

Dorset Local Enterprise Partnership
COVID-19 Recovery Action and Recommendations to Government

COVID-19 has had an impact on the lives of those living in Dorset in every way imaginable. This includes deaths from the virus, an impact on the physical health, mental health and wellbeing of many residents, huge uncertainty in home and business lives, and of course, a financial impact on the people and communities of Dorset.

Dorset is an incredible place with world-renowned landscape and coastline. As a place, it would however, seem that Dorset's economy has been severely and disproportionately impacted by COVID-19 in comparison to the physical presence of the virus, which to date has been amongst the lowest in the country.

COVID-19 has exposed the fragility that this type of crisis can present to business resilience and stability. It has also created opportunity, and the ability to find solutions with new investment such as skills development or businesses repurposing their offering to new markets.

Our tourist economy underpins other sectors such as food and drink, retail, creative and culture. Tourism will be unlikely to return to close to normal until the summer of 2021 and the industry expects not to recover for a further three years after that. COVID -19 will therefore cause significant employment and productivity issues for Dorset and impact deeply for a considerable duration on our region, more so than in most other places of the UK.

Here we outline the impact COVID-19 has had, and continues to have on Dorset, the action Dorset LEP has taken so far and our future actions and recommendations to government.

We aim to emerge with a stronger, adaptable and more resilient industry in Dorset than before this pandemic.



795,000
residents



£17.3bn
GVA



VOICE
to government



291
Schools



3
Further
Education
Colleges



3
Universities



STRATEGIC
leadership
for Dorset's
economy

Additional Dorset LEP project investment



£2.28m

Histopathology Diagnostic Hub at The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust

£750k

additional skills investment at Weymouth College

£380k

allocated to BCP Council's Smart Place Strategy for 5G roll-out

£194k

additional skills infrastructure investment at Kingston Maurward College

£102k

additional digital skills investment at Bournemouth & Poole College

£5m

Holes Bay to provide much needed housing

£3.17m

to improve transport in the BCP Council area

£1.5m

allocated to Dorset Council to develop an innovation hub

Emerging impact of COVID-19



2000

fewer jobs
(April 2020
vs April 2019)

55%

businesses
furloughed staff

9%

businesses
permanent
redundancies

59%

businesses subject
to forced closures

50%+

tourism businesses
not confident
of survival if
they cannot open
in summer 2020

Additional support for businesses



£50,000

investment
Crowdfund Dorset
Business

£190k

funding secured
with support
from our bid
writing service

WEEKLY

reporting to the
Department
for Business,
Energy & Industrial
Strategy

Support for schools



40

schools
in Dorset
Careers Hub

71

schools
matched with an
Enterprise Adviser

Indicative Future Action

Based on our research and work with local businesses, we have a series of indicative future actions for government which would expedite recovery in Dorset post COVID-19.

Business Environment

Dorset's Local Industrial Strategy outlines our plans to enhance the current innovation eco-system, promoting Dorset as a centre of innovation with the expertise, infrastructure, environment and culture for all businesses to develop ideas and solve challenges, and to drive activity, cooperation, employment, investment and as well as inspiring and enabling innovation.

To accelerate this, we need government to provide further funding for business support. Dorset is populated with micro and SMEs and new funding for businesses that we are confident will thrive post-COVID-19 is needed to help some existing businesses adapt and also to attract strong new businesses into our region. Support should include creation of a funding scheme for these businesses which can be used for innovation/ incubation space, digital upgrades or feasibility work, as well as grant support for micros and SMEs, small business growth grants and business loans and extension of the discretionary grant scheme to give local areas the control and capacity to address local issues and take advantage of local opportunities. In addition, continued business rate support is essential to avoid the high probability of business failure that is likely to occur at the end of rates holidays in as this will hit the tourism sector at the end of the 'third winter' – extension of the furlough scheme is also critical to aiding tourism businesses through this period.

“Young people are among the hardest hit in the current crisis. One in three young people have been furloughed or lost their jobs completely, and over one in three have had their pay reduced since the crisis started.”

People

The Local Industrial Strategy details an ambition for Dorset to create a total skills solution to unlock talent across Dorset, making training and jobs accessible across the region, boosting talent attraction and retention as well as building a pipeline of skills at leadership, management and workforce levels. This is essential to strengthen the productivity and sustainability of our core businesses and develop skills for future growth.

