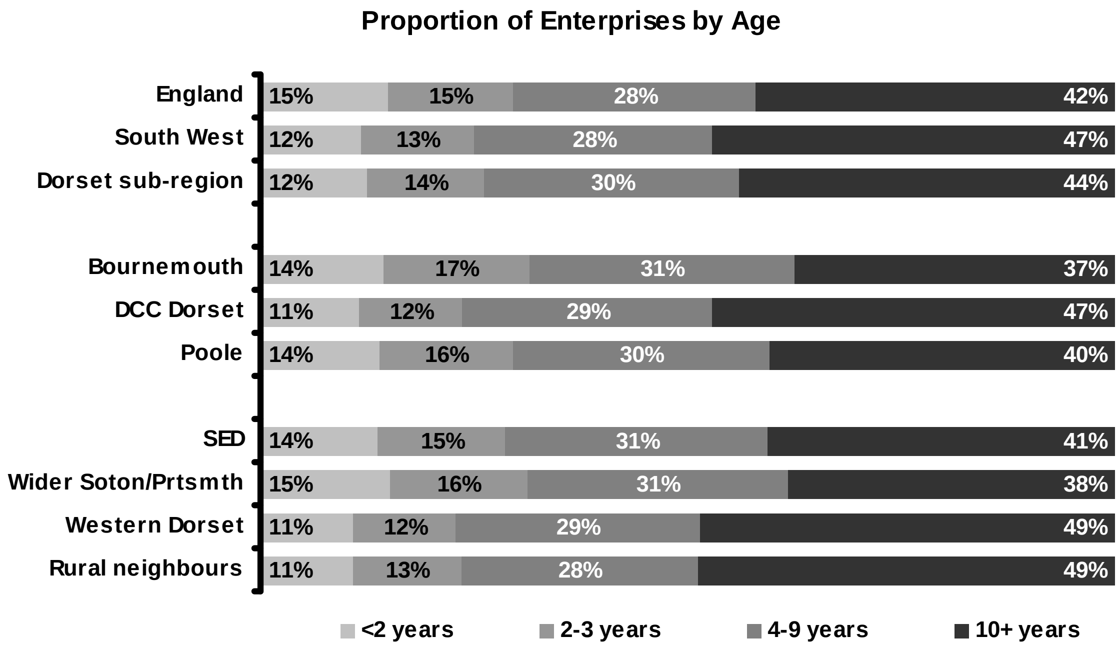
The dotted lines show average number of firms and employees per sector for the sub-region. Note, only sixteen sectors are shown as agricultural employment data is suppressed at this level.

4.5 Age of Local Businesses

The proportion of longer established firms is greater in DCC Dorset than elsewhere in the sub-region. A higher percentage of firms which are more recently established are to be found in the Bournemouth/Poole conurbation.

44% of the sub-region's VAT/PAYE registered businesses are ten or more years old, which is slightly higher than the figure for England (42%), but lower than the regional (47%), figure[36]. This might indicate a degree of stability amongst Dorset's firms, but equally could suggest a lack of enterprise as younger businesses can inject dynamism into the local economy as well as the capacity to react to changing demand.

[36] UK Business: Activity, Size and Location – 2010, ONS



The graph above shows that the stock of businesses in the more rural DCC Dorset area tends to be older than that seen in the more urban Bournemouth and Poole where the economy is more likely to be more diverse and evolve more rapidly. Similarly, Western Dorset and the Rural Neighbours area both have older business stock than the more urban areas.

This data source also provides information at a more local level. This reveals that in 2010:

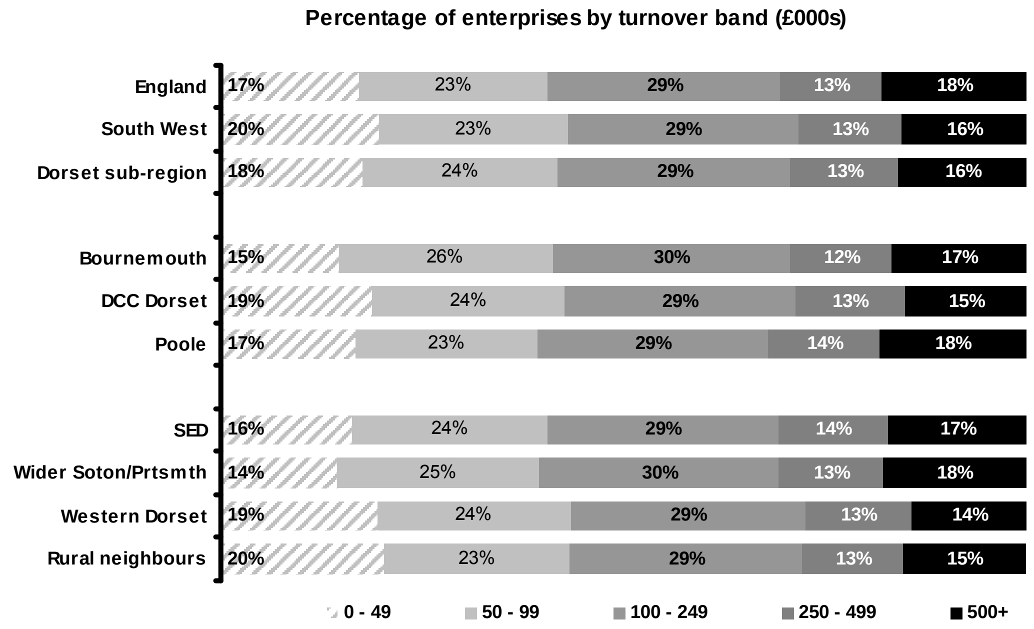
- Of the six districts within DCC Dorset, West Dorset and North Dorset have the highest proportions of businesses aged ten years or more (52% and 51% respectively).
- At 36%, Weymouth and Portland has the lowest proportion of businesses aged ten years or more.
- Weymouth and Portland and Christchurch have the highest percentage of businesses aged under two years (both 14%).
- North Dorset and West Dorset have the lowest percentages of firms aged under two years.
- Weymouth and Portland has the highest percentage of businesses aged 2-3 years (16%), marginally above the England average.

4.6 The Local Economy by Turnover

The sub-region features a marginally greater proportion of enterprises in the lower turnover band categories than is seen nationally.

At March 2010 it was estimated that 29% of the sub-region's businesses were in the turnover size band of £100k-£249k, with a further 24% in the £50k-£99k band, much in line with the national average[37]. The proportion of sub-regional businesses in the £500k+ band was below the figure for England and the proportion in the lowest band (£0-49k) was just above the national average.

[37] UK Business: Activity, Size and Location – 2010, ONS



Of note here is that the figures for Poole were almost identical to those recorded for England, whilst those for DCC Dorset were closer to those for the south west. Similarly, the more rural comparator areas had a higher proportion of low turnover businesses than the more urban areas and a lower proportion of high turnover businesses.

Features of the turnover size band of businesses within the six constituent districts of the DCC Dorset area are:

- Relative to the whole of England, West Dorset and North Dorset have higher representation of businesses in the £0-49k turnover band.
- Weymouth and Portland and Christchurch each had a below average percentage of businesses with turnover of under £50k.
- Weymouth and Portland had high representation in the £50k - £100k turnover band relative to England.
- In the £100k - £249k turnover band, over-representation was evident in Weymouth and Portland and Purbeck.
- Purbeck and Weymouth and Portland were marginally under-represented in the £250k - £499k turnover band.
- Other than Christchurch, all districts were under-represented in the £500k+ turnover band.
- North Dorset and Weymouth and Portland were particularly under-represented in firms with turnover of £500k or more.

4.7 Economic Growth

Most measures of economic growth indicate that the economy of the Dorset sub-region has grown in most sectors and in most geographic locations.

Growth can be gauged in a number of ways. Three are examined below, and Dorset's growth is considered by sector for each approach.

4.7.1 Business Growth

> *The number of businesses operating within the Dorset sub-region is growing. The sectors in which recent business number growth has been greatest are Property & business services; Health; and Construction.*

One means by which economic growth can be gauged is to examine the change in the number of businesses operating in area over a period of time. Between 2004 and 2008 there was an increase in the number of businesses in the sub-region of approximately 8,600 firms (an increase of 33%)[38]. This rate of growth is above that seen both nationally and regionally over the same period (30%).

Throughout the sub-region as a whole, a high increase in business numbers was recorded between 2004 and 2008 in Property & business services (+3,315), Health (+1,330) and Construction (+1,070). Only Bournemouth saw falling numbers in some sectors in this period and these were evident in the Motor trades and Wholesale sectors.

Variation in the growth of business numbers is shown below, with the more rural areas showing lower growth:

	Change in business numbers (2004-08)	*Principal growth sectors*
Bournemouth	1,915 (+35%)	Property & business services (760) Health (375) Public admin & other services (175) Construction (165)
Poole	1,640 (+34%)	Property & business services (735) Construction (235) Health (205)
DCC Dorset	5,055 (+32%)	Property & business services (1,820) Health (750) Construction (670) Public admin & other services (435) Agriculture (405) Hotels & catering (250) Retail (180) Finance (170)
South East Dorset	5,170 (+34%)	Property & business services Health Construction Public admin & other services Finance Retail Education
Wider Southampton/ Portsmouth	8,145 (+35%)	Property & business services Health Construction Public admin & other services Hotels & catering Finance Education
Western Dorset	3,440 (+33%)	Property & business services Health Construction Agriculture Public admin & other services Hotels & catering
Rural neighbours	13,610 (+31%)	Property & business services Health Construction Public admin & other services Agriculture Hotels & catering Finance Retail

38 UK Business: Activity, Size and Location, 2004 and 2008 (Office for National Statistics)

However, business numbers fell over the next two years: down by 285 in 2008-09 in the Dorset sub-region (-1%) and down by 560 in 2009-10 (-2%)[39].

4.7.2 Employment Growth

> *With the exception of Bournemouth, the number of jobs found in the sub-region has increased in recent years.*

An alternative means by which economic growth can be measured is to examine the change in the numbers of people in employment over time. Between 2006 and 2008 the number of people employed in the sub-region increased by approximately 7,500 (an increase of 3%), a higher rate of growth than that seen either nationally or regionally[40].

An increase in employee numbers was greatest within the Health & social work (+3,700 employees), the Public administration & defence (+2,800) and the Education (+2,000) sectors, whilst the largest decreases were seen in the Other community, social & personal service activity (-1,900 employees) and Leisure & tourism (-1,660) sectors.

Between 2006 and 2008, the component parts of the Dorset sub-region recorded the following changes in employment growth:

	Change in employee numbers (2006-08)	*Principal growth sectors*
Bournemouth	-2,500 (-3%)	Public administration & defence (+1,800 employees[41]) Real estate, renting & business activities (+700) Financial intermediation (+300)
Poole	+3,000 (+4%)	Construction (+900) Health & social work (+1,500) Financial intermediation (+500) Real estate, renting & business activities (+700) Transport, storage & communications(+200)
DCC Dorset	+7,000 (+5%)	Health & social work (+4,100) Public admin & defence (+1,600) Education (+2,400) Agriculture, hunting & forestry (+500)
Christchurch	+700 (+4%)	Real Estate, Renting & Business Activities (+300) Health and Social Work (+300) Education (+200)
East Dorset	+600 (+2%)	Health & social work (+900) Public Admin & Defence (+800) Education (+700) Wholesale & Retail (+500) Agriculture, Hunting & Forestry (+200)
North Dorset	+400 (+2%)	Education (+500) Health & Social Work (+500) Agriculture, hunting & Forestry (+200)
Purbeck	+800 (+5%)	Public Admin & Defence (+400) Manufacturing (+300) Hotels & Restaurants (+300) Health & Social Work (+200) Other Community Social & Personal Service Activity (+200) Construction (+100)
West Dorset	+3,300 (+8%)	Health & Social Work (+1,600) Education (+800) Public Admin & Defence (+600) Real Estate, Renting & Business Activities (+300) Manufacturing (+200) Wholesale & Retail (+200)
Weymouth & Portland	+1,100 (+6%)	Health & Social Work (+600) Education (+400) Real Estate, Renting and Business Activities (+100) Manufacturing (+100)

[39] UK Business: Activity, Size and Location, 2008-2010 (Office for National Statistics)
[40] This comparison is based upon 2008 data and so care is needed as national economic circumstances have changed considerably since then.
[41] Largely in regulation of the activities of agencies that provide health care, education, cultural services and other social services excluding social security and general public service activities.

	Change in employee numbers (2006-08)	Principal growth sectors
Weymouth & Portland	+1,100 (+6%)	Health & Social Work (+600) Education (+400) Real Estate, Renting and Business Activities (+100) Manufacturing (+100)
SE Dorset	+1,800 (+1%)	Public administration & defence (+2,000 employees) Financial intermediation (+900) Health & social Work (+700) Education (+500) Agriculture, Hunting & Forestry (+300)
Wider Southampton/Portsmouth	+6,400 (+2%)	Real estate, renting & business activities (+7,800) Hotels & restaurants (+1,700) Financial intermediation (+1,100) Transport, storage & communications (+1,000) Other community social & personal service activity (+600) Public administration & defence (+600)
Western Dorset	+5,700 (+6%)	Health & social work (+2,900) Education (+1,500) Public administration & defence (+800) Manufacturing (+500) Wholesale & retail (+200) Agriculture, hunting & forestry (+200)
Rural Neighbours	+9,500 (+2%)	Health & social work (+3,600) Real estate, renting & business activities (+2,700) Agriculture, hunting & forestry (+1,400) Education (+1,100) Wholesale & retail (+900) Construction (+500) Hotels & restaurants (+500)

In Bournemouth, growth in the above sectors was outweighed by decreased numbers in Health & social work (-1,900); Wholesale & retail (-1,000); Other community, social & personal services activities (-900); and Education (-600).

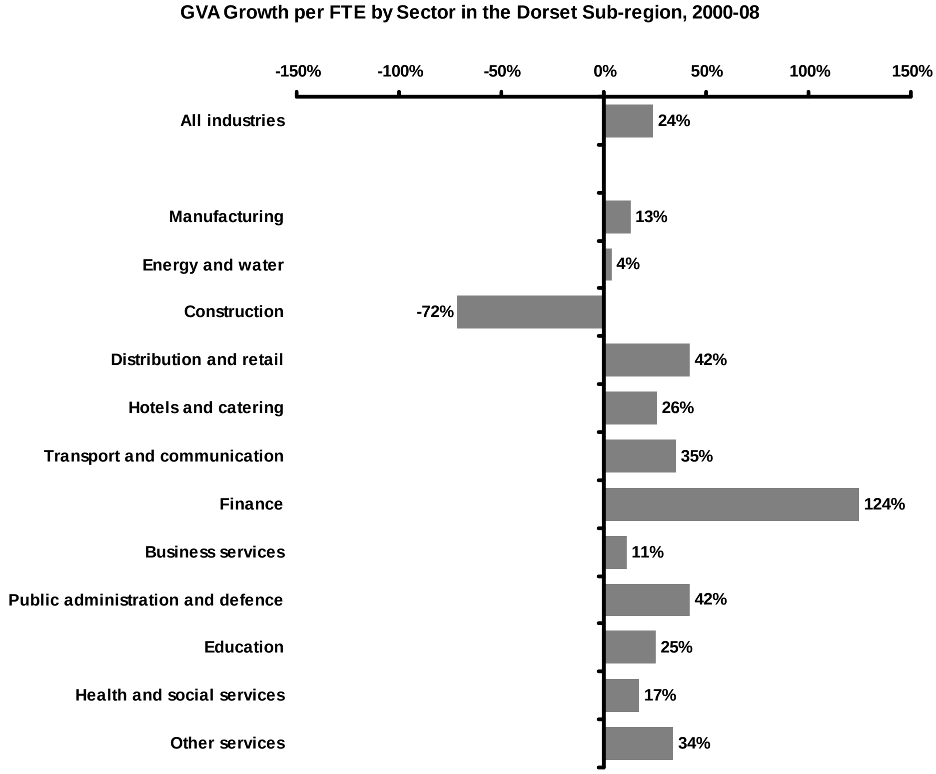
4.7.3 GVA Growth

In the Dorset sub-region, GVA per full time equivalent (fte) has grown by 24% since 2000. GVA growth varied between economic sectors, with the Financial sector seeing the greatest growth. However GVA in the Construction sector has decreased considerably over the past decade.

The final indicator of economic growth to be examined here is the change in GVA *per full time equivalent (fte) employee* recorded over time. Across the sub-region between 2000 and 2008 the figure for GVA per fte rose from £33,940 to £42,085 – an increase of 24%[42].

The change in GVA per fte within the Dorset sub-region between 2000 and 2008 for a number of economic sectors is shown on the graph overleaf.

[42] This comparison is based upon 2008 data and so care is needed as national economic circumstances have changed considerably since then.



4.7.4 Developing the Green Knowledge Economy

The commitment to the EU2020 targets for tackling climate change and the growing regulatory challenges and will have implications across the economic sphere. The new Carbon Reduction Commitment will be felt directly in sectors such as waste and construction, but the impact will also cascade through to other business operations as customer demand for green products increases.

This provides an opportunity to reduce unnecessary costs through the adoption of sustainable business practices, the development of new products, and the potential to exploit natural resources ethically. This is at the core of the Green Knowledge Economy model, where the balance of economic growth and environmental protection are in constant equilibrium.

