

People in Dorset are Prosperous

Outcome Sponsor - Matt Piles
Director for Environment and the Economy



Outcomes Focused Monitoring Report

March 2019










Dorset County Council

Dorset's Economy is Prosperous

Outcomes Focused Monitoring Report Produced by Insight, Intelligence and Performance

Contents	
Population Indicator	Page No
Overview	3
P01: Productivity: GVA per hour worked - indexed to UK=100	5
P02: Rate of births of new business enterprises	7
P03: Percentage of children achieving the 'Basics' measures at Key Stage 4	9
P04: Percentage of residents aged 16-64 educated to level 4 (or equivalent) and above	11
P05: Ratio of lower quartile house prices to lower quartile earnings	13
P06: Rates of coverage of superfast broadband