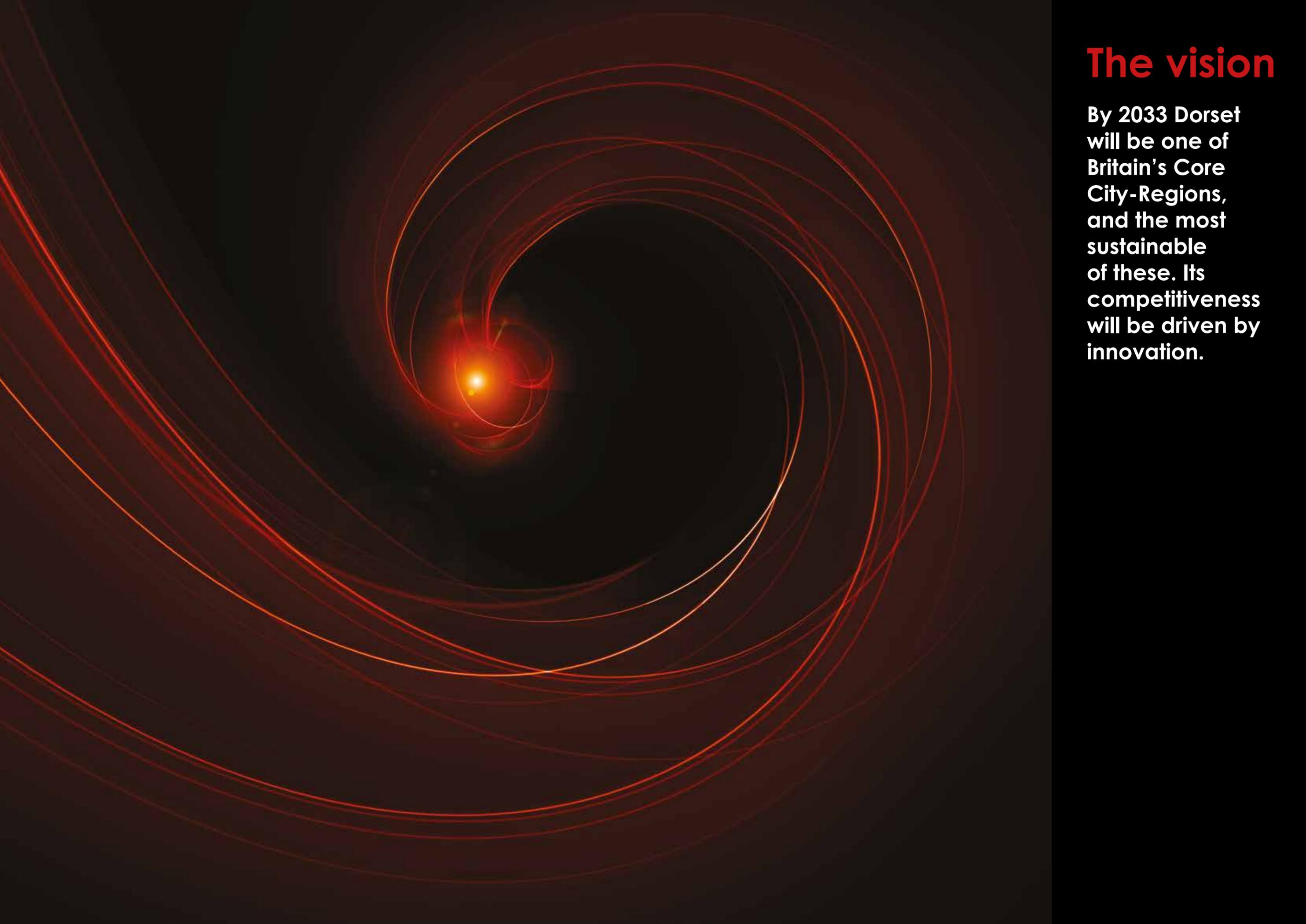


A Strategic Economic Vision for Dorset

February 2016



The vision

By 2033 Dorset will be one of Britain's Core City-Regions, and the most sustainable of these. Its competitiveness will be driven by innovation.

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Dorset will be Britain's most sustainable Core City-Region.

By 2033 Dorset will be one of Britain's Core City-Regions, and the most sustainable of these. Its competitiveness will be driven by innovation, particularly in its key sectors, including Advanced Manufacturing and Financial Services.

The competitive economy, world-class environment and high quality of life will help to attract and retain high-skilled workers and employers. Dorset will have accessible, affordable homes for its economically active population.

