Topic Paper 10 - Economic Development and Employment

Economic Development and Employment

Baseline

1 Dorset's economy is dominated by Bournemouth, Poole, Christchurch, Ferndown and Wimborne in the south east of the county. Outside of these areas there is a network of towns that are principally focused on tourism, creative and agricultural-based industries, as well as public sector. This part of the region has a stable economy driven by the diverse mix of sectors and by the balance of service and manufacturing businesses. [(1)]

2 Key economic indicators for the Dorset sub-region (including Dorset County Council's administrative area, plus the unitary areas of Bournemouth and Poole) are shown in Table 1.

Table 1 Key Economic Indicators

Indicator	Dorset	Bournemouth	Poole	SW Region
GVA (£ per resident head) 2009*	£15,252	£21,142 *(B&P combined)*	£21,142 *(B&P combined)*	£18,184
Median gross weekly earnings of full-time employees (workplace based) (2010)**	£440	£442	£500	£465
Job density (local jobs to resident working age population) (2010)***	0.83	0.75	0.99	0.82
Economic Activity Rate 2011-2012 (% of all working age, aged 16-64)****	79.4%	75.7%	78.8%	78.4%

**Source: Headline Gross Value Added (GVA) per head by NUTS3 area at current basic prices by region, Office for National Statistics*

***Source: Annual Survey of Hours and Earnings 2011, Office for National Statistics*

****Source: Nomis (August 2012)*

*****Source: Nomis (September 2012) ONS Crown Copyright Reserved*

3 Productivity per head (measured as Gross Value Added) in Bournemouth, Dorset and Poole increased year on year from 2002 to 2008 but fell back in 2009 in line with the national picture. However, in Dorset, GVA per resident head is significantly lower than the regional and national average, as shown in Table 1. In Bournemouth and Poole, the figure is higher than both the regional average and the national average. Dorset's poorer performance is likely to arise largely from two factors: firstly the structure of the population, with a higher proportion of people not actively contributing towards GVA; and secondly commuting patterns, with Dorset having a net loss of commuters.

4 In terms of earnings, Table 1 shows the workplace based figures. This refers to the earnings of people who work in the area, but don't necessarily live there. An alternative measure is residence based earnings, which refer to the earnings of people who live in the area but don't necessarily work

1 http://www.southwestrda.org.uk/working_for_the_region/areas/bournemouth,_dorset_and_poole.aspx

there. The work based earnings dataset is considered the best measure when looking at the economy of an area. Earnings of people working in Dorset and Bournemouth appear to be lower than the regional average and are significantly lower than the national average of £505 per week. Work based earnings are also lower than residence based earnings in DCC Dorset, which may be a result of people commuting outside of the area for higher paid work.

5 Table 1 shows that the number of jobs to the number of residents aged 16-64 (the job density) was above the regional average in Poole and in the DCC Dorset area as a whole. It was also above the national average of 0.77. Within Dorset, the districts of Christchurch, North Dorset and West Dorset are above the regional average. They along with Purbeck are also above the national average in terms of job density. Job density in Weymouth and Portland is the lowest in the sub region with only 0.61 jobs per working age resident.

6 Economic competitiveness is another key economic indicator. A national measure of competitiveness is the UK Competitiveness Index which ranks all local authorities. In recent years, most parts of the Dorset sub-region have remained close to but just below the national average. The exception is Weymouth and Portland which has been consistently less competitive than other parts of Dorset Local Economic Assessment for Bournemouth, Dorset and Poole (2011) http://www.dorsetforyou.com/397967 .

Economic Diversity

7 A large proportion of Dorset's workforce is employed in small businesses. 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. Set against this, smaller firms are more vulnerable to cash-flow problems and are more likely to cut back on investment and training during a recession. Large firms of more than 200 employees provide jobs for 26% of the sub-region's workers (31% in England). More than a third of the area's registered companies fall into one of three sectoral categories: Construction, Retail, and Professional, scientific and technical .

8 Measured in terms of number of employees, as opposed to number of firms, the majority of workers (84%) are to be found in the service related industries. In Bournemouth the figure is 93%. Within the Dorset county area, Weymouth and Portland has a particularly high level of service based employment. About 60% of all employment falls within these five sectors: Wholesale and Retail (18% of employees); Human Health and Social Work Activities (15%); Manufacturing (10%), Education (10%), and Accommodation and Food Service Activities (9%) .

9 Table 2 shows the different employment sectors in the county, along with the numbers employed. It can be seen that East Dorset, Purbeck and North Dorset have the highest percentages of employees in the manufacturing sector and these are above the regional and national averages. Weymouth & Portland and Purbeck have the highest percentages of employees working in both accommodation and food service activities. Parts of the sub-region are heavily reliant on the public sector, notably West Dorset and Weymouth and Portland.