There will be far fewer opportunities to enter or remain in work for at least the next 12 months and therefore we request revenue funding to implement a flexible task force to respond when retraining needs arise. This may include retraining adults where needed from worst-hit sectors to secure employment and to increase the number of workers in key sectors to meet new demand.

Young people are among the hardest hit in the current crisis. One in three young people have been furloughed or lost their jobs completely, and over one in three have had their pay reduced since the crisis started. Large numbers of young people are employed in the sectors most severely affected by the lockdown – such as leisure, retail and hospitality. The Resolution Foundation found 23% of employees aged 18–24 had been furloughed and a further 9% had lost their jobs completely.

On top of this, many young people have had their final exams cancelled and plans to move to further education, training or employment put on hold. Moving them back to school, training or employment will be a complex process with many needing additional support to make a new plan and to have the skills and confidence to act on it whilst unexpectedly in the not in education, employed or training (NEET) group.



50+

Shovel-ready projects submitted to government which can be delivered in the next 18 months.

We need government to provide funding that will create a skills infrastructure to support workforce skills development, careers education and resilience in order for Dorset to contribute further to productivity. This will ensure our people can look to new ways of working and new markets locally with confidence. We also require funding for further education to remove the barrier this holds financially and for Government to devolve local commissioning to allow Dorset's providers to work more closely with employers and deliver the changes needed for the future landscape including apprenticeships, traineeships and degree provision.

Infrastructure

As outlined in the Local Industrial Strategy, Dorset is hard to reach physically and requires significant investment to drive road, rail, port and air connectivity to strengthen opportunities for new and growing businesses. It is also essential to address barriers to employee and learner travel, housing and mobility to support business productivity across the region while creating a net gain for biodiversity.

We recommend Government prioritise investment in low carbon infrastructure in Dorset. For example, we require a significant increase in affordable housing and also have a large number of workers in construction who have been unable to work due to COVID-19. Housing represents 20% of emissions and funding a net-zero recovery housing programme in Dorset can stimulate the economy through jobs in the construction sector as well as achieving the housing we need.

Furthermore, providing Local Growth funding post-2021, or other capital investment, will enable us to deliver additional infrastructure projects to address structural issues with

seasonality, encourage rebuilding of our industry in an environmentally positive way and will link to recovery as per our list of 50+ shovel-ready projects submitted to government which can be delivered in the next 18 months.

Place

The Local Industrial Strategy for Dorset also states an ambition to make Dorset a place of creative and cultural excellence, celebrating our cultural assets and the creativity of our people, representing this with a strong brand for Dorset which reflects the ambition and opportunity across the region.

Arts and culture are imperative to emotional and mental wellbeing, as we have seen during COVID-19. Dorset has a large portion of the UK's creative industries and we request from Government a dedicated Creative Industry Fund to ensure not just financial recovery but to aid the social resilience of the UK. This should include grants to maintain employment and economic capacity in the creative and culture sectors as well as funding for out of season cultural development to attract visitors all year round, building the resilience of our tourism industry and the sectors which support this.

Specific Government investment for green tourism in Dorset will enable us to rebuild our industry with a greener model, becoming a place that is environmentally sustainable and energy resilient, utilising local renewable energy sources. Making the south west a Tourism Zone will also help our place recover and build resilience, as will investment in the promotion of Dorset and wider south west region through initiatives such as refocusing Visit England expenditure onto domestic tourism and making funds available to local destination marketing organisations for brand and marketing.

Impact on Dorset Jobs

Dorset's established sectors include financial services, tourism and environmental economy, while high growth is recognised for the advanced manufacturing and engineering, creative industries and agritech/aquaculture sectors.

We know that significant parts of our economy, such as tourism and hospitality, are going to be dramatically different for some time and quick action is needed to facilitate recovery.

We are already working hard to support Dorset's industry with response initiatives and by developing resilience and recovery tactics to support the regions 795,000 residents and £17.3bn GVA.

Industry-level projections predict the most significant decline as a result of COVID-19 will be in the education sector, accommodation and food industry, and the construction sector¹.