There is significant potential for the Green Knowledge Economy across Bournemouth, Dorset and Poole. This model of growth takes the established growth contributors of financial, human, and physical capital and amalgamates them with the capacity inherent across natural resource. In effect, this is simply a revision of the exploitation of land and natural resources which underpinned the earliest economies.

The use of this natural capital is familiar in the sub-region's economy, its land-use underpinning the agricultural sector whilst the coastal location has supported the marine, logistics and defence industries, diversifying into a significant specialist manufacturing base. The lifestyle potential of unique local environment is pivotal to the tourism and retail offers.

This potential is set to be utilised as the green economy merges with the mainstream. It has attracted investment in the form of the 900 MW West of Wight offshore wind farm and the micro-generation market is growing as the Feed-In Tariff stimulates independent investment in solar and wind installations.

The demand created by the Green Knowledge Economy will stimulate a greater breadth of sectoral opportunity, particularly for key sectors such as Engineering & manufacturing, recognised as a 'backbone sector' for the model[43]. The potential for extending this and other sectors through collaboration with Bournemouth University and their research strengths provides the backbone for the development of the green knowledge economy in Bournemouth, Dorset & Poole.

[43] GeoEconomics, An Action Plan for the Green Knowledge Economy, October 2009

Chapter 5
The Local Labour Market

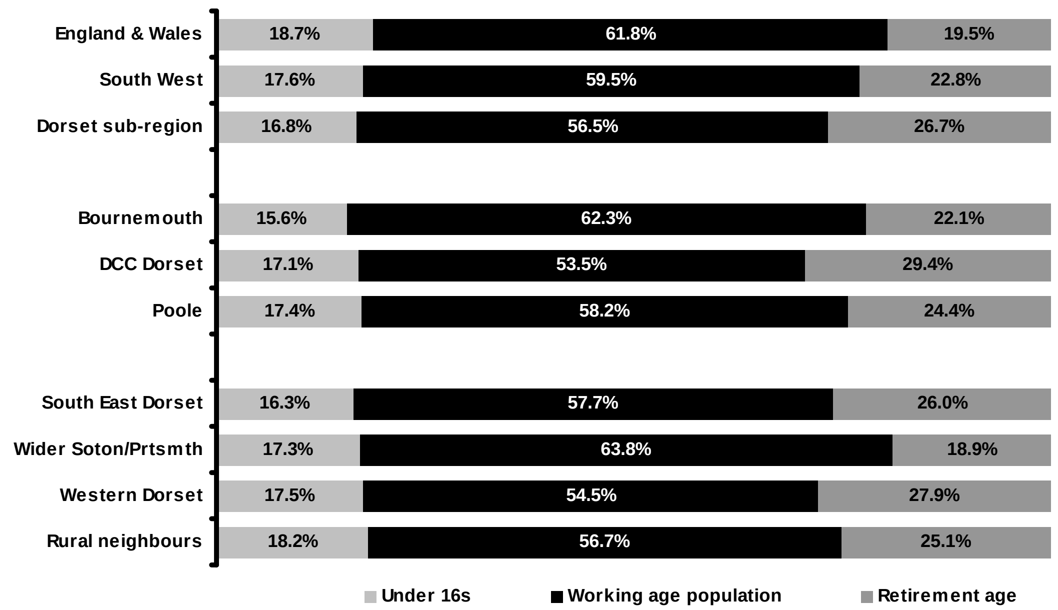
Chapter Five: The Local Labour Market

5.1 Dorset's Current and Future Population

Compared to the national average, the Dorset sub-region has a greater proportion of its population at or above retirement age. In Christchurch, over a third of residents are in this category. The proportion of the population who are elderly has increased steadily over recent years, and this trend is expected to continue. The proportion of the population aged 65+ is set to rise from 22.6% (2008) to 27.3% (2020). At the same time the proportion of the population that is aged 20-64 is expected to fall from 55.4% to 52.1%.

The graph below highlights the varying proportion of the population that is defined as "working age" (in this instance males aged 16 to 64 and females aged 16 to 59 years) within the sub-region and each of its component geographic areas[44].

Population Structure of Dorset Sub-Region, 2009



The relatively low proportion of Dorset residents of working age is a reflection of the County's high proportion of older people – 26.7% of the sub-region's population are of retirement age compared to 19.5% for England & Wales. The figure is especially high for Christchurch where over a third (34.0%) of the resident population is of or above retirement age. This pulls up the percentage of older people in the South East Dorset area relative to the comparator area of Wider Southampton/Portsmouth. However, Western Dorset, too, has a higher proportion of older residents than its comparator area and a lower percentage of those of working age.

Population projections have been published by the Office for National Statistics. Projections are based upon the assumption that recently observed demographic trends (births, deaths and migration) are to continue, and take no account of any future local development policy, economic factors or the capacity of areas to accommodate population[45].

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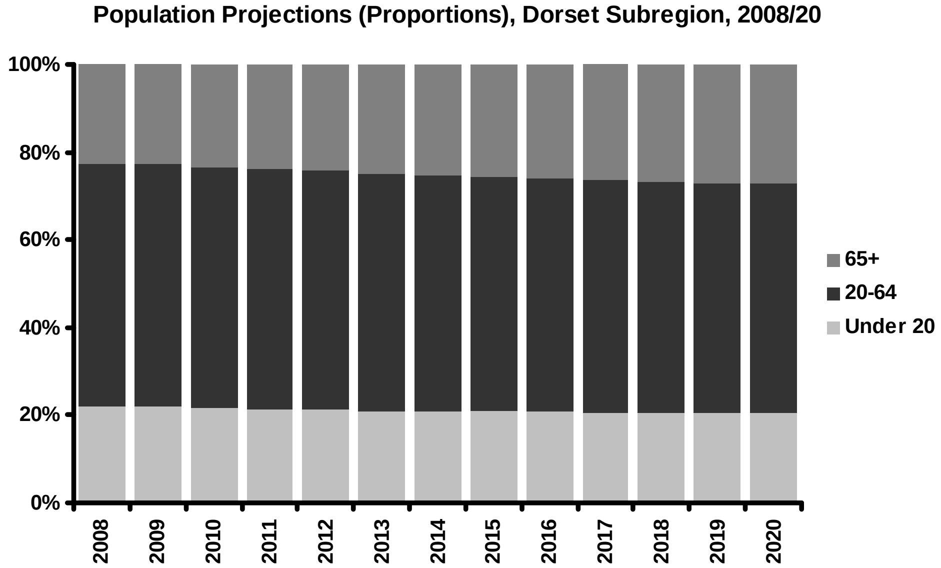
[44] Source: ONS mid year estimates for 2009
[45] ONS Revised 2008-based Population Projections (2010)

These projections give an indication of what might be expected to happen with regard to Dorset's population over the next decade. Across the whole of the sub-region, the population is projected to grow by 4.7% between 2008 and 2020. The expected changes in the make up of the population are shown on the graph below.



Population Projections (Actual numbers), Dorset Subregion, 2008-2020

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
All	711,200	713,300	715,200	717,400	720,000	722,300	724,700	727,100	730,100	733,800	736,700	740,500	744,800
65+	160,400	163,200	166,700	169,900	175,300	180,400	184,100	187,200	190,700	193,900	196,700	200,200	203,000
20-64	394,200	394,400	393,900	394,100	391,900	389,900	389,000	388,400	388,000	388,300	388,100	388,000	388,300
Under 20	156,600	155,700	154,600	153,400	152,800	152,000	151,600	151,500	151,400	151,600	151,900	152,300	153,500

The highest level of growth is expected to be found amongst the population aged 65 or over. By 2020, it is anticipated that that the number of people in that age group will have increased by 45,500, an increase on the 2008 figure of over 26%. This increase will see West Dorset district join Christchurch in having over one-third of its population in this older age category.

Over the same period, the number of people of working age is expected to decrease by 3% across the sub-region. Locally, the only exception to this trend is anticipated in Bournemouth, where this section of the population is projected to increase in number. This will have an effect on dependency ratios, i.e. the number of people of working age compared to those either too old or too young to join the workforce, although this might be partly mitigated by the forthcoming increase in the age of retirement.

5.2 Employment and Earnings

5.2.1 Rate of Employment

The employment rates for most areas in the sub-region are above the national rate. The employment rate in the sub-region is slightly lower for females than for males.

The rate of employment is defined as the percentage of people aged 16-64 years (note that this definition differs from that used to define "working age" used above) in an area who are currently in employment or self-employment. The table below illustrates the rate of employment during the twelve months to June 2010 for the component parts of the Dorset sub-region[46]. The employment rates in both South East Dorset and Western Dorset are below their comparator areas, particularly in the case of Western Dorset.

[46] ONS Annual Population Survey (Jul 09 to Sept 10)

Area	Employment rate (%)
Purbeck	80.2
Rural neighbours	76.6
Poole	**75.4**
East Dorset	74.7
North Dorset	74.3
South West	73.4
Wider Soton/Portsmouth	73.4
West Dorset	72.3
South East Dorset	72.2
Dorset sub-region	**71.7**
DCC Dorset	**71.4**
Western Dorset	70.8
Great Britain	70.4
Bournemouth	**69.2**
Christchurch	68.8
Weymouth and Portland	58.5

Note: These data should be treated with caution, especially for small geographic areas, as the data are collected via a sample survey, and low numbers of responses leads to low confidence levels.

It should be noted that the employment rate amongst working age females is slightly lower than those for males. For example, in the DCC Dorset area the employment rate is 76.2% for men and 66.8% for women. The table below is sorted by the greatest difference between male and female rates.

Area	Employment rate males - aged 16-64	Employment rate females - aged 16-64
Purbeck	85.4%	74.9%
Rural neighbours	82.6%	70.8%
East Dorset	81.0%	69.1%
Poole	**79.7%**	**71.3%**
North Dorset	79.3%	69.6%
South West	78.1%	68.9%
South East Dorset	76.5%	68.1%
DCC Dorset	**76.2%**	**66.8%**
Wider Soton/Portsmouth	76.2%	70.5%
Dorset sub-region	**76.0%**	**67.4%**
Great Britain	75.3%	65.5%
Western Dorset	75.3%	66.4%
Bournemouth	**72.8%**	**65.6%**
West Dorset	72.8%	71.9%
Christchurch	72.6%	65.2%
Weymouth and Portland	67.7%	49.2%

It is not clear why employment rates should be significantly lower in Weymouth and Portland than elsewhere in the sub-region. The figures quoted above are residence based and so will reflect local population characteristics (there may be high levels of long term sickness, caring responsibilities, etc) and also aspects of the local employment situation (work may not be available, people may not be able to get to the work, or local people's skills don't match the work on offer). Rates of both unemployment and economic inactivity are above the County average in Weymouth and Portland but the proportion of those economically inactive who would like a job is higher in the Borough than in the County suggesting that the issue may be that of work/skills match and availability.

5.2.2 Unemployment Rate

> *The unemployment rates for most parts of the sub-region are below the national level. The unemployment rate in the sub-region is lower for females than for males.*

The rate of unemployment is defined as the percentage of economically active people aged 16-64 years in an area who are without a job, have actively sought a job in the last four weeks and are available to start work in the next two weeks, or are out of work and are waiting to start a job in the next two weeks. This definition therefore includes some people who meet these criteria yet are not eligible to claim JobSeekers' Allowance and so are excluded from the claimant count figures. The table below illustrates the rate of unemployment during the twelve months to June 2010 for the component parts of the Dorset sub-region[47]. Looking at the comparator areas, it can be seen that unemployment is higher in the more urban geographies.

Area	Unemployment rate - aged 16-64
DCC Dorset	**4.9%**
West Dorset	5.2%
Western Dorset	5.2%
Rural neighbours	5.4%
North Dorset	5.6%
Dorset sub-region	**5.8%**
Christchurch	6.2%
Poole	**6.2%**
South East Dorset	6.2%
South West	6.4%
Wider Soton/Portsmouth	7.1%
Bournemouth	**7.5%**
Great Britain	7.9%
Weymouth and Portland	8.4%
Purbeck	not available
East Dorset	3.4%

Note: These data should be treated with caution, especially for small geographic areas, as the data are collected via a sample survey, and there are particularly low confidence levels at district level.

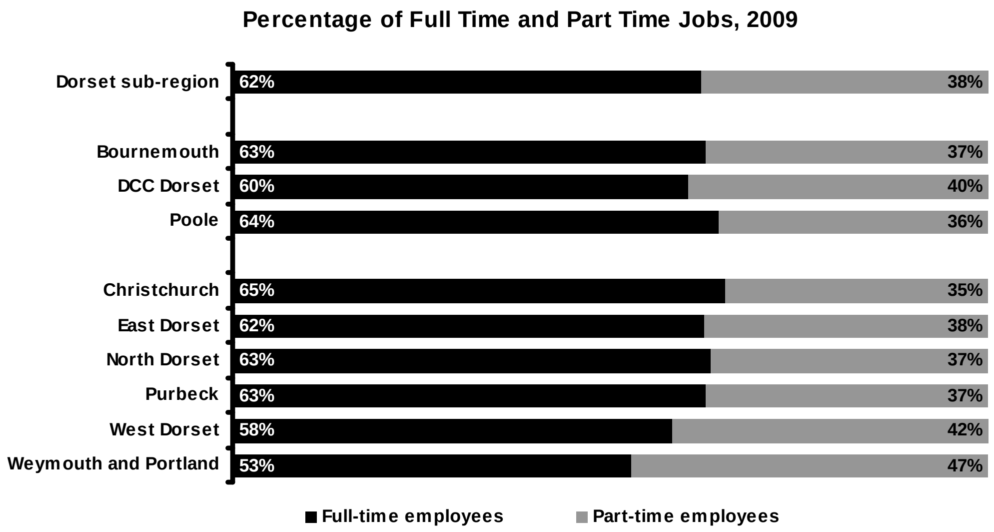
The unemployment rate amongst working age females is lower than those for males in most parts of the Dorset sub-region. For example, in Poole the unemployment rate is 7.4% for men and 4.9% for women. Weymouth and Portland is the exception with a higher unemployment rate for females than for males (although these figures are statistically unreliable).

5.2.3 Part Time and Full Time Employment

> *In the Dorset sub-region just under 40% of employees work part time.*

Part time employment is common within the Dorset sub-region with 62% of employees working full time compared with 68% nationally. The proportional split between part time and full time employment varies within the area with Christchurch and Poole featuring relatively low proportions of part time employment, and Weymouth and Portland with almost half (47%) of all employees working part time.

[47] ONS Business Register and Employment Survey 2009



5.2.4 Young People Not in Education, Employment or Training (NEET)

In general, the Dorset sub-region has a lower proportion of young people not in education, employment or training than is to be found in England as a whole. But there are local exceptions to this.

Recently attention has been focussed on the prevalence of young people (aged 16 to 18) who are not in education, employment or training. The concern is that such people are effectively a "lost generation" whose social and economic prospects will be reduced significantly as a result of their lack of productivity at this early age. The table below illustrates the proportion of young people not currently involved in work or training in the constituent parts of Dorset.

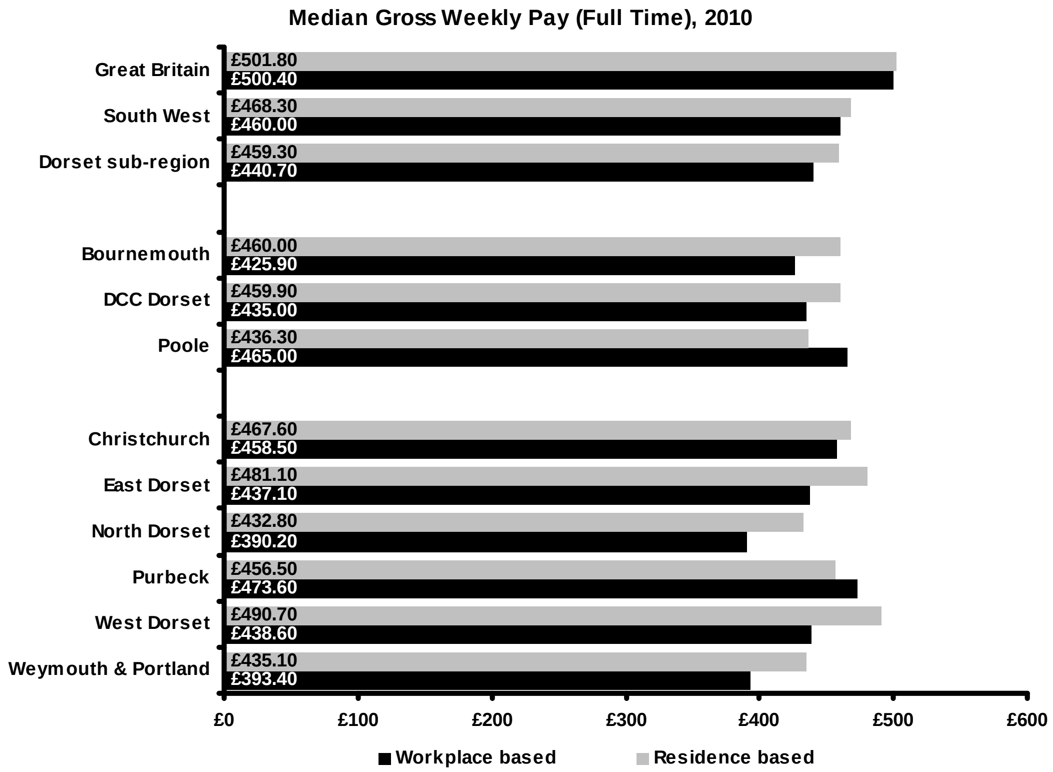
Area	*Young people 16-18 yrs NEET* [48]
Christchurch	8.1%
Weymouth and Portland	7.9%
North Dorset	6.8%
England	6.1%
DCC Dorset	**5.8%**
Poole	**5.7%**
West Dorset	5.5%
Dorset sub-region	**5.5%**
South West	5.4%
Purbeck	5.0%
Bournemouth	**4.8%**
East Dorset	4.2%

[48] NEETs Quarterly Report, Connexions, November 2010

5.2.5 Earnings

> *Earnings in the Dorset sub-region, whether calculated on the basis of either a workplace-base or a residence-base, are generally lower than the average wage levels found nationally.*

Two definitions of "earnings" are discussed here. *Workplace*-based earnings are the wage paid by employers in an area, i.e. this does not necessarily equate to the earnings of those people who are resident in those areas. *Residence*-based earnings are the wages of people that live in the area, but may travel outside the area to work. In parts of Dorset where commuting outside the local area for work purposes is prevalent, a significant difference between workplace and residence-based earnings may be found.



