

Dorset Rural Enterprise Priorities Paper

July 2016

1 | The context

1.1 | Introduction

The Rural Enterprise Group (REG) was established as a sub-group of the Dorset Local Enterprise Partnership (DLEP) to identify and encourage the growth of private enterprise and prospects for jobs in the rural areas of the county, already acknowledged as making a significant economic contribution in specific localities and to Dorset as a whole. The membership of the REG includes a wide representation of rural organisations in Dorset including the private sector, education, government agencies, the Dorset Local Nature Partnership (DLNP), the Local Action Groups (LAGs) and local authorities.

The Dorset Rural Enterprise Priorities Paper endeavours to recognise the issues, opportunities and probable barriers to growth in rural Dorset, whilst appreciating the contribution made by the natural environment, or our Natural Capital, which has recently been valued at £1.5bn¹ of gross value added per annum. It will link with Government plans for boosting productivity in rural areas (summarised in 'Towards a one nation economy: A 10-point plan for boosting rural productivity').

The paper seeks to identify the actions which might be undertaken by the DLEP and its partners to encourage, not only the growth of existing sectors, but also the diversity of businesses, to increase the opportunities for those who live and work in our countryside.

The paper is not intended to be a long, comprehensive report on the difficulties faced by the rural economy, but a succinct identification of achievable objectives and aims to improve our economic prospects which all sectors can support, endorse and help to deliver. Inevitably, some issues overlap and affect several other topics, such as skills, sustainability, planning, housing and tourism, but opportunities have been considered where they lie most appropriately in order to avoid duplication. This paper contains the agreed view of the REG collectively, although individual members may have different views on some issues.

Informed by this paper, the REG will agree and publish a Rural Action Plan in partnership with all those involved in the economy of our countryside including the DLEP, the private sector, government agencies, local authorities and others to seek to address our stated objectives to improve the prosperity of rural Dorset.

James Weld
Dorset Rural Enterprise Group Chairman
Dorset Local Enterprise Partnership Board Member

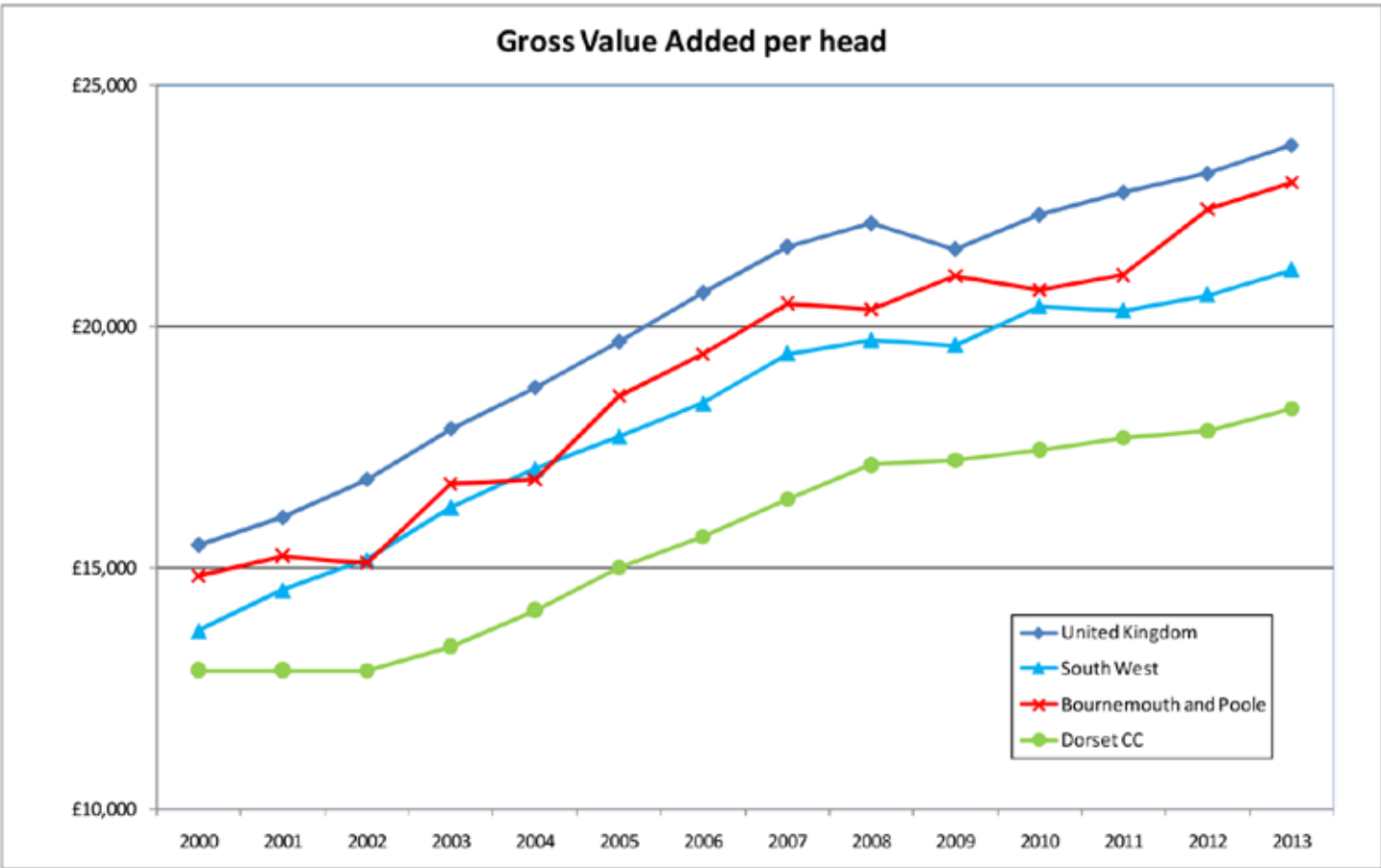
¹ Dorset's Environmental Economy – November 2015



