

# Dorset Skills Action Plan



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The Dorset Skills Action Plan, coordinated by Dorset LEP and developed by the Dorset Skills Advisory Panel & Board in collaboration with partners, provides a useful evidence base for use by any institution or organisation developing skills strategies in Dorset and can be found online at [dorsetlep.co.uk](https://dorsetlep.co.uk)

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# Dorset Skills Action Plan

The Dorset Skills Action Plan draws on evidence of our regional strengths, prospects and challenges. It shapes the strategic direction of travel to ensure Dorset continues to deliver the employment and skills opportunities that enable people, businesses, and communities to not only recover from the effects of a global pandemic, but also to aspire, thrive and prosper.



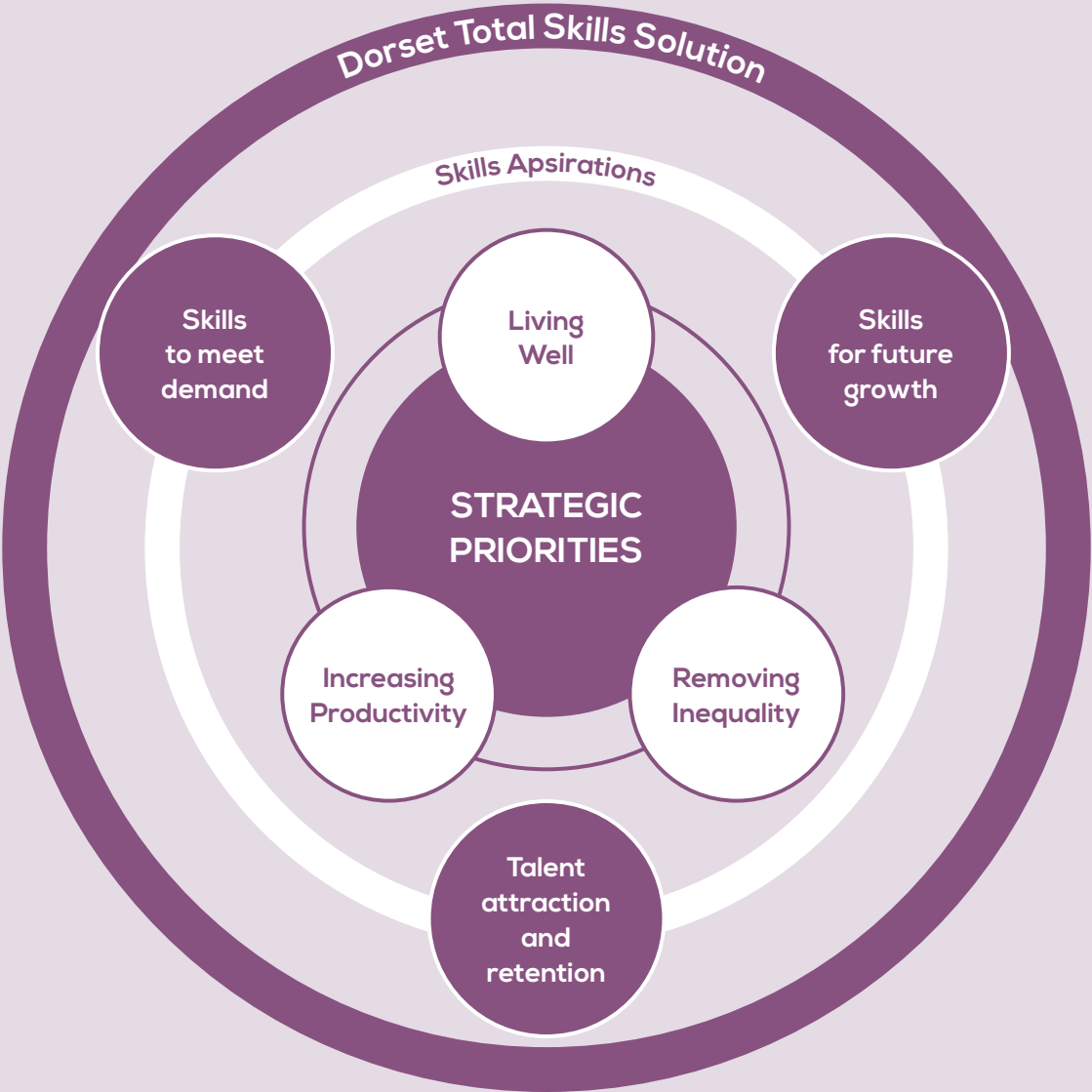
Dorset offers its nearly 774,000 residents a unique natural and cultural environment, combining quality rural, urban and coastal life. Half the region is a designated area of outstanding natural beauty, home to the Jurassic Coast World Heritage Site, while boasting the vibrant urban centres of Bournemouth and Poole.

Dorset is home to world class universities and businesses. There are three strong further education colleges and well-established sectors in engineering, defence & security, healthcare, financial & professional services, agri-environment and tourism.

The Dorset Local Industrial Strategy has identified exciting new growth areas in

advanced manufacturing, aquaculture, agri-tech, innovative health and wellbeing services and creative industries and Dorset’s two councils, Dorset Council and Bournemouth, Christchurch and Poole (BCP) Council are reenergising the way in which we deliver services.

This Dorset Skills Action Plan has emerged from extensive consultation. It is underpinned the Dorset Local Industrial Strategy and supported by a comprehensive analysis of the supply and demand of skills within the region. It provides the setting for future aspirations and builds upon the firm foundations of all that is unique about Dorset – our environment, population, industries, education and skills.



# Vision: Talented, Skilled & Competent

**Our vision is for a high-skilled workforce that meets the needs of Dorset's growing economy and priority business sectors. We want our population to become better skilled and more productive so that our future economic growth is driven by greater worker productivity – not just relying on workforce growth.**

**By 2030, our ambition is that:**



Dorset's labour market is recognised as a smarter and more productive workforce, producing more with fewer resources.