Note: These data should be treated with caution, especially for small geographic areas – as the data are collected via a sample survey, and low numbers of responses leads to wide confidence intervals.

Median workplace-based earnings in the Dorset sub-region are lower than those seen both nationally and within the South West region. The districts of North Dorset and Weymouth and Portland both feature a median weekly wage that is approximately £100 lower than the national figure. The Purbeck area has a median weekly wage that is nearest to that found across Great Britain[49]. This is partly due to high skilled employment being offered at sites such as Dorset Green Technology Park at Winfrith, BP and the Ministry of Defence establishments, all of which attract workers from outside Purbeck.

As with workplace-based earnings, residence-based earnings in the Dorset sub-region are lower than those seen nationally and regionally. Again, North Dorset and Weymouth and Portland have the lowest median weekly wages, both approximately £70 lower than the national figure. West Dorset is the nearest to the national average.

[49] Annual Survey of Hours and Earnings (2010), ONS

The Dorset sub-region fares worse than its comparator areas for workplace-based earnings,

- The South East Dorset authorities are all below the national average with the gap averaging £54;
- In wider Southampton/Portsmouth, the two unitary authorities are above the national average whereas the other authorities are below with the gap averaging £17 across the area;
- The western Dorset authorities are all below the national average with the gap averaging £76;
- The rural neighbours districts are all below the national average with the gap averaging £49.

Dorset also fares worse than its comparator areas for residence-based earnings,

- The South East Dorset authorities are all below the national average with the gap averaging £41;
- In wider Southampton/Portsmouth, only Eastleigh and Fareham are above the national average and Havant just about matching it with the gap averaging £11 across the area;
- The western Dorset authorities are all below the national average with the gap averaging £48;
- Not all of the rural neighbours districts are below the national average with Mendip, New Forest, Test Valley and Wiltshire lying above and the gap averaging £21.

	Workplace based	*Residence based*
Wider Southampton/Portsmouth authorities:		
Portsmouth UA	£540.9	£480.2
Southampton UA	£517.9	£452.2
Eastleigh	£478.1	£547.1
Fareham	£460.2	£513.3
Gosport	£436.9	£451.9
Havant	£465.0	£501.2
Rural neighbours:		
New Forest	£466.1	£513.8
Test Valley	£489.7	£506.9
East Devon	£379.1	£441.1
Mid Devon	£428.6	£424.6
Mendip	£450.9	£518.6
South Somerset	£446.2	£448.6
Taunton Deane	£472.4	£472.5
Salisbury	£462.6	£492.0
West Wiltshire	£463.2	£506.6

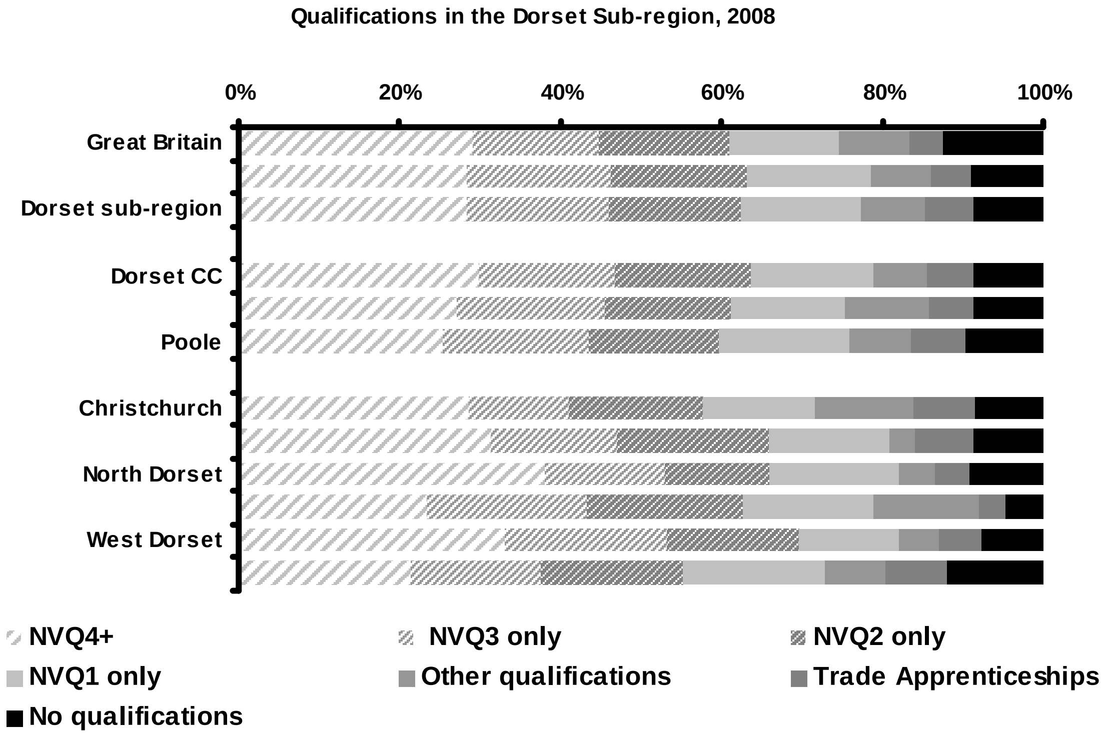
As nationally, women in the Dorset sub-region receive lower wages than men with the median full time wage for females at about 80% of the amount paid to their male equivalents for both workplace and residence-based earnings.

5.3 Education and Skills

5.3.1 Qualifications

> *The working age population in the Dorset sub-region has a similar standard of academic attainment to that found nationally. But there are local variations, with workers resident in West Dorset, East Dorset, North Dorset and Purbeck districts having a higher degree of attainment and Christchurch and Weymouth and Portland featuring a relatively low level of academic qualifications.*

Graphed below is the proportion of the local 16-64 year age population classified according to their highest academic qualification attained[50].



Key

NVQ4+	=	Degree level, or equivalent, or higher
NVQ3	=	Two A levels or equivalent
NVQ2	=	Five GCSEs graded C or above or equivalent
NVQ1	=	Three to four GCSEs graded D or lower or equivalent

Note: These data should be treated with caution, especially for small geographic areas – as the data are collected via a sample survey, and low numbers of responses leads to wide confidence intervals.

The working age population of the Dorset sub-region features a proportion of "high end" skills (NVQ3 or above) that is very similar to that found nationally. The labour force resident in East, West, North Dorset and Purbeck are relatively well educated with over half of the working age population having attained at least NVQ Level 3 qualifications. The lowest levels of educational attainment are to be found in Weymouth and Portland and Christchurch where Level 3+ attainment rates are lower than the national figure. Bournemouth, too, is just below the national average. Weymouth and Portland features the highest proportion of the working age population in the sub-region with no qualifications (14%),

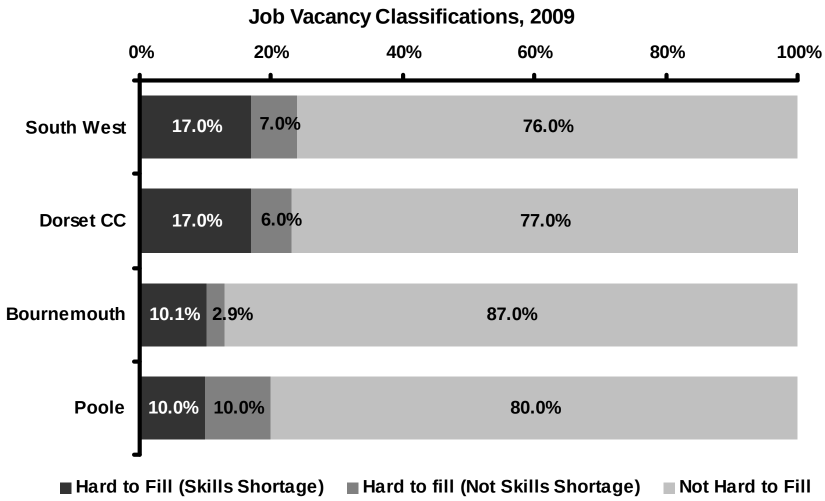
[50] Annual Population Survey (Jan to December 2009), ONS

5.3.2 Skills Gap

Employers based In the DCC Dorset area stated that 17% of their current vacancies were proving hard to fill owing a shortage of skills within the local workforce. Also within the DCC Dorset area 24% of employers said that currently they have at least one employee whom they considered not proficient in their existing role.

A recent survey of employers[51] suggests that there is a higher level of vacancies in the sub-region (20 per 1000 employees) than is to be found in the south west region (16.5 per 1000). Figures within the sub-region also varied slightly, with Bournemouth recording a figure of 20.7 per 1000, Poole 19.9, and DCC Dorset 19.4.

The survey further categorised these vacancies into those that employers considered either "hard" or "easy" to fill. Employers were also asked whether they thought that the "hard to fill" vacancies were due to local skills shortages. The results of this aspect of the survey are shown below.



Further, respondents to the survey were asked whether they had a skills gap (i.e. at least one member of staff who was not considered fully proficient in their roles) within their business. Whilst the proportion of responses from employers in Bournemouth and Poole stating that there was a skills gap were comparable to the regional figure (21%), those from DCC Dorset were higher (24%). These figures from the Bournemouth and DCC Dorset areas had both increased since 2007.

In relation to particular occupations respondents reported skills gaps in the Sales and customer services (across the Sub-region), Management (Bournemouth and Poole), and Skilled trades (DCC Dorset).

Reported Skills Gaps by Sector[51]

Occupation	*Dorset Sub-region*	*Bournemouth*	*Dorset*	*Poole*
Managers	31%	41%	24%	46%
Professionals	4%	*	4%	*
Associate professionals	5%	*	7%	*
Administrative/clerical staff	16%	20%	15%	18%
Skilled trades occupations	17%	7%	22%	13%
Personal services staff	6%	11%	5%	*
Sales and customer services staff	27%	27%	29%	22%
Machine operatives	7%	3%	9%	*
Elementary staff	13%	17%	11%	2%

[51] The National Employers Skills Survey, Learning and Skills Council, 2009

The survey identified that the size of the perceived skills gap varied by sector. The table below illustrates this variance by identifying the percentage of respondents reporting a skills gap by sector (those highlighted in bold have recorded percentages higher than those found in the south west).

National Employers Skills Survey: reported skills gaps by sector

Sector	*Dorset sub-region*	*South West*
Agriculture, hunting and forestry, fishing	14%	16%
Mining & quarrying	suppressed	suppressed
Manufacturing	20%	22%
Electricity, gas and water supply	suppressed	suppressed
Construction	**22%**	**21%**
Personal household goods	**26%**	**25%**
Hotels and restaurants	29%	32%
Transport, storage and communication	28%	suppressed
Financial intermediation	suppressed	suppressed
Real estate, renting and business activities	**23%**	**19%**
Public admin, defence, compulsory social security	suppressed	suppressed
Education	24%	suppressed
Health and social work	**25%**	**24%**
Other community, social and personal service activities	13%	21%
All industries	23%	21%

Chapter 6
Sustainable Infrastructure

Local ECONOMIC Assessment

Chapter Six: Sustainable Infrastructure

For the purposes of this assessment sustainable infrastructure is taken to include physical attributes which are necessary to a successful and sustainable economy. This includes land and premises (sufficient land in accessible locations), housing for workers, transport infrastructure, and broadband. It will also be important for the sub region to tackle carbon emissions and deal with the threat of climate change.

The degree to which people are required to travel to get to work, and how they address that need, is a major factor in determining whether an area is able to develop a sustainable economy or not. Another important aspect is the ability to readily move goods and services with minimal environmental impact. Underpinning all this is the spatial relationship between location of the workplace, the residence of the workforce, and the location of the customer. To be sustainable, the infrastructural links between each of these needs to be fit for purpose, reliable and efficient as well as being energy efficient and non-polluting.

6.1 Business Sites

6.1.1 Existing Business Sites

Whilst areas of economic activity can be found throughout the Dorset sub-region, concentrations of businesses can be identified in specific locations.

Key sites for economic activity are located throughout the sub-region, for example:

- Bournemouth and Poole town centres
- Other main town centres

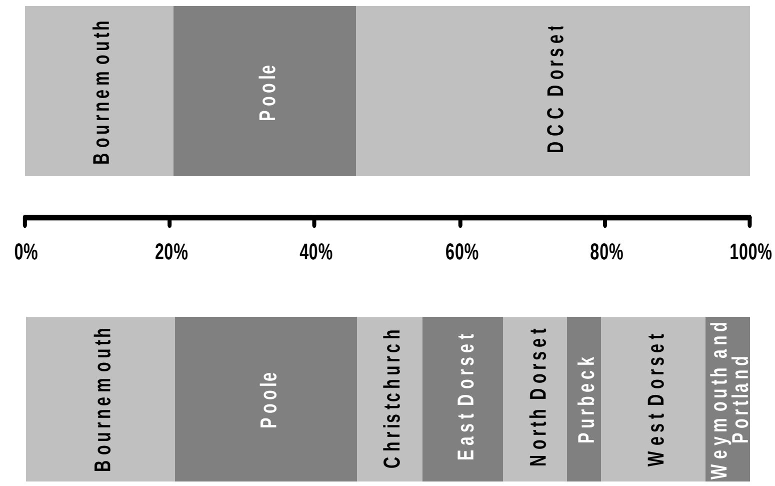
- Ferndown, East Dorset
- Hamworthy, Poole
- The Brewery, Blandford
- North Dorset Business Park, Sturminster Newton
- Lansdowne, Bournemouth
- Ringwood Road/Wallisdown Road
- Brickfields Business Park, Gillingham
- Holton Heath, Purbeck
- Chickerell, West Dorset
- Poundbury, Dorchester
- Gore Business Park, Bridport
- Mount Pleasant Business Park, Weymouth
- Castle Lane East, Bournemouth
- Yeomans Road, Bournemouth
- Osprey Quay, Portland.

Strategic employment sites are those which offer significant opportunities for new employment growth. In the sub-region these include Bournemouth Airport and Dorset Green Technology Park (formerly Winfrith Technology Centre), both of which provide for a range of employment uses. Other key opportunities exist at regeneration sites in Bournemouth and Poole centres as well as Dorchester. They also facilitate the development of clusters of economic activity based on a specific sector, for example the clustering of firms involved in the environmental goods and services sector found at Dorset Green Technology Park.

There are also a number of small industrial estates located in village locations which were established to help boost the rural economy. Examples include Enterprise Park at Piddlehinton and at Station Road in Maiden Newton.

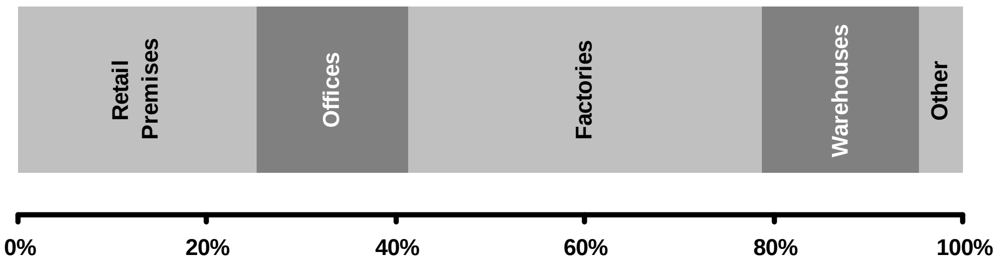
Comparisons of commercial premises between areas can be made by assessing the relative floor space given over to business use. The graph overleaf illustrates how the sub-region's six million square metres of commercial floor space is distributed between its nine component areas.

Distribution of Commercial Floor Space by Location, 2008



The general type of commercial use that this floor space is used for is illustrated on the graph below.

Distribution of Commercial Floor Space by Use, 2008



6.1.2 Future Business Sites

In the sub-region, the availability of land for commercial development is in part constrained by the degree of environmental protection that applies to much of the County. Part of the solution is to encourage new commercial development on land that has been previously used for commercial purposes, thereby minimising the use of "Greenfield" sites. As of 2007, there were 610 hectares of previously developed land that had been identified as suitable for future commercial development[52].