1.2 | Background

Within the Dorset Local Enterprise Partnership's (DLEP) area, 169,000 residents live in areas designated as 'rural'², which is 23% of the population. There is also a network of 'hub towns' that are vital part of Dorset's rural economy, namely Wimborne, Verwood, Blandford Forum, Gillingham, Swanage, Dorchester and Bridport.

Latest data on economic productivity suggests that Dorset's rural³ economy is significantly lower than the national average and is falling behind.



This paper aims to set out the interventions required to enable a step-change in economic productivity and wage levels in rural Dorset, in an equitable and sustainable way.

² Based on 2011 Rural-Urban classification by LEP (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/270780/Dorset_LEP_simple_RU_split.jpg)

³ Gross Value Added (GVA) data is only available to NUTS3 level so we have used the Dorset County Council area to represent 'rural' Dorset, although it can be expected that GVA will be even lower if we were able to exclude the urban areas of Christchurch, Ferndown, Wimborne and Weymouth



2 | Environment

2.1 | Economic value

The REG fully appreciates the crucial inter-relationship between Dorset's stunning environment and its local economy. We support the Dorset Local Nature Partnership's vision (Natural Value – The State of Dorset's Environment 2014) which looks to ensure that:

- Dorset's outstanding natural value is recognised, protected, enhanced, celebrated and invested in;
- Dorset's world class terrestrial, coastal and marine environment is recognised as what makes Dorset a great place to live, work and visit; and
- The natural environment is not thought of as a constraint to be overcome, rather it is the basis upon which growth and development relies and therefore consistently requires both protection and enhancement to deliver such benefits.

2.2 | Sustainability

The DLEP supports the concept of a 'green economy', where enterprises that have a low impact on the environment are able to flourish. There is also the potential for opportunities offered from sustainable technologies that could be developed and marketed from Dorset, for example biomass, renewables and sustainable construction.

Enterprises will be encouraged and supported to use resources efficiently and to minimise their detrimental impact upon the environment. This will include, but not be limited to, minimising waste, maximising efficiency, utilising renewable energy, increasing sustainable transportation and using alternative technologies such as video conferencing.