New businesses see Dorset as a leader in delivering growth opportunities – driven by the availability of new and emerging skills within an enabling infrastructure.



Dorset is a region of opportunity, achieving a net inflow of talent – built on an increased 'opportunity for a great career' combined with an increased 'opportunity to live' in a high quality, dynamic and inclusive region.



Dorset is achieving stronger replacement labour force levels, with increases in availability of skill sets demanded by the new growth clusters alongside increases in volume to support broader business growth.



Dorset is embracing the demographic crunch and identifying innovative and inclusive approaches that address the challenges and benefit the entire region, unlocking older talent and tapping into the rich expertise within an older workforce.



Dorset is at the forefront of training and skills development for the jobs of the future; the unique and highly desirable human skills which artificial intelligence (AI) and machines cannot replicate.



There are well defined pathways into work for school and college leavers, supported by excellent, current and evidenced careers advice.

We will create a lifelong learning skills ecosystem for Dorset where employers, educational providers, communities and policy-makers work together in a joint effort to deliver evidence based interventions. This will address both the supply and demand for people and skills, while tackling the significant issues of social disadvantage and business productivity, increasing job satisfaction, stimulating investment and innovation. This will involve liaison and networking with the full spectrum of businesses, ranging from freelance and micro businesses to large employers and will, in turn, narrow the productivity gap, increase economic growth and improve living standards for people in Dorset.

The Dorset Skills Action Plan details the rationale behind our vision, our priorities and the headline actions to achieve our ambitions. While it focuses on skills, it sits alongside the Dorset Local Industrial Strategy and Dorset Investment Prospectus to reflect a holistic view of not only the skills needs which are required to propel Dorset into economic growth but also the infrastructure needed to ensure our region can access the education and training resources so that it can build, retain and attract a skilled workforce both now and in the future.

# Regional Strengths

**Dorset's established industrial strengths are in financial and professional services, engineering and manufacturing, tourism, culture and environmental economy. In addition, advanced manufacturing and engineering, creative and digital technologies, agritech and aquaculture industries are in high growth trajectories.**

**As a region our unique combination of key strengths include:**

- Above-average levels of graduate retention
- Zones of high educational attainment levels
- A strong asset base, such as ports and airport infrastructure
- Outstanding combination and quality of unique natural environments
- Significant research strengths in local higher education institutions
- Robust and innovative sectors that include advanced manufacturing and engineering, health and social care, financial and professional services, agri-environment sectors, tourism and creative industry related sectors
- The number of people who are self-employed, including a large number of freelancers, which tends to be above national rates and offers benefits in terms of work-life balance
- A fast-growing area for start-ups and high growth in sectors such as digital and creative – helping to create a strong cultural and creative environment
- Relatively high economic activity rates
- Employment rates that are higher than UK average
- Strong business formation and survival rates.

With the exception of human health and public services all of our sectors have been severely impacted by COVID-19, therefore, while the priority industries are areas of strength, they may require restructuring and /or rebuilding over the coming years.

**“Advanced manufacturing and engineering, creative and digital technologies, agritech and aquaculture industries are in high growth trajectories.”**



Population  
**774,000**



Annual Economy  
**£18bn** GVA



Environmental Economy worth  
**£1.5bn** p.a.

High Employment Levels

**79%**

vs. 76% UK average

High Business Birth Rates

**5,500**

new businesses born  
every year

High Business Survival Rates

**54%**

4-year survival  
vs. 49% UK average



**52,000+**  
Businesses



**371,000**  
Jobs



**291**  
Schools



**3**  
Further Education  
Colleges



**3**  
Universities

Among the fastest growing  
area for start-ups with

**7**

start-up businesses  
per 1,000 population

Tech start-ups comprised

**28%**

of all new businesses  
launched in the BPC council  
area in 2019

Working age population  
(those aged 16 to 64)

**Smaller**

than the national average



Significant hub for  
**Manufacturing  
& Engineering**



Potential to be a  
world leader in the  
**Creative Digital**  
sector



Employment in the creative  
industries alone was up

**15%**

in the last 2 years

Bournemouth and Poole one of the UK's top areas  
for high growth digital businesses, supporting over

**15,000 digital jobs**

worth more than £352 million to the  
economy (2017 Tech Nation Report)

**£2.5bn**

productivity  
gap per year

**New growth**

areas in health and  
wellbeing, aquaculture,  
agritech and the  
creative industries

# Living, Learning, Working and Growing Old in Dorset

## Living in Dorset



### The Place

Located in the central south coast of England covering an area of 2,653 km<sup>2</sup> (1,024 sq mi), Dorset is an exemplar of sustainable coastal living. Economic growth is pursued not at an expense, but in synergy with the natural environment in line with the Government's Clean Growth Strategy. With nearly 100 miles of coastline, Dorset is home to Poole, Portland and Christchurch harbours and the award-winning beaches of Bournemouth, Sandbanks, Christchurch, Swanage and Weymouth.



### Mix of rural and urban life

Dorset has more to offer than just beaches. The county is setting the standard for 21st century urban lifestyles at the heart of a picturesque rural countryside. In April 2019 the local authority structure was unitarised, resulting in the formation of the primarily urban Bournemouth, Christchurch and Poole Council, and predominantly rural Dorset Council, and reducing the local councils from 9 to 2. This facilitates more efficient local services, while setting challenges for joint working and preserving the unique features of the place.