While the overall amount of land available for new employment purposes in Dorset, either with planning permission or allocated in plans, appears to be quite high at any one point in time, not all of this will be immediately available for use or development. A comprehensive analysis of employment land[53] showed that of all the identified employment land in 2008, 31% was available in the short term (developable within 0-2 years); a further 35% was judged to be developable in the medium term (3-5 years); and the remaining 34% was more of a long term prospect (unlikely to be developed for at least 5 years or more).

[52] National Land Use Database 2007
[53] GVA Grimley for the South West Regional Development Agency; Bournemouth, Dorset and Poole Workspace Strategy, October 2008

The reasons for this are varied. In the medium term, it may be that the land is retained by an existing firm for its own future expansion or may be in the ownership of people not wishing to develop the site for employment purposes at present. In the longer term it may be that costly infrastructural investment might be required to unlock a site.

A major issue facing the local economy is how to unlock the potential for employment development at the Airport. About 60% of potential employment land in the Bournemouth travel to work area is at the Airport.

Elsewhere, in the Poole travel to work area it is estimated that over 80% of the supply of potential industrial land could be brought forward within 5 years. Similarly in the Dorchester and Weymouth area and in Rural Dorset 85% and 81% of land, respectively, could be developed in the short to medium term.

6.2 Housing

The growth of a sustainable economy can be supported by the provision of sufficient housing of the right type, size and tenure.

6.2.1 Housing Requirements

In 2008, the Strategic Housing Market Assessment for Bournemouth Dorset and Poole was published. Amongst other things, this assessment explored where people in Dorset work and the type of housing that they need. The study divided the sub-region into two, with the area served by Weymouth and West Dorset Councils forming the Dorchester-Weymouth Housing Market Area, the remainder being unified as the Bournemouth-Poole Housing Market Area.

The key findings of the study were that:

- The need for affordable housing in the sub-region is more than double the total number of dwellings proposed in the draft RSS[54]. This equates to 2,790 new affordable dwellings per year in the Bournemouth-Poole area and 1,540 in the Dorchester-Weymouth area.
- Across the sub-region, the ability to afford intermediate housing is limited. No more than 30% of households could afford intermediate rent; the vast majority are in need of social rented housing.
- There is a shortage of, and requirement for, smaller properties. Between 70% and 80% of the affordable need, and 60% to 70% of market need, is for small, 1-bed or 2- bed properties.
- Very few young people (only about 9%) can afford to buy or rent a property of their own.

6.2.2 House Prices

Average house prices in the sub-region have risen since 1995, as has been seen nationally. Prices have generally been higher in Dorset than the national figure, especially in DCC Dorset and Poole[55]. A recovery in prices since the fall that occurred during 2007-09 has been seen, with the average sale price of a house now restored to levels last seen in 2008. However, the Bournemouth area has witnessed less of a recovery and average prices are now only marginally greater than the figure for England and Wales.

[54] Draft Regional Spatial Strategy for the South West, Secretary of State's Changes, July 2008. Note that the government is proposing to abolish regional spatial strategies in the emerging Localism Bill.
[55] Land Registry

6.3 Transportation

6.3.1 Car Ownership

Car ownership is lowest in the urbanised areas of Dorset. In both Bournemouth and Weymouth and Portland over a quarter of households do not run a car at all. In the more rural areas of Dorset, car ownership is more widespread, with 88% of East Dorset's households having access to a car, and 46% having two or more vehicles.

6.3.2 Public Transport

Parts of Dorset are poorly served by public transport – bus routes that pass through some areas can be indirect, or might operate at a frequency or at times that make buses unsuitable for commuting.

The more urbanised areas of the sub-region are fairly well served by public transport. However, in the more rural parts of the County the service can be particularly limited. Approximately 10% of the working age population of both West and North Dorset live over an hour by bus away from any of the 34 employment centres. Whilst there will be some employment available more locally it is probable that employees living in these more remote areas will be dependent upon private transport to access employment.

6.2.3 Transport Infrastructure

The Dorset sub-region contains no motorways, and congestion – particularly in peak holiday periods – can cause delays travelling within the County. Major roads passing through the area include:

- A31 Bere Regis-Wimborne-Ferndown into Hampshire to join the M27;
- A35 Poole-Dorchester-Bridport-Lyme Regis into Devon;
- A354 Weymouth-Dorchester-Blandford Forum into Wiltshire;
- A37 Dorchester to Somerset via Yeovil with access to the M5 at Taunton;
- A350: Poole-Blandford Forum running northwards into Somerset.

The Weymouth-Waterloo railway line terminates at Weymouth with a total travel time of 2 hours 45 minutes from London. The stations that the line passes through include:

- Dorchester (2h 40mins from London),
- Wool (2h 35mins)
- Wareham (2h 20mins)
- Poole (2h 10mins)
- Bournemouth (1hr 50mins)
- Christchurch (1 hr 50mins).

A second direct railway link to London, the Exeter to Waterloo line, passes through the north of the County. Stations on that line that fall within the sub-region are Sherborne (2h 13mins to London) and Gillingham (1h 58mins), with Yeovil Junction station (2h 20mins) sited directly on the Dorset-Somerset border.

A third line runs between Weymouth and Bristol, with trains taking 2 hours 20 minutes to travel between the two. This line runs through Dorchester (just over two hours from Bristol) and a number of smaller towns.

Large areas of Dorset are without railway access.

The sub-region's main ports are at Poole, Portland and Weymouth. Poole has passenger services to Cherbourg and St Malo and commercial services to Cherbourg, St Malo, the Channel Isles and Santander. Weymouth has passenger services to the Channel Isles and provides services for commercial shipping along with Portland port. Portland also has facilities for visiting cruise ships and the National Sailing Academy has been developed to accommodate the sailing events of the 2012 Olympic Games, including a new 560 berth marina, breakwaters and hoist docks, business units, storage, fuel/water supplies and internet access.

Bournemouth Airport is situated in Christchurch in the south east of the sub-region. The airport is owned by Manchester Airport plc and runs both commercial and passenger flights. Passenger traffic has increased with the availability of low cost air travel. In addition to its proximity to the south-east Dorset conurbation, the airport is also within an hour's drive of Southampton, Portsmouth, Winchester, Salisbury, Dorchester and Weymouth. With passenger numbers forecast to reach around four million each year by 2020, the airport's £45m redevelopment programme includes a new departures terminal, new lighting and navigation aids, runway resurfacing, and expansion of the apron next to the terminal building.

Currently the planning of transport in the Dorset sub-region is provided by two local transport plans (LTPs), one for the more urban south east, the other covering the predominantly rural remainder of the County. However, for the next generation of local transport plans, (LTP3) a single, Dorset-wide, document is being prepared and will cover the period from 2011 to 2026. The LTPs explain broadly how the community's needs for better transport will be met.

6.4 Travel to Work

The Office for National Statistics has provided data[56] which has been used to update studies of commuting flows between local authority areas. This is used to examine the extent to which any particular local authority area interacts with other areas from a labour market perspective. For comparison purposes data from 2001 is also provided here[57].

Two sets of figures are tabled below.

- Residence self-containment refers to the percentage of the **resident working age population** that work in the same area in which they live.
- Workplace self-containment refers to the percentage of **jobs** within the area that are filled by workers who are also resident within that area.

Those areas with lower residence self-containment are often positioned on the edge of major employment centres which attract workers from neighbouring areas. In Dorset, those areas with residence self-containment close to 50% are Christchurch (with residents commuting particularly to Bournemouth and the New Forest); East Dorset (with residents working in Bournemouth, Poole and the New Forest); and Purbeck (with residents working in Poole in particular).

Areas with both high residence self-containment and high workplace self-containment tend to be physically large or remote/rural in nature so that people living in these areas tend to work there and people who work there tend to live there rather than commuting from outside the area. Alternatively, an area with high residence and workplace self-containment may be physically large with a number of small towns within it and at some distance from large towns. With about 77% self-containment in both measures, DCC Dorset fits this category without being as self-contained as, for example, the Isle of Wight (>90% self containment in both measures)[58].

[56] Annual Population Survey (2008)
[57] Local Labour Force Survey (2001)
[58] Although in borderline cases such as Christchurch, East Dorset and Purbeck, confidence intervals mean that residence self- containment could easily be below 50%.

	Residence self containment	Workplace self containment
Bournemouth	**67%**	**68%**
DCC Dorset	**77%**	**77%**
Poole	**67%**	**63%**
Christchurch	52%	50%
East Dorset	51%	56%
North Dorset	75%	74%
Purbeck	53%	59%
West Dorset	75%	67%
Weymouth and Portland	70%	73%

In **Bournemouth** the majority (67%) of the working age residents also worked in the area. Most of the remainder commuted to the neighbouring areas of Poole, East Dorset, Christchurch and the New Forest. A few others travelled further afield, principally to Southampton but also to West Dorset. This pattern of commuting is little changed since 2001.

In terms of workers commuting into Bournemouth for employment, most travelled from neighbouring local authority areas, principally Poole, East Dorset, Christchurch and the New Forest. Consequently, Bournemouth has fairly high level of both residence and workplace self-containment. This indicates that whilst it employs a good proportion of its own residents and Bournemouth residents account for a substantial percentage of the workforce, it is also a draw for workers in neighbouring areas.

In the **DCC Dorset** area most (77%) working age residents worked locally, the remainder travelling to Poole, Bournemouth, Hampshire, Somerset or Wiltshire for work. This pattern was similar in 2001, although the proportion of Dorset-resident workers commuting to Somerset has fallen from 4.6% to 1.9%. This suggests that the DCC Dorset area has a high level of residence self-containment. With regard to commuters travelling into Dorset for work many live in Bournemouth, Hampshire, Somerset and Poole, although the numbers travelling from the latter have reduced significantly since 2001.

In 2008, most working residents of **Poole** also worked within the Borough, the remainder travelling to Bournemouth, East Dorset, Purbeck, Christchurch, New Forest, West Dorset, North Dorset, Salisbury and Southampton. The figures indicate that Poole is less workplace self-contained than residence self-contained, suggesting that it acts as an employment centre attracting workers from the surrounding area. It is estimated that in 2008 just over three-fifths of the Poole workforce also lived in Poole, down marginally since 2001. Outside of this, the most important source of workers based in Poole were the neighbouring local authorities of Bournemouth, Purbeck, East Dorset, New Forest, North Dorset and Christchurch.

The figures indicate that **Christchurch** is less workplace self-contained than residence self-contained suggesting that it acts as an employment centre attracting workers from the surrounding areas.

In **East Dorset**, the relatively low level of residence self-containment, with workplace self-containment slightly higher, implies that the number of jobs available in the area is not sufficient for the number of working age people who live there. Alternatively, it could mean that the jobs available in the area may not match their requirements or skills set so that residents travel to other nearby employment centres.

North Dorset has very high levels of both residence and workplace self-containment. Many parts of the district are very rural in nature making it difficult and time-consuming to commute to neighbouring employment centres.

The figures indicate that **Purbeck** is more workplace self-contained than residence self-contained suggesting that it acts as a residential base that loses workers to the surrounding area. It may be that the number of jobs available in Purbeck is not sufficient for the number of working age people that live there or that the jobs there do not match the requirements or skills sets of residents.

West Dorset is less workplace self-contained than residence self-contained. This suggests that the area acts as an employment centre attracting workers from the surrounding area. As with North Dorset, some parts of the district are very rural in nature and have associated problems of travel to neighbouring employment centres.

Weymouth and Portland is more workplace self-contained than residence self-contained suggesting that to an extent it acts as a residential base losing workers to the surrounding area.

6.5 Broadband

There is a risk that large parts of Dorset will be disadvantaged by poor communications technology. Much of the existing local communications infrastructure – including mobile phone coverage and broadband speeds – are not fit for purpose in the 21st Century. Without modern broadband, business, employment and community development opportunities will be restricted. Development of the creative industries sector will be constrained if there is the lack of ability to transfer data and images efficiently. The capability to upload and download information quickly is essential for the development of a modern economy.

The event that will drive improvements in the communication infrastructure is the 2012 Olympic and Paralympic Games. To ensure a reliable service during the Games, two fibre-optic cables have been laid through Dorset to the sailing venue in Portland. In addition, BT is rolling out a national Ethernet network across the UK (21st Century Network). These two investments offer the opportunity to significantly up-grade communications infrastructure across the area.

Within Bournemouth, 'Fibrecity' is offering users fast broadband, telephone and TV access through a fibre network with broadband speeds of up to 100Mb. This is double the current maximum on offer, although the other cable provider in the town, Virgin Media, has started to roll out 100 Mb elsewhere in the UK. Originally, the Fibrecity network was to be installed using existing waste pipes and sewers to reduce costs. However, the water company (Wessex Water plc) has pulled out of the arrangement and is refusing to allow Fibrecity access to its sewer network. Consequently, the cables are following new ducting in footways and roads. In October 2010, work on cabling the town ceased and, at the time of writing, Fibrecity had not provided a date for the re-commencement of the works.

Public sector bodies across Dorset are working together to combine purchasing power and networks, providing benefits of efficiency and joint procurement. This should help to secure a service that is fit for purpose, affordable and sustainable, and able to offer access and benefits to the wider community and businesses. Work is currently being undertaken to assess and demonstrate the demand from the private sector, in order to justify national investment in the area's infrastructure.

According to a recent opinion survey conducted by the Office for National Statistics[59] 18.3m households in the UK had internet access. This represents 70% of the total and an increase of 1.8m over the preceding 12 months. Predictably, the level of internet access has been increasing over recent years – in 2006 57% of households had access. Amongst households with Internet access the proportion equipped with broadband is also growing. Broadband was used by 69% of all internet connected households in 2006, by 2009 that proportion had risen to 90%.

Another initiative, which is part of the Dorset Chamber of Commerce and Industry (DCCI), is the Digital Dorset Task Force. This has been set up to investigate opportunities for faster broadband speeds. The DCCI also reports that a survey of its members reflected a clear desire to secure this.

[59] "*Internet Access – Households and Individuals*", ONS, 2009

Details of the access to, and use of, the internet at a more local level is hard to come by, but a recent survey conducted through Dorset County Council's Citizen's Panel[60] (which does not include responses from either Bournemouth or Poole) suggests that 80% of Panel members are internet users. The same survey also identified that broadband is more likely to inaccessible to users living in parts of West Dorset and Purbeck districts.

In Bournemouth and Poole it has been reported that C4L, a firm based in Westbourne, will be offering broadband speeds of up to 150 Mbps for a trial period. For rural areas the Government has announced a new £20m rural community broadband fund, which aims to promote faster internet services to rural homes and businesses. This may offer opportunities to improve connectivity but further work will be needed to explore the potential of these developments.

Another initiative, which is part of the Dorset Chamber of Commerce and Industry (DCCI), is the Digital Dorset Task Force. This has been set up to investigate opportunities for faster broadband speeds. The DCCI also reports that a survey of its members[61] reflected a clear desire to secure this.

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[60] Dorset Citizen's Panel 22 (August 2010). http://consultationtracker.dorsetforyou.com/00,consultation,8531,330,00.htm
[61] Dorset Chamber of Commerce and Industry 2010 http://www.ispreview.co.uk/story/2010/07/21/businesses-in-dorset-uk-demand-broadband-speeds-of-10mb-by-2011.html

Chapter 7
Conclusions and Future Challenges

Chapter Seven: Conclusions future challenges

Introduction

This chapter highlights the main issues and economic characteristics which the Local Economic Assessment has revealed, but it is not a summary of the assessment (readers should refer to the separate executive summary for this). There will be other issues in the assessment which may well be important locally or of particular relevance to specific interests and so it is advisable to read the full document.

It is organised by theme in an order which broadly reflects the structure of the assessment and thus is not in any order of importance. Some matters are not confined to a single theme due to their cross-cutting implications. It will be noted also that each theme is followed by a highlighted text box which sets out a summary of the key challenges and includes certain issues or recommendations. These are intended to offer a suggestion or a steer on issues which might be worth exploring further for those involved in strategies, plans or activities of relevance to the economy, including the Wessex Multi Area Partnership and, once in place, the Local Enterprise Partnership. They should be treated only as suggestions; there may be other priorities for action or investigation which are open for consideration but which are not flagged up here and it will be a matter for individual organisations, public bodies and partnerships to interpret the LEA as they see fit.

7.1 Business formation and self-employment

The Dorset sub-region shows relatively high business start-up and survival rates, although the size of most firms tends to be small. Equally, the number of workers who are self-employed is high. This is particularly noticeable in West Dorset (despite high public sector employment) and Purbeck. Across the sub-region almost 70% of self-employed people work in construction, banking/finance, public administration, education and health, and distribution, hotels and restaurants. Over 55% are in skilled trades or management/senior roles. Conversely, Dorset's GVA is low, particularly outside the conurbation, while turnover tends to be in lower size bands compared to the national average.

Economic growth has seen an increase in the number of businesses, most significantly in property and business services, health and construction, matched by employment growth in heath and social work and public administration and defence, but with decreases in other community, social and personal service activity and leisure and tourism. However, these trends pre-date the latest impacts of the national economic situation and the on-going cuts in the public sector.