Each part of Dorset will play its role in achieving this vision for the City-Region. Priorities for the parts of Dorset include:

- The City - Bournemouth, Poole and the surrounding area will be a focus for international connectivity and infrastructure, including two universities, the airport and port and will be home to internationally competitive sectors including Advanced Manufacturing and Financial Services
- The Western Dorset Growth Corridor from Weymouth to Dorchester and other urban areas will support increased competitiveness in the key sectors. Improved transport and communications infrastructure and the world-class natural environment are key to enabling growth here and in rural Dorset and the market towns
- Rural Dorset and the market towns will contribute to increasing competitiveness in Dorset and growth in the key sectors, particularly via the Dorset Enterprise Zone

This means:

	Current position	By 2033
A high productivity economy	80.0% Economic activity rate of working age people £58,800 GVA per worker	82.5% Economic activity rate of working age people £63,600 GVA per worker
Competitive, sustainable and resilient sector mix	46% of employment in the key sectors	50% of employment in the key sectors
A world-class workforce	1.3% Currently of England HE total	0.7% increased number of graduates (FE & HE)
	Growth in number of apprenticeships below England average	Growth in number of apprenticeships at or above England average
	Proportion of Dorset residents qualified to NVQ1-4 is higher than GB	Increased % of population with NVQ3 and 4
A growing business population	Net increase in businesses per year currently below UK average	Net increase in businesses per year the same as UK average
Accessible to markets	Public transport in urban areas is highly exploited, but opposite in rural areas. In all cases could be better interconnected	Increased and more coherent public transport use
	Travel times using public transport to London and Bristol are 2hrs+	Travel time to London and Bristol reduced by 15 minutes

	97% broadband coverage. Access to superfast broadband	All areas to have access to ultra-fast broadband (200mb+)
	Interrupted mobile internet service at 4G or below	Uninterrupted mobile internet at 5G or latest equivalent
	A realistic supply of allocated and developable employment land is available	A realistic supply of allocated and developable employment land is available
Provision of housing to facilitate growth	Between 7.6 and 9.4 Housing affordability ratio across the three upper-tier authorities	6.5 Housing affordability ratio (current England average)
Making the most of the natural environment	£1.5bn GVA p.a., 30,000 jobs (as reported by the report "Dorset's Environmental Economy"). A predominance of areas with an environmental quality designation (including 38+ local nature reserves, the SSSI at the Airport, and a record number of Green and Blue flags) Areas of green space are, as far as is appropriate, mandatory within planning applications	1% Increase All areas with a designation continue to be maintained and improved, and increase the number of Green and Blue flags awarded. Have Dorset recognised for the quality of its green spaces, and as part of the development process, particularly within urban areas.
Delivering growth across Dorset	Disconnected growth with some underperforming places, communities or economies, not contributing to Dorset's long-term sustainability	Meeting the targets listed above will ensure Dorset meets the needs of the present without compromising the ability of future generations to meet their own needs.

1 | The Vision for Dorset

Our vision for Dorset sets out our picture of what the economy will look like in 2033 (the timeframe for some local plans). The objectives that will help to deliver this vision are set out later in this document and will be used to frame shorter term plans.

Overarching vision

To achieve this vision, we will need to focus on the following objectives:

Objectives	High level elements
A sustainable, competitive and innovative economy, driven by its key sectors	<ul style="list-style-type: none"> A high productivity economy A competitive, sustainable and resilient sector mix
Attracting and retaining high-skilled workers and employers	<ul style="list-style-type: none"> A high-skilled world-class workforce A growing business population Accessible to markets
Accessible, affordable homes	<ul style="list-style-type: none"> Affordable housing for the economically active population
A world-class environment and high quality of life	<ul style="list-style-type: none"> Achieving growth whilst making the most of the natural environment
Each part of Dorset will play its role	<ul style="list-style-type: none"> Delivering sustainable growth across Dorset

The elements of our vision are aligned with our devolution aims of improving prosperity, people and places.

	Prosperity	People	Places
A high productivity economy			
Provision of housing to facilitate growth			
A growing business population			
A competitive, sustainable and resilient sector mix			
A world-class workforce			
Accessible to markets			
Making the most of the natural environment			
Delivering growth across Dorset			

The elements of the vision are discussed in more detail below.

1.1 | A high productivity economy

Dorset currently has below average productivity and most parts of Dorset are less competitive than the national average. In general, earnings are below the national average.

Our vision is for Dorset to become a high productivity economy with high Gross Value Added (GVA) per hour worked or per worker or FTE. This will not be measured using GVA per resident, as this metric is skewed by the large proportion of the population that is not of working age and is not working. We will achieve greater productivity through increasing income and reducing costs to businesses.

Achieving world-beating productivity is one of the UK Government's main economic priorities, and involves:

- A highly skilled workforce
- Leading universities
- A modern transport system
- World-class digital infrastructure
- High-quality science and innovation
- More house building
- Increased pay
- Increased workforce participation
- Support to the financial services sector
- Support for exporting and inward investment

These elements are addressed in the rest of our vision statement.

