

# DORSET SKILLS BOARD

Evidence Summary for Skills Advisory Panel

AND

Emerging LIS 'People' section...

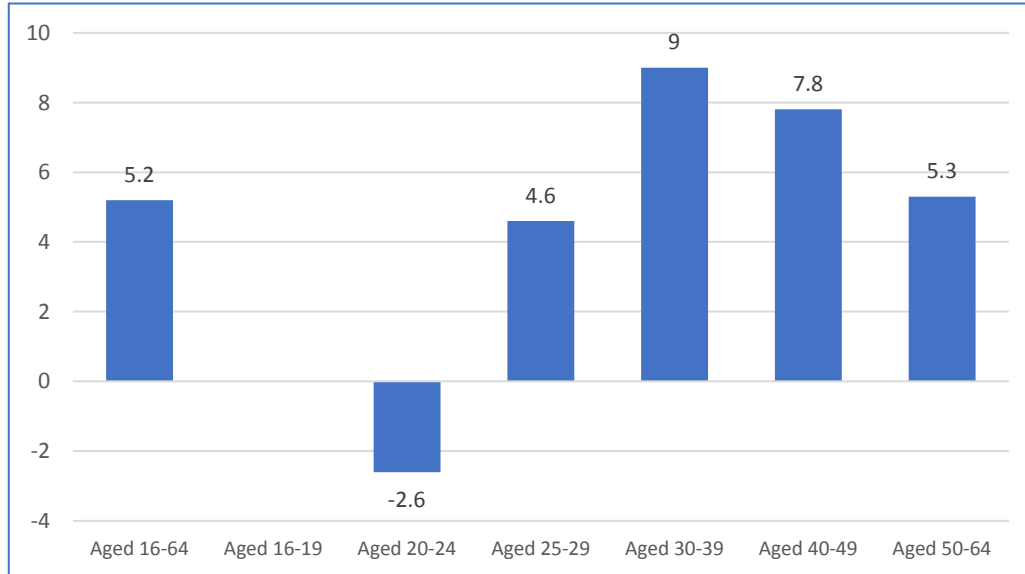
# Evidence review – some high-level observations

- Current labour market defined by ‘near full employment conditions’
- Leading to competitive conditions for businesses (recruitment/retention) into skilled and technical roles
- Issue overlaid by other factors such as demographic structure, and labour mobility (house prices)
- Clear differences in educational attainment and post-education outcomes for disadvantaged students
- Cuts in adult education budgets appear to have constrained one of the key ‘routes’ to addressing social mobility (adult training) – dichotomy with LIS intentions?
- Highly qualified-lower productivity characteristics similar to other rural areas (lifestyle factors/decisions & skills utilisation part of the conundrum?)

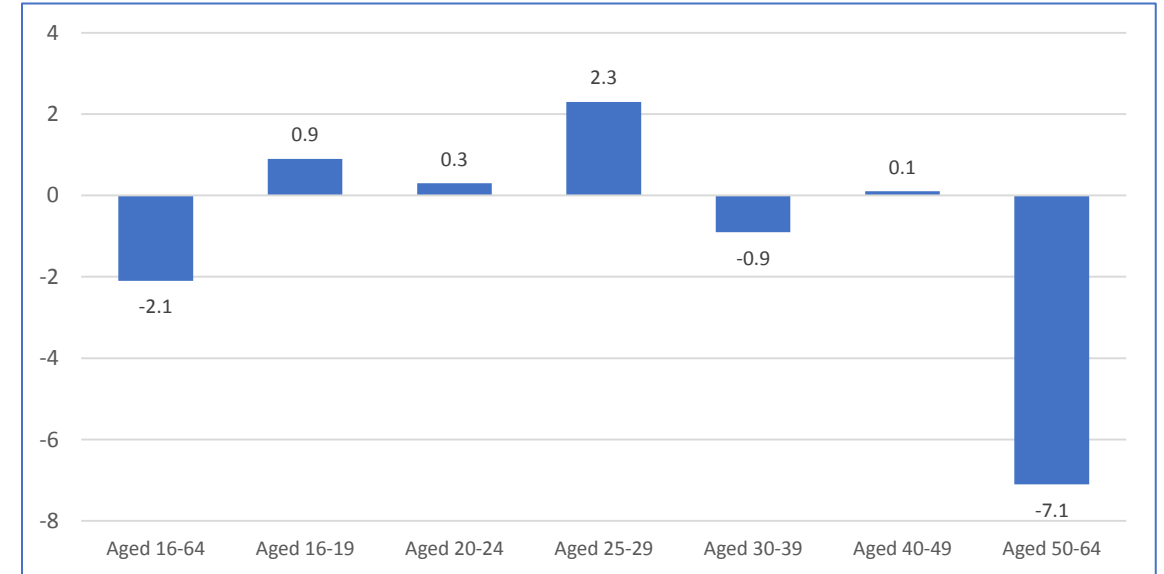
# Evidence review – some high-level observations (1)

- Population (as elsewhere) become more qualified – impact of first wave of University expansion

Percentage point change (2010 – 2018) – population qualified to NVQ4+



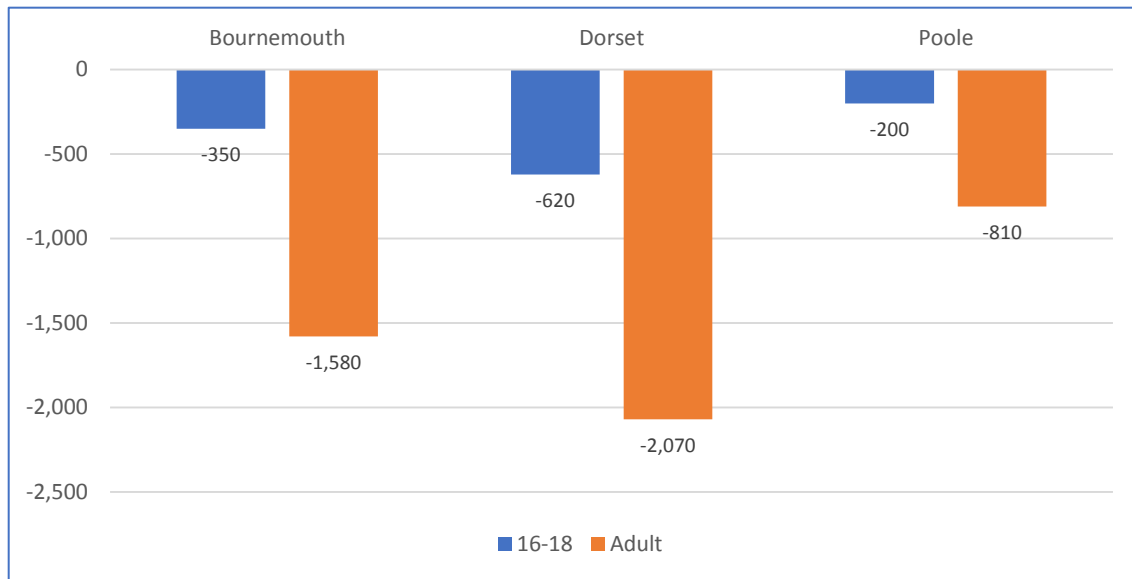
Percentage point change (2010 – 2018) – population with no qualifications