With a higher proportion of workers than the national average employed in the accommodation and food industry and construction sectors, and Dorset's substantial educational activity, with 291 schools, three colleges and three universities, this presents an additional challenge for Dorset.

There were around 2,000 fewer jobs advertised by Dorset employers in April 2020 compared to the same period last year and around 2,600 less jobs March 2020. In addition, local intelligence we have gathered indicates:

- 55% of Dorset businesses furloughed staff with 9% of businesses making permanent redundancies
- 59% of Dorset businesses were subject to forced closures causing reduced sales/demand and cash-flow problems
- More than 50% of Dorset tourism businesses are not confident of survival if they cannot open in summer 2020.

“We are already working hard to support Dorset's industry with response initiatives and by developing resilience and recovery tactics to support the regions 795,000 residents and £17.3bn GVA.”

Dorset LEP Recovery: Action Taken

Dorset LEP has worked within its networks of people and organisations, gathered intelligence and information from numerous sources of evidence, brought together key business support and provided a joined up approach to supporting local businesses. We have taken an open, transparent proactive approach to support local people who need jobs or training and accelerated investment in infrastructure.

Below are the specific actions taken to support COVID-19 recovery in Dorset.



£2.28m

allocated to secure future healthcare provision for all Dorset residents through a new Histopathology Diagnostic Hub for Dorset at The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust

Investment in Projects

The Dorset LEP Board has recently approved investment in shovel-ready projects, which is an important first step in supporting the recovery of the Dorset community.

Investments include:

- £2.28m allocated to secure future healthcare provision for all Dorset residents through a new Histopathology Diagnostic Hub for Dorset at The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust.
- £750k additional skills investment at Weymouth College.
- £380k has been allocated to BCP Council to as part of the Smart Place.
- development to roll out 5G.
- £194k additional skills infrastructure investment at Kingston Maurward College.
- £102k additional digital skills investment at Bournemouth & Poole College.

Other initiatives which will shortly begin and will aid recovery include:

- £5m allocated for Holes Bay to provide much needed housing.
- £3.17m allocated to improve transport in the BCP Council area.
- £1.5m allocated to Dorset Council to develop an innovation hub.

All of these investments will help the region look to the future, developing opportunities for young people and for local businesses.

Leadership within Government

Dorset LEP provides a solid and coordinated voice to inform and influence government and other key stakeholders. We have been listening to our local stakeholders and we are in regular contact with government departments and MPs to highlight the needs of Dorset's businesses and communities and to influence policy. Each week Dorset LEP provides local intelligence to the Department for Business, Energy & Industrial Strategy and highlight local concerns and has requested from government:

- Flexibility over unused/unallocated funding
- Flexibility around some of our funding schemes
- Bringing forward the release of additional Local Growth Fund money
- Extending the Local Growth Fund deadline of March 2021 by 12 months
- Extension for the region's Enterprise Zone, Dorset Innovation Park
- Provided real-time data based on local surveys
- Hosted Ministerial engagement with regional businesses
- Promoting national initiative and supporting local access to ensure local take-up.

¹ Office for Budget Responsibility

“To fully understand the impact of COVID-19 on the business community and to inform government on action to aid recovery, Dorset LEP launched a Business Impact Survey which sought to gather information and insight from businesses of all sizes, including sole traders, and across all sectors in Dorset.”

Intelligence and evidence gathering to inform government decision-making

To fully understand the impact of COVID-19 on the business community and to inform government on action to aid recovery, Dorset LEP launched a Business Impact Survey which sought to gather information and insight from businesses of all sizes, including sole traders, and across all sectors in Dorset.

The findings showed that the immediate government response and take-up of the various national support measures had provided much needed help for a good number of businesses, although there were clear gaps in support for a region made up of a large number of smaller enterprises, particularly within the retail, hospitality and tourism sector.

This survey has allowed Dorset LEP to advise government that more support and guidance is needed to aid the economic recovery of the region, specifically:

- The importance of addressing cash-flow issues for small and micro businesses
- Guidance for the self-employed
- Further discussions on lifting restrictions and safe opening of the tourism and manufacturing sectors.