The REG is particularly interested in the following issues specific to Dorset:

- Encouraging businesses to become as energy efficient as possible and to seek to satisfy their remaining energy needs from renewable sources;
- Developing new Green Infrastructure (GI) especially around the major conurbations and exploiting business opportunities that utilise the GI;
- Algae growth via eutrophication in Poole Harbour is affecting its ecosystem and its attractiveness for recreational activity. Caused by high nitrate and phosphate run-off from residential and industrial developments as well as agricultural activity. The REG supports the work of the Poole Harbour Catchment Initiative in tackling this issue;
- Increasing the resilience of rural areas to future extreme weather events anticipated through climate change. Rural enterprises will be encouraged to undertake emergency planning and consider mitigation such as developing procedures, locating key IT equipment appropriately and investing in flood risk management;
- Encouraging sustainable transportation, particularly within the tourism sector; and
- Promoting the conservation and retention of Dorset's substantial stock of listed buildings by utilising them within the rural economy.

3 | Infrastructure

3.1 | Transport

The REG is concerned about the heavy usage of major routes through rural Dorset and the inadequate capacity of many rural roads, which affects visitors and potential new enterprises, as well as existing ones. Despite the rural road network in Dorset being poor, it is perceived that priority has been given to strategic road schemes around the conurbation. The REG would like the DLEP and its partners to undertake a strategic review of the road infrastructure across Dorset and priority should be given to schemes that will enable economic growth in rural areas, such as:

- The emerging Dorset Enterprise Zone;
- The Weymouth and Portland corridor;
- The A31 corridor; and
- The main east/west and north/south road links.

Dorset has adequate rail connections with London and the South East from both the Weymouth and Yeovil Junction services. This assists nearby businesses to reach new markets and contacts as well as enabling local residents to access a wider employment market. However, it is considered that there is economic potential in improving the Weymouth to Bristol service as well as linkages around Yeovil. There is also the potential for improved freight handling facilities.

Rural bus services are vital in allowing residents to access employment, education and training and ultimately jobs. Unfortunately, rural bus services tend to be less profitable than in urban areas and public sector support has reduced due to budgetary pressures so the REG wishes to explore alternative rural transport solutions and alternatives (eg. promoting home-based working/learning).

3.2 | Digital

The REG regards both the provision of high speed broadband and good mobile signal as being essential to the success of rural areas and a precursor to further business and employment growth. Indeed they are becoming necessary for maintaining current market share, eg. tourists increasingly consider the ability to stream video and access online visitor information to be a prerequisite.

The majority of rural Dorset has not been included in the commercial roll out of fibre broadband required for 'superfast' speeds. Superfast Dorset has been created to deliver fibre broadband in areas unlikely to be covered by the commercial roll out, which has set out to provide 97% of Dorset premises with broadband speeds of 24Mbps and beyond. The REG acknowledges the progress of Superfast Dorset but is concerned about the remaining 3% of premises and that even premises in 'superfast enabled' areas may still not be able to access the desired internet speeds due to the distance from their exchange. We encourage the review of alternative technologies such as fixed line, satellite broadband, wireless broadband and mobile broadband.

Mobile telephony is similarly limited in rural Dorset where in some areas you are unable to make a voice call or even send/receive text message. Browsing the web and streaming video content is difficult as 3G coverage is patchy and 4G is yet to be rolled out. The REG will be lobbying for 100% mobile phone coverage but at the same time it appreciates the potential negative impact of masts on Dorset's landscape, so would encourage the use of alternative technologies (eg. the non-mast project being piloted by Vodafone and the Cranborne Chase AONB).

3.3 | Housing

Dorset faces a huge challenge to deliver an adequate supply of new, affordable rural housing. Average house prices for properties sold in the DCC area during 2015 increased 6.4% year-on-year to £237,000, which is likely to be even higher in certain areas such as in coastal communities that see high levels of second and holiday home ownership.