An important point to make is that there is a difference between enterprise and competitiveness and the evidence would suggest that enterprise levels are good, but competitiveness is low, particularly in the more rural parts of the area. This might be explained by a number of factors which appear to be implicit in a number of issues revealed by the LEA:

- The presence of financial services in Bournemouth and Poole tends to exaggerate the gap in GVA (gross value added) between the conurbation and rural areas.
- A higher-than-average share of jobs (both locally and nationally) in the manufacturing sector in Poole may boost GVA figures in the conurbation.
- The rural nature of much of Dorset outside the conurbation and Weymouth and Portland, dominated by relatively small market towns, has implications for the way the economy functions in relation to supply chains, workforce capacity, skills and supporting infrastructure. This will be unlikely to change substantially in the foreseeable future.
- The attractiveness of Dorset as a visitor and lifestyle destination is likely to influence business formations in tourism and 'lifestyle' sectors where wages and skills levels often are relatively low.
- Anecdotal evidence from businesses would suggest that aspirations to grow small and medium-sized enterprises tend to be tempered by the quality of life motivations of business operators and workforces.
- Smaller firms are more vulnerable to cash flow crises, particularly in an economic downturn, and are more likely to cut back on investment and training, although they can also respond quickly and flexibly to a changing economic climate.

7.1.1 Business formation and self-employment: future challenges

Business formation and survival rates in the Dorset sub-region are good. However, there are future risks to this continuing: competitiveness levels and the growth of small businesses have not matched enterprise levels; and much of the growth in businesses and employment has been in sectors vulnerable to reduced public sector funding.

Achieving business growth and competitiveness which match the promising levels of enterprise could help to absorb some of the impacts of pubic sector cuts, but realising this is likely to require:

- an increase in local business take-up of services previously provided by the public sector, combined with stronger growth aspirations in high value sectors such as knowledge-intensive industries and specialist sectors for which the sub-region demonstrates certain competitive advantages;
- tailored business support services to help business start-ups, nurture the growth of small enterprises and to reflect the high level of self-employed people, as well as continuation of existing business support services;
- provision of high-speed broadband and digital connectivity to enable an enterprise culture to grow, particularly in target sectors such as the media;
- promotion of better cash flow for small businesses, for example by lobbying;
- monitoring of business-start-ups by sector and location to gauge the health of the sub-region's enterprise culture and to highlight areas of support, including links to the university and the opportunities provided in the green knowledge economy.

7.2 Productivity and competitiveness

The sub-region has a below-average level of productivity, both in terms of output per hour worked and GVA per resident head. There is considerable variation within the sub-region, with Bournemouth/Poole recording a higher figure than the DCC Dorset area, and with the gap widening. The structure of the local economy (particularly the employment sectors), demographics and commuting patterns all have an impact on productivity levels. The recession and cuts in investment will also have had an impact recently.

The sub-region also suffers from weak local supply chains around certain industries. Most clusters are geographic and are in some part based on agglomeration effects (such as the location of multiple businesses with similar interests, products, services and skills requirements). This does not lead to formation of the more beneficial specific sector clusters, which develop knowledge transfer networks and often benefit from economies of scale.

- The gap between GVA per head in Bournemouth/Poole and the national average is narrowing. Growth in high value sectors such as chemicals has assisted with this. However, the number of businesses and employees in Bournemouth/Poole has grown in some sectors which are vulnerable to public sector cuts, including health, public administration, and defence.
- Despite growth in business services, GVA per head in DCC Dorset has stayed below the national average with the gap widening.
- Both the manufacturing and service sectors have experienced negative cash flow balances.
- In Bournemouth, Dorset and Poole about 80% of businesses were operating below full capacity last year.

7.2.1 Productivity and competitiveness: future challenges

National economic difficulties, combined with the sharp reductions in public sector funding, could undermine the growth of businesses and jobs in previously strong sectors and could lead to a reduction in financial support for the voluntary and community sector. The challenge will be to continue the growth in productivity and competitiveness in Bournemouth and Poole and to increase the rate of growth elsewhere in Dorset. This is likely to require:

- partnership working between businesses and public sector organisations to improve the understanding of supply chains and opportunities this might provide for supporting sector clusters;
- development of economic linkages sub-regionally, nationally and internationally to support trade development and access new markets for businesses;
- strategies which are realistic about the structural nature of the economy in terms of its conurbation core and satellite settlements/self-contained towns and which ensure that future priorities, for example in relation to the green knowledge economy and infrastructure, are geared to support and promote enterprise and competitiveness;
- strengthening linkages between those areas which enjoy a functional affinity in economic terms, including neighbouring areas, to gain mutual benefits from growth in neighbouring areas and planning for infrastructure needs. For example:
    - the west/north of the area and the A303 corridor/Yeovil;
    - Hampshire, including marketing of the area to provide a more competitive regional and national offer, for sectors which benefit from a joined up approach;
- linking up economic and housing strategies, including future reviews of supporting evidence regarding employment land (the Workspace Strategy for Bournemouth, Dorset and Poole) and housing need (Strategic Housing Market Assessments).

7.3 The knowledge-intensive sector (including the Green Knowledge Economy)

The proportion of jobs within the knowledge-intensive sector is similar to that experienced nationally. Our area scores highly in terms of assets which might give this sector a competitive advantage. There are some structural weaknesses, such as skills supply, housing affordability (as a consequence of relatively low earnings levels and high house prices), and broadband capacity, that are important to address. This would suggest that tackling some of the structural challenges, when combined with the area's assets, could pay dividends in terms of promoting knowledge-intensive job growth.

- The environment offers a unique asset in terms of attracting workers and businesses and marketing. Opportunities for clustering could arise from this.
- The two universities (Bournemouth University and the Arts University College Bournemouth) provide a great asset for the area supporting strong sectors such as creative industries.
- Some ground work is already in place with the work that was done on the green knowledge economy for the Multi Area Agreement, identifying opportunities such as procurement practices which can help to develop local specialisms.
- The Employment and Skills Board for Bournemouth, Dorset and Poole, established in July 2010, provides a forum for public and private sectors to work with further/higher education, adult education and private training providers to address skills needs across the sub-region.
- The emerging South East Dorset Green Infrastructure Strategy is a positive step in helping to mitigate the environmental impacts of growth and enhance the attractiveness of the area to residents and businesses.

7.3.1 Knowledge-intensive sector: future challenges

Whilst the knowledge-intensive sector has similar representation in the local economy as is experienced nationally, the quality of the environment in the Dorset sub-region provides a significant competitive advantage. In the absence of any notable functional clusters, improving the performance of this sector will depend upon providing the right economic circumstances for it to flourish. This is likely to require:

- a continuation of work initiated through the Multi-Area Agreement which identified the potential for developing a 'green knowledge' cluster/specialism in the area, focussing on skills needs, transforming existing business activity (such as low carbon practices), promoting green procurement and building local capacity to implement low carbon construction solutions;
- overcoming recruitment difficulties and skills shortages for businesses by aligning training with business needs and attracting / retaining graduates in the local economy. The recently established Employment and Skills Board will provide a valuable forum for tackling this;
- the creation of the right job offers for skilled workers and graduates;
- tackling the cost of housing relative to incomes, which is currently a barrier to recruitment, particularly for younger people, including graduates. Forthcoming reviews of strategic housing market assessments should take account of economic strategies so that planning policies can help improve the supply of housing to meet the economic needs of the area;
- faster and more extensive broadband and ICT infrastructure to ensure that knowledge-intensive sectors, such as creative industries, are able to prosper. It will be important to give this appropriate attention in the face of other competing infrastructure needs, and also to manage how infrastructure provision is integrated, for example laying of broadband cables when roads are built or repaired;
- linking relevant threads of strategies which contribute in some way towards knowledge-intensive and 'green' sectors, including local development frameworks, local transport plans, education and health strategies, housing and employment land and infrastructure provision (including green infrastructure).

7.4 Public Sector

It is apparent that some parts of the sub-region have much higher than average representation of jobs in the public sector. The west of Dorset is particularly high, especially Dorchester which is home to Dorset County Council, West Dorset District Council, Dorchester hospital and Dorchester prison. Bearing in mind the town's proximity to Weymouth and Portland, it is likely that cuts in public sector resources could have a detrimental impact upon the local economy there too.

- 32% of jobs in West Dorset are in the public sector, compared with 22% across the entire Dorset sub-region (20% nationally).
- Part-time employment is common with just over half of public sector employees working part-time in the Dorset sub-region compared with around 42% nationally.
- The public services sectors are important providers of jobs to women, with 43% of women workers in the Dorset sub-region being employed in the public sector, above the national average of 40%.
- For every 100 public sector jobs lost, research suggests that an additional 34 jobs will be lost from the local economy with a reduction of £5.4 m GVA per annum.
- The abolition of the South West Regional Development Agency creates uncertainty over the prospects of potential future funding support for specific projects.
- The full cost of public sector cuts will start to emerge as evidence of impacts becomes more readily available. The key issues to explore will be:
    - job losses as a proportion of the public sector workforce, together with their value to the economy;
    - reductions in public sector procurement that can be attributed to local businesses;
    - the potential impact of Ministry of Defence (MoD) cuts, particularly in Blandford;
    - potential reductions in support for the voluntary and community sector.

There are some positive points which can be made, such as the relatively high proportion of business start-up and survival rates indicating a healthy level of enterprise which could help to absorb the impact of public sector cuts, and the potential for private bidders to deliver some public sector services as a means of promoting enterprise. Matching skills with the needs of the economy, including retraining, will be something which the Employment and Skills Board will be well-placed to consider.

There may also be opportunities to promote more green procurement practices and policies (as recommended by the MAA) to foster private sector job growth. Also, procurement will be important in terms of local job growth opportunities and can help to improve productivity and competitiveness.

7.4.1 Public sector: future challenges

Parts of the Dorset sub-region are heavily reliant upon the public sector. West Dorset, and especially the Dorchester/Weymouth and Portland area are particularly vulnerable to cutbacks in the public sector. Evidence suggests that this could also have a significant knock-on effect upon private sector jobs, and the voluntary and community sectors may also prove vulnerable to this. It will be vital to provide the right conditions for business start-ups, but also for smaller enterprises to grow in terms of size and productivity. Some of the key challenges include:

- promoting and supporting the growth and formation of small and medium-sized enterprises (SMEs), for example by influencing procurement strategies to support local businesses and the 'green sector';
- aligning the skills of 'displaced' pubic sector workers, including decommissioned MoD staff, with the needs of the economy, which the Employment and Skills Board will be well-placed to steer. Engineering, communications, logistics and management skills could help to fill locally reported skills deficits and offer social/economic benefits for people leaving the public sector and armed forces;
- developing our understanding of the implications of public sector job losses, particularly in some parts of the sub-region and on local communities and specific groups such as women;

Continued overleaf...

7.4.1 Public sector: future challenges (continued)

- considering the implications of national changes affecting local investment, such as the abolition of Regional Development Agencies, and aligning bidding strategies to future successor arrangements;
- a continuing review of procurement practices, focussing on:
  - building on the work of Dorset Procurement to maximise the opportunities for local suppliers to benefit from the combined purchasing power of public bodies in the sub-region;
  - how procurement practices can be used to encourage opportunities for local businesses and supply chains to compete for contracts, and to ensure that tendering processes are not weighted unfairly against SMEs in favour of larger national/multinational companies. Care would be needed to ensure fair competition is not hindered and that legal requirements are met;
  - ‘green’ procurement criteria which may serve to promote opportunities for local suppliers and green practices. It could be that the LEP, once up and running, could endorse such criteria;
  - opportunities to boost the voluntary and community sector;
  - increasing the capacity of the voluntary and community sector in the sub-regional economy.

7.5 Voluntary and Community Sector

The voluntary and community sector plays a significant role in the economy. Through fundraising and volunteer support the sector is able to boost GVA and add value to the economy in terms of its overall performance and competitiveness, and is a particularly important source of jobs for women. Building capacity in the voluntary and community sector is likely to become increasingly important in the light of public funding cutbacks and the Government's desire to promote the Big Society. However, there are potential limitations to its capacity:

- a reduction in grant support from regional bodies and other public sector organisations could have a significant impact upon some organisations;
- there is a reluctance on the part of voluntary and community sector organisations to deviate from often socially motivated core values or to be perceived as public (or private) sector organisations. This tends to limit the willingness to bid for public sector contracts despite an interest in the work;
- procurement and tendering procedures tend to present a barrier to smaller organisations who are unable to meet some of the qualifying criteria;
- a need within the sector for training and specialist advice support, particularly on funding;
- difficulties in recruitment, particularly of volunteers, would suggest that expanding the role of the sector could prove difficult without an increase in the availability and willingness of new volunteer recruits. There is evidence that volunteering levels are greater in areas of higher unemployment and so stronger economic performance could in fact reduce the pool of willing volunteers.

7.5.1 Voluntary and community sector: future challenges

The voluntary and community sector plays an important role in the economy and contributes positively towards overall productivity. It also shows potential to take on a bigger role in bidding for public sector contracts. As with the public sector, a significant proportion of employees in the voluntary and community sector are women and so growth in this sector help to counterbalance gender-specific impacts arising from public sector cuts.

However, there are some significant challenges for the voluntary and community sector. It is likely to face greater pressure on its funding sources, particularly those from grants or public sector sources. At the same time expectations that this sector can play a bigger role in service provision are hindered by specific capacity constraints. Increasing its capacity within the sub-regional economy is likely to require:

- funding for voluntary and community sector support services such as those provided by Councils for Voluntary Service (CVS);
- continued efforts on the part of representative bodies like CVS to get the sector more involved in multi-sector partnerships and local decision making to increase its ability to influence priorities and secure funding;
- on-going support in terms of training and skills development, including specialist funding advice, which is provided at sufficiently low cost to be accessible to organisations;
- greater willingness and capacity to bid for public sector contracts and service provision; and
- overcoming recruitment constraints, both of employees and volunteers.

7.6 An Ageing Population

Evidence shows that in-migration reinforces the elderly age structure of the population, and a significant proportion of the working-age population is reaching retirement age. In addition, the ratio of house prices to earnings is a barrier to younger workers. This presents particular issues for the Dorset sub-region in relation to recruiting a younger workforce, retaining skills and attempting to improve competitiveness with a relatively high proportion of retired residents.

7.6.1 An ageing population: future challenges

The economy faces a significant challenge in the face of the continued ageing of the population and workforce. As more skilled and experienced workers reach retirement age and with the drivers of in-migration still favouring those at or nearing retirement age, the pressure will be on to address the loss of skills and maintain a balanced workforce in terms of age and skills.

- Whilst older residents may not add directly to the area's GVA, businesses providing personal services and lifestyle and health sectors may benefit from their relatively wealthier profile.
- Retaining key skills of the younger retired or about-to-retire populations could be a useful resource, for instance through part-time employment, involvement in the voluntary and community sector and mentoring programmes. This is something which the Employment and Skills Board could assist in addressing.
- It will be critical to provide sufficient housing at affordable prices for younger people and graduates if the workforce is to avoid skills depletion as people retire.
- Economic strategies will need to take full account of housing market issues.

7.7 Affordable housing

High house prices, low wages and constraints on land availability have led to a severe shortage of affordable housing. These characteristics are seen elsewhere in the country, and have led to changes in national policy and funding to try to address them. In the Dorset sub-region the availability of affordable housing tends to be acute; house prices are generally above average and earnings below average. Addressing this is key to enabling young people to live in the area and help maintain the necessary skills pool to develop the economy.

7.7.1 Affordable housing: future challenges

The Dorset sub-region's highly valued environment creates particular challenges for housing provision. Evidence suggests that the scope for increasing supply will not be sufficient to meet this challenge alone given the unique combination of environmental constraints which exist. Addressing this challenge will thus require a package of measures:

- there will continue to be a need to increase the supply of housing in sustainable locations with good access to services and facilities, including good schools;
- the range of housing in terms of type, size and tenure should reflect housing needs in the area, including those required to support a prosperous economy, and planning strategies will have to play a key role in supporting this;
- a more competitive economy can help to deliver higher average incomes, which in turn can assist people in gaining access to housing;
- an updated picture of housing need will be provided through the forthcoming review of the Strategic Housing Market Assessments (SHMA) for Bournemouth/Poole and Dorchester/ Weymouth;
- the implications of changing national policy and funding of delivery will need to be assessed as part of the SHMA;
- developing a greater understanding of quality of life factors influencing economic growth and enterprise including the quality of schools, culture and leisure facilities, and the local environment, could be helpful, for instance as part of future employer surveys.

7.8 Skills gaps and the low wage economy

In general, the Dorset sub-region has a lower proportion of young people not in education, employment or training than are to be found in England as a whole. But there are local exceptions to this, particularly in Christchurch, Weymouth and Portland and North Dorset. The impact on the social and economic prospects of these young people will be significant, as will the potential loss of productivity to the economy.

The working age population in the Dorset sub-region has a similar standard of academic attainment to that found nationally. However, local variations, with Christchurch and Weymouth and Portland featuring a relatively low level of academic qualifications, reinforce the lack of skills in these areas. A recent survey of employers suggests that there is a higher level of vacancies in the sub-region than is to be found in the South West. This varies by sector, but the general view is that skills shortages are prevalent, particularly amongst customer services staff. In the conurbation, management skill shortages are significant whereas in DCC Dorset shortages in skilled trade occupations are also important. The establishment of the Bournemouth, Dorset and Poole Employment and Skills Board is a welcome step towards addressing skills gaps faced by the economy.

7.8.1 Skills gaps and a low wage economy: future challenges

Businesses within the Dorset sub-region tend to report a shortage of skilled workers and difficulties in recruiting workers with the right skills. Compounding factors such as an ageing working population and high house prices relative to incomes threaten to exacerbate skills shortages. This highlights the importance of:

- aligning employment and housing strategies to ensure the housing offer can support growth needs of the economy;
- maintaining dialogue and partnership working between businesses, education providers and public sector organisations through the Employment and Skills Board to:
  - improve the supply of skills needed in the economy, including management, customer services, skilled trades and specialist skills required by particular sectors;
  - gauge where future skills development will be required to meet economic growth opportunities, for instance in creative industries; and
  - address the impacts of an ageing workforce and the potential loss of skills in the workforce through retirement.