Table 2 Employment by Sector (2010)

	Christchurch	East Dorset	North Dorset	Purbeck	West Dorset	Weymouth and Portland	Dorset (DCC Area)	Bournemouth	Poole	Dorset Sub-region
Manufacturing	2,500	4,400	2,500	2,400	4,600	600	16,900	1,500	9,500	27,900
Other non service activities	200	700	1,000	600	1,400	200	4,000	300	800	5,200
Construction	800	2,000	1,400	700	2,000	700	7,600	1,800	3,100	12,500
Wholesale and retail trade; repair of motor vehicles and motorcycles	3,600	6,400	4,200	1,700	7,200	3,500	26,600	12,500	14,300	53,500
Accommodation and food service activities	1,800	1,600	1,400	2,500	3,900	3,500	14,600	9,200	4,600	28,400
Business services	4,700	6,000	3,600	2,800	6,700	3,000	26,800	21,800	19,100	67,700
Public administration, education, health	3,900	7,300	7,900	4,500	19,500	6,900	49,900	21,200	24,400	95,600
Other services	1,000	1,500	1,100	1,700	2,100	1,100	8,300	3,100	3,200	14,700
Total	**18,400**	**30,000**	**22,900**	**16,800**	**47,300**	**19,400**	**154,700**	**71,600**	**79,000**	**305,300**

Source: ONS Business Register and Employment Survey (2010)

Waste Industry

10 Around 1,100 people are directly employed in the waste management industry in the Dorset sub-region [(2)]. This includes three broad sectors: 'waste collection, treatment and disposal activities and materials recovery'; 'sewerage'; and 'remediation activities and other waste management services'.

11 Within the sub-region, over half of this total are employed in the treatment and disposal of non-hazardous waste, whilst around a third are employed in the collection of non-hazardous waste. The DCC area of Dorset has the highest number of employees in the waste management industry, largely in collection, treatment and disposal of non-hazardous waste. A further breakdown of the sector by District is not possible due to confidentiality. Bournemouth has the lowest number, with fewer than 100 people employed in this industry.

12 It is stated in the Local Economic Assessment for the area that a significant prospect for the future lies within the potential for growth of the green knowledge economy. There are opportunities within emerging and innovative waste treatment technologies for highly skilled jobs. Such opportunities also extend to the renewable energy sector, which is becoming intrinsically linked to waste treatment.