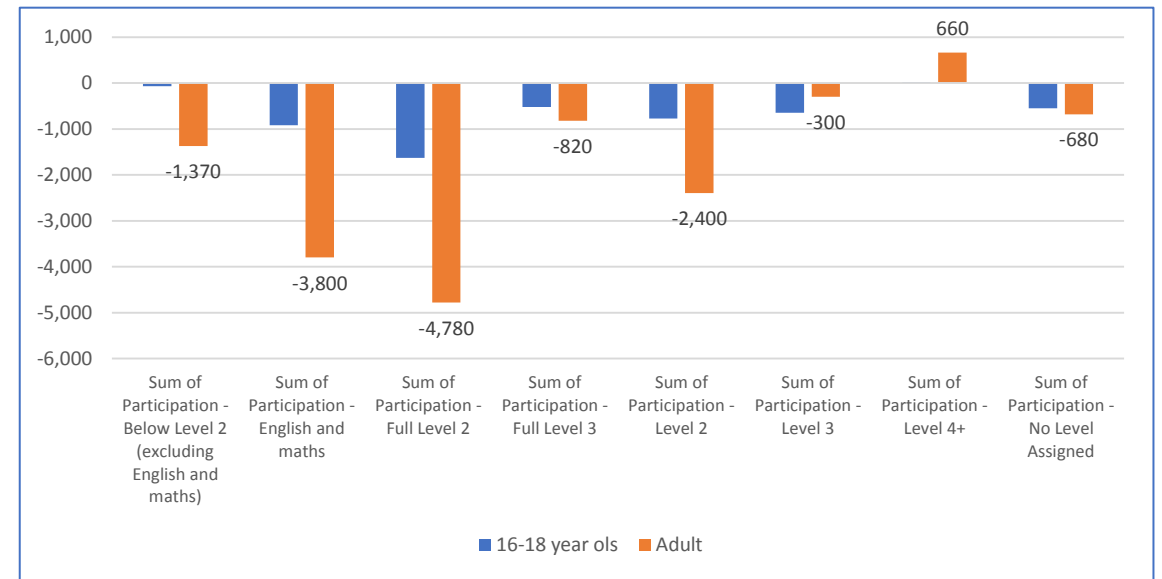
# Evidence review – some high-level observations (2)

- Fall in adult learning through FE participation
- Nearly 5,000 fewer adult learners at Level 2
- Raises questions around both social mobility and LIS objective of training workforce to meet the needs raised by replacement demand – role for devolution to align objectives?

Change in FE participation by age (2014/15 to 2017/18)



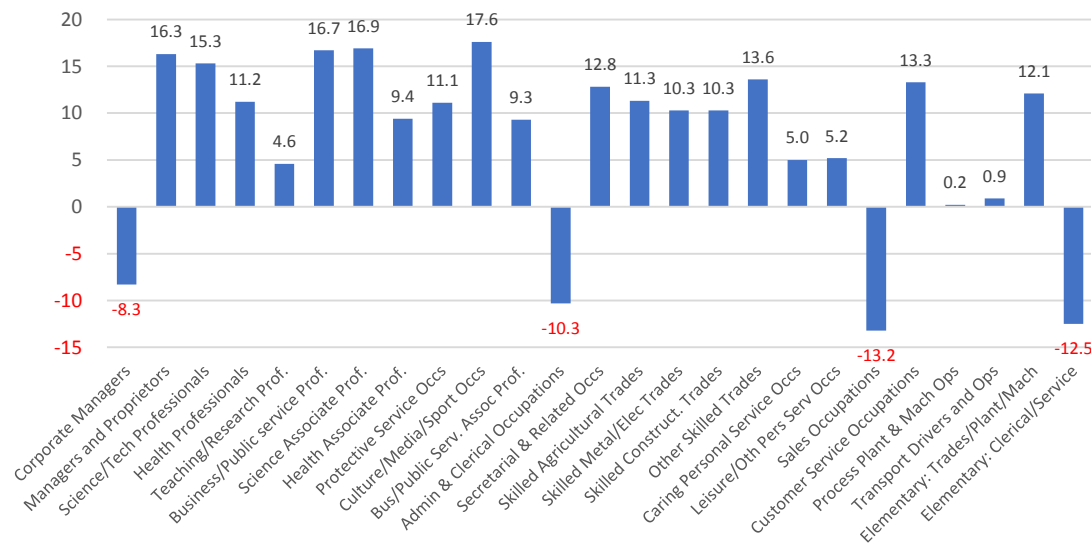
Change in FE participation by age and level (2014/15 to 2017/18) - DLEP



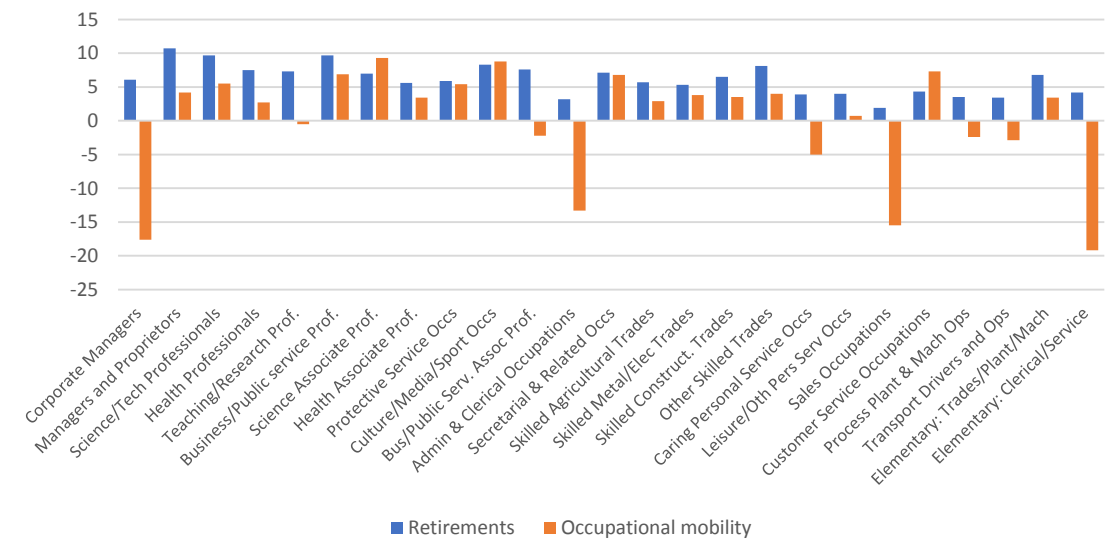
# Evidence review – some high-level observations (3)