7.9 Infrastructure

Infrastructure is critical to the economy. In the sub-region, key issues for infrastructure relate to transport (traffic and congestion management, public transport and strategic links to the north, west and east), broadband, and supporting facilities such as schools, green infrastructure and health facilities.

Provision of the Weymouth Relief Road is an important improvement in infrastructure and, alongside other Olympic Legacy initiatives, should assist in boosting the local economy. Across the wider sub-region the Local Transport Plan for Bournemouth Dorset and Poole should provide greater certainty about the delivery of transport priorities.

There are initiatives in place which could assist in improving broadband capacity such as the Dorset Chamber of Commerce and Industry's Dorset Digital Task Force, while opportunities for making use of the Coalition Government's £20M Rural Broadband Fund, announced in March 2011, could be explored as a possible mechanism for improving connectivity in rural parts of the LEA area.

7.9.1 Infrastructure: future challenges

Rural areas by their nature suffer from lower levels of physical connectivity. Urban areas face other difficulties such as congestion, capacity of the strategic road network and a need for key transport improvements to unlock development potential. In addition to transport, infrastructure priorities will include broadband, measures designed to mitigate impacts of development upon international habitats (this is of particular relevance to housing development) and climate change mitigation such as flood management in coastal areas.

- Infrastructure delivery is a key enabling tool for bringing development sites forward. Greater partnership working between public agencies, local authorities and the private sector will be critical to delivering infrastructure in the light of a more constrained financial climate. Mapping out the key infrastructure priorities, identifying delivery mechanisms and quantifying gaps in funding will require a co-ordination of efforts.
- The localism agenda will raise an expectation that local infrastructure priorities should be given sufficient recognition and so transparency and partner working with communities will be important to the success of infrastructure strategies.
- Improving digital connectivity and broadband access is essential to support enterprise and the growth of target sectors such as creative industries (including media) and green knowledge economy, and work in hand to promote this. The Olympic Legacy strategy promotes initiatives to enhance and extend digital connectivity and improve access to broadband and wireless communications for business and the community especially areas with limited or no access.

7.10 Employment Land

The most up-to-date evidence indicates that the sub-region suffers from a constrained supply of employment land in those locations of greatest demand. There needs to be a choice of sites available to meet a variety of needs and it is important to retain a long-term perspective on the retention of employment land to ride out fluctuations in economic performance.

Any expectation on the part of a land owner that alternative use values (such as residential or retail) might be possible has a tendency to 'sterilise' land, either because the land owner holds out for a higher return or because the site is sold at an inflated price, thereby prohibiting its development for anything which does not deliver sufficient return. Latest government thinking indicates that more freedom should be allowed to redevelop/reuse vacant offices and other employment uses for residential. Although this might be beneficial in areas with a surplus of employment land and premises, it would present risks in the Dorset sub-region due to the constrained supply of land and premises.

A key issue is the amount of employment land that is available for immediate use. Only about a third (31%) is available in the short term, with a further 35% developable in the medium term and the remaining 34% is a longer term prospect, unlikely to be developed for at least 5 years or more. A major issue facing the local economy is how to unlock the enormous potential for employment development at the Airport. About 60% of potential employment land in the Bournemouth travel to work area is at the Airport. A future Local Enterprise Partnership will want to address the infrastructure, access and environmental factors which constrain this potential.

There are significant regeneration projects in Bournemouth and Poole, as well as Dorchester, Blandford and Weymouth, which involve mixed uses; these will help to create new jobs in the area. Given the current economic situation, there may be pressures to relax the expectations about the mix of uses in favour of easier-to-deliver uses which do not offer the same potential for job creation.

7.10.1 Employment land: future challenges

The Dorset sub-region has a constrained supply of employment land, particularly of sites which are immediately available or can be brought forward in the short term. This is particularly notable in South East Dorset. Maintaining an adequate choice of available sites will continue to be a key challenge in the sub-region otherwise opportunities for new investment and the expansion/retention of existing businesses will be hampered.

- It is important that local authorities take a long-term view towards the retention of sufficient suitable land and premises for employment uses when preparing development plans and determining planning applications/defending appeals.
- New opportunities for employment land should be explored with communities as part of emerging development plans.
- Consideration could be given to the use of compulsory purchase in situations where sites are not being brought forward, although it is acknowledged that in current economic circumstances it will be important to assess the cost implications and financial risks involved in adopting such a strategy. A review of the Local Investment Plan in partnership with the Homes and Communities Agency could provide an opportunity to consider whether or not such an approach is merited in particular cases.
- Work continues on measures to improve/overcome the infrastructure, access and environmental factors which constrain the potential employment land through joint strategies such as the recently submitted Local Transport Plan for Bournemouth Dorset and Poole.
- The Government's proposal to allow the conversion of commercial premises (such as offices) to residential use raises some concerns for the sub-region due to the constrained supply of employment land and premises. Whilst there may be cases where this could be supported, it will be important for planning strategies to consider the implications this could have for the long-term supply of business floorspace, should the Government proceed with this change.

7.11 Weymouth and Portland

One of the stand-out aspects from the assessment is that Weymouth and Portland faces some significant challenges in terms of its economy. Relatively high levels of multiple deprivation are recorded here.

Previous work, in particular the Economic Vision for Weymouth and Portland (Roger Tym and Partners, 2008), recognises that the economy of Weymouth and Portland is closely intertwined with that of Dorchester, with high levels of commuting in either direction. Lower house prices in Weymouth and Portland mean that many of Dorchester's workers live there. Addressing the economic needs of Weymouth and Portland thus needs to take account of this relationship.

Public sector cuts will affect both West Dorset (in particular Dorchester) and Weymouth and Portland more significantly than other parts of the LEA area and this will further exacerbate the economic challenges faced by Weymouth and Portland.

Weymouth and Portland is hosting the sailing events for the 2012 Olympics and this has provided a welcome opportunity to invest in the area and address structural weaknesses. The Legacy Board is working on a number of initiatives to progress and secure legacy benefits. The completion of the Weymouth Relief Road in March 2011 should help to increase confidence in the area and improve predictability of journey times.

7.11.1 Weymouth and Portland: future challenges

High levels of multiple deprivation, combined with poor economic performance mark Weymouth and Portland out as a special case in the Dorset sub-region. Future impacts arising from public sector cuts could exacerbate the problems and so much will depend upon the Olympic Legacy and an ongoing commitment to realise the benefits this can bring.

The need to promote greater prosperity in Weymouth and Portland has been recognised in previous studies. The LEA confirms that future priorities for Weymouth and Portland are:

- maximising benefits to Weymouth and Portland arising from the wider economic area including Dorchester and Winfrith;
- building upon opportunities such as new infrastructure and the Olympic Legacy as potential mechanisms for bringing about positive change;
- taking account of the Weymouth and Dorchester Strategic Housing Market Area review;
- maximising the Olympic legacy benefits including: improvements to digital connectivity and broadband access; exploiting opportunities for development of water based sectors, new marine business, and developing small boat building skills; promoting the area as a tourist destination; transferring of athletes' accommodation for affordable housing; and developing the Green Knowledge Economy particularly sustainable energy technology;
- tackling issues of deprivation and improving skills, training and education opportunities through the work of the Employment and Skills Board.

7.12 South East Dorset

South East Dorset's economy is more competitive than that of the wider Dorset sub-region and its score in the UK competitiveness index is close to the national average. Growth in GVA has progressively closed the gap on the national average figure, perhaps reflecting the presence of financial services and skilled production and engineering jobs. Bournemouth in particular has a high proportion of jobs in the service sector (93%) which would accord with the strength of financial services, retailing and tourism. East Dorset demonstrates high levels of business start up and survival rates.

Christchurch performs poorly relative to the Dorset Sub-region and national averages in educational attainment levels and the proportion of young people not in education, employment or training. On the other hand it shows strong performance in terms of business start-up rates and self-employment, indicating a degree of health in levels of enterprise.

There are high levels of multiple deprivation in some areas of the conurbation, such as within Boscombe. Tapping into employment and training opportunities will be important to improving the economic prospects of such areas.

A notable challenge for South East Dorset is the constrained supply of employment land. Whilst land is available, much of it cannot be brought forward in the short term.

7.12.1 South East Dorset: future challenges

South East Dorset is home to the largest and most dynamic economy within the wider Dorset sub-region. Its competitiveness is close to the national average and it contains a diverse mix of businesses. There is a degree of synergy across the conurbation and a good level of self-containment.

The future prosperity of the area is faced with some difficult challenges which may serve to slow down or reverse the improvements in competitiveness which the area has previously enjoyed. South East Dorset is also important to the economy of the wider Dorset sub-region.

- Existing employment areas and the town centres will continue to be important economic assets and so the retention/promotion of employment sites and premises will need to be recognised in relevant strategies.
- Continued commitment to strategies aimed at unlocking new employment opportunities at Bournemouth Airport and within town centre regeneration areas in Bournemouth and Poole will be essential.
- The Government's proposals to relax permitted development rights allowing the change of use of commercial uses to residential, could pose a risk to the economy of South East Dorset.
- Joining up related strands of various strategies could deliver efficiencies and added value in relation to bringing forward essential supporting infrastructure and managing threats to the economy. This will include the local transport plan, health strategies, regeneration plans, heathland mitigation and climate change mitigation / adaptation initiatives.
- Addressing skills needs within the economy will be vital to future prosperity and the Employment and Skills Board provides a valuable forum to address this issue.
- Access to affordable housing is, as in the DCC Dorset area, a pressing issue.

7.13 'Rural' Dorset

The DCC Dorset area includes those parts of the South East Dorset conurbation which are outside of Bournemouth and Poole Unitary Authorities, as well as Weymouth and Portland. Even so, only 54% of its population lives within entirely urban settlements, compared with 81% in England. This illustrates the fact that the DCC Dorset area is predominantly rural with a scattering of market towns and small settlements. Some towns, for example Gillingham, Dorchester, Wareham, Wimborne and Blandford, have important economic and service functions for their hinterlands but despite opportunities for regeneration in some of these places the established spatial settlement pattern and levels of physical connectivity are unlikely to alter significantly.

Positive attributes of the area include its high quality environment, a strong enterprise culture with high business start-up and survival rates, and good levels of academic attainment although it is the case that enterprise levels vary across 'rural' Dorset. Overall competitiveness fares reasonably well too, being just below the national average, but a concern for the area is that growth in GVA has been slower than in South East Dorset or the national average and the gap has been increasing.

A key challenge the area faces is the heavy reliance upon jobs in the public sector, accounting for 32% of jobs in West Dorset (57% in Dorchester). This makes the area vulnerable to public sector cuts. Improvements in competitiveness of new and expanding businesses, combined with carefully managed public sector procurement strategies, could go some way towards absorbing the impacts of job losses in the public sector. Supporting infrastructure such as faster broadband will be vital in areas where physical connectivity is sometimes limited.

A positive issue which is worthy of emphasis is the high quality tourism offer of the sub-region. Whilst not limited to the rural areas it is undoubtedly the comprehensive package of rural, coastal and urban attractions which distinguishes the sub-region's tourism industry. This provides an opportunity to secure higher skilled and better paid tourism jobs.
The sub-region possesses:

- unique and world-class watersports venues, including the National Sailing Academy and venue for the Olympic sailing events, at Portland, and in Poole Harbour the second largest natural harbour in the world;
- some of the best beaches in the UK and a micro-climate which is more favourable than most other parts of the country;
- a diverse range of accommodation and catering;
- the Jurassic Coast World Heritage Site;
- beautiful countryside and two Areas of Outstanding Natural Beauty, containing attractive market towns and significant heritage sites;
- international gateways at Bournemouth Airport and Poole and Weymouth ports; and
- major town centres within the South East Dorset conurbation, with theatres, cinemas, all-weather attractions, conference facilities and an arts centre.

7.13.1 'Rural' Dorset: future challenges

The predominantly rural areas of the sub-region rely upon a series of important settlements, some with good potential for growth. A high reliance upon public sector jobs poses a risk to the economy in the face of cuts, as does the impact this might have upon essential local services and voluntary / community sector support. These threats are tempered to some degree by high levels of enterprise and the quality of the environment, but it is apparent that a growth in businesses and productivity levels, supported by improved broadband speeds, will be essential to future prosperity.

- Measures which can assist in supporting business start-up rates, growth of small and medium enterprises and improvements in GVA could reap dividends in terms of absorbing the impact of a streamlined public sector. Key measures include:
    - better and faster broadband connectivity;
    - business support services;
    - ensuring an adequate supply of employment land and premises;
    - a continued commitment to developing procurement practices which maximise opportunities for smaller and local businesses.
- A shortage of affordable housing is a constraint upon business growth and addressing this will be an important challenge.
- The combination of a high quality environment and good enterprise levels in much of rural Dorset complement the attributes of the South East Dorset economy which offers more dynamic levels of economic activity, a diverse economic base and good quality higher education establishments. This combination provides a good basis for promoting synergies between the rural and urban areas, in particular:
    - the opportunities it provides to benefit from partnership work through the Wessex Multi Area Partnership and future Local Enterprise Partnership;
    - stronger supply chains which benefit Dorset firms;
    - knowledge-intensive and creative industries, including the green knowledge economy, which have an affinity with the high quality environment;
    - local specialisms for which Dorset has a good name and a strong identity, including high quality foods (farming and fish / seafood);
    - green energy production, for example economic benefits arising from sustainable energy crops and the West of Wight offshore wind farm;
    - further enhancing the high quality tourism offer of the sub-region as a comprehensive package which includes rural, coastal and urban attractions; and
    - the presence of a joint Bournemouth, Dorset and Poole Employment and Skills Board which can support the alignment of training, skills development and business support services to reflect the needs of the rural economy.

Chapter 8
Stakeholder Engagement

Chapter Eight: Stakeholder Engagement

The role of partners, their needs, perceptions and experience is central to the Local Economic Assessment. In particular, the process of engagement helps identify any gaps in the evidence as well as any issues and challenges which might have been overlooked. This chapter identifies those partners who are being consulted as part of the process of developing this assessment, the consultation processes used for each, the nature of their involvement and the extent of their contribution.

8.1 Partners

The main partners being consulted in the preparation of the LEA are:

<u>Local authorities and other elected councils</u>
Key to the process is the involvement of elected members who direct the process, ensure democratic accountability and ongoing community engagement, and who sign-off and adopt the final document. In addition, professionals within the various local authorities provide broad corporate ownership to the Assessment.

Although contributions from individual town or parish councils are valued and welcome, the main means of engagement with this tier of government is through the Dorset Association of Town and Parish Councils.

Finally within this sector, consultation with neighbouring county areas is important, particularly where functional economic areas extend beyond Dorset's boundaries.

<u>Business community</u>
Central to an understanding of the working of, and issues within the local economy is the contribution from business representative bodies, such as Chambers of Trade and Commerce, business federations and partnerships, and from support bodies like Job-Centre Plus and the Skills Funding Agency

<u>Major employers</u>
Individual employers bring real world experience and insight to the Assessment. Their contribution is most valued in helping understand the current national and local business trends and in developing a vision for the future of the area.

<u>Housing providers</u>
Future economic wellbeing is intrinsically linked to the provision of necessary homes, in the right places, to support employment. The contribution of private home builders and registered providers of social housing is essential to the Assessment. The building industry in itself is also recognised as an import driver in the local economy.

<u>Education sector</u>
The universities, local colleges and schools are important consultees, reflecting the link between employment and skills training.

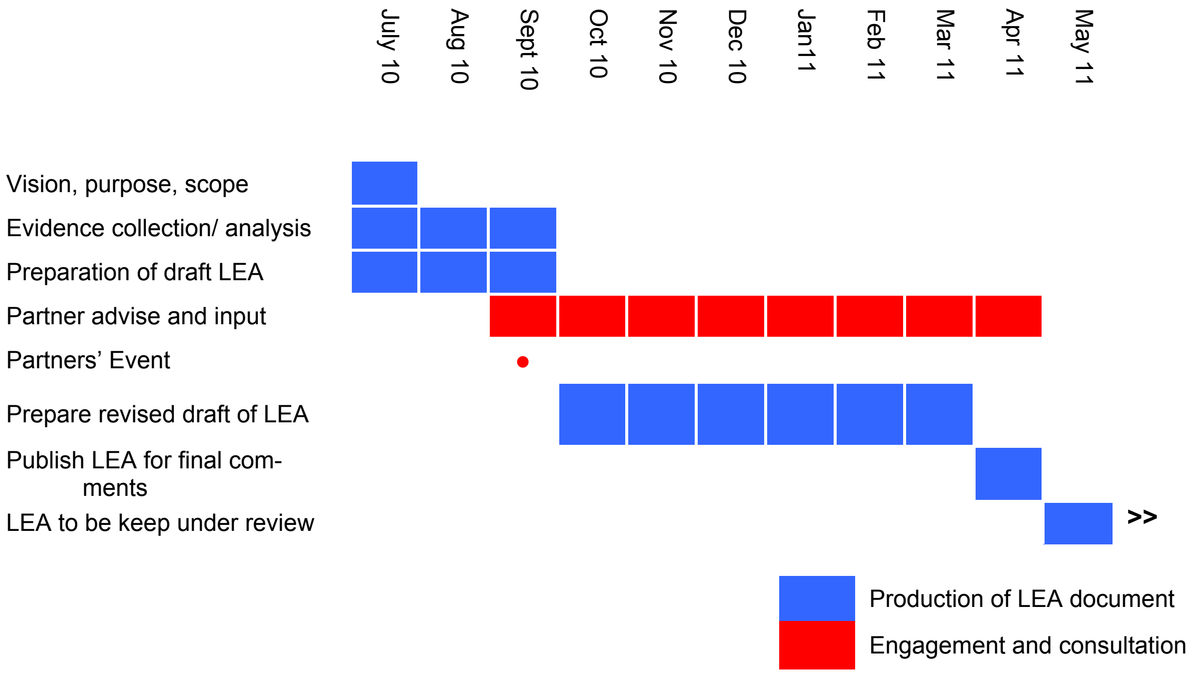
<u>Health sector</u>
The Assessment also needs to take into account the health and general well-being of the population. The development of future strategies and programmes within the health sector will also draw upon the findings of the Assessment.