### Population growth

Dorset is an attractive place to live. The overall population is estimated at 774,000 and has grown by 80,000 since 2001 (10%). Together, Bournemouth, Christchurch and Poole (BCP) form the newest emerging city region in the UK. The BCP population of 395,000 has grown by 12% since 2001 - the 12th (out of 317) most populated district in England, closely following Bristol<sup>1</sup> - and is expected to reach 416,000 by 2026.<sup>2</sup>



### Business conditions

Over recent years the economy has been stable, growing at a measured pace. Dorset contributed over £18 billion to the UK economy in 2018 with a 4% average annual growth between 2014 - 2018, level with the rest of the UK<sup>3</sup>.

Dorset offers a fertile environment for new businesses to spring up and prosper, maintaining high business birth and survival rates (54% 4-year survival vs 49% in the UK).<sup>4</sup> The 5,627 new enterprises created in 2019 placed Bournemouth and Poole sixth in the UK's top 10 start-up cities, trumping Liverpool, Edinburgh and Bristol as entrepreneurial hotspots.<sup>5</sup>

<sup>1</sup> Population Estimates 2019. ONS

<sup>2</sup> BCP Council Population Projections

<sup>3</sup> Regional gross value added (current price estimates). 2018. National statistics

<sup>4</sup> Business Demography-2018, ONS

<sup>5</sup> Centre for entrepreneurs. Business Start-up Index.2020

<sup>6</sup> GDP first quarterly estimate, UK 2020. ONS

<sup>7</sup> ONS Regional gross domestic product (GDP)

<sup>8</sup> Monitoring Social Mobility, Social Mobility Commission



### COVID-19 and pre-existing challenges

Coronavirus restrictions have put a sudden brake on economic activity. The UK GDP fell by 2.0% in the first quarter of 2020.<sup>6</sup> With a prevalence of industries most affected by lockdown, this is likely to be reverberated across Dorset where the productivity was already lower compared to our neighbouring regions.

Economic downturns disproportionately affect and force into poverty those already struggling with disadvantage and low wages. This causes long-term inter-generational 'scarring', affecting children in disadvantaged families as they often have worse health, start school behind their peers developmentally, and do less well once they get to school.

**“Dorset has more to offer than just beaches. The county is setting the standard for 21st century urban lifestyles at the heart of a picturesque rural countryside.”**



## Working in Dorset

Dorset's 52,000+ businesses support over 371,000 thousand jobs for local people and create exciting innovations in the county.



### Advanced Manufacturing & Engineering

Dorset is a significant hub for advanced manufacturing and engineering with major companies such as BAE Systems, Cobham, Honeywell, Holt Engineering, Curtis-Wright, Magellan Aerospace and many more operating locally, supported by the Dorset Engineering & Manufacturing Cluster. The sector employs 28,000 people and contributes £1.9 billion (10%) to the economy.



### Finance and Insurance

The sector is well-established in Dorset and bigger in employment and economic terms than the UK average, employing 14,000 people and contributing £1.4 billion (8%) to the economy – marking £180 million growth since 2015. Growth is largely driven by emerging 'Fin-Tech' and the availability of software developers and technical specialists. Bournemouth and Poole are locations of choice for market leaders Ageas, Barclays, Deutsche Bank, JPMorgan (whose Bournemouth campus has 4,000 employees), LV= Liverpool Victoria, Nationwide.



### Healthcare

This is the largest employment sector in Dorset accounting for 16% of all employed in the county (54,000 people) – an increase of 6,000 over recent years. The sector is projected to see the highest growth in employment over the coming years nationally and this trend will be more pronounced in Dorset (growth of 7,000 more projected between 2017–2027<sup>9</sup>) largely linked to our ageing demographic profile.



### Digital Tech and Creative

Dorset has potential to be a world-leader in Creative and Digital Technology. The Tech Nation Report concluded that Bournemouth and Poole were home to the highest concentrations of high-growth digital tech businesses in UK<sup>10</sup>. Recently the BCP Council area came first in the UK in the proportion of tech start-ups created in 2019 – (28% of all new business launched in the BCP Council area vs 8% in London)<sup>11</sup>. Over 8,000 people in Dorset are also employed in the creative industries, which have seen a consistent growth of over 13% on average each year.

<sup>9</sup> Working Futures 2017–2027–Cambridge Econometrics

<sup>10</sup> Tech nation report, 2017

<sup>11</sup> Centre for entrepreneurs. Business Start-up Index.2020

<sup>12</sup> ONS Annual Population Survey

<sup>13</sup> Risky business: Economic impacts of the coronavirus crisis on different groups of workers. Resolution Foundation.



### **Agriculture, agritech and aquaculture**

With 6,800 employees, agriculture is a key sector worth £ 740 million in Dorset. Agritech is expected to grow productivity with a shift towards more clean growth and environmental preservation activities. Dorset's sustainable aquaculture is identified as a High Potential Opportunity by the Department for International Trade, likely to create apprenticeships, jobs and growth.



### **Employment and earnings**

The majority of working age people in Dorset are in employment. At the end of 2019, there was near full employment (79% vs 76% UK) and low unemployment (2% vs 4% UK)<sup>12</sup>. Average earnings mirrored those nationally with median annual wage in Dorset marginally lower (£1,073) than the UK average.



### **COVID-19 and pre-existing challenges**

Labour productivity in Dorset is lagging behind the UK average, putting our economy in an unfavourable position. This is exacerbated by business concerns over labour and supply chain resilience in light of the UK's transition from the EU and recent exponential growth in the size of the unemployment register by over 90% due to COVID-19. The rise in out-of-work benefits from 9,575 (2%) in December 2019 to 25,975 (6%) in May 2020, as well as the number of furloughed workers (93,000 in May 2020) are indicative of the scale of the jobs affected – as is the number of advertised vacancies, dropping by a third. A quarter of people in Dorset are employed in sectors largely closed throughout the pandemic – tourism, food and retail – a proportion much higher than nationally. Younger people are affected the most by steep competition for jobs and nearly two in five of the working 16–24-year olds employed in those sectors<sup>13</sup>.