- Replacement demand expected to differ across occupations
- Combination of retirement and occupational mobility

Net requirement by broad occupation – to 2030 (000s)



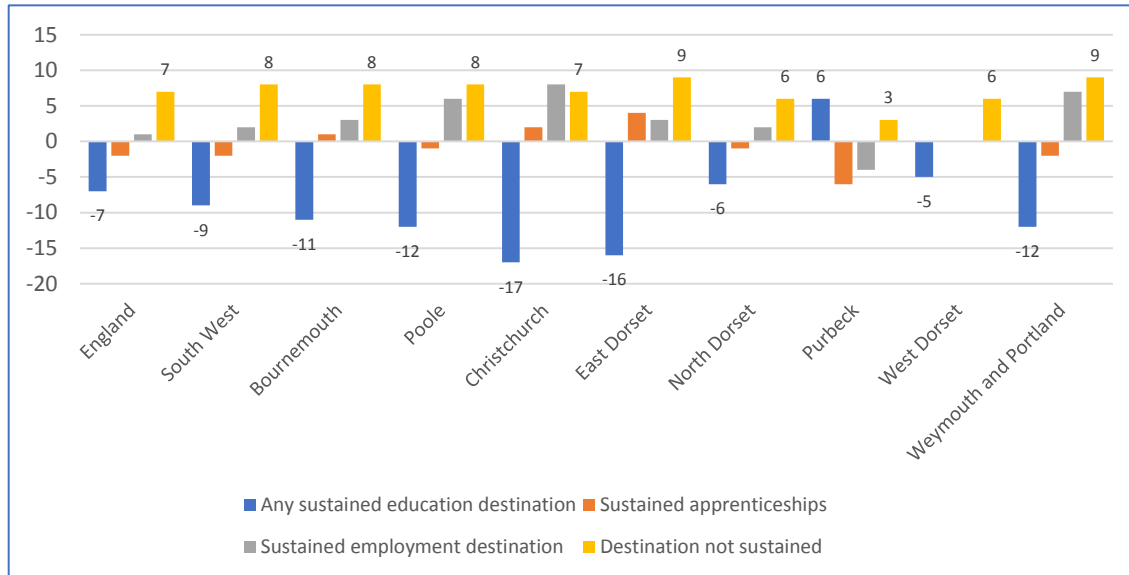
Components of replacement demand by broad occupation – to 2030



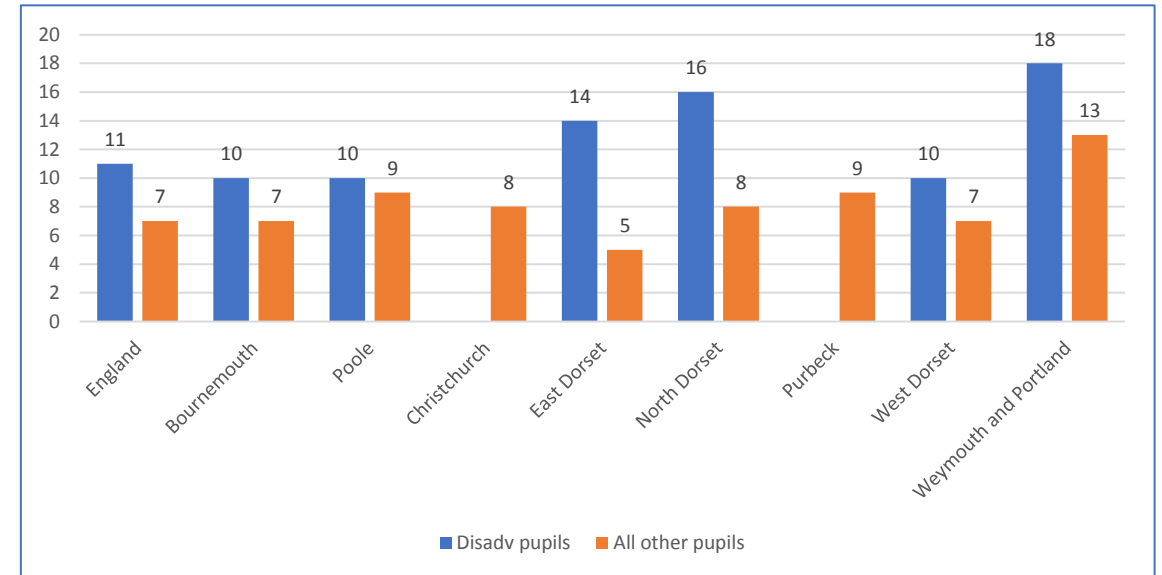
# Evidence review – some high-level observations (4)

- Clear differences in outcomes/routes for disadvantaged pupils
- Extent of 'gap' differs across DLEP area

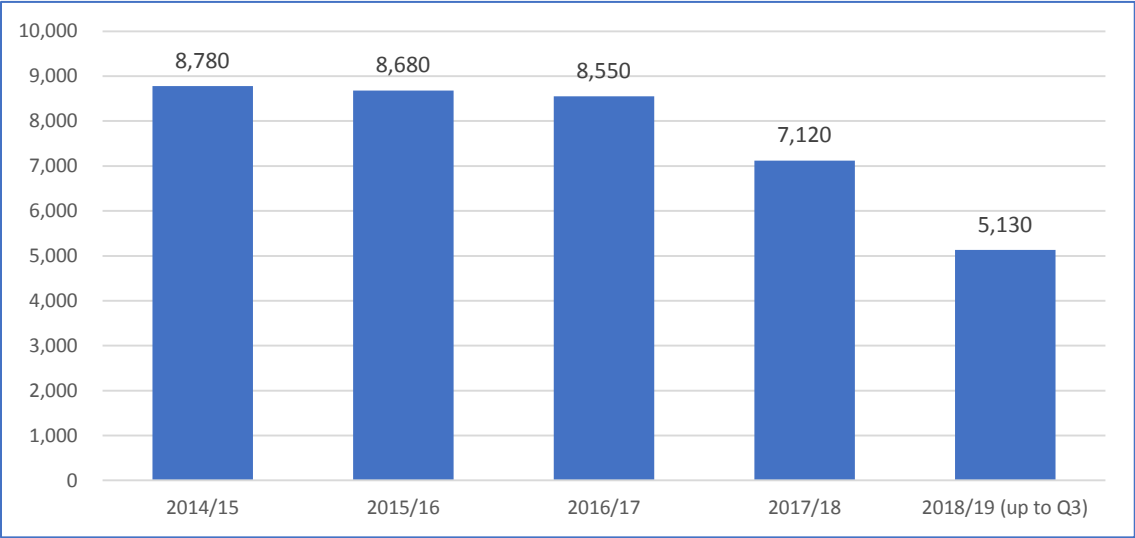
Pupil destinations after key stage 4 by disadvantaged status (percentage point difference)