1.2 | Provision of housing to facilitate growth

We will need to accommodate the projected population growth, but achieve growth without exacerbating problems. Housing development targets are not being met. Housing affordability is extremely poor in Dorset, making it difficult for local residents and incoming residents to afford housing. There is a national drive to increase the supply of affordable housing and thereby increase the ownership of housing.

Our vision is for a sufficient supply of affordable housing to meet the needs of Dorset's economically active population. We want to support and enable the delivery of enough new homes to meet the demand from those who live and work in Dorset. Where possible, housing

should be co-located with sustainable transport hubs, and along with new employment sites, should contribute to the self-containment of urban areas. Digital technology and the potential for flexible working should be integral to new housing developments.

1.3 | A growing business population

Dorset has just over 30,000 businesses. Around 90% of these are micro-businesses with less than ten employees, which is consistent with the national business size profile. The number of new business starts in Dorset has been growing since 2009, but at a lower rate than in the UK as a whole. Our future economic growth needs a healthy rate of new business starts.

Our vision is for a strong and growing business population, with high rates of business start-ups, and good business survival rates. We will have domestic businesses which are trading outside of Dorset and outside of the UK,

including tourism businesses in Dorset that are attracting customers from the rest of the UK and overseas. We will have high levels of inward investment and businesses with high levels of Research & Development

(R&D) and innovation. The latter will be achieved, in part, by our businesses working closely with our two universities (including a specialist arts university). Our key sectors will be core to the growth of the business population.

1.4 | A competitive, sustainable and resilient sector mix

Our future growth and increased productivity will be driven by the sector mix in our economy, and by increasing competitiveness in the key sectors, particularly through innovation and the adoption of new technologies including digital technologies. We have a diverse sector mix, which has delivered past growth in the economy.

The sector mix in our economy will drive our future growth and increased productivity. We have a diverse sector mix, which has delivered past growth in the economy and will contribute to future growth. There are four types of sectors that are important to the future growth of our economy:

- Sectors which are already an important part of the economy and create high-quality jobs: such as Advanced Manufacturing and Financial Services & Insurance. We will nurture these sectors, supporting both their growth and increasing competitiveness
- Sectors which create high-quality jobs, and which can become a more important part of the Dorset economy: such as Creative Industries and Environmental Goods & Services. We will support

growth in these sectors, whilst helping to maintain their competitiveness

- Sectors which are an important part of the Dorset economy, and which could become more competitive, leading to the creation of high-quality jobs: including Care, Construction, Tourism & Leisure and Real Estate. We will support efforts to improve the quality and competitiveness of these sectors
- Sectors which have the potential to create more high-quality jobs and become a more important part of the Dorset economy: including Manufacturing of Chemical Products and Travel Agency.

More detail on the key sectors is included at the end of this vision statement.

The importance of a sector is measured by its size and by its specialisation within Dorset when compared to the national average. The quality of a sector is measured by the productivity of jobs in the sector, historic growth and future growth prospects.

We will support these sectors in different ways, according to the additional contribution that they can make to the Dorset economy.

We want to develop strong supply chains for our sectors, involving more local businesses and enhancing their benefit throughout the Dorset economy.

1.5 | A world-class workforce

Dorset already has high levels of employment and a high economic activity rate, within the working age population. However, the area's working age population (i.e. those aged 16 to 64), forms a smaller proportion of the population than the national average. The overall population is projected to grow in the future, but with little growth in the working age population. There is evidence of some skills gaps in the local economy. There will be future demand for workers to replace those who are leaving the workforce (e.g. through retirement), as well as workers to satisfy the growth needs. New residents are attracted by the quality of the environment and the quality of life in Dorset.

Our vision is for a high-skilled workforce, meeting the needs of Dorset's growing economy and priority sectors.

Our vision is for the working age population to become better skilled and more productive,

so that our future economic growth is driven by greater worker productivity rather than relying on growth in the workforce.

Core to both of these statements is the need for businesses to work closely with education

and training providers to clearly identify their future needs, and ensure that the right training is provided. Leveraging our universities and further education colleges and helping them influence the future workforce is an important part of this.

1.6 | Accessible to markets

There are constraints on physical transport accessibility to and from Dorset, both from limited infrastructure and congestion on parts of the transport network – affecting journeys to work and journeys to education. Broadband coverage is incomplete and in some places poor. There is a limited supply of employment land and premises to accommodate future growth. We have strong commuting and trading relationships with areas outside of Dorset, particularly to the east. Our vision is for the Dorset economy to be accessible to markets. This means:

- Accessible to business and consumer markets i.e. the consumers of goods and services produced in Dorset, including: Dorset residents and businesses, residents and businesses outside Dorset, and consumers coming into Dorset (e.g. students and tourists)
- Accessible to labour markets i.e. ensuring that people who work in Dorset can live near and/or travel easily to their workplace.

Achieving this part of the vision will mean improved connectivity and infrastructure.

