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 19% less than the UK average.

**Big Numbers Box**

- **20,000** businesses
- **143,000** employees
- **£1.7bn** Value of Dorset's productivity gap
- **11,000** expected employment growth by 2027
- **£523** weekly pay for full-time employees working in Dorset
- **36%** workers in high productivity employment
- **£1.7bn** Value of Dorset's productivity gap
- **36%** of workforce aged 50+
- **18%** self-employed
- **5,100** 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: 72 to every 10,000 residents aged 16-64 compared with 97 in England¹.
- And we have smaller business units: just 7.2 employees per business unit compared with 9.6 in England².
- Whilst large firms represent less than one per cent of Dorset's business stock, they employ about a fifth of the workforce. Ensuring the availability of suitable employment land like the Dorset Innovation Park to offer larger sites and units gives local firms the chance to expand and relocate here, rather than leave the area. It also offers choice to new businesses considering a move to Dorset, bringing new jobs with them.
- Dorset is less competitive than the national average. In recent years competitiveness has worsened, with all parts of Dorset becoming less competitive. Only the former district areas of East Dorset and West Dorset rank at or above the median for the country. The former area of Weymouth & Portland ranks 372 out of 379 localities and Purbeck is among the ten areas reporting the greatest fall in competitiveness ranking⁴.
- Whilst we have above national average representation of advanced engineering and of manufacturing as a whole, we have low representation of businesses in high productivity sectors⁵ and also below average representation in high R&D spending sectors⁵.
- Self-employment is high in Dorset: about 18% of economically active residents compared with 14% in England⁶.

**GVA per hour worked³**

- **DC**: £27.30
- **SW**: £30.20
- **UK**: £33.70

**Sources**

1. Business Demography 2017, ONS
2. UK Businesses 2018 and BRES 2017, ONS
3. GVA per hour worked (provisional) 2004-2017, ONS
4. UK Competitiveness Index 2019, Centre for International Competitiveness
5. UK Gross domestic expenditure on research and development: 2017, ONS
6. Census of Population 2011, ONS
Economy

Box 2: People

• Employment is expected to grow by more than 11,000 in Dorset over 2017-27 but most of this new employment will be part time.

• Manufacturing, health, retail, education and hospitality are all big employers in Dorset.

• 45% of skills required by employers over the next decade are for level 4 and above.

• 10 neighbourhoods in Dorset are in the most deprived 20% nationally for employment - nine of these are in the former borough of Weymouth & Portland.

• Earnings are below average. Median gross weekly pay for full time employees was £523 for Dorset workers compared with £571 in Great Britain.

• 36% of the Dorset workforce is aged over 50 compared with 28% in England. Older workers have experience and skills and, as more people retire, other workers need training to fill the gaps.

• Over the next decade (2017-2027), the population in Dorset aged 16-64 will shrink by 0.2% per annum. That’s a net loss of over 5,100 people in this age group. The old age dependency ratio, which is the number of people aged 65+ compared to the number of people of working age, is expected to increase from 507 per 1000 in 2017 to 621 per 1000 in 2027.

• Around 4,500 apprenticeships were started in Dorset in 2017/18. It is estimated that for every £1 of public monies spent on apprenticeships, an economic benefit of £21 is created.

What are we doing about it?

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

Dorset County Council, working with Purbeck District Council and the Local Enterprise Partnership, 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 as well as economic value, for example through contracts with firms that ensure sustainable working practices and those offering quality Apprenticeships.

Sources

7 LEFM 2017/Dorset County Council
8 English Indices of Deprivation (2015), DCLG
9 Annual Survey of Hours and Earnings (2018), ONS
10 Census of Population (2011), workplace statistics
11 2017-based trend population projections, 2017-2027, Dorset County Council
12 Apprenticeship starts, The Department for Education
13 The Economic Impact of Apprenticeships, 26/11/2014, Centre for Economic and Business Research

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