% of students who do not have a sustained destination (after key stage 5)

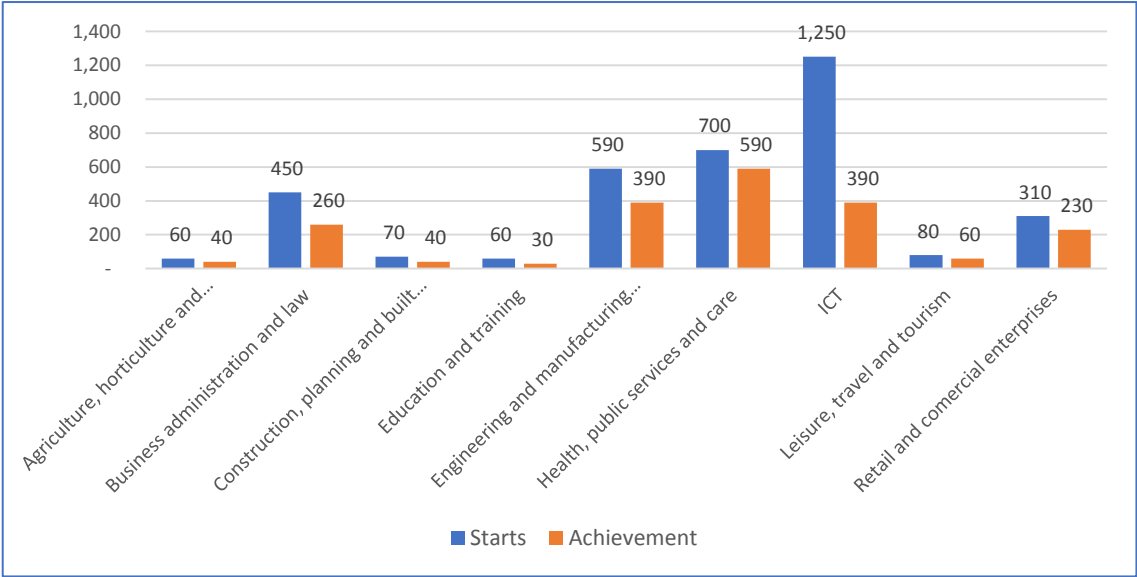


# Evidence review – some high-level observations (5)

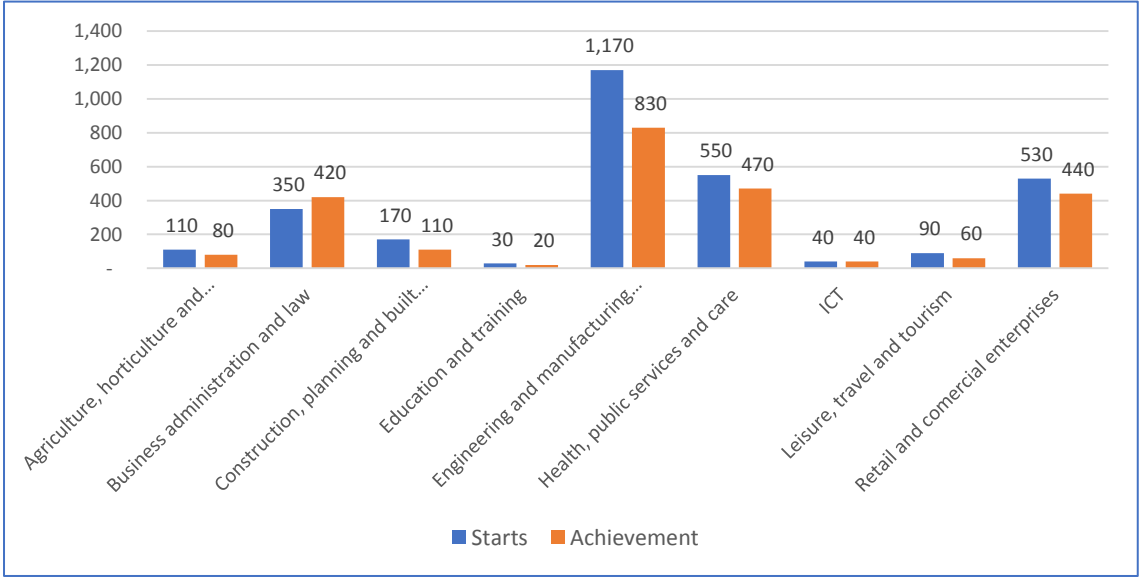


Number of apprenticeship starts – DLEP (17/18)

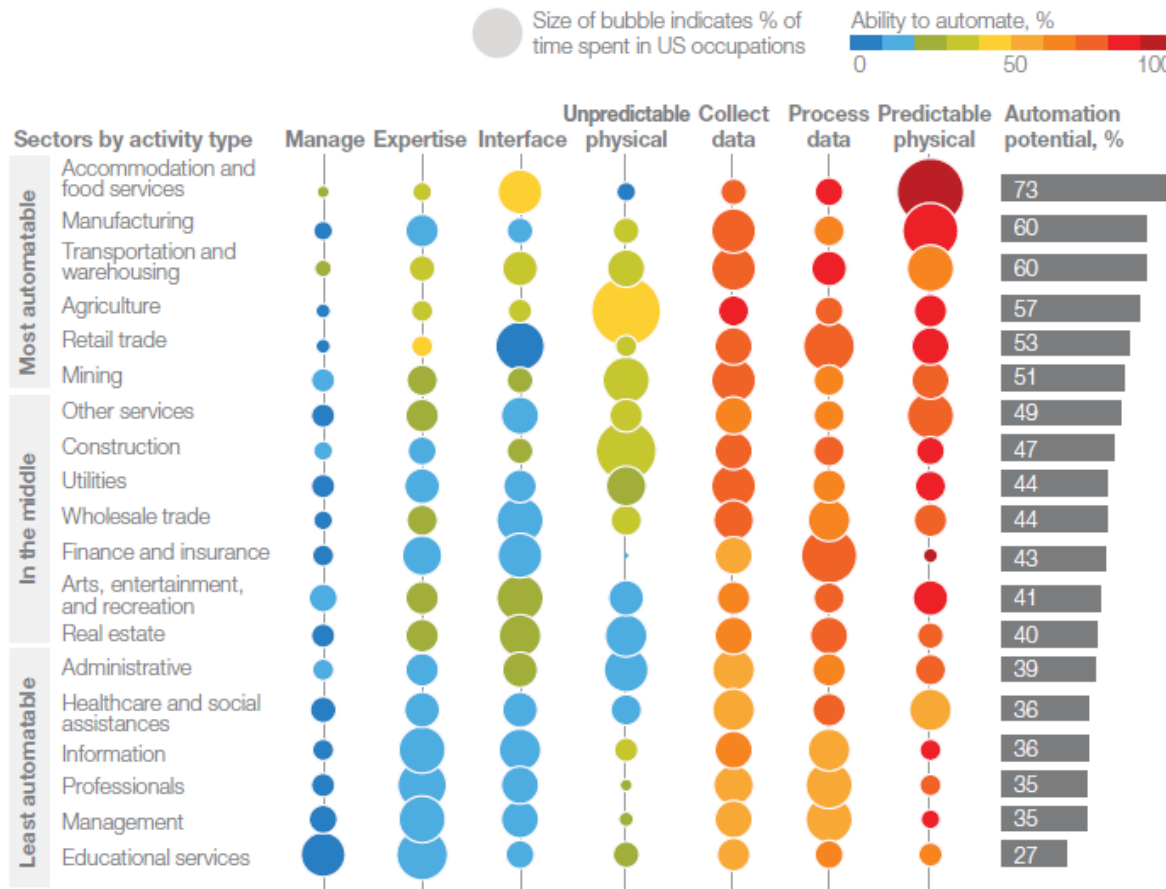
Number of advanced apprenticeships – DLEP (17/18)