<u>Statutory and other public and voluntary consultees</u>
This category includes key agencies and authorities – government, environmental, highways, infrastructure providers – who have a stake in the Assessment. A range of further public and voluntary bodies, such as the CABs, councils for voluntary services, youth associations can make an important contribution to the LEA.

The overall list of partners is shown at the end of this chapter.

8.2 The Engagement Process

The diagram below summarises the process by which consultation will be synchronised with the development of the Assessment.



8.3 Partners' Event

Some one hundred delegates representing a variety of business and public sector interests attended a partner event at The Lighthouse, Poole's arts centre, on the 23rd September 2010 to discuss the emerging LEA. Attendees were presented with a summary of the key findings.

The consultation event was extremely valuable. The key messages delivered from delegates caused the Steering Group to fundamentally rethink the Assessment. Also, the shear volume of feedback prompted the need to investigate sources of further information. As a result, a complete revision and restructuring of the report was put in train.

A list of delegates is shown as Appendix B

LEA Web Page and Mailbox
A web page for the Assessment has been set up at www.dorsetforyou.com/397967. This provides access to reports and other information about the project. In addition partners are invited to send in their consultation responses and views to the following email address:
m.t.lewis@dorsetcc.gov.uk

The Lowdown
News and progress updates from the Assessment, both during production and following publication, will be reported in *The Lowdown*, the economic bulletin for Bournemouth, Dorset and Poole. Current and past editions of The Lowdown can be viewed at:
http://www.dorsetforyou.com/344928.

The Engagement Plan
The Engagement Plan details the nature process by which partners will be able to express their views. Information on what contributions are sought, what information is to be provided, and what form that the consultation will take is provided for each of the partner groups identified above.

A full list of partners and their consultee groups is provided in Appendix A

Partner group	*Contribution of partner*	*Information given to partner*	*Means of engagement*	*Responsibility for engagement within LEA team*	*Anticipated frequency / key milestones*
Local authorities within Dorset	Lead officers and members central to process.. Provide leadership, vision and purpose for LEA, ensure delivery of Assessment, implementation, monitoring and review. Members ensure democratic accountability, community engagement and sign-off. Additional officers contribute corporate expertise and strategic alignment. Make available data and information. Input of knowledge and expertise at key stages in LEA process	Advice on purpose and progress of Assessment. Knowledge and information being assembled/ disseminated - to permit scrutiny, invite supplementation and seek advice	Partner Event Formal stages of consultation use of web page / email to progress information and distribution of consultation material	Steering group / consultation sub-group	Partner Event (23 Sept 2010) Final formal partner consultation (Feb 2011) Continuous engagement via updating of web-page and email alerts
Neighbouring county authorities	Advise on process based on shared experience. Input of knowledge, expertise, and information where functional economic areas lap over county boundaries	Advice on purpose and progress of Assessment. Knowledge and information being assembled/ disseminated - to permit scrutiny, invite supplementation and seek advice	Use of web page / email to progress information and distribution of consultation material. Officer meeting(s) if appropriate to discuss and exchange information	Steering group (lead subject officers)	Officer meetings if and when needed
Other public/ voluntary	Contribute expertise and strategic alignment and make available data and information. Input of knowledge and expertise at key stages in LEA process	Advice on purpose and progress of Assessment. Knowledge and information being assembled/ disseminated - to permit scrutiny, invite supplementation and seek advice	Partner Event Formal stages of consultation use of web page / email to progress information and distribution of consultation material	Steering group / consultation sub-group	Partner Event (23 Sept 2010) Final formal partner consultation (Feb 2011) Continuous engagement via updating of web-page and email alerts
Business community	Understanding of workings of and issues within local economy Input of knowledge and expertise at key stages in LEA process. Make available data and information.	Advice on purpose and progress of Assessment. Knowledge and information being assembled/ disseminated - to permit scrutiny, invite supplementation and seek advice	Partner Event Formal stages of consultation use of web page / email to progress information and distribution of consultation material	Steering group (particularly ED officers) / consultation sub-group	Partner Event (23 Sept 2010) Final formal partner consultation (Feb 2011) Continuous engagement via updating of web-page and email alerts

Major local employers	Real world and up-to-date understanding of workings of and issues within local economy. Input of knowledge and expertise at key stages in LEA process. Understanding of skills requirements	Advice on purpose and progress of Assessment. Knowledge and information being assembled/ disseminated - to permit scrutiny, invite supplementation and seek advice	Partner Event Formal stages of consultation use of web page / email to progress information and distribution of consultation material	Steering group (particularly ED officers) / consultation sub-group	Partner Event (23 Sept 2010) Final formal partner consultation (Feb 2011) Continuous engagement via updating of web-page and email alerts
Housing providers	First hand and up-to-date understanding of the housing market and its contribution to the working of the local economy. Input of knowledge and expertise at key stages in LEA process.	Advice on purpose and progress of Assessment. Knowledge and information being assembled/ disseminated - to permit scrutiny, invite supplementation and seek advice	Partner Event Formal stages of consultation use of web page / email to progress information and distribution of consultation material	Steering group / consultation sub-group	Partner Event (23 Sept 2010) Final formal partner consultation (Feb 2011) Continuous engagement via updating of web-page and email alerts
Education sector	Expertise and understanding of education and skills training and its contribution to the working of the local economy. Input of knowledge and expertise at key stages in LEA process.	Advice on purpose and progress of Assessment. Knowledge and information being assembled/ disseminated - to permit scrutiny, invite supplementation and seek advice	Partner Event Formal stages of consultation use of web page / email to progress information and distribution of consultation material	Steering group / consultation sub-group	Partner Event (23 Sept 2010) Final formal partner consultation (Feb 2011) Continuous engagement via updating of web-page and email alerts
Health sector	Expertise and understanding of trends in public and private healthcare. Particular insight into growth in elderly population. Input of knowledge and expertise at key stages in LEA process.	Advice on purpose and progress of Assessment. Knowledge and information being assembled/ disseminated - to permit scrutiny, invite supplementation and seek advice	Partner Event Formal stages of consultation use of web page / email to progress information and distribution of consultation material	Steering group / consultation sub-group	Partner Event (23 Sept 2010) Final formal partner consultation (Feb 2011) Continuous engagement via updating of web-page and email alerts
Statutory or formal consultees	Ensure alignment of LEA work with wider strategic context and goals, particularly regarding infrastructure and implementation. Input of knowledge and expertise at key stages in LEA process	Advice on purpose and progress of Assessment. Knowledge and information being assembled/ disseminated - to permit scrutiny, invite supplementation and seek advice	Partner Event Formal stages of consultation use of web page / email to progress information and distribution of consultation material	Steering group / consultation sub-group	Partner Event (23 Sept 2010) Final formal partner consultation (Feb 2011) Continuous engagement via updating of web-page and email alerts

Appendix A: Partner List

Local authorities
Borough of Poole
Bournemouth Borough Council
Christchurch Borough Council
Devon County Council
East Dorset District Council
Hampshire County Council
North Dorset District Council
Purbeck District Council
Somerset County Council
West Dorset District Council
Weymouth and Portland Borough Council
Wiltshire Council

Housing Providers
Bellway Homes
Betterment Properties
Bournemouth Churches Housing Association
C.G.Fry and Son Ltd
Harry J Palmer
Hastoe Housing Association
Home Builders Federation
Knightstone Housing Association
Lomand Homes
Magna Housing Association
National Housing Federation
Pennyfarthing Homes
Persimmon Homes
Raglan Housing Association
Sovereign Housing Association
Spectrum Housing Grouo
Synergy Housing Group
Yarlington Housing Group

Education sector
Arts University College, Bournemouth
Bournemouth & Poole College
Bournemouth University
Bryanston School
Clayesmore School
Kingston Maurward College
Port Regis School
Sherborne School
Weymouth College
Milton Abbey School

Other public/voluntary
Audit Commission
Bournemouth Council for Voluntary Services
Bournemouth Dorset and Poole MAA
Dorset Association of Parish and Town Councils
Dorset CAB Partnership
Dorset Community Action
Dorset Fire and Rescue
Dorset Police
Dorset Probation
Dorset Race Equality Council
Dorset Youth Association
Lyme Regis Development Trust
Poole Council for Voluntary Services
RNLI

Major employers
Abbey Life
Aish Technologies
Barclays Banking Group
Basepoint Business Centre (Christchurch)
Bournemouth Airport
Christchurch Harbour Hotel
Cobham Aviation Services
Crown Closures
Dek Printing
Dextra Lighting
FJB Hotels
Hall and Woodhouse
Honeywell Analytics
JP Morgan
Littlesea holiday park
Liverpool Victoria Building Society
Lush
Manchester Airport Group
Merlin Entertainment
Nationwide Building Society
Olives et al
Parkeon
RIAS
Sigma Aldrich (Poole)
Stalbridge Linen
Sunseeker International
Ultra Electronics
Waitrose
Waterside holiday group
Wessex Group
Yellow Buses

‘Statutory' or other formal consultees

Bournemouth & West Hants Water
Environment Agency
Government Office for the South West
Highways Agency
Homes and Communities Agency
National Farmers Union
Network Rail
South West RDA
Wessex Water

Business community

BH Live
Bournemouth Area Hospitality Association
Bournemouth Chamber of Trade and Commerce
Brewers Quay
Business Link
Christchurch Chamber of Trade and Commerce
Christchurch Community Partnership
Community Partnerships North Dorset
Connexions
Country Land and Business Association
Cowling and West
Creative Dorset
D2
Destination Dorset
DJ Property
Dorset Business
Federation of Small Businesses
Goadsby
Harbour Traders Association
Institute of Directors
Job-Centre Plus
Lynch Lane Serviced Offices
Mploy
National Apprenticeship Service
National Landlords Association
New Earth Solutions
Nordcat
Pineapple Developments Ltd
Poole Harbour Commissioners
Poole Partnership
Royal School of Signals, Blandford Camp
Savills (Wimborne)
Sibbett Gregory
Skills Agency
Southwell Business park
SWRDA (Ospey Quay)
The Armour Centre, Bovington
TRANSDEV Yellow Buses
Weymouth and Portland Partnership
Weymouth and Portland CCIT
Wilts and Dorset Buses

Appendix B: Contributors to Partner Workshop, 23rd September 2010

Delegate	Organisation	Delegate	Organisation
Nigel Barnes	Aish Technologies	Kath Burt	Environment Agency
Peter Brown	BH Live	Colin Jamieson	Federation of Small Businesses
Adrian Trevett	Borough of Poole	Mark Hepworth	Geo Economics / Bournemouth University
Charles Arthurs	Borough of Poole	Gary Palmer	Goadsby Planning and Environment
Cllr Don Collier	Borough of Poole	Paul Glossop	Government Office for the South West
Gwen Brennan-Barrass	Borough of Poole	Mark Woodhouse	Hall and Woodhouse Ltd
John McBride	Borough of Poole	Ian Parsons	Highways Agency
Peter Stratford	Borough of Poole	Bill Dowling	HQ 43 (Wessex) Brigade
Gillian Donald	Bournemouth and Poole College	Karen Taylor	Jobcentre Plus
Lindley Owen	Bournemouth & Poole PCT	Andy Daw	Kingston Maurward College
Alan Cheesman	Bournemouth Borough Council	Jonathan Thornton	Knightstone Housing Association
Debbie Clifton	Bournemouth Borough Council	Andrew Glatter	Liverpool Victoria Building Society
Jayne Dale	Bournemouth Borough Council	Harvey Greenman	Manchester Airport Group
Mike Holmes	Bournemouth Borough Council	Brett Spiller	New Earth Solutions Group Ltd
Steve Garrett	Bournemouth Borough Council	Hilary Ritchie	North Dorset District Council
Tony Williams	Bournemouth Borough Council	Terry Sneller	North Dorset District Council
Mandy Payne	Bournemouth Chamber of Trade and Commerce	Giles Henschel	Olives et al
Gordon Page	Bournemouth Dorset and Poole MAA	Owen Griffith	Parkeon Transit Limited
Matthew Beaumont	Bournemouth, Dorset and Poole MAA	Alex Laney	Pennyfarthing Homes Ltd
Matthew Butcher	Business Link Wessex	Ian Cambrook	Pidela Consulting
Steve Webster	Business Link Wessex	Hilary Evans	Poole Partnership
Ann Simon	Christchurch Borough Council	Richard Dimbleby	Poole Partnership
Cllr Sue Spittle	Christchurch Borough Council	Cllr Simon Goldsack	Purbeck District Council

Delegate	Organisation	Delegate	Organisation
Nigel Davies	Christchurch Borough Council	Richard Wilson	Purbeck District Council
Terry Atkinson	Christchurch Chamber of Trade and Commerce	Nathan Cronk	Raglan Housing Association
Mark Merritt	Christchurch Community Partnership	Lt Col Bob Brannigan (Ret'd)	Royal School of Signals, Blandford Camp
Dominic Tambling	Creative Dorset	Tim Hoskinson	Savills (Wimborne)
Jerry Stimpson	Crown Closures	Jonathan Sibbett	Sibbett Gregory
Simon Raynes	D2 - Dorset Squared Ltd	Sue Farrell	Skills Funding Agency
Jeremy Pope	Destination Dorset	Lindsay Shearer	Sovereign Housing Group Ltd
Denise Addison	Dorchester Chamber of Commerce, Industry and Tourism	Amanda Williams	Synergy Housing
Charlie Monkcom	Dorset Citizens Advice Partnership	Stuart Bartholomew	The Arts Institute at Bournemouth
Anne Gray	Dorset County Council	Jenni Wilkinson	Transdev Yellow Buses
David Walsh	Dorset County Council	Philip Jacobs	Waterside Holiday Group
Don Gobbett	Dorset County Council	Alison Clothier	West Dorset District Council
Ian Denness	Dorset County Council	Cllr T Seall	West Dorset District Council
Malcolm Lewis	Dorset County Council	Trevor Hedger	West Dorset District Council
Maxine Bodell	Dorset County Council	Vicky Martin	West Dorset District Council
Mike Garrity	Dorset County Council	Andrew Galpin	Weymouth and Portland BC
Rebecca Porter	Dorset County Council	Cllr Geoff Petherick	Weymouth and Portland BC
Robert Ford	Dorset Fire and Rescue	Cllr Michael Goodman	Weymouth and Portland BC
John Ferguson	Dorset Police	Gareth Jones	Weymouth and Portland BC
Adnan Chaudry	Dorset Race Equality Council	Peter Mankin	Weymouth and Portland Partnership
Cllr Malcolm Birr	East Dorset District Council	Paul Lonsdale	Weymouth College
James Smith	East Dorset District Council	Sarah Maylor	Yarlington Housing Group
Paula Sales	East Dorset District Council		

Appendix C: Evidence Catalogue

LEA chapter:	Dataset/ document:	Source:	Contents/ coverage:	Latest issue:	Historic series:	Geographies:	Link:	Notes:
2 Overall Picture								
2.1 Geographic background	Mid-year population estimates	ONS	population by age and sex	2009	From 1981	National; regional; BDP; districts; LSOA	http://www.statistics.gov.uk/statbase/Product.asp?vlnk=15106	
2.2 The Urban/ Rural Split	Rural/urban classification definition	ONS	rural/urban classification definition	2004	NA	Wards; LSOA; MSOA; output areas	http://www.ons.gov.uk/about-statistics/geography/products/area-classifications/rural-urban-definition-and-la-classification/rural-urban-definition/index.html	
3 Economic Competitiveness								
3.1 Business Demographics	Business Demography	ONS	births, deaths, stock and survival of enterprises	2009	2007	National; regional; BDP; districts	http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15186	Annual series
3.2 Gross Value Added	Gross Value Added (current basic prices)	ONS	£millions; £ per resident head; broad sector	2008	Annual from 1995	National; regional; Bournemouth & Poole; DCC Dorset	http://www.statistics.gov.uk/Statbase/Product.asp?vlnk=14650	Annual series released around November. Also available through Regional Accounts for comparison.
	Quarterly Economic Survey	British Chambers of Commerce and Industry (local data from University of the West of England)	home sales and orders, export sales and orders, employment prospects, investment, recruitment difficulties, cashflow, confidence and price pressures	Published April/ July/ October/ January	Nationally from 2002	National, regional, Dorset sub-region	http://www.britishchambers.org.uk/zones/policy/reports/quarterly-economic-survey.html	Quarterly sample survey, subject to error especially as very low response in Dorset.
3.3 Output per Hour Worked	UK Competitiveness Index	Centre for International Competitiveness, University of Cardiff	range of indicators with overall index and ranking	2010	2002, 2005, 2006, 2008, 2010	Districts/UAs	http://www.cforic.org/pages/ukci2010.php	