## Learning in Dorset

Dorset's 52,000+ businesses support over 371,000 thousand jobs for local people and create exciting innovations in the county.



### High quality of education

Dorset has a wide range of providers and provision which is a significant strength for the region. As a collective, all needs are catered for by our educational providers.

The larger proportion of schools, colleges and independent training providers in Dorset are rated as 'good', or 'outstanding' by Ofsted, while the universities have been ranked well by the Teaching Excellence Framework; Arts University Bournemouth has been awarded a Gold Award while Bournemouth University and AECC University College were granted Silver awards.



### Dorset people are well qualified

General trends of more people achieving higher qualifications has been reflected in Dorset over the last decade. There are fewer people with no qualifications in the county (decrease to 4.9% which is lower than the UK average of 7.7%). The biggest increases since 2010 are seen in the proportions qualified at Level 3 and above (by 9.3 per person) followed by those at Level 4 and above (by 8 per person).



### Good primary and secondary school performance

In Dorset there are 238 schools offering primary education, 96 schools offering secondary education and 65 offering A Levels and/or other post-16 qualifications. In Bournemouth and Poole there are 4 grammar/ selective schools. Both primary and secondary performance in Dorset is largely in line with the national average rates although attainment varies in some areas of our region.



### Extensive range of Post-16 education provision

This includes three further education colleges (Bournemouth and Poole College, Weymouth College and Kingston Maurward College), and three universities (Bournemouth University, Arts University Bournemouth and AECC University College), offering a broad portfolio of learning opportunities. This is in addition to the well-established adult education provision from BCP Council and over 180 independent training providers, delivering significant parts of the adult learning and specialised training.

For young people aged 16-18, a variety of academic and vocational routes are available, including sixth form, vocational qualifications and apprenticeships. The FE colleges are the principle institutions of the 16-18 vocational provision, while publicly funded and private providers offer larger proportions of the adult learning (18+).



### Wide range of independent training providers

This group make up a significant part of the skills and learning offer in Dorset. Spread across over 180 providers their learning offer is diverse and offers key opportunities to businesses and individuals. Independent providers account for over a fifth of all learning starts in the county and supporting higher proportions of the learning of those aged 25+ (30%) as well as delivering over 40% of all the apprenticeships starts.

Charity, not for profit and commercial independent training providers and employer providers in Dorset approved by Government agencies provide education and skills training for businesses, young people and adults as part of the further education system. Government funded services available for business and the community deliver information advice and guidance, pre employment support and training, employment coaching, alternative special educational needs support and services, internships, study programmes, traineeships, apprenticeships, adult education, community learning, adult skills training and skills support for the workforce.

The independent training provider base is geographically spread with training centres across the county. Most independent training providers are specialist focusing on niche education, training and skills and community-based learning providing a flexible, dedicated service to the community and sector specific support for business in traineeships or apprenticeships, playing to their strengths with accredited sector expertise.



## Further Education Colleges

Further education colleges are a key element of the skills system, responding to employer demand and playing a key role in addressing the gap for disadvantaged groups across the county's geographical areas.

**Bournemouth and Poole College** is among the bigger British colleges and the largest provider of further education and apprenticeships in Dorset, catering for around 11,000 students. The college is also a major apprenticeships provider offering direct career entry in collaboration with over 2,000 businesses. While the largest part of the delivery is at Levels 1 to 3, around 600 students study towards degree level qualifications. The college has a focus on engineering, computing, digital, construction as well as healthcare and business subjects. Fruitful partnerships with a range of universities allow the college to open up opportunities and give access to specialist facilities. Notably 17% of its learners come from the 20% most deprived communities in England and Wales.

**Weymouth College** is a General Further Education College based on the West Dorset coast with many of its 3,000 students living in Weymouth and Portland or travelling from the surrounding rural areas. The offer covers a range of educational levels, from entry level through to degree level with a range of industry-relevant vocational courses and apprenticeships. Key specialist areas include engineering, automotive, manufacturing and construction as well as health and social care, service industries, creative and visual arts. The college supports businesses through the Employer Services team, which includes the Dorset Training Academy focussing on commercial training. Located in one of the most deprived areas in Dorset, it provides employment and progression pathways to students from a variety of backgrounds.

**Kingston Maurward College** is a specialist land-based college offering 750 acres of gardens and practical teaching facilities in the heart of Dorset. It is one of the few institutions nationally specialising in applying digital technologies to aquatic & land management. The college offers its 2,000 students work-related training and study, up to and including degree level, in its specialist areas of agriculture, aquaculture, horticulture and farming. New investments on the estate include the Dorset Studio School offering practical land-based studies, an agritech centre and a state of the art Animal Science centre supporting the regional training hub for the Royal Veterinary College, currently the world's leading vet school.



## Universities

Demand for places at Dorset's universities is high, with applications to places broadly equating 5:1. Students achieve good post-study employment rates and there is an embedded culture of collaboration and entrepreneurialism within educational providers who work closely with local communities and businesses to enable cross-sector collaborations and unlock innovation.

**Bournemouth University** is a large generalist university with over 18,000 students. Among them 20% originate from Dorset, while over 2,500 arrive from across the world. They study a wide range of specialisms from business to subjects allied to medicine, biological and social sciences and computing. The Research Excellence Framework deemed 96% of the University's research as internationally recognised and the Young University Rankings placed it 95th in the world. Graduate employment and retention is high with 92% of graduates in employment or further study six months after graduation and 23% employed in Dorset. Medical science is one of the strategic investment areas for the university and among its many local partnerships, Bournemouth University works with the NHS and industry with the ambition to improve workforce education, healthcare outcomes and enhance Dorset's position as a leading area for research in transformative healthcare nationally.