Central government has made the delivery of housing a key priority and sought to release additional housing through the introduction of the National Planning Policy Framework together with a range of permitted development rights to convert office, retail and rural buildings into new housing. However the capacity of public bodies to maintain the levels of existing rural affordable housing as well as providing for new needs are being increasingly challenged by a number of existing and proposed changes to rural housing delivery.

If the challenge of delivering affordable rural housing is to be met, landowners, communities, and local authorities need to develop shared agreements on best practice and new delivery models to increase the range of housing types available within Dorset's rural hinterland. The REG is looking to initiate this process by holding a rural housing conference.

3.4 | Rural workspace

The availability of appropriate workspace in rural Dorset will be key in enabling economic growth. Commercial property has traditionally provided a set amount of workspace for a set amount of time. However, the way we work is being fundamentally changed by technology, quality of life and cost of transport, which has increased homeworking and self employment. This has led to the emergence of work hubs that offer an 'office-as-needed' solution as successfully trialled through Defra's Rural Growth Network pilot projects. There is clear scope for the creation of work hubs and other modern workspace in parts of rural Dorset and the REG desires to undertake a professional rural workspace study in order to understand the exact needs and to inform future investments.

The National Planning Policy Framework (NPPF) recognises the importance of supporting a prosperous rural economy and states that "planning policies should support economic growth in rural areas in order to create jobs and prosperity by taking a positive approach to sustainable new development", which should be incorporated into local and neighbourhood plans.

The REG is encouraged by the emergence of the Dorset Green Enterprise Zone and will support its partners in delivering its benefits to local communities in the surrounding area.



4 | Residents

4.1 | Demographics

Rural areas tend to have a higher proportion of retirees with 24.4% of Dorset's rural population being over 65 in the last Census, compared with 21.8% elsewhere. This is expected to continue to grow in the foreseeable future, which raises issues regarding the availability of local workers although it is appreciated that many people are working beyond the traditional retirement age, particularly in the voluntary and community sector.

Only 26.1% of the rural population are between the ages of 18 and 45, compared with 33.8% in the rest of Dorset. This may be linked to housing affordability and the tendency for younger people to gravitate towards urban areas in order to access jobs.

Economic statistics for rural Dorset show low levels of unemployment and high levels of economic activity. However, there is concern that the statistics do not show the whole picture and may mask pockets of deprivation. For example, many jobs are part-time and low paid whilst housing, utilities and transport costs tend to be significantly higher, which makes living in rural Dorset very marginal for some groups.

4.2 | Services

The REG is concerned by the recent decline in rural services such as petrol stations, banks, post offices and general stores. However, it is encouraged by the emergence of new enterprises in rural areas such as village pubs offering a wide range of services and community renewable energy schemes. The REG will continue to encourage the retention and development of local services and community facilities.

There is also a lack of media coverage in Dorset, both in terms of TV/radio reception and local specific programmes. The Dorset Broadcasting Action Group (DorBAG) has been lobbying for increased media coverage for Dorset and to help Dorset residents get adequate TV/radio reception. The REG would also like to see a greater understanding of agriculture and the rural economy in local media.

4.3 | Skills

Ensuring that residents in rural areas have the necessary skills will be crucial in increasing productivity and creating new jobs. The physical access to training and inability of small business employees to commit to structured courses remain the main barriers to up-skilling, so the REG supports the development of flexible courses that are supported online. It is appreciated that a number of training courses delivered locally may be regarded as 'hobbyist', as opposed to 'economic', so any intervention will need to closely assess outputs.

The REG would like to work closely with the Dorset Employment and Skills Board (ESB) in order to develop a strategic view of the skills needs of rural Dorset and ensure that the appropriate training is available across the DLEP area. This should include:

- Employability skills to assist rural residents into long-term work;
- Greater linkages between education and employers to enhance careers advice and guidance as well as key employability skills; and
- Encourage take up of training to increase productivity and innovation (eg. latest ICT, knowledge transfer, marketing and exporting).

