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

**Big Numbers Box**

- **22,300** businesses
- **163,000** employees
- **13,000** expected employment growth by 2027
- **35%** workers in high productivity employment
- **£498** weekly pay for full-time employees working in Dorset
- **£830m** Value of Dorset’s productivity gap
- **36%** of workforce aged 50+
- **18%** self-employed
- **3,000** Expected fall in the working age population over the next 10 years

---

**Box 1: Businesses**

- Although business survival is good, we have fewer than average business births: 82 to every 10,000 residents aged 16-64 compared with 107 in England.
- And we have smaller business units: just 7.3 employees per business unit compared with 9.5 in England.
- Our businesses are less competitive than the national average, although North Dorset moved up 39 places in rank from 2013: the 4th highest climber nationally.

- **GVA per hour worked**
  - **DCC**: £27.80
  - **SW**: £29.30
  - **UK**: £32.60

- Whilst we have above national average representation of advanced engineering and of manufacturing as a whole, we have low representation of both businesses and employees in high productivity sectors and also below average representation in high R&D spending sectors.
- Self-employment is high in Dorset: about 18% of economically active residents compared with 14% in England.
- Government spending cuts affect the wider economy through supply chains and reduced funding grants for the voluntary and community sector. Procurement from local firms keeps more money in our economy: on average, every £1 of local authority procurement spending with local firms generates an additional 51p in the local economy - even more if spend is with small and medium sized firms.

---

**Sources**

1 Business Demography 2016, ONS
2 UK Businesses 2017 and BRES 2016, ONS
3 GVA per hour worked (provisional) 2004-2016, ONS
4 UK Competitiveness Index 2016, Centre for International Competitiveness
5 UK Gross domestic expenditure on research and development: 2015, ONS
6 Census of Population 2011, ONS
7 Local Procurement: Making the most of small business, one year on, Federation of Small Businesses
Box 2: People

- Employment is expected to grow by more than 13,000 in Dorset over 2017-27\(^7\) - but about a quarter of this new employment will be part time.
- Manufacturing, health, retail, education and hospitality are all big employers in Dorset.
- 45% of skills required by employers over the next decade are for level 4 and above.
- 12 neighbourhoods in Dorset are in the most deprived 20% nationally for employment\(^9\) - nine of these are in Weymouth & Portland.

Weekly earnings for people working in Dorset are £498 of national earnings

- Earnings are below average. Median gross weekly pay for full time employees was £498 for Dorset workers compared with £552 in Great Britain\(^\text{10}\).
- 36% of the Dorset workforce is aged over 50 compared with 28% in England\(^\text{11}\). Older workers have experience and skills and, as more people retire, other workers need training to fill the gaps.
- Over the next decade, the population in Dorset aged 16-64 will shrink by 0.1% per annum. That's a net loss of nearly 3,000 people in this age group. The dependency ratio, which is the number of people aged 65+ compared to the number of people of working age, is expected to increase from 53 per 100 in 2018 to 63 per 100 in 2028\(^\text{12}\).
- Around 5,600 apprenticeships were started in Dorset in 2015/16\(^\text{13}\). It is estimated that for every £1 of public monies spent on apprenticeships, an economic benefit of £21 is created\(^\text{14}\).

What are we doing about it?

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

Dorset County Council, working with Purbeck District Council and the Local Enterprise Partnership, has supported the establishment of an enterprise zone located between Dorchester and Wareham called Dorset Innovation Park. The initial phase to create 20 new employment units alongside the existing advanced engineering businesses already in situ, is complete. Dorset Innovation Park Enterprise Zone is an advanced engineering cluster of excellence for the South West, building on strengths in marine, defence and energy.

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

Sources

8 LEFM 2017/Dorset County Council
9 English Indices of Deprivation (2015), DCLG
10 Annual Survey of Hours and Earnings (2017), ONS
11 Census of Population (2011), workplace statistics
12 2016-based trend population projections, 2018-2028, Dorset County Council
13 The Localism Dashboard, Education and Skills Funding Agency
14 The Economic Impact of Apprenticeships, 26/11/2014, Centre for Economic and Business Research

Produced by Policy and Research, Chief Executive’s Dept. a.e.gray@dorsetcc.gov.uk