LEA chapter:	Dataset/ document:	Source:	Contents/ coverage:	Latest issue:	Historic series:	Geographies:	Link:	Notes:
2 Overall Picture								
2.1 Geographic background	Mid-year population estimates	ONS	population by age and sex	2009	From 1981	National; regional; BDP; districts; LSOA	http://www.statistics.gov.uk/statbase/Product.asp?vlnk=15106	
2.2 The Urban/ Rural Split	Rural/urban classification definition	ONS	rural/urban classification definition	2004	NA	Wards; LSOA; MSOA; output areas	http://www.ons.gov.uk/about-statistics/geography/products/area-classifications/rural-urban-definition-and-la-classification/rural-urban-definition/index.html	
3 Economic Competitiveness								
3.1 Business Demographics	Business Demography	ONS	births, deaths, stock and survival of enterprises	2009	2007	National; regional; BDP; districts	http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15186	Annual series
3.2 Gross Value Added	Gross Value Added (current basic prices)	ONS	£millions; £ per resident head; broad sector	2008	Annual from 1995	National; regional; Bournemouth & Poole; DCC Dorset	http://www.statistics.gov.uk/Statbase/Product.asp?vlnk=14650	Annual series released around November. Also available through Regional Accounts for comparison.
	Quarterly Economic Survey	British Chambers of Commerce and Industry (local data from University of the West of England)	home sales and orders, export sales and orders, employment prospects, investment, recruitment difficulties, cashflow, confidence and price pressures	Published April/ July/ October/ January	Nationally from 2002	National, regional, Dorset sub-region	http://www.britishchambers.org.uk/zones/policy/reports/quarterly-economic-survey.html	Quarterly sample survey, subject to error especially as very low response in Dorset.
3.3 Output per Hour Worked	UK Competitiveness Index	Centre for International Competitiveness, University of Cardiff	range of indicators with overall index and ranking	2010	2002, 2005, 2006, 2008, 2010	Districts/UAs	http://www.cforic.org/pages/ukci2010.php	

LEA chapter:	Dataset/ document:	Source:	Contents/ coverage:	Latest issue:	Historic series:	Geographies:	Link:	Notes:
3.4 Economic Specialisms and Sectoral Clusters	Annual Business Inquiry workplace analysis	ONS	data units (proxy for businesses): total; industrial sector; size band (no of employees)	2008	Potentially back to 1991 but serious compatibility issues. Now discontinued.	National; regional; BDP; districts; wards; LSOA	https://www.nomisweb.co.uk/Default.asp	Annual series released in December. Confidential data subject to rounding and suppression. Excludes the self-employed and many very small businesses. Sample survey so subject to error and discontinuity.
3.5 UK Competitiveness Index 2010	UK Competitiveness Index	Centre for International Competitiveness, University of Cardiff	range of indicators with overall index and ranking	2010	2002, 2005, 2006, 2008, 2010	Districts/UAs	http://www.cforic.org/pages/ukci2010.php	
4 Industrial and Business Structure								
4.1 The Number and Size of Local Businesses	UK Business: Activity, Size and Location	ONS	VAT/PAYE registered local units/ enterprises: industrial sector; size band (no of employees); turnover band; age of business	2010	Annual from 1995	National; regional; BDP; districts; parliamentary constituency	http://www.statistics.gov.uk/statbase/product.asp?vlnk=933	More consistently from 2006.
	Annual Business Inquiry workplace and employee analyses	ONS	data units (proxy for businesses): total; industrial sector; size band (no of employees); employee numbers full time/part time/total/ male/female	2008	Potentially back to 1991 but serious compatibility issues. Now discontinued.	National; regional; BDP; districts; wards; LSOA	https://www.nomisweb.co.uk/Default.asp	Annual series. Confidential data subject to rounding and suppression. Excludes the self-employed and many very small businesses. Sample survey so subject to error and discontinuity. Permission needed for access.
4.2 Number of Businesses by Sector	Business Register and Employment Survey	ONS	employee numbers full time/part time/ total	2009	Estimates for 2008 also produced but 2009 is first true dataset.	National; regional; BDP; districts; wards; LSOA	https://www.nomisweb.co.uk/Default.asp	As above
	Annual Business Inquiry workplace and employee analyses	ONS	data units (proxy for businesses): total; industrial sector; size band (no of employees); employee numbers full time/part time/total/ male/female	2008	Potentially back to 1991 but serious compatibility issues. Now discontinued.	National; regional; BDP; districts; wards; LSOA	https://www.nomisweb.co.uk/Default.asp	As above.

LEA chapter:	Dataset/ document:	Source:	Contents/ coverage:	Latest issue:	Historic series:	Geographies:	Link:	Notes:
4.3 Number of Employee Jobs by Sector	Business Register and Employment Survey	ONS	employee numbers full time/part time/total	2009	Estimates for 2008 also produced but 2009 is first true dataset.	National; regional; BDP; districts; wards; LSOA	https://www.nomisweb.co.uk/Default.asp	Annual series. Confidential data subject to rounding and suppression. Excludes the self-employed and many very small businesses. Sample survey so subject to error and discontinuity. Permission needed for access.
	Sub-regional Public and Private Sector Employee Job Estimates	ONS/BIS	employee numbers in public/private sector based on organisation type	2008	Annual from 2003	districts/UAs and TTWAs	http://www.statistics.gov.uk/statbase/Product.asp?vlnk=6365	Derived from ABI.
	Annual Business Inquiry workplace and employee analyses	ONS	data units (proxy for businesses): total; industrial sector; size band (no of employees); employee numbers full time/part time/ total/ male/female	2008	Potentially back to 1991 but serious compatibility issues. Now discontinued.	National; regional; BDP; districts; wards; LSOA	https://www.nomisweb.co.uk/Default.asp	Annual series. Confidential data subject to rounding and suppression. Excludes the self-employed and many very small businesses. Sample survey so subject to error and discontinuity. Permission needed for access.
	Regional Accounts	South West Observatory	range of variables including economic impact tool	2011 update	Varies	National; regional; BDP	http://economy.swo.org.uk/south-west-regional-accounts/	Produced by the Economy Module of SWO - under threat due to government cut backs.
	Annual Population Survey	ONS	range of variables	Jun-10	From Oct-Dec 2004, quarterly	National; regional; BDP; districts	https://www.nomisweb.co.uk/Default.asp	Annual dataset released four times a year; subject to error at local geographies. Some variables, eg qualifications, only available with the calendar year quarter.

LEA chapter:	Dataset/ document:	Source:	Contents/ coverage:	Latest issue:	Historic series:	Geographies:	Link:	Notes:
4.4 Number of Businesses and Employees by Sector	UK Business: Activity, Size and Location	ONS	VAT/PAYE registered local units/enterprises: industrial sector; size band (no of employees); turnover band; age of business	2010	Annual from 1995	National; regional; BDP; districts; parliamentary constituency	http://www.statistics.gov.uk/statbase/product.asp?vlnk=933	More consistently from 2006.
	Annual Business Inquiry workplace and employee analyses	ONS	data units (proxy for businesses): total; industrial sector; size band (no of employees); employee numbers full time/part time/ total/ male/female	2008	Potentially back to 1991 but serious compatibility issues. Now discontinued.	National; regional; BDP; districts; wards; LSOA	https://www.nomisweb.co.uk/Default.asp	Annual series. Confidential data subject to rounding and suppression. Excludes the self-employed and many very small businesses. Sample survey so subject to error and discontinuity. Permission needed for access.
4.5 Age of Local Businesses	UK Business: Activity, Size and Location	ONS	VAT/PAYE registered local units/enterprises: industrial sector; size band (no of employees); turnover band; age of business	2010	Annual from 1995	National; regional; BDP; districts; parliamentary constituency	http://www.statistics.gov.uk/statbase/product.asp?vlnk=933	More consistently from 2006.
4.6 The Local Economy by Turnover	UK Business: Activity, Size and Location	ONS	VAT/PAYE registered local units/enterprises: industrial sector; size band (no of employees); turnover band; age of business	2010	Annual from 1995	National; regional; BDP; districts; parliamentary constituency	http://www.statistics.gov.uk/statbase/product.asp?vlnk=933	More consistently from 2006.

LEA chapter:	Dataset/ document:	Source:	Contents/ coverage:	Latest issue:	Historic series:	Geographies:	Link:	Notes:
4.7 Economic Growth	UK Business: Activity, Size and Location	ONS	VAT/PAYE registered local units/enterprises: industrial sector; size band (no of employees); turnover band; age of business	2010	Annual from 1995	National; regional; BDP; districts; parliamentary constituency	http://www.statistics.gov.uk/statbase/product.asp?vlnk=933	More consistently from 2006.
	Annual Business Inquiry workplace and employee analyses	ONS	data units (proxy for businesses): total; industrial sector; size band (no of employees); employee numbers full time/part time/ total/ male/female	2008	Potentially back to 1991 but serious compatibility issues. Now discontinued.	National; regional; BDP; districts; wards; LSOA	https://www.nomisweb.co.uk/Default.asp	Annual series. Confidential data subject to rounding and suppression. Excludes the self-employed and many very small businesses. Sample survey so subject to error and discontinuity. Permission needed for access.
	Regional Accounts	South West Observatory	range of variables including economic impact tool	2011 update	Varies	National; regional; BDP	http://economy.swo.org.uk/south-west-regional-accounts/	Produced by the Economy Module of SWO - under threat due to government cut backs.
5 The Local Labour Market								
5.1 Dorset's Current and Future Population	Mid-year population estimates	ONS	population by age and sex	2009	From 1981	National; regional; BDP; districts; LSOA	http://www.statistics.gov.uk/statbase/Product.asp?vlnk=15106	
	Sub-national population projections, 2008 based	ONS	projections by sex and quinary age	2008 based	2008-2033	National; regional; BDP; districts	http://www.statistics.gov.uk/statbase/Product.asp?vlnk=997	
5.2 Employment and Earnings	Annual Population Survey	ONS	range of variables	Jun-10	From Oct-Dec 2004, quarterly	National; regional; BDP; districts	https://www.nomisweb.co.uk/Default.asp	Annual dataset released four times a year; subject to error at local geographies. Some variables, eg qualifications, only available with the calendar year quarter.
	NEETs Quarterly Report	Connexions	% of young people 16-18 years NEET, plus other variables	Nov-10	Quarterly from 2009	National; regional; BDP; districts		
	Annual Survey of Hours and Earnings	ONS	median workplace/ residence based earnings	2010	From 1997	National; regional; BDP; districts	http://www.statistics.gov.uk/statbase/product.asp?vlnk=13101 https://www.nomisweb.co.uk/Default.asp	Annual release. Recommended to use median for full time employees as sample survey and other variables (sex, part-time) unreliable at local level. Care: discontinuities and not reliable for year on year comparison.

LEA chapter:	Dataset/ document:	Source:	Contents/ coverage:	Latest issue:	Historic series:	Geographies:	Link:	Notes:
5.3 Education and Skills	Annual Population Survey	ONS	range of variables	Jun-10	From Oct-Dec 2004, quarterly		https://www.nomisweb.co.uk/Default.asp	Annual dataset released four times a year; subject to error at local geographies. Some variables, eg qualifications, only available with the calendar year quarter.
	National Employers Skills Survey	Learning & Skills Council/UK Commission for Employment & Skills	range of variables around learning and skills needs	2009	2003, 2004, 2005, 2007, 2009	National; regional; BDP	http://www.ukces.org.uk/tags/report/national-employer-skills-survey-for-england-2009-key-findings-report	
6 Sustainable Infrastructure								
6.1 Business Sites	Commercial and industrial floorspace	ONS	commercial and industrial floorspace and rateable value statistics	2008	From 1998	National; regional; BDP; districts; MSOA	http://www.neighbourhood.statistics.gov.uk/dissemination/datasetList.do?JSAllowed=true&Function=&%24ph=60&CurrentPageId=60&step=1&CurrentTreeIndex=-1&searchString=&datasetFamilyId=934&Next.x=13&Next.y=10	
	National Land Use Database	ONS	previously developed land	2008	From 2004	National; regional; BDP; districts	http://www.neighbourhood.statistics.gov.uk/dissemination/datasetList.do?JSAllowed=true&Function=&%24ph=60&CurrentPageId=60&step=1&CurrentTreeIndex=-1&searchString=&datasetFamilyId=1235&Next.x=7&Next.y=8	

LEA chapter:	Dataset/ document:	Source:	Contents/ coverage:	Latest issue:	Historic series:	Geographies:	Link:	Notes:
6.2 Housing	Strategic Housing Market Assessment	Dorset County Council	documentation and evidence base	2008	NA	Bournemouth/Poole and Dorchester/Weymouth	http://www.dorsetforyou.com/390062	
	House Price Index	HM Land Registry	monthly index based on completed, repeat sales	2011	From 1995	National; regional; BDP	http://www.landregistry.gov.uk/www/wps/portal/!ut/p/c1/04_SB8K8xLLM9MSSzPy8xBz9CP0os3gfN1MTQwt381DL0BBTAyNjY0cTE19PQwN3M6B8JB55A2J0G-AAjoR0-3nk56bqF-SGRpQ7KioCALdDEtQ!/dl2/d1/L2dJQSE-vUUt3QS9ZQnB3LzZfTEY1NDE4RzdVOVVUNTAyMzNBNDRNSTEwRzU!	The HPI cannot be compared with average house price data, available quarterly for purchase from HM Land Registry, which covers lower geographies.
6.3 Transportation	Local Transport Plan	BDP councils	current and draft plans	2006-2011	NA	South East Dorset/Rest of Dorset	http://www.dorsetforyou.com/localtransportplan	
6.4 Travel to Work	Annual Population Survey	ONS	commuting update	2008	NA	BDP; districts	http://www.neighbourhood.statistics.gov.uk/dissemination/Info.do?page=analysisandguidance/analysisarticles/commuting-from-the-annual-population-survey.htm	
6.5 Broadband	Internet Access - Households and Individuals	ONS	data tables about households with home access to the internet and individual internet usage	2010	From 1998	UK	http://www.statistics.gov.uk/statbase/Product.asp?vlnk=5672	
	Dorset Citizens' Panel 22	Dorset County Council	council's budget; connectivity and broadband; culture in Dorset; equality and diversity; community safety	2010	NA	DCC Dorset	http://consultation-tracker.dorsetforyou.com/00,consultation,8531,330,00.htm	

Glossary

ABI	Annual Business Inquiry	https://www.nomisweb.co.uk/Default.asp
APS	Annual Population Survey	https://www.nomisweb.co.uk/Default.asp
BDP	Bournemouth, Dorset, Poole	
BIS	Department for Business, Innovation and Skills	http://www.bis.gov.uk/
BRES	Business Register and Employment Survey	https://www.nomisweb.co.uk/Default.asp
CLG	Communities and Local Government	http://www.communities.gov.uk/corporate/
DCC	Dorset County Council (area)	
DCSF	Department for Children, Schools and Families - now Department for Education	http://www.education.gov.uk/
DECC	Department of Energy and Climate Change	http://www.decc.gov.uk/
DSR	Dorset sub-region (Bournemouth, Dorset and Poole)	
DWP	Department for Work and Pensions	http://www.dwp.gov.uk/
FSB	Federation of Small Businesses	http://www.fsb.org.uk/
FTE	Full Time Equivalent (post)	
GKE	Green Knowledge Economy	http://www.geoeconomics.com/briefs3.php
GVA	Gross Value Added	
HMA	Housing Market Assessment	http://www.dorsetforyou.com/390062
JSA	Job Seeker's Allowance	http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/Employedorlookingforwork/DG_10018757
LEA	Local Economic Assessment	http://www.dorsetforyou.com/397967
LEP	Local Enterprise Partnership	http://www.communities.gov.uk/localgovernment/local/localenterprisepartnerships/
LSC	Learning and Skills Council (closed 31/03/2010)	http://www.lsc.gov.uk/
LTP	Local Transport Plan	http://www.dorsetforyou.com/localtransportplan
MAA	Multi Area Agreement	http://www.idea.gov.uk/idk/core/page.do?pageId=6960557

NEET	Not in Education, Employment or Training	http://www.dcsf.gov.uk/14-19/index.cfm?go=site.home&sid=42&pid=343&ctype=None&ptype=Contents
NVQ	National Vocational Qualification	http://www.direct.gov.uk/en/EducationAndLearning/QualificationsExplained/DG_10039029
ONS	Office for National Statistics	http://www.statistics.gov.uk/hub/index.html
PAYE	Pay As You Earn	
RSS	Regional Spatial Strategy	http://www.southwest-ra.gov.uk/nqcontent.cfm?a_id=538
SWO	South West Observatory	http://www.swo.org.uk/
TTWA	Travel to Work Area	http://www.statistics.gov.uk/geography/ttwa.asp
UKCES	UK Commission for Employment and Skills	http://www.ukces.org.uk/
VAT	Value Added Tax	http://www.hmrc.gov.uk/vat/start/register/index.htm
WMAP	Wessex Multi Area Partnership	http://www.dorsetmaa.org.uk/