Our vision is for efficient transport connectivity within Dorset and to and from it. We want to see improved road linkages to the north, west and east;

improved rail connections (in terms of journey time, frequency and reliability) to London, Bristol, Taunton and Exeter; less congestion in the conurbation and widespread use of sustainable transport options to journey to work, education and training. Our vision is for people and goods to move easily between homes, schools, workplaces, public facilities and major transport infrastructure with minimal impact on the environment.

Our vision is for high-quality information communication technology (ICT) across Dorset. We want to see broadband coverage to all homes and businesses in Dorset, ultrafast to key sites including Bournemouth

Airport, Bournemouth Town Centre, the Port of Poole and Dorset Enterprise Zone, and pervasive state-of-the-art mobile connectivity, allowing residents and businesses to work flexibly and trade globally using the internet.

Our vision is for sufficient and suitable sites to be available to accommodate our growth. We want to maximise the potential of major strategic employment sites such as Bournemouth Airport, Bournemouth Town Centre, the Port of Poole and the Dorset Enterprise Zone. This means investing in the infrastructure to unlock these and other strategic sites and ensure sustainable travel and access to them.

1.7 | Making the most of the natural environment

The high-quality natural environment in Dorset enhances the quality of life for people throughout Dorset, which attracts people to live here and businesses to relocate or develop locally. From agriculture to tourism, countryside to Blue Flag beaches, retirement to working or learning in a 21st century city by the sea. The urban, rural and coastline areas are inter-dependent, and maintaining the quality of the environment is critical to all.

Our vision is to achieve economic growth by making the most of our natural environment and quality of life. This means harnessing our

natural assets, and protecting them where necessary, including the UK's only natural World Heritage site, The Jurassic

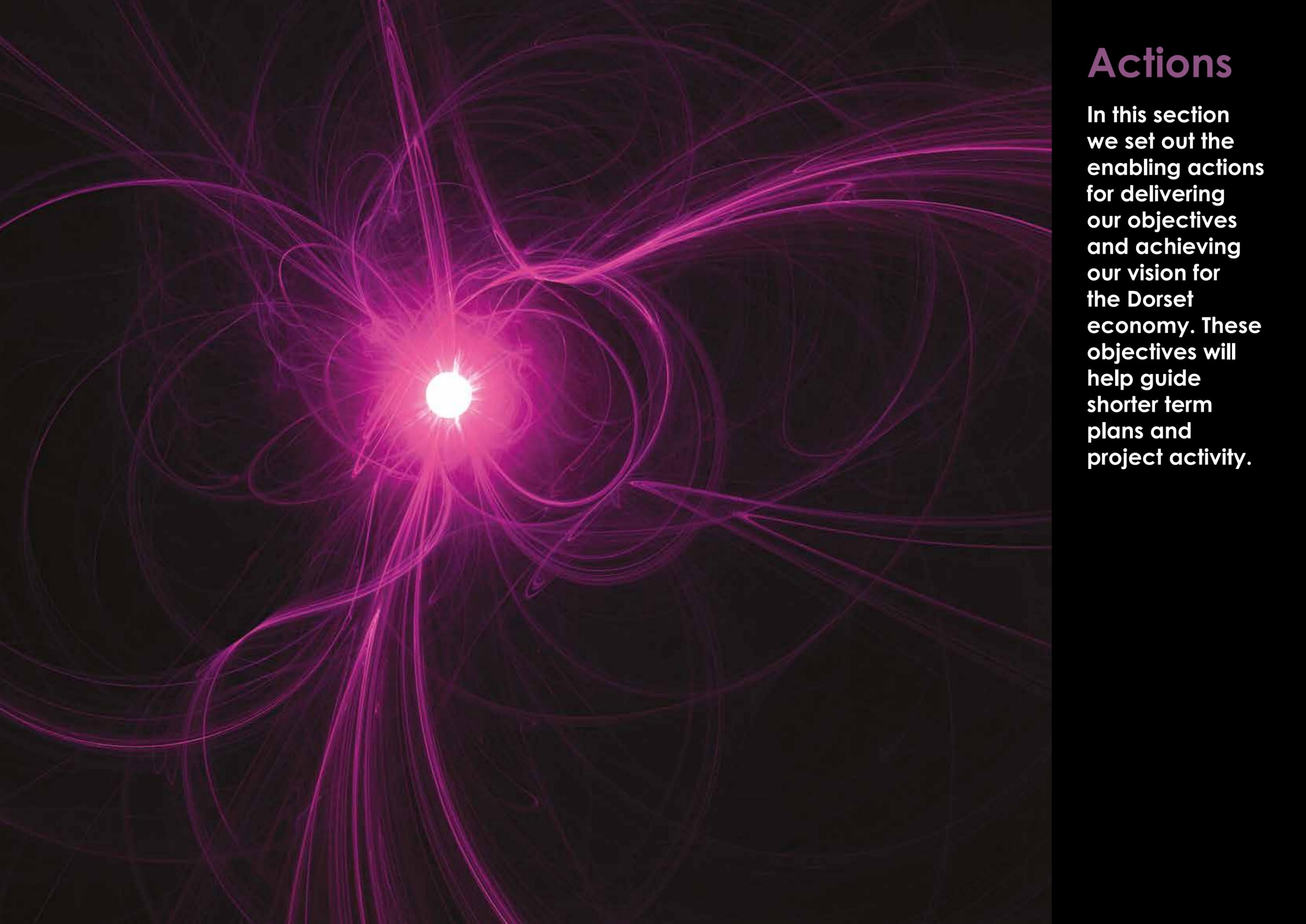
Coast, areas of outstanding natural beauty, and protected healthlands.