**Arts University Bournemouth** is a leading specialist arts, design, media and performance institution with more than 3,400 students at undergraduate and postgraduate level. It was in the Top 5 Creative Universities in the UK (Which University) and ranked among top 20 UK universities for student satisfaction in the 2019 National Student Survey. It is also known for preparing graduates for direct career entry in the creative industries with 93.5% of graduates in work or further study after undergraduate studies. This ranks the university above average in the arts sector

in terms of skilled employment, with 63% of graduates working in 'highly skilled' roles, and just 19% in 'low skilled' roles, against sector averages of 57% and 26% respectively. The university's investments in latest technology, equipment and facilities and has attracted funding to support research and innovation projects with Dorset industry and develop an Innovation Studio to support local start-ups.

**AECC University College** is an institution dedicated to offering world-renowned courses in health sciences. It currently enrolls over 800 students on courses ranging from chiropractic, psychology, sport, exercise and health science and medical-imaging including ultrasound and radiology. It has worked in Elite Sports and with the European Space Agency. Facilities include the on-site Chiropractic Clinic, School of Medical Ultrasound with specialist imaging services, and the Bournemouth Open Upright MRI facility. Alumni, research and collaborations span many countries and continents with 50% of its students coming from outside of the UK emphasising AECC University College's reputation as global leaders in their specialist areas. 100% of graduates are employed or go on to further study within six months of completing their course.

## Growing Old in Dorset

Dorset offers an opportunity for a great quality of life, health and active participation in the community for older people. Similar to other areas with a coastal and rural geography, Dorset is an attractive retirement migration destination.



### Ageing population in Dorset

Dorset's demographic demonstrates one of the most ageing populations within the UK. 1-in-4 of Dorset's residents are aged 65+ compared to 1-in-5 nationally and there are fewer young and working age people.

The proportion of those aged 16-64 (working age) is 58% of all residents, which compares to 63% nationally. In some parts of our region with the greatest proportion of its population aged 65+ (29%), figures are projected to reach almost 40% by 2025<sup>14</sup>.

With our population continuing to age over the coming years, a key influence on the scale and shape of future labour demand will be related to replacement of people leaving the workforce (replacement demand) and potentially losing valuable skills.



### Replacement demand

Over a third (36%) of those currently employed in Dorset may need to be replaced by 2027. Recent projections estimate an overall 26,000 new jobs to be created in Dorset over the period 2017-2027. However, the number of existing jobs to be filled was expected to be over 132,000.

The ageing population not only means fewer workers but also greater demand for public services and suitable housing, raising questions on sustainability of our current employment and care provision models<sup>15</sup>.



### Employer experience

Our Dorset 2020 Employer Skills Survey found that 17% of all respondents cited an aging workforce as a recruitment concern.

Sectors with particular concern included agriculture and manufacturing, where the availability of a predominantly older workforce alongside a fast-changing technological landscape, generates a crucial need to update the skills of the existing workforce to enable innovation<sup>16</sup>.

While most of the employers from the survey were worried about losing valuable skills, they were mainly considering addressing the issue by recruiting replacements. Very few were looking into flexible working, alternative or automated tasks or raising awareness among employees on the benefits of working during later life both to the company and to the individual.

<sup>14</sup> Population estimates 2019, ONS

<sup>15</sup> Future of an ageing population-Government Office for Science, 2016

<sup>16</sup> Working Futures 2017-2027 – Long-run labour market and skills projections for the UK, DfE 2020

# Regional Challenges: Education

## Up-skilling need

Longer working lives, shorter job cycles, emerging jobs, remote and gig work and diminishing expertise shelf life, call for creative lifelong re-and up-skilling solutions to counteract “time-lag” between emerging skills needs and educational response. This is particularly relevant in light of the fallout from the Governmental coronavirus support schemes and the urgent need to reskill and match available workforce resources with emerging job opportunities and avoid the cycle of long-term unemployment.

Projections show that over 77% of jobs expected to become available through replacement and expansion demand in Dorset will require Level 5 qualifications. Yet despite progress towards higher qualifications achievement, a fifth of the working age population in Dorset (23%) does not have a Level 2 qualification, which is regarded a benchmark for employability. There is also a 2.3 per person gap in the proportion of people achieving Level 4+ qualification compared with national levels, which is in contrast with the projections of future demand. Furthermore, adult participation in further education has fallen over recent years (6,000 less in 2018/19 compared with 2014/15) suggesting that we might see further widening of the gap.

## Attainment gap

There is a clear differential in terms of attainment, destinations and outcomes between disadvantaged students and all pupils; this difference is significant in some parts of the Dorset area. Weymouth and Portland for instance ranks 322nd out of 324 local authority sub-regions for social mobility.

## Restrictions on portfolio

The number of Further Education (FE) participation and apprenticeships is falling and the demand-led need to engage the widest variety of learners puts pressure on the FE colleges, adult and community learning to offer a very broad portfolio of learning opportunities across a spread of subject areas. This results in some subjects supporting a very low number of learners as well as some replication.

## Low apprenticeship participation

There is strong evidence that apprenticeships are an effective tool in improving social mobility (16% boost to wages of disadvantaged learners who complete their apprenticeship, compared to 10% for others)<sup>17</sup>. However apprenticeship starts in Dorset have fallen by 24% since 2016 and there are concerns over employers offering apprenticeships starts due to uncertain economic conditions.

There are specific concerns in Dorset around a decline in intermediate apprenticeships, in female uptake of apprenticeships and those delivered by private training providers.

**Reducing learning inequality and digital poverty and allowing each person to achieve their full potential are strategic priorities for Dorset.**

Learning inequality and insufficient social mobility create an unjust society and will not enable full utilisation of all the available and critical talents within our communities and the Dorset economy.