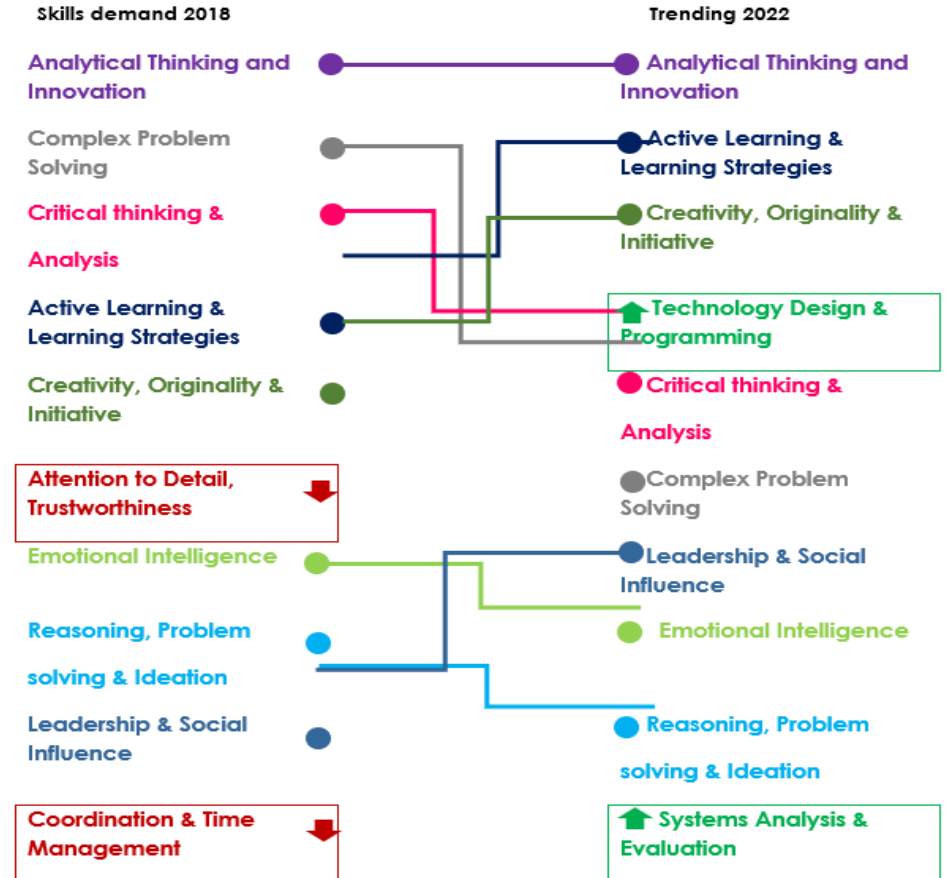
Number of intermediate apprenticeships – DLEP (17/18)



# Evidence review – future insights/predictions



Source: US Bureau of Labor Statistics; McKinsey Global Institute analysis







# Alignment to the Dorset Local Industrial Strategy (LIS)

Timeline and actions: Skills Advisory Panel & LIS

## 5 foundations of productivity



Ideas



People



Infrastructure



Business  
environment



Place

## 4 grand challenges



AI & Data



Ageing



Clean  
growth



Mobility



# National Policy

**“We will work in partnership with places to develop Local Industrial Strategies, which will be developed locally and agreed with Government”**

Industrial Strategy: Building a Britain fit for the future (November 2017)

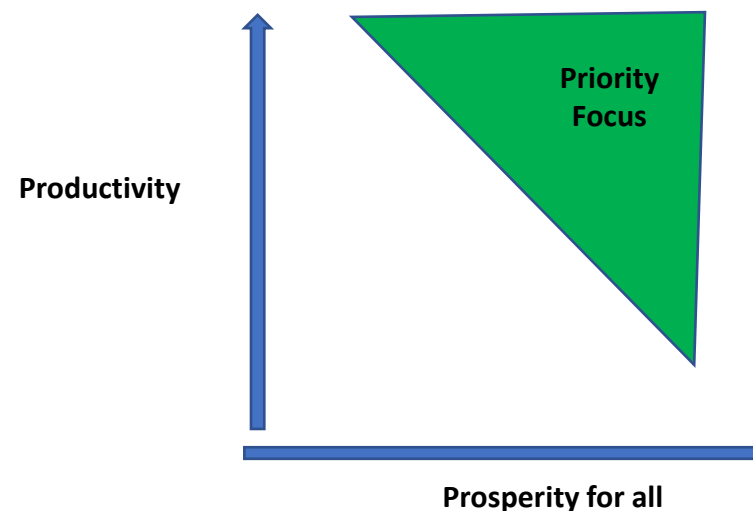
**Do .....**

- Provide a collective, long term vision for a place
- Create a common overview of main priorities
- Blend functional, social and spatial priorities
- Bring stakeholders together and provide a route for collaboration
- Create consistency across policy and strategy
- Bring together current local strategies and plans
- Inform the design of future plans and policies
- Inform the phasing of economic development
- Identify 'sweet spot' opportunities
- Drive 'combined' productivity and inclusivity
- Ensure place and environment are drivers
- Prepare for future funding and support
- Harness collective resources and assets
- Establish efficiencies and collective scale
- Provide extra momentum
- Create profile and value for a place
- Provide a direct link and representation in Whitehall

**Don't .....**

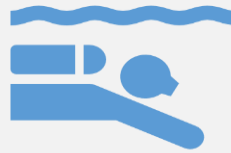
- Access new funding .....yet
- Create new teams or resource
- Address all plans and projects in a place
- Replicate Local Government processes
- Replace existing local strategies

**Focus on the duality of  
'Increased productivity and prosperity for all'**





**Evidence** base @ [www.dorsetlep.co.uk](http://www.dorsetlep.co.uk)



Emerging **content** to test and deep dive:  
Spring/Summer 2019



Emerging **priorities** & narrative: consultation  
w/c 14 October 2019

[www.dorsetlep.co.uk](http://www.dorsetlep.co.uk)



**Launch** with Government early 2020

AND... additional  
evidence from Skills  
Advisory Panel work.  
This will be an  
evolving document.