Locally, this information has helped, and will continue to help, inform additional measures and interventions required to support businesses as they seek recover from the effects of COVID-19 – examples are outlined in the following section.

Dorset Gateway: Business support initiatives

Given the speed and depth of the impact that COVID -19 has made, Dorset LEP has focussed

its resources to support local businesses and support national initiatives. This will form a large part of our delivery during the next year.

Business support is delivered via our growth hub, Dorset Gateway, which offers free advice and support to all Dorset businesses. Calls to Dorset Gateway regarding the pandemic were being logged as early as the start of March when businesses first felt the impact – on a single day alone there were 150% more enquiries than would usually be received in a month.

Key challenges that businesses have been encountering include accessing financial support through government grants and loans, and supporting employees through measures such as the coronavirus job retention scheme (CJRS) and changes to statutory sick pay. Dorset LEP has worked with partners from the local authorities, Dorset Chamber, government departments and the private sector to provide extra capacity for businesses.

A range of support measures have been introduced, with others in progress, including:

- Establishing and investing £50,000 in Crowdfund Dorset Business – a campaign allowing small and micro businesses impacted by COVID-19 to generate much needed cash-flow
- Targeted email to 180 pre-registered businesses detailing the business grants available from both local councils
- Extending our fully-funded bid writing support service to help businesses access new grant funding and business opportunities, and moving to online delivery where possible – through this four local businesses have already secured in excess of £190k funding to help respond to COVID-19
- Temporarily expanding resources through



£50,000

Investment in Crowdfund Dorset Business – a campaign for small and micro businesses to generate much needed cash-flow



£190,000+

R&D grant funding
secured by Dorset
Gateway's fully-funded
bid writing support
service

Dorset Gateway's custom brokerage service to collect business intelligence data and signpost businesses to the full range of support available

- Seconding existing staff into new, temporary roles to provide additional support to help manage business enquiries – this includes working with national and local government bodies to provide additional local resilience and capacity
- Developing COVID-19 webpages and newsletters
- On-going release of Dorset Gateway's regular funding blog
- #BidBites podcast series and a free Q&A webinar to support local businesses access funding opportunities and answer their funding bid enquiries
- Reviewing Dorset Gateway's delivery plan for 2020/21 to take account of the likely, longer term impact that COVID-19 will have on businesses
- Looking at a wider package of business resilience support for local businesses which will include the EU exit transition arrangements
- Exploring additional funding sources with government to enable better support for local businesses
- Development of a long-term investment prospectus to outline the future needs to drive productivity and prosperity
- Contributing to BCP Council's R3 (Respond, Recover and Reset) Task Force, Dorset Council's Local Resilience Forum Economy subgroup and the Dorset Local Industrial Strategy recovery group.

Back to Business: Online business summit

Our established and close working relationship with Dorset Chamber enabled us to organise an online business summit. Both Dorset LEP and Dorset Chamber work closely with the region's local authorities, local businesses, education providers, sector representatives and partners across the south west to understand industry needs. Both organisations are also fully committed to supporting Dorset

businesses and have a clear ambition focused on Dorset's recovery.

The 'Back to Business: Online business summit' on Tuesday 7 July will bring together industry experts from a number of key sectors to gather business insights and discuss views on Dorset's economic recovery and longer term, sustainable growth. The event will offer the specific opportunity to directly engage on:

- The support Dorset businesses, of all sizes and all sectors, need to recover and grow
- The challenges Dorset businesses face and ways they can be addressed
- Future infrastructure requirements for Dorset as the platform for a vibrant, healthy economy.

Dorset Careers Hub

Through Dorset Careers Hub, Dorset LEP supports over 40 schools, engaging with employers and coordinating a network of Enterprise Advisers to work with education providers. A bank of careers-related resources for remote and home learning were developed as an early response to support Dorset's young people, and we have been exploring innovative options for on-going work experience support. We believe the COVID Generation can be a force for good and are exploring complexities around the importance of volunteers (which may dwindle as businesses recover) and their links to the next generation of workers and how we balance work experiences/internships in a financially viable way.

Supporting Local Authorities

Our Local Authorities have awarded over £400m to local businesses in light of Covid-19 and have helped re-open retail, hospitality and town centres through Kickstarting the High Street funds.