1.8 | Delivering growth across Dorset

Our vision is for strong growth across Dorset, in the conurbation, urban and rural areas. We want to be alert to opportunity, need and aspiration. In the immediate term, Bournemouth Airport and the Dorset Enterprise Zone are major strategic growth locations for employment growth; while major residential development is due to take place at Poole, Gillingham and Parley. Plans are also in train to develop a Western Dorset Growth Corridor.

We will also achieve strong economic linkages, and joint approaches to delivering growth,

with surrounding areas outside Dorset – to the north, east and west.

The background of the page is a dark, almost black, space filled with a complex network of thin, glowing purple lines. These lines swirl and loop around a central, bright white circle that has a soft, glowing aura. The overall effect is one of dynamic energy and interconnectedness.

Actions

In this section we set out the enabling actions for delivering our objectives and achieving our vision for the Dorset economy. These objectives will help guide shorter term plans and project activity.

2 | Actions

In this section we set out the enabling actions for delivering our objectives and achieving our vision for the Dorset economy. These objectives will help guide shorter term plans and project activity.

2.1 | A high productivity economy

Support businesses to increase their R&D activity

Support knowledge exchange between universities, Colleges and businesses

Deliver infrastructure and investments to reduce business costs.

2.2 | Provision of housing to facilitate growth

Encourage the allocation of affordable new housing in sustainable locations, through the Local Plans

Encourage and support the delivery of all housing

Encourage and support the delivery of affordable housing

Tackle housing affordability, enabling working people to stay in and move to Dorset

Encourage and enable the delivery of new homes.

2.3 | A growing business population

Support existing businesses to grow

Encourage and support new start-up businesses

Support existing businesses to export and encourage new inward investment

Ensure that there are suitable sites and premises available (n.b. available, not just allocated)

Unlocking the potential of the county's strategic employment sites, notably Bournemouth Airport and the Dorset Enterprise Zone. Ensure our towns have a robust offer with the right mix.

2.4 | A competitive, sustainable and resilient sector mix

Support high-growth sectors that create jobs and create high-value, high-wage jobs

Ensure a diverse economy that is robust enough to withstand future shocks

Increase the number, spend and value added of tourists and visitors, supporting growth in the tourism sector.

2.5 | A world-class workforce

Ensure that residents have the skills to fill the jobs that are available

Ensure that businesses identify the skills that they need

Support the growth of HE and FE, to provide the skills that businesses need

Ensure that residents can access training opportunities (physically or virtually)

Enable people to work flexibly (e.g. through delivery of ICT infrastructure)

Maximise the economic activity rate of the population.

2.6 | Accessible to markets

Improve road access to/from Dorset

Maximise the use of public transport

Tackle road 'pinchpoints' focusing on facilitating the delivery of the growth agenda

Improve rail access to/from Dorset and improve services to key employment sites

Improve ICT infrastructure

Ensure that residents have the skills and knowledge to make productive use of the ICT infrastructure

Ensure that Local Plans support the planning and delivery of improved accessibility

Ensure that there are suitable sites and premises available (n.b. available, not just allocated)

Support growth of the Airport, Dorset Enterprise Zone, the Port of Poole and other markets.

2.7 | Achieving growth whilst making the most of the natural environment

Ensure that growth complements the high-quality environment and where possible enhance the environmental benefits of growth

Encourage growth in less sensitive areas.