# Dorset's Local Industrial Strategy

Developing our economic  
future – evidence base

## Contents

This evidence base is structured to provide evidence against the economic foundations for boosting productivity and earnings - as detailed in the Industrial Strategy. The document has the following sections:

1. Summary of productivity trends – high-level description of Dorset's recent performance
2. Ideas and innovations – evidence of the innovation capacity and capabilities within the local economy
3. People & skills – demographics and labour supply and demand, current and projections
4. Infrastructure – evidence and objectives of local housing, infrastructure and transport plans
5. Business environment – productivity, business structure and growth
6. Place – spatial characteristics and distribution
7. Grand challenges – summary of evidence relating to the Grand Challenges and how the DLEP economy could help meet those challenges
8. Conclusions – what does the evidence suggest for LIS priorities?
9. References – summary table of available evidence with links where appropriate

## Challenges & Opportunities

# Our productivity challenges...

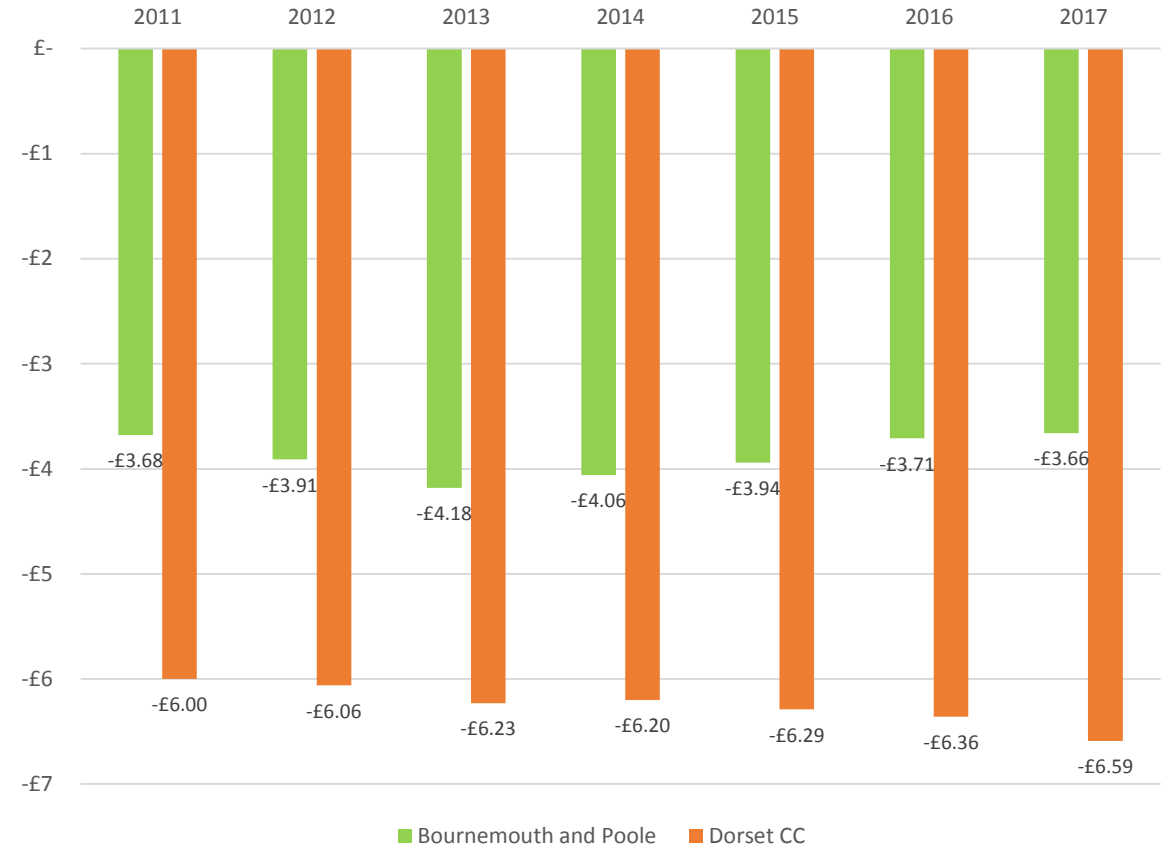
*Growth has been relatively weak in overall terms.*

*Indications are that the gap between areas within the DLEP area have been gradually widening*

*Not all residents have shared in economic growth – creating conditions for more inclusive growth remains important*

*Research suggests that differences in firm-level productivity – rather than industrial structure – mostly explains the differences at a regional level.*

Productivity - GVA per hour worked – differential against UK average



## Challenges & Opportunities

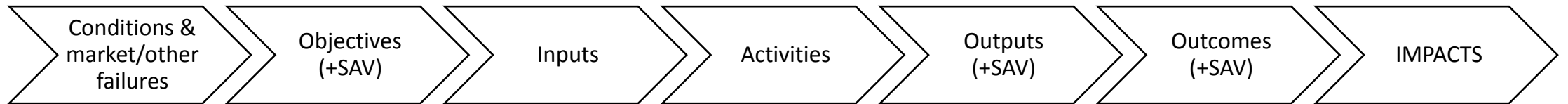
# Our grand challenge...

*Today (2019) the Dorset Local Enterprise Partnership area is facing **a generational 'time bomb'**:*



- Dorset has the oldest population and lowest proportion of under 50's, anywhere in the UK.
- By 2040 we will have a dependency ratio of 1 (that's one person working for every person of pensionable age).
- We are facing a potential vacancy replacement of half our current workforce in the next 15 years.
- The cost of care in Dorset is double the national average.

# Logic chain





## Dorset Local Enterprise Partnership is leading the development of a Local Industrial Strategy (LIS) for Dorset.

Local businesses, communities, BCP Council, Dorset Council, universities, colleges and many other local organisations have contributed to the ideas in this strategy which will provide a detailed plan focused on increasing productivity, innovation, earnings and wellbeing across our county.

Here are the highlights of our plans so far that will frame Dorset's Industrial Strategy.

We welcome comment – please read this document then click on the button to share your feedback:

[Share feedback](#)

### Dorset's economy

Dorset has a thriving economy and world-class environment with both established and growing industry expertise. To remain resilient and improve prosperity for all, we must embrace and build upon our economic, natural and cultural strengths.