5 | Enterprise

The health of Dorset's rural economy is dependent upon the enterprises that choose to base themselves and operate here. This section looks to summarise the key sectors for rural Dorset and identify the specific issues that are impacting upon their productivity and growth.

5.1 | Agriculture and land based industries

Agriculture is the most obvious sector in rural Dorset with almost three quarters of the county's land area being farmed and is home to over two thousand commercial farm holdings. The majority of the farmed area is grassland with just over a third used for arable.

The farming sector has a vital role in national food production but continues to face its challenges, so the REG will continue to support Dorset's farmers and land owners alongside the NFU and CLA. This will include providing financial support through DLEP's allocation of European Structural and Investment Funds (ESIF) as well as encouraging take up of other sources of funding such as LEADER, Countryside Productivity Scheme and Countryside Stewardship Scheme. Priority will be given to projects that increase productivity and create sustainable employment, for example knowledge transfer and farm diversification. The farming sector is also important in maintaining the local landscape and supporting wildlife.

	2013	Difference (from 2010)
Holdings	2,226	-15
(of which >100 ha)	625	+41
Labour	6,309	+334
Arable area (ha)	76,099	+6,789
Cattle	182,520	+3,626
Pigs	62,182	-5,554
Sheep	200,208	+22,552
Poultry	1,595,074	-234,097

Survey of Agriculture and Horticulture, Defra, June 2013

Another key priority is to utilise Dorset's woodlands, whilst helping residents and businesses to lower their carbon footprint. It is recognised that the use of biomass technologies has significant potential to achieve these aims, particularly in rural areas. The Dorset AONB has estimated that the sustainable woodfuel resource in Dorset from currently unmanaged woodland has been estimated to be in the region of 100,000 tonnes per annum (worth £12m - £15m) but only approximately 10% is currently utilised⁴. The REG is encouraging projects that are looking to develop Dorset's forestry sector, particularly through Growth Programme and LEADER funding.

5.2 | Food and drink

Dorset's food and drink sector is closely linked with agriculture but is prominent enough to be considered separately. There is a great range of food and drink on offer in Dorset including meat, fish, shellfish, fresh fruit and vegetables, dairy and cheeses, wines, cider and beer, as well as amazing producers of grocery and delicatessen items and baked goods. Many of Dorset's brands are well known and can be found in supermarkets across the world including Dorset Cereals, Clipper Teas, Hall and Woodhouse, Olives et Al, Fudges and Ford Farm Cheeses. At the same time, there is significant potential for further growth with the right support, such as in marketing and promoting their products and accessing export markets.

There is significant potential for greater public procurement using local products, which is most relevant (but not limited) to food and drink. The REG would like to see more locally sourced food and drink in schools, hospitals, local authority care homes and day centres. This will be aligned with the Government's target that £1 in every £3 of its expenditure will be spent with small businesses by 2020.

⁴ Woodfuel Supply and Demand in Dorset - 2009

Visitors are increasingly being attracted to Dorset's high quality cafes and restaurants, which are often keen to highlight their local sourcing. Dorset Food and Drink is a membership organisation that promotes what the area has to offer and supports numerous events such as the Dorset Knob Throwing and Food Fest. The REG hopes to work alongside Dorset Food and Drink and other stakeholders to bring together this vibrant sector under one banner and raise its profile within the DLEP. The fisheries sector is important to many of our coastal communities and the REG supports the efforts to improve the productivity of our seas and help pioneer harvesting methods that protect the marine environment, eg. through Marine Protected Areas.

5.3 | Rural tourism

Tourism has grown considerably over recent decades to being the most important sector in some parts of rural Dorset not only in terms of current activity, but also in its potential for economic growth. The REG is encouraged by the recent incarnation of the Dorset Destination Management Organisation (DMO) and fully supports its destination management plan, including the following five priorities:

1. Regaining and increasing market share;
2. Increasing year round visitor spending and its retention in the County;
3. Unleashing the potency of Dorset as a destination brand;
4. Effectively linking the urban, rural and coastal experience; and
5. Conserving, fostering and promoting Dorset's special natural and cultural assets.