2.8 | Delivering growth across Dorset

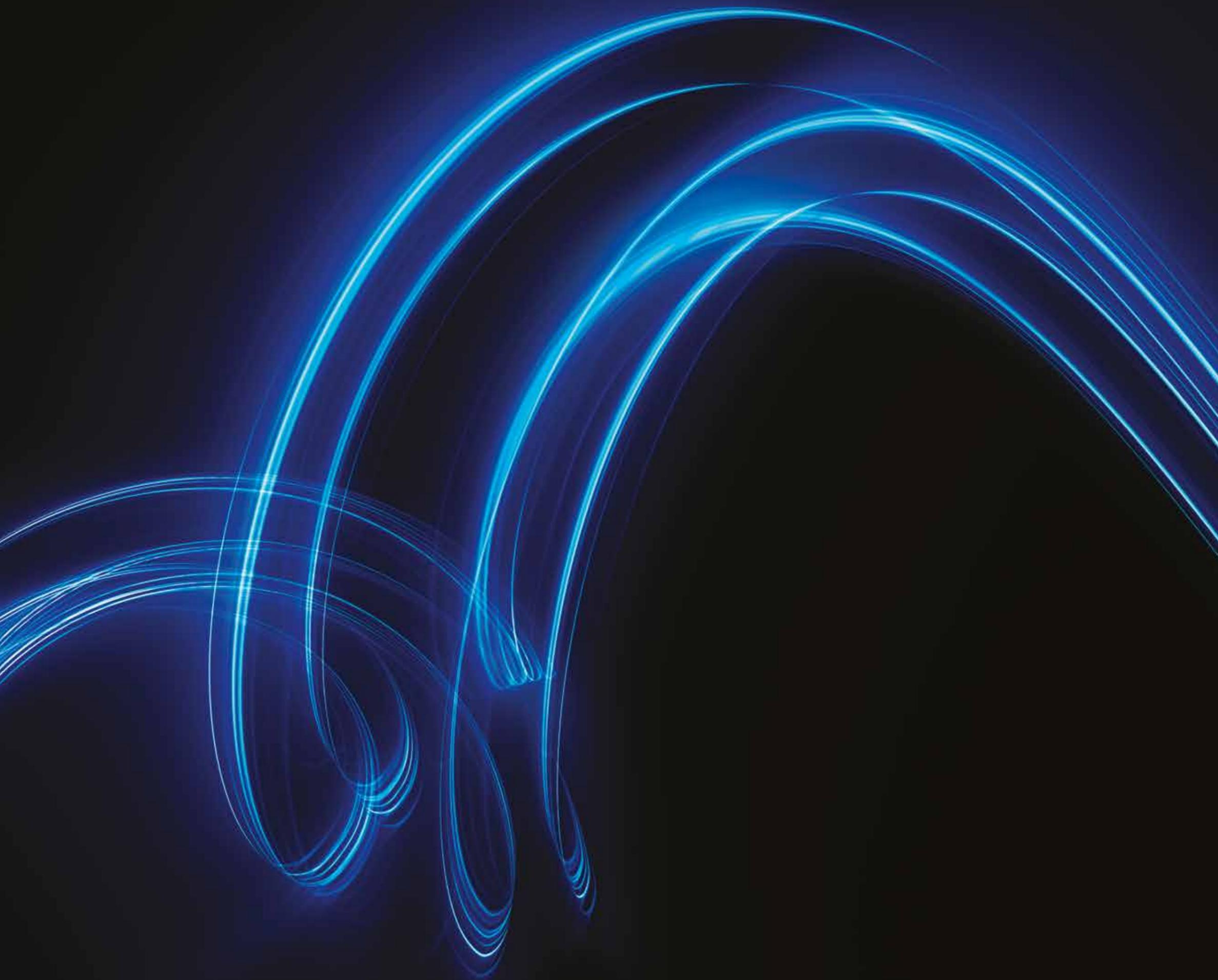
Support business growth in the rural and urban areas

Support business growth in the market towns

Ensure that skills are developed in the rural and urban populations

Ensure that infrastructure is improved for the rural as well as urban populations.