<sup>17</sup> ‘Apprenticeships and social mobility’ – Social Mobility Commission, June 2020

**Tackling inequality and achieving inclusive growth where all people reach their productive potential is our key priority.**

Living in Dorset is a varied experience depending on where in the county you live. It has a known housing affordability issue and significant areas of deprivation. 15 small sub-regions in Dorset are in the bottom 10% of the most deprived areas in England. These areas are more vulnerable to the crisis. Weymouth & Portland for example have more children eligible for free school meals, and large proportions of people earning below the living wage.

**Barriers to employer engagement**

With high quality educational institutions on their door step, many businesses across Dorset have direct access to the skills and talent they need. There is some evidence however that many of them are not making the most of this opportunity and barriers to investment in training, apprenticeships and productive partnerships exist among employers. Only a quarter of employers engaged with colleges and private providers in meeting their skills needs and even fewer (14% and less) worked with universities and schools. Conversely, employers report issues with accessibility of training, lack of funding and insufficient relevance to their business, highlighting the need for improved collaboration and understanding of provision. The relationship between training/educational providers and employers is two-way and requires commitment from all sides.

**Accessibility issues**

There is an identifiable differential in access to learning, attainment and destinations amongst Dorset's learners, largely related to underlying social disadvantage, which are likely getting widened by conditions such as COVID-19.

Rural areas have a particular problem with access to learning with two-thirds of students going to secondary school having within 10% of the longest journeys to school in England.

In a digital learning space, those who are not engaging effectively with the digital world are being left behind<sup>18</sup>. Access to education is disrupted by digital exclusion in Dorset particularly amongst those living in areas without superfast internet access and disadvantaged learners, who are generally less likely to have sufficient hardware and bandwidth access to ensure effective engagement<sup>19</sup>.

The attainment gap of disadvantaged students from their non-disadvantaged peers is established even before they enter the educational system (3 months in early years), and subsequently widens as school life progresses, reaching a marked gap of 23 months at secondary level in the Dorset Council area<sup>20</sup>.

<sup>18</sup> Exploring the UK's digital divide – ONS, 2019

<sup>19</sup> Digital Inclusion in Dorset – Citizens online, 2019

<sup>20</sup> Analysis of National Pupil Database – Education Policy Institute

# Regional Challenges: Employment

## Low productivity levels

Dorset is facing a £2.3 billion productivity gap. The high levels of employment in Dorset have not translated into matched growth in productivity. Labour productivity here is lagging behind the UK average.

## Infrastructure requires investment

Dorset is an area of natural beauty and a highly desirable location, as is seen by the sheer volume of tourists it attracts, yet employers struggle to recruit people with the skills they require. A primary reason for this is that Dorset is an extremely expensive area to live, particularly for those of a younger working age, and difficult to commute into due to the road infrastructure which experiences significant congestion. Indeed, the lack of affordable housing is a major concern for local people who want to become homeowners as well as those wanting to move to jobs in Dorset. The inadequate commuting infrastructure and lack of superfast internet in certain areas adds to this issue.

A fifth of workers in the Dorset Council area earn below the National Living Wage, which is noteworthy given that this area has the UK's lowest home ownership for 24–35 year olds. In

other areas of the region, such as Christchurch and East Dorset the average house prices are 13 times the average annual salary of those who live there.

## Ageing population

Dorset has the lowest proportion of under 50's anywhere in the UK. By 2025 almost 40% of Dorset will be over 60 and by 2040 for every one person working in Dorset there will be a person of pensionable age. Retaining our older population is essential for social reasons as well as economic reasons – by 2040 over 50's will be spending 63p in every pound in the UK<sup>21</sup>. Linked to this demographic challenge, Dorset has a projected replacement demand 5 times the expected growth in jobs, indicating that more than 36% of those currently employed may need to be replaced by 2027, leading to considerable loss of expertise.

## High employment levels

Prior to the COVID-19 outbreak, Dorset had close to full employment (79%) and only 2.5% (vs 4% nationally) of working age people were unemployed. This meant businesses were not able to draw on significant pool of available labour resource.

The full impact of COVID-19 is not yet known but it is anticipated to change industries and lead to new ways of working, leading to a greater number of redundancies significantly impacting employment levels.

## Gender inequality

There is higher gender pay gap in Dorset than the UK average. Women in full time roles earn £10,000 less than the equivalent male and £2,000 less than their UK counterparts. The gap in wages increases as women age and those between 50 and 59 earn almost 30% less than men (vs 15% nationally).

## Addressing longstanding low productivity and recent unemployment is an essential priority to secure Dorset's future.

The looming unemployment caused by COVID-19 is adding to Dorset's longstanding low labour productivity issue, a key focus of the Dorset Local Industrial Strategy. Ensuring Dorset's people have a mix of skills that can be optimally utilised in high-quality, well-paid jobs is key to solving the productivity puzzle in a challenging economic landscape.

## Transitioning from the EU

Aside from concerns over viability of business and trade deals and supply chains resilience, the decision for the UK to exit the EU has also prompted concerns over future labour supply amongst employers. The BCP Council area has a higher proportion of its workforce represented by non-UK labour (1.8%), which is above both regional and UK figures. This has fallen (from 2.5%) since the Brexit vote in 2016<sup>22</sup>. Nationally, certain industries employ larger proportions of EU workers, such as hotels and restaurants (13% of workforce), manufacturing (10%) and administration (10%), transport (8%) and construction (7%). Also, 5% of the healthcare workforce is made up of EU migrants<sup>23</sup>. These are big sectors in Dorset and some of them already exhibit skills shortages with potential further implications following the UK's exit, while in others demand might be affected and available labour will potentially be increased post COVID-19 fall out.