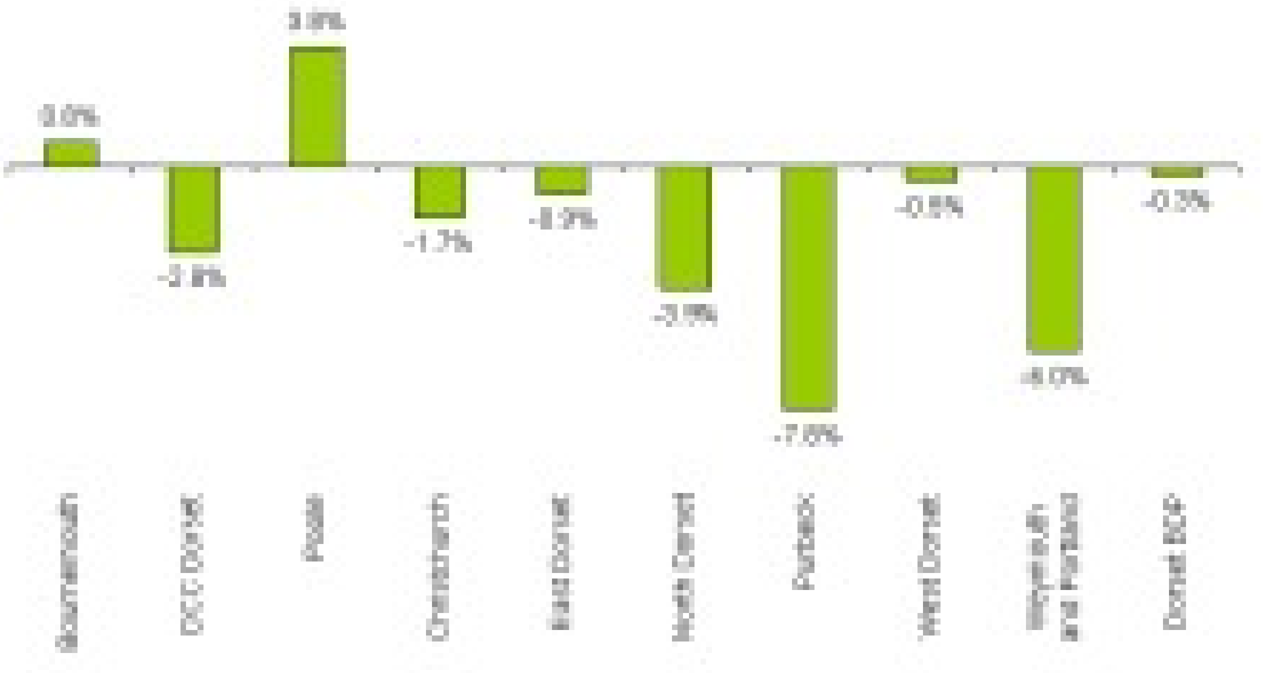
Employment Growth

13 Figure 1 shows the percentage change of employees in employment from 2009 to 2010 (excluding self-employed). It shows that overall in the Dorset sub-region, there has been a decline in employment of 0.3%. Employment within the DCC area of Dorset fell by 2.8% (around 4,400 employees in full or part time employment). Within DCC Dorset, Purbeck and Weymouth & Portland saw the greatest percentage fall in employment over the year and also the greatest decline in actual number.

14 Bournemouth and Poole have both experienced growth however. Poole has also grown at a higher rate of 13.6% (equating to around 2.6% per annum), whilst Bournemouth has decreased by a total of 0.8% over the period.

2 Business Register and Employment Survey 2010, ONS

Employment Percentage Change 2009-2010



Economic Challenges

15 A Local Economic Assessment for Bournemouth, Dorset and Poole was published in June 2011. The document, which provides an evidence base for the operation of the Local Enterprise Partnership, provides information on the local economy and identifies actions and strategies required to support future economic growth. The main economic challenges identified for the area are as follows:

- Productivity is not as high as it might be, with the Bournemouth/Poole area having GVA per resident lower than the national average. In the DCC area, the situation is significantly worse.
- The area is compromised 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.
- 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 an outwardly prosperous image across much of the county, there exists a challenge in tackling deprivation in some neighbourhoods.
- 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.

Summary of Relevant Policy Documents - Economic Development and Employment

N.B. More detail on these and other policy documents is included at the end of this topic paper.

Table 3 Key messages from relevant policy

Policy Documents	Relevance to Waste & Minerals Plans
Key National/Regional Policy • National Planning Policy Framework **Key Local Policy** • Dorset Local Enterprise Partnership Prospectus (2011) • Local Economic Assessment for Bournemouth, Dorset and Poole (2011)	• Guidance sets out the need for planning to drive and support sustainable economic development. • The green knowledge economy is seen as the appropriate model for sustainable economic development in the sub region. • In terms of contribution to the economy, the waste and minerals industries makes a contribution through the provision of employment. There is potential for the creation of highly skilled jobs as part of the green knowledge economy. • The Waste Plan and Mineral Sites Plans will need to balance the provision of waste infrastructure and supply of minerals required to support the economy, with the potential impacts that waste facilities and mineral extraction can have on other businesses/residents.

Potential economic impacts from waste management and mineral extraction facilities

- Congestion due to traffic generated by waste management and mineral extraction/processing facilities
- Effect on tourism and businesses from adverse landscape, recreational and amenity impacts of waste management and mineral extraction/processing facilities
- Effect on property values due to perceived impacts
- Risk of aircraft bird strike where landfill sites are proposed and where mineral sites are restored to open water
- Risk of subsidence or instability from mineral working, waste tipping and hydrological changes
- Increased risk of flooding due to impacts on hydrology and flood storage capacity
- Conflict between use of land for waste treatment facilities and employment uses, particularly at industrial estates
- Damage to property through blasting

Issues

- Sufficient provision of waste management facilities in the county will be required to support economic growth and the envisaged population expansion.
- A key economic issue relevant to waste planning is the legislative drive to divert waste from landfill, which is increasing the costs of disposing waste by landfill. The capacity of existing landfill sites is decreasing and other options need to be considered. The availability of alternative facilities for waste treatment in the county is key. If there are insufficient facilities within the county, there will be a cost implication for businesses and the public sector due to the need to transport waste to where facilities exist.
- Economic performance varies significantly within Dorset with a need for both rural and urban regeneration. The waste industry provides a limited, yet significant, contribution to the county's economic performance, particularly in rural areas. The provision of new facilities has the potential to generate skilled and highly skilled jobs linked to both the waste and renewable energy sectors, depending on the types of facilities and technologies promoted. The distribution of waste management facilities also impacts on accessibility to employment.
- There are opportunities for agricultural diversification through the provision of waste treatment facilities on farms. Anaerobic digestion is particularly suited to farm locations where a mix of crops and waste can be used as feedstock. Such technology provides the opportunity to generate renewable energy both for on site use and for export. There are a small number of existing sites in Dorset which have taken up this opportunity.
- The creation of jobs by mineral companies is limited and may be temporary.
- An adequate supply of minerals will be required to support economic growth in key sectors and population expansion planned for.
- The need to support minerals operations in Dorset as an important component of a sustainable Dorset economy, particularly in rural areas.
- Minerals operations will need to be compatible with stated environmental objectives, recognising the contribution that the quality and distinctiveness of Dorset’s environment can make as a long-term economic driver.
- The Mineral Sites Plan should seek to contribute to a more sustainable transport network in order to benefit the growth of the overall Dorset economy.
- Mineral working provides a limited, yet significant, contribution to the county's economic performance, particularly in specific rural areas where it is located.