Key
sectors

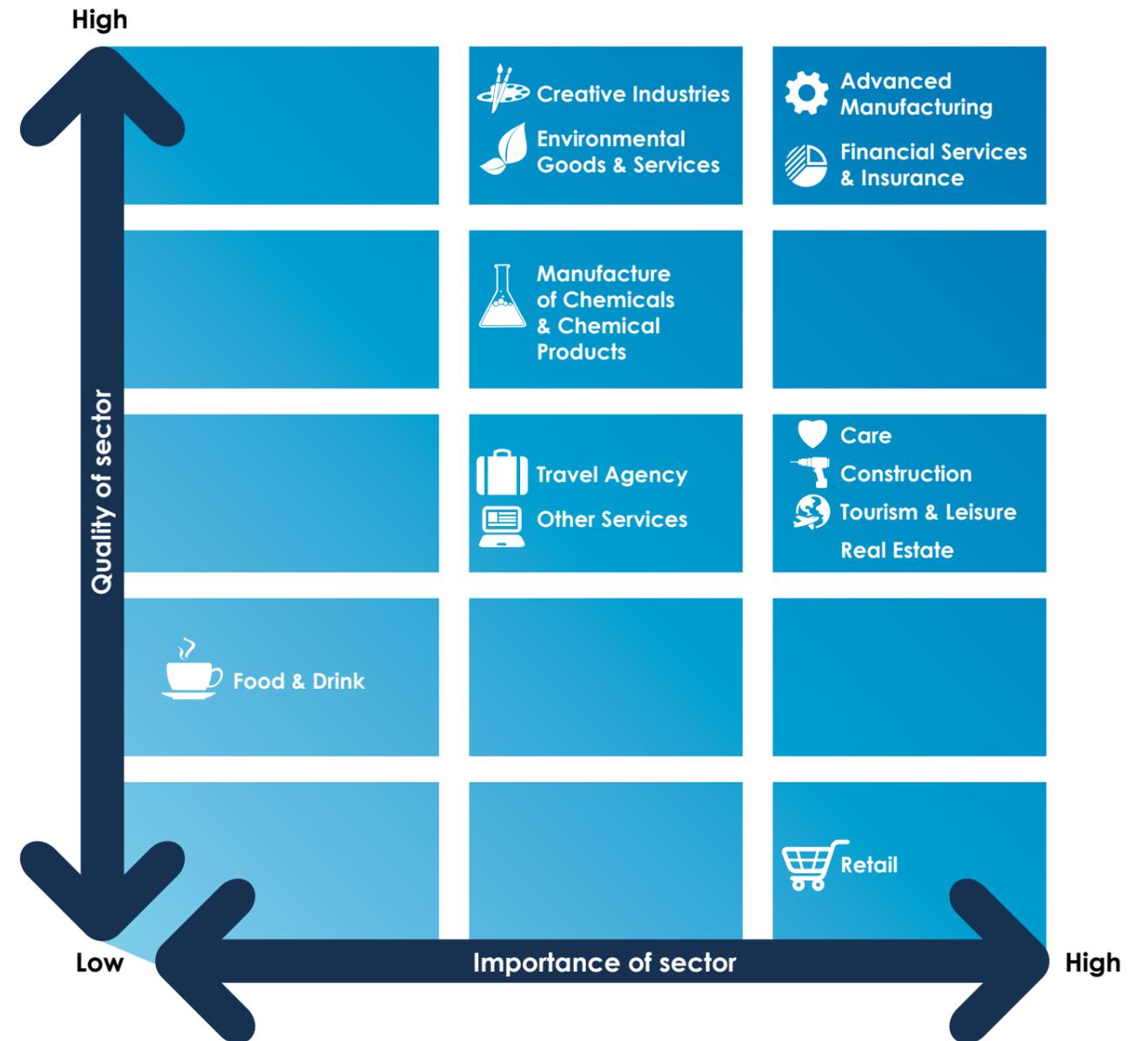


3

Key Sectors

This section attempts to analyse at a high level the contribution that each of the sectors in Dorset make to the economy in terms of numbers of employed but also its quality i.e. the level of pay, qualifications required and prospects for high added-value growth.

Sector	GVA per worker		Pay	Growth in employment		LQ	Size	
	GVA per worker above national median in 2014	Forecast GVA per worker above national median in 2033	Pay above national median	Growth in employment 2009-2014	Forecast growth in employment 2013-2033	Location Quotient greater than 1.0	Employment more than 1% of Dorset total	
Advanced Manufacturing								6
Care Sector								4
Construction								5
Creative Industries								5
Environmental Goods & Services								5
Financial Services & Insurance								6
Food & Drink								1
Retail								2
Tourism and Leisure								4
Manufacture of Chemicals & Products								4
Travel agency, tour operator & other reservation services								3
Real Estate activities								4
Real Estate								2
Pharmaceuticals								2
Other services: Activities of membership organisations								4
Repair of computers and personal and household goods								
Other personal service activities								



Sector	Status	Future potential	Actions to support vision and objectives
High-value and important sectors			
Advanced Manufacturing	11,600 Current employment (3.6% of Dorset total)	The sector is globally traded and a national priority for growth	Ensure high-skilled workforce is available
	1.5 Location quotient (i.e. 1.5 x national concentration)	Although employment is forecast to decline, all other measures for this sector are extremely positive, combining high-quality and historic growth.	Deliver infrastructure and sites, particularly at Bournemouth Airport
	Supply chain potential	Support needs to be given to this sector to maintain its presence in Dorset, and contrary to the forecast trend, to promote growth.	Support business growth
	Established businesses include BAE and Siemens		Support business R&D
	Productivity (GVA per worker) above national median		Improve access to global markets
	Pay above national median		
10% Historic growth in the last five years	Employment forecast to decline in the next twenty years		
Financial Services & Insurance	14,300 Current employment (34.4% of Dorset total)	The sector is globally traded and a national priority for growth	Ensure high-skilled workforce is available
	1.4 Location quotient (i.e. 1.4 x national concentration)	Support needs to be given to this sector to maintain its presence in Dorset, and to promote growth	Deliver infrastructure and sites
	Established businesses include Barclays and JP Morgan Chase. The sector is linked to the London and global financial services sectors	Financial service Centre of Excellence	Support business growth