It is more critical than ever that businesses become innovative and work with education providers to understand the range of skills pathways to help them develop resilience for the future. Alignment of business and skills agendas across Dorset is essential for closing the skills gap, particularly for the large number of micro and SMEs Dorset houses.

## New models of working

Research suggests there are significant cross-generational differences in work attitudes and aspirations. For example, over half of millennials – the generation born between 1980 and 2000 and which currently make up more than 50% of the UK workforce – expect to move jobs within two years, are much more concerned by the social dimension of business and value work-life balance and flexibility more than their older colleagues<sup>24</sup>.

## Enabling people of all ages in Dorset to live well and enjoy balanced, healthy and fulfilled working lives is our strategic priority.

Dorset is bold in challenging the stereotypes around ageing, approaching the demographic crisis as a key economic and social opportunity and transforming the ways of living and working discovering 'a way to age' that is fit for the future.

Due to these attitudes, millennials were oriented towards gig, entrepreneurial and flexible working models.

However, it has been questioned whether the COVID-19 pandemic has shifted some of these attitudes as many of the digitalised gig jobs do not provide security and the pandemic has exposed how vulnerable these workers are to economic disruptions; they lack holiday, sick leave and protection. It is therefore possible that the pandemic will place value back on job security and more traditional working models. Homeworking may well be here to stay; a recent survey<sup>25</sup> of leaders and managers reveals that only 1 in 3 think they will return to working in the location they worked pre-lockdown, 60% believe face-to-face meetings and travel will reduce and half expect a greater investment in homeworking. It is clear that technology will play a major part in the future of work, which will create further polarisation of jobs and incomes based on the skills that are most sought after. Greater levels of homeworking will also raise different questions about remote management, employee support, separation of work and life, and alternative ways to interact and engage with workforce.

<sup>21</sup> ICL research

<sup>22</sup> National Insurance registration data

<sup>23</sup> Migration Observatory analysis of Labour Force Survey

<sup>24</sup> The Institute of Leadership and Management – Workforce 2020: Managing Millennials, 2017

<sup>25</sup> Life after lockdown: the future of work, 2020

# Regional Challenges: Skills

## Skills Gaps

Dorset employers are increasingly highlighting skills shortages and challenges in recruiting the right talent. This is exaggerated by the loss of skills and expertise due to an ageing workforce, which reduces the availability of high quality and bespoke skills both for existing growth businesses and the new growth clusters.

The National Employer Skills Survey 2017 reported that a third of all vacancies in Dorset are related to skills shortages and the incidence of skills shortage vacancies in Dorset was higher than the national average at 29%. Conversely a third of employers reported they felt their staff were under-utilised which appears to be marked in hotels & restaurants (63%) and education (53%) sectors suggesting there is a misalignment of skills.

23% of Dorset employers in our Dorset 2020 Employer Skills Survey also report having had one or more hard-to-fill vacancies in the previous 12 months with the biggest challenge in filling these vacancies was accessing sufficient numbers of applicants with the required skills, motivation and personal attributes.

56% of employers also reported to us at least one type of skills gap across their workforce with a third (36%) stating they were affected by multiple skills gaps. The skills issues most commonly experienced across industries were in digital and analytical skills, sales and marketing, analytical, leadership and management skills as well as technical and practical and job specific skills. The significance of these gaps for the economic and business success was highlighted by 71% of employers saying they were markedly impacting their productivity, while over a half felt they were having negative effects on business profitability and growth.

The challenges reported by employers highlight the need to develop the skills required among people who work in these occupations while also developing a pipeline of more highly skilled people.



## Skills Demand

### DEMAND BY INDUSTRY

- **Healthcare:** a range of occupations exist under this umbrella; the NHS has 87% of all vacancies in Dorset.
- **Education:** all levels from school to higher education.
- **Manufacturing and engineering** including systems, technical engineers, programme and software developers, analysts and quality professionals.
- **Construction:** plumbing, electrical work, carpentry.
- **Professional, scientific and technical:** including professional occupations, such as solicitors, veterinarians, programmers.
- **Retail and repair of vehicles:** increased demand for vehicle technicians and mechanics, including electric vehicles.
- **Tourism and Food:** chefs, as well as cleaning and elementary occupations.
- **Finance:** including programmers and software developers, management consultants, finance specialists (accountancy, tax advice, financial management and planning).
- **Digital and creative:** including software development, design, performance, communication.

### DEMAND BY OCCUPATION

- **Health, social and residential care:** all expected to have shortages in Dorset.
- **Nursing:** single most sought after vocation (5% of all jobs).
- **STEM occupations:** the second most significant occupation group in demand, including software developers/ engineers.

### DEMAND BY SKILLS

- **General skills:** including personal productivity, analytical, problem-solving and decision making.
- **Digital and Technical Skills:** including Microsoft Office, software development and engineering, programming languages and productivity tools – for managing enterprises and customers.
- **Specialised Skills:** major skills clustered around nursing, care work, sales and programming.

### DEMAND BY VACANCY REPLACEMENT<sup>26</sup>

- **Caring Personal Service occupations.**
- **Corporate Managers and Directors.**
- **Health Professionals.**

### DEMAND BY QUALIFICATION (2027)

- **Level 1 /no formal qualifications:** 8%.
- **Level 4/ above qualifications:** 55%.
- **Level 5/ above qualifications:** 77%.

<sup>26</sup> Working Futures study 2017-2027

### Skills Needed for the Future

Occupational projections suggest that employment demand will continue to shift in favour of higher skilled occupations, with growth in most professional and associate professional, technical and management jobs. These are also the occupations within which the largest number of people are engaged in Dorset – almost half of those employed.