In addition £550,000 of grant funding will be distributed by the Dorset Business Growth Programme (led by Dorset Growth Hub), to help SMEs access new technology and other equipment, as well as professional, legal, financial or other advice to help them recover.

Ongoing and Future Recovery Action

COVID-19 has already had devastating impacts but we are determined to take this as an opportunity to build back better where we can – working smarter, not harder.

Dorset LEP is leading the strategic economic direction for the county, playing a critical role in determining local economic priorities and undertaking activities to drive economic growth and create local jobs and support businesses. Our on-going, collaborative work with the regions councils, and the private sector, our wider partnerships and anchor institutions will focus on activities that drive forward economic recovery in the post-COVID era.

Initial activities and indicative future actions include:

I We have started work outlined in Dorset's Local Industrial Strategy.

Built on a substantial evidence-base and with strong local support, the strategy sets out the local and national work needed to deliver growth for the area. The collaborative cluster themes within the Local Industrial Strategy provide the framework for recovery, and include One Health and Creative, Culture & Digital. We have started work on our Investment Prospectus at pace – this document will translate the ambitions and interventions set out across the Local Industrial Strategy and related plans into a coherent programme for investment and delivery in the next two to ten years, which will be an important part of inspiring confidence and growth in our economy as we deal with the economic impacts of the coronavirus pandemic and adapt to a post-Brexit market.

II We have commissioned a full economic analysis of the impact of COVID-19 in Dorset.

The findings from this will help us further develop our understanding of the mechanisms by which the pandemic will fully affect the Dorset economy, this will feed into our Investment Prospectus which we anticipate publishing by the end of the year, which will feature more detail on the indicative action list provided in this document.

III We have submitted a list of more than 50 shovel-ready projects to Government.

These can be fully delivered within the next 18 months and will directly aid COVID-19 recovery, should accelerated funds become available.



LOCAL INDUSTRIAL STRATEGY FOR DORSET

Built on a substantial evidence-base and identifying collaborative clusters, this strategy sets out local and national work needed to deliver growth and provides a framework for recovery

“Future-proofing Dorset by providing the support needed to unlock our businesses and people, enabling them to recover and rebuild through coordinated investment in business, skills, infrastructure is critical. Our recovery can be more sustainable both environmentally and economically and the measures outlined will produce the productivity required for Dorset to be a key contributor to the UK’s economy.”



We will create dynamic and resilient supply chains

iv We will offer enhanced business support including:

- Increased support for innovative SME businesses and entrepreneurs looking to launch new products or services or modify existing ones
- Working with national support agencies such as and UK Research & Innovation (UKRI) and government departments to help improve access to support and funding for Dorset businesses
- Providing match-funded support for businesses looking recover from COVID-19 via the Crowdfund Dorset Business campaign
- Launching a specialist programme to help improve business resilience
- Funding export support and advice for businesses
- Continuation of Dorset LEP’s fully funded bid writing support service
- Establishing a funded peer-to-peer programme support for local businesses
- Providing access to grant funded support to local businesses to help them recover from the Impacts of COVID-19
- Launching a funded programme of support for scale-up businesses and those businesses with the potential to become scale-ups.

v We will develop a more resilient, adaptable and skilled workforce by:

- Completing our skills strategy and plan, based on evidence of strengths in the context of the recent challenges
- Ensuring our Investment Prospectus has a focus on skills
- Develop a Dorset Youth Works one year plan (September 2020 – August 202) by rapidly consulting young people and employers on what they need now, and how they can help each other to solve some urgent issues.

vi We will create dynamic and resilient supply chains through:

- Undertaking a study into supply chain resilience within Dorset
- Working with business support organisations to ensure business can effectively assess their supply chains.

vii We will integrate information and data capture/management into businesses and decision-making, including:

- Utilising relevant sources of data and business intelligence to help inform future funding and support decisions
- Working with local, regional and national partners to identify models of best practice that can be shared and, where suitable, implemented.



Keep up to date with Dorset LEP's activities and news:

Sign up to our newsletter:
dorsetlep.co.uk/newsletter

Follow us on social media:
   @Dorsetlep

Contact us:
T: 01202 965868
E: DorsetLEP@bournemouth.ac.uk