Sector	Status	Future potential	Actions to support vision and objectives
	Productivity (GVA per worker) likely to be above national median		Support business R&D
	Pay above national median		Improve access to global markets
	1% Historic decline in employment in the last five years		
	Employment forecast to grow in the next twenty years		

High-value sectors which need to grow

Creative & Digital Industries	8,900 Current employment (2.7% of Dorset total)	This is a high-value sector concentrated on Bournemouth. With infrastructure, including the two universities, it has growth potential.	Ensure high-skilled workforce is available
	0.7 Location quotient (i.e. 0.7 x national concentration)	Support needs to be given to grow this sector	
	Bournemouth University and the Arts University Bournemouth are both leading universities in this sector		
	Productivity (GVA per worker) above national median		
	Pay above national median		
	16% Historic growth in the last five years	Employment forecast to grow in the next twenty years	

Sector	Status	Future potential	Actions to support vision and objectives
Environmental Goods & Services	7,100 Current employment (2.3% of Dorset total)	Future growth prospects in this sector are highly dependent on Government policy – both fiscal and regulatory.	Ensure high-skilled workforce is available
	0.8 Location quotient (i.e. 0.8 x national concentration)	The sector is smaller in Dorset than nationally, but it can provide high-quality employment.	Deliver infrastructure and sites
	Productivity (GVA per worker) above national median	Support needs to be given to growth this sector	Support business growth
	Pay above national median		Support business R&D
	18% Historic growth in the last five years		
	Employment forecast to grow in the next twenty years		

Important sectors which need to increase their quality

Care	13,100 Current employment (4.0% of Dorset total)	Increasing care needs is a globally significant issue, and Dorset has the potential to be at the forefront of growth and innovation in this sector. The sector creates large amounts of less well-paid employment, but the increasing technology and innovation in this sector will help to drive up its value. Bournemouth University is working closely with parts of the sector.	Ensure high-skilled workforce is available
	1.6 Location quotient (i.e. 1.6 x national concentration)		Support business R&D
	There is a well established care sector in Dorset, with a significant market with its older and ageing population		

Sector	Status	Future potential	Actions to support vision and objectives
Construction	Productivity (GVA per worker) below national median		
	Pay below national median		
	96% Historic growth in the last five years		
	Employment forecast to grow in the next twenty years		
Tourism & Leisure	16,700 Current employment (5.1% of Dorset total)	Construction was identified as a nationally important enabling sector in 2012. Future economic growth, and increased housing delivery, will increase the demand for construction and therefore the size of the sector in the future.	Ensure high-skilled workforce is available
	1.1 Location quotient (i.e. 1.1 x national concentration)	Support is needed to grow the sector and increase the quality of employment in the sector.	Support business growth
	Productivity (GVA per worker) above national median		Support business R&D
	Pay above national median		
	9% Historic decline of employment in the last five years		
Tourism & Leisure	Employment forecast to grow in the next twenty years		
	27,000 Current employment (8.1% of Dorset total)	Growth in the tourism sector was identified as a Government priority in its plan for the South West in early 2015.	Ensure high-skilled workforce is available
	1.4 Location quotient (i.e. 1.4 x national concentration)	Support is needed to increase the quality of employment in the sector.	Support business R&D

Sector	Status	Future potential	Actions to support vision and objectives
	<p>Tourism is a significant sector in terms of employment, and one that is characteristic of Dorset. Our high-quality natural environment, coastal location and strong leisure sector all attract many visitors to the Dorset LEP area.</p> <hr/> <p>Productivity (GVA per worker) below national median</p> <hr/> <p>Pay below national median</p> <hr/> <p>11% Historic growth in the last five years</p> <hr/> <p>Employment forecast to grow in the next twenty years</p>		
Real Estate	<p>8,400 Current employment (2.6% of Dorset total)</p> <hr/> <p>1.5 Location quotient (i.e. 1.5 x national concentration)</p> <hr/> <p>Productivity (GVA per worker) above national median</p> <hr/> <p>77% Historic growth in the last five years</p>	This could become part of a wider construction and property sector. It is also linked to the need for more housing in Dorset	<p>Ensure high-skilled workforce is available</p> <hr/> <p>Support business growth</p>

Sector	Status	Future potential	Actions to support vision and objectives
Sectors with the potential to grow and become more important			
Manufacture of Chemical Products	<p>11,400 Current employment</p> <hr/> <p>1.4 Location quotient (i.e. 1.4 x national concentration)</p> <hr/> <p>Productivity (GVA per worker) above national median. Pay above national median</p> <hr/> <p>50% Historic growth in the last five years</p>	This could become a key sector	
Travel Agency	<p>1,100 Current employment</p> <hr/> <p>1.1 Location quotient (i.e. 1.1 x national concentration)</p> <hr/> <p>Productivity (GVA per worker) above national median.</p> <hr/> <p>130% Historic growth in the last five years</p>	This could become part of a wider Tourism & Leisure sector	