As automation and Artificial Intelligence (AI) take over more tasks in the workplace, there will be a massive disruption of jobs. There are likely to be job losses in occupations where digital skills are used to undertake routine tasks but also an increase in occupations where digital skills are used to foster innovation and raise productivity. This is especially important for Dorset as our key and growth areas include financial services, advanced manufacturing & engineering, the digital and creative industries, as well as agritech & aquaculture sectors which will face significant change.

Adoption of big data and cloud technology, combined with breakthroughs in robotics, machine learning, and AI are set to enhance productivity, resulting in between 30% – 50% of British jobs potentially becoming automated by 2030, giving rise to entirely new occupations. People will create the jobs of the future, not simply train for them and it is the unique human skills which AI and machines cannot replicate that will be highly desired by employers.

Skills currently beyond the reach of smart machines include; emotional intelligence, critical thinking, abstract & systems thinking, teamwork, conflict resolution, creativity, problem solving, collaboration, customer service orientation and active learning.

While some of these can be nurtured in an education setting, it is more likely these 'soft' skills will need to be nurtured and developed within employment. There could be important roles for sectors that focus on these skills, such as creative and cultural activities.

The labour market in Dorset has been robust over the past decade with considerable volumes of jobs advertised in recent years. The COVID-19 epidemic is yet to be fully understood in terms of demand and supply long term, but the evidence base for the Dorset Local Industrial Strategy is robust and it is anticipated that following a recovery period, our demand and supply sectors and types of job will be as outlined in that document



# Our Strategic Priorities

## Increasing productivity

It is vital that we tackle the productivity issue by fully understanding the implications around skills utilisation, talent retention, future automation, the application of creative digital skills and creative thinking, fresh careers training and new further and higher education courses that attract and keep talented students in Dorset.

We will develop a smarter and more productive workforce, producing more with fewer resources. We want to replace skills/expertise with an emphasis on quality to address the vacancy requirement over the next 15 years.

## Living well

Our focus is on developing pioneering solutions to healthcare, social care and wellbeing in the region in order to address our future demographic crunch head on.

We want to ensure that innovative approaches to ageing are wholly understood, including rethinking employment opportunities for older people such as reskilling, flexible working, mentoring, capturing the cultural and economic value of volunteering and unpaid work. We believe that innovation here could impact on productivity outcomes and talent retention.

## Unrivalled Opportunity

It is clear that the regional, demographic and environmental challenges we face are not unique but the way they combine and mutually impact on each other provides an unrivalled opportunity to understand how they link. Key lines of enquiry include how addressing ageing and inequality impacts on productivity, how increasing productivity impacts on prosperity and how reskilling impacts on ageing and vacancy fulfilment.

The Dorset Local Industrial Strategy lays out our stall in terms of future economic activity and plans, the Skills Action Plan will keep the focus on why we're doing what we're doing (our drivers for change) and how we're going to 'switch on' those drivers (our strategic priorities).



## Removing inequality

Switching on this driver for change will unlock talent across Dorset. We need to build on excellent careers guidance in schools and in adult education, particularly in our more deprived areas.

We want to deliver new replacement skills and expertise and exploit technology to make training and jobs accessible across the region. The focus is firmly on inclusive prosperity. We want to unlock talent in Dorset to ensure all communities can play an active part in the economy.

# Our Skills Ambitions



## TALENT ATTRACTION AND RETENTION

We want to develop a new demand-led skills programme and create bespoke training, recruitment, continuing professional development and progression support that will increase productivity and sustain growth by:

- **Unlocking, attracting and retaining talent** – creating an infrastructure that ensures all communities in Dorset can play an active part in the economy, unlocking talent and inspiring all people regardless of age, into meaningful careers. Showcasing the region to others as the natural place to excel within our educational and business communities.
- **Workforce excellence** – providing the ability to recruit, develop and progress workforce capability and productivity that meets immediate needs – unlocking expansion and investment in new services and capacity – closing the existing productivity gap.
- **Leadership and management** – supporting our growing sectors by providing their leaders with the ability to introduce and embed best practice, technology advancement and innovation that drives productivity and competitiveness.

## SKILLS TO MEET DEMAND

We want to develop skills innovation and inclusion by working with business leaders, education, skills support and Research, Development & Innovation (RD&I) institutions to support the concept of a Dorset 'total skills solution' through:

- **Inspiring younger generations into meaningful careers** – ensuring an inclusion programme targeting Dorset's most deprived communities in the first instance.
- **Retraining or retaining older people into meaningful careers** – unlocking older talent to support valued economic activity later in life.
- **Replacement labour demand in skills sets** – addressing critical replacement labour demand in priority skills sets such as IT/professional/healthcare/social care).
- **Innovative resourcing** – working with Government, national and regional organisations, local authorities, anchor institutions and funding bodies to secure skills budget 'economies of scale', align activity with Government initiatives and develop innovative funding opportunities.

## SKILLS FOR FUTURE GROWTH

We want to work with emerging businesses, their supply chains, academia and skills providers to prepare a comprehensive future skills programme through:

- **Growth Cluster Collaboration** – creating the mechanism by which emerging sectors and institutions can share common expertise, capacity and innovation, thus supporting the development of hubs of knowledge and expertise that can benefit the wider business community and inform skills strategy development.
- **Business Education Links** – extending investment and scope in the local academic centres of innovation & research expertise and developing a new level of collaborative partnership that embeds the needs of future industry at all academic levels. Creating placement and project opportunities that deliver solutions and a future talent pool.
- **Supply chain development** – building skills development programmes, collaboration networks and infrastructure that enables and supports the local supply chain capacity and capability to develop as natural partners in new growth clusters. Understanding how skills can accelerate the cross-fertilisation of priority clusters leading to a network of supported supply chains and an economy of scale for Dorset.
- **Growth accelerator capability** – building the specialist skills to support leadership, expansion, finance, collaboration and research & development that will support new business growth.



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