The REG will continue to be closely engaged with the DMO in order to support the delivery of the destination management plan and highlighting issues specific to tourism in rural Dorset.

The NPPF encourages support for sustainable rural tourism and leisure developments that benefit businesses in rural areas, communities and visitors, and which respect the character of the countryside. It also suggests local and neighbourhood plans should promote the development and diversification of land-based rural businesses, which the REG believes could be used to grow rural tourism.



6 | Funding and support

The REG fully appreciates that Dorset's rural enterprises will need considerable funding and support in order to fully meet their growth potential. It has been well-publicised that funding from both public and private sources has reduced in recent years so Dorset will need to work smarter in utilising these resources and look to facilitate step-changes in enterprises as opposed to propping them up. The REG will closely monitor funding opportunities including, but not limited to:

- DLEP European Structural and Investment Fund (ESIF) allocation, including European Agricultural Fund for Rural Development (EAFRD);
- 2 LEADER Programmes (Northern Dorset and Southern Dorset Local Action Groups);
- DLEP Growing Places revolving loan scheme; and
- Banks and other private funding.

The Dorset Growth Hub provides local business information to help new, start up and existing businesses. It provides information to help with starting and growing businesses, finances, employment and skills information, contact details for local suppliers, support schemes and services, news from around the region, as well as a list of the training, seminars, and networking events available locally. This local information is supplemented with links to content on external sites such as www.gov.uk. The REG will work closely with the Growth Hub to ensure the latest information and support is available to all rural enterprises, including those in the community and voluntary sector.



7 | Priorities

After consideration of the issues affecting enterprises in rural Dorset. The REG has identified the following priorities that will be monitored separately in a dedicated action plan.

Represent	<ul style="list-style-type: none">• REG to ensure appropriate representation for rural enterprises across DLEP area• Ensure close relationships with DLEP, DLNP and its sub-groups• Maintain terms of reference for REG• Attend Defra – LEPs round table meetings
Monitor	<ul style="list-style-type: none">• Collate and communicate key information and data for Dorset's rural economy• Rural-proof DLEP policies and activity• Promote sustainability and minimise environmental impact from Dorset enterprises• Align activity with emerging national policy
Transportation	<ul style="list-style-type: none">• Encourage review of rural infrastructure, including linkages• Seek new rural transportation solutions (eg. community transport, moped loan schemes, trailways)
Rural communications	<ul style="list-style-type: none">• Support Superfast Broadband in rural areas• Consider alternative broadband technologies (eg. satellite, wi-fi)• Seek wider mobile coverage, with minimal landscape impact
Housing & basic services	<ul style="list-style-type: none">• Hold rural housing conference to bring together stakeholders• Encourage new ways of delivering basic services in rural areas
Workspace	<ul style="list-style-type: none">• Undertake rural workspace study• Review new types of rural workspace and assess feasibility in DLEP area
Skills	<ul style="list-style-type: none">• Ensure young people are aware of the opportunities available in rural Dorset and that training is available and appropriately delivered (including apprenticeships)• Develop and deliver targeted 'agri-tech' strategy for Dorset• Provide training targeted at enabling growth (eg. marketing, exporting)
Support key sectors	<ul style="list-style-type: none">• Encourage establishment of effective Destination Management Organisation• Facilitate collaboration between food and drink organisations (eg. events, raising profile and increasing local procurement)• Promote green technologies (eg. biomass, renewables, sustainable construction and Green Infrastructure)• Support marine sector and its impact on coastal communities
Financial support	<ul style="list-style-type: none">• Agree and specify local priorities for DLEP's EAFRD allocation• Ensure complementarity with Dorset's LEADER programmes (SDLAG & NDLAG)• Promote all sources of funding and support available to rural Dorset
Review	<ul style="list-style-type: none">• Annually review progress and update DLEP Board• Regularly revise priorities and review REG membership