  
**795,000**  
population

  
**Economy**  
**£17.3bn GVA\***

  
**31,900**  
businesses



We recognise that Dorset's ageing population is a challenge and welcome the opportunity to develop this as a strength

**UK's oldest population**  
**& lowest proportion**  
**of under 50s**


**Dependency ratio of 1**  
(one person working for every pensioner) by 2040

**Half current workforce may**  
**need replacing**  
**in the next 15 years**

  
**Bournemouth International Airport**

  
**Port of Poole Portland Port**

  
**2 universities**  
**1 university college**  
**3 further education colleges**

  
**Jurassic Coast UNESCO World Heritage Site**

  
**Area of Outstanding Natural Beauty**

  
**6 major business parks**

\*Gross value added

### OUR AMBITION

## Dorset: Living better, performing better and naturally collaborative

By 2030, we will increase the value of our annual economy by over £1bn and achieve carbon neutrality.

We will achieve this ambition by developing the Dorset Collaborative Cluster – building on the unique strengths of four existing industries and unlocking their further growth. We will encourage more collaboration across new ideas and innovation, shared skills and training, access to increased investment and reaching new global markets and, by building our world-class reputation in these clusters, improve our attractiveness as a place to invest, grow business and have great careers.

### The Dorset Collaborative Cluster



This work will be underpinned by a strong and productive supply chain, including advanced manufacturing & engineering and professional & financial services, and an effective cutting-edge digital infrastructure.

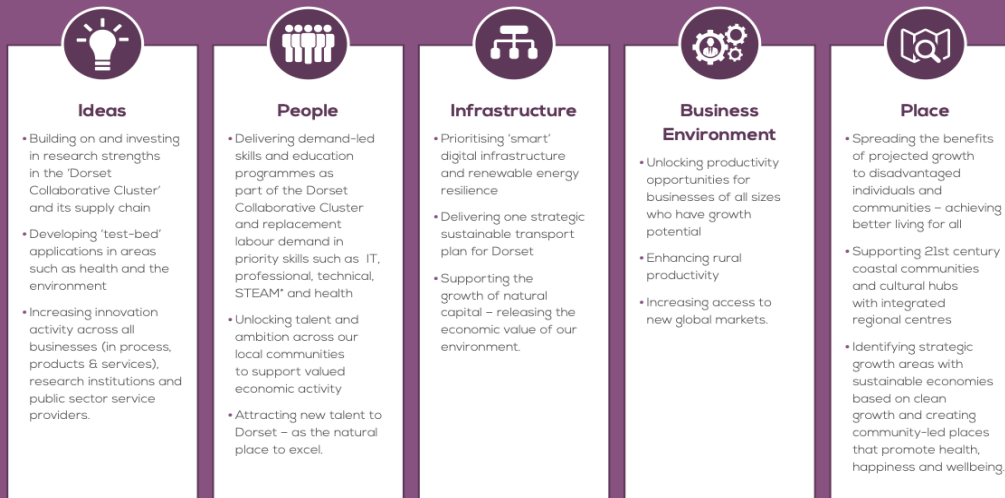
Supported by a place that stimulates changing cultures...

- Adopting new ways of living and working to tackle **climate change** head-on
- Testing innovative solutions to achieve a **way to age** that's fit for the 21st century
- Creating a programme of **cultural excellence** enhancing natural, personal and built cultural assets.

...and is future ready

- Attracting, retaining and growing **talent** at all levels and ages
- Cultivating our business-led **collaborative cluster** through investment and support
- Investing in **smart places** & digital infrastructure.

The government's Industrial Strategy commits to creating an economy that boosts productivity and earning power across the UK by focusing on five foundations. These align well with Dorset LIS's planned activities that will achieve our ambition of improving economic prosperity and carbon neutrality through:



\*Science, Technology, Engineering, Arts & Maths

### BY 2030

## Dorset's emerging Local Industrial Strategy targets:

Current	2030 Target	What
£2.5bn	£1bn	Reduce Dorset's productivity output gap
6%	3%	Halve the wage gap between Dorset and the UK
6%	4%	Reduce the number of 50–64 year olds with no formal qualifications
25	20	Reduce the number of areas in Dorset LEP region considered to be in the 20% most deprived
20%	30%	Increase the number of businesses undertaking R&D (research & development)

### We're also aiming for Dorset:

- To exceed national productivity growth rates (per worker per hour) by an average of 0.8% per year to 2030
- To grow Dorset's business stock by 2.5% per year to 2030
- To increase business investment in research & innovation by 2.5% per year to 2030
- To be a zero carbon county by 2030.

 **DORSET**  
Local Enterprise Partnership

 **INDUSTRIAL STRATEGY**  
**DORSET**

# ***People and Skills***

## ***The big issues...***

*Demographic change is impacting on the Dorset labour market*

- Employers increasingly suffering from skills shortages and ability to recruit (especially into tech roles) – ‘talent’
- Loss of skills and expertise (ageing workforce)
- Impact of exogenous shocks – including automation & digitalisation
- Availability of high quality & bespoke skills

## ***What do we need to improve Dorset's productivity & prosperity?***

- A smarter and more productive workforce – producing more with fewer resources.
- Replacing skills/expertise. Quality not just quantity (*vacancy requirement* in next 15 years predicted to be over 120,000).
- Unlocking talent **in** Dorset: ensure all communities can play an active part in the economy.
- Attracting more talent **into** Dorset.
- Utilise technology (automation & digitisation).