Suggested Sustainability Objectives

To encourage sustainable economic growth.

...and Broad Indicators

"To what extent does the strategic option, objective, strategy or policy..."

- Provide for waste management facilities in the county at an acceptable cost?
- Maintain or increase employment?
- Maintain and enhance skills levels, particularly through the provision of highly skilled jobs?
- Ensure that waste facilities and mineral sites, including the transportation of materials, do not prejudice the development of the local economy in Dorset?

Relevant Policy Documents: Economic Development and Employment

National Planning Policy Framework The NPPF sets out the economic role of the planning system, which is to contribute to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure. One of the core planning principles set out is to proactively drive and support sustainable economic development. **Implications:** The policy guidance contained within the NPPF will be fundamental to the preparation of the Waste and Mineral Sites Plans.
RPG10: Regional Planning Guidance for the South West (GOSW: 2001) and Draft Regional Spatial Strategy for the South West 2006-2026 (SWRA: 2006) Under powers provided through the Localism Act (2011), the Secretary of State has revoked the Regional Planning Guidance and Draft Regional Strategy documents. However, the evidence underpinning the Draft Regional Spatial Strategy will remain an important consideration for the Waste and Mineral Sites Plans.
Raising the Game: Economic Development Strategy 2005-2016 (Bournemouth, Dorset and Poole Economic Partnership 2005) The strategy is intended to strengthen the focus of partner organisations, regional agencies and government on the economic needs and priorities of Bournemouth, Dorset and Poole in the period 2005-2016. Its objectives are: • To improve physical infrastructure and transport connectivity. • To increase the provision of affordable housing for 'key workers'. • To raise skills and workforce development. • To improve business competitiveness, enterprise and innovation. The strategy is still extant however is now out of date. The Local Enterprise Partnership (see below) is preparing a series of action plans based on four key strands, which will be the basis for a new economic strategy for the sub region. **Implications:** Until superseded by a new strategy prepared by the LEP, the Waste and Mineral Sites Plans should take this document into consideration. The objectives of the LEP should however be taken as the emerging strategic steer for the local economy.

Dorset Local Enterprise Partnership Prospectus (2011)

The Dorset Local Enterprise Partnership is made up representatives of the key sectors from the local economy, as well as representatives from Dorset, Bournemouth and Poole councils. Its purpose is to promote economic development. The Dorset Local Enterprise Partnership bid was approved by the government on 7 July 2011, following the submission of the prospectus in June 2011.

The overall aim of the LEP is to 'deliver growth through enterprise and the environment'. Its targets include consistently increasing the area's GVA performance, for job growth to be consistent with high employment, with a focus on the quality of employment growth, increasing the creation rate of new enterprises and increasing the proportion of businesses engaged in international trade. The green knowledge economy is seen as the appropriate model for sustainable economic development.

In summary its overall objectives are:

- To improve the performance of existing businesses and to encourage the creation and growth of new ones
- To enhance the skills of the current and future workforce
- To improve electronic and physical connectivity
- To create the conditions for enterprise (with an initial focus on establishing a coherent framework for spatial planning consistent with the imperative for appropriate forms of sustainable economic growth).

Implications:

The Local Enterprise Partnership is an important stakeholder for the preparation of the Waste and Mineral Sites Plans. Its aims and objectives should be taken into consideration in the preparation of the Waste and Mineral Sites Plans, where relevant.

Local Economic Assessment for Bournemouth, Dorset & Poole (2011)

A Local Economic Assessment for Bournemouth, Dorset and Poole was published in June 2011. The document, which provides an evidence base for the operation of the Local Enterprise Partnership, provides information on the local economy and identifies the challenges faced. It sets out a number of actions and strategies required to support future economic growth.

Implications:

The Local Economic Assessment provides useful up to date baseline information on the sub-region's economy. Its strategies should be taken into consideration.