## ***Headline priorities for action...***

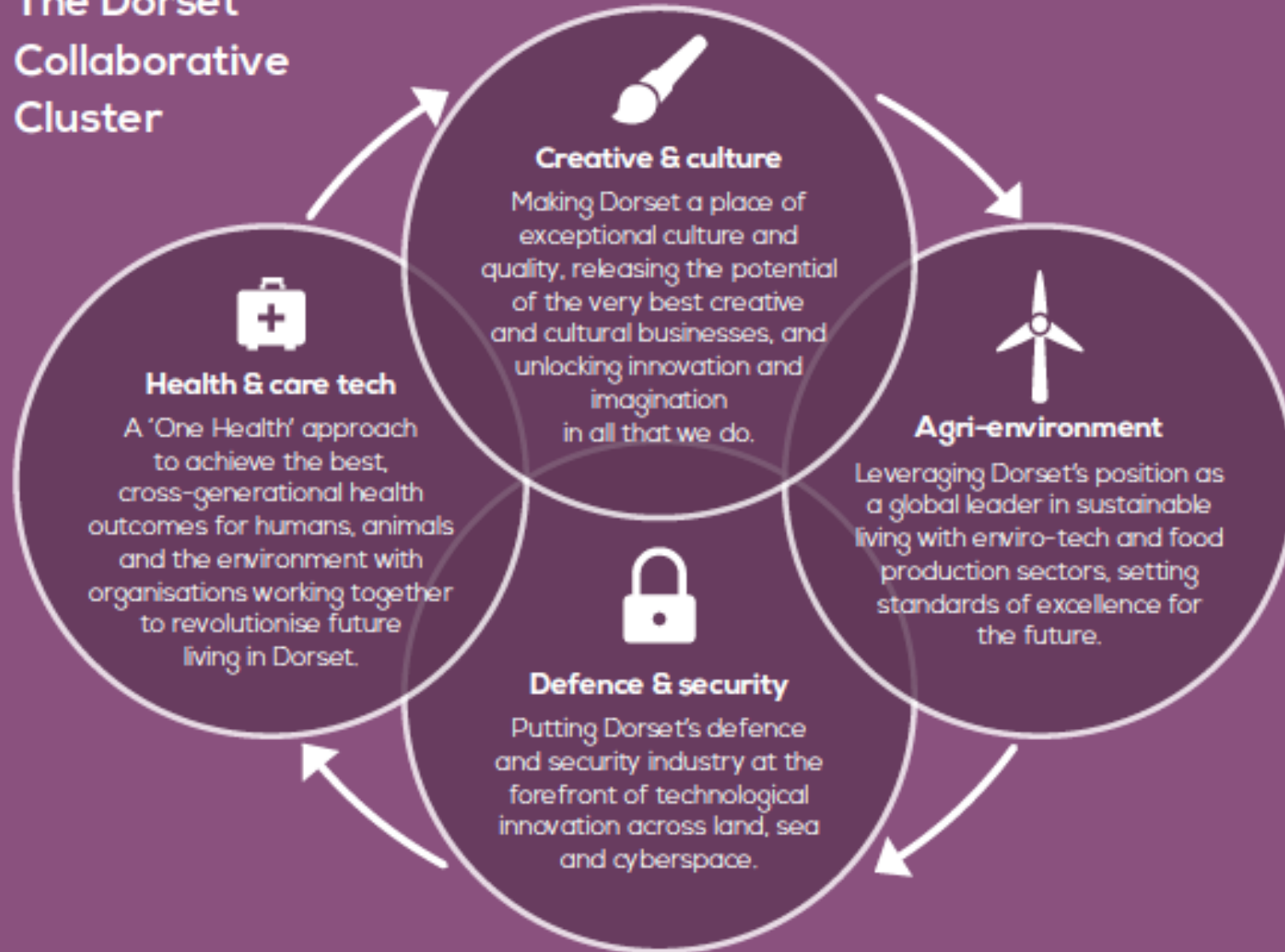
- Full and effective **demand-led skills programme** (cross-fertilisation across priority clusters and supply chain to support bespoke + economy of scale).
- Address **replacement labour demand** in skills sets (IT/professional/skilled and health/care)
- **Inclusion programme** targeting place and interest. Bespoke programme to unlock 'older talent' and support valued economic activity later in life.
- **'Talent attraction'** to Dorset – a place to grow a career.
- **Innovative resourcing:** Explore devolution and pooling of skills budget (national/local); review current landscape and evaluate best models of delivery; identify 'skill delivery leaders' in priority clusters (NB: global); produce Dorset People & Skills Plan by March 2020.



### **People**

- Delivering demand-led skills and education programmes as part of the Dorset Collaborative Cluster and replacement labour demand in priority skills such as IT, professional, technical, STEAM\* and health
- Unlocking talent and ambition across our local communities to support valued economic activity
- Attracting new talent to Dorset – as the natural place to excel.

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BY 2030

## Dorset's emerging Local Industrial Strategy targets:

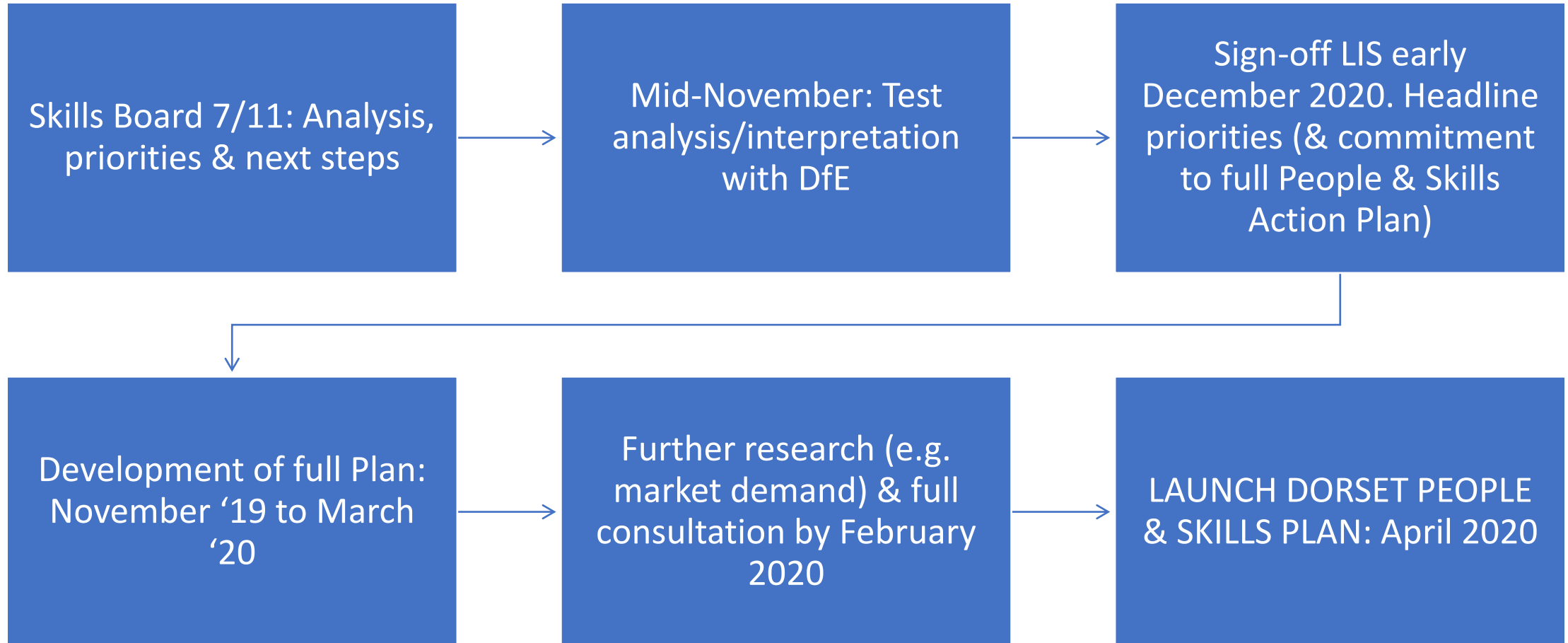
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# Timeline



# QUESTIONS:

- Anything missing from the evidence?
- Do you agree with the analysis?
- Do the 'big issues' feel right?
- Anything to add/change on the focus for improvement?
- Are the priority actions the right areas to start with the People & Skills Plan?
- Headline KPIs?
- Does the timeline look about right? Any milestones missing?



# Role of the Board going forward...

- Terms of Reference agreed in September 2019.
- Key actions for 2019 and Q1 2020:
  - Oversee/check final evidence analysis
  - Review LIS People section (and wider document – see consultation).
  - Oversee development of Dorset People & Skills Plan.
  - Monitor progress of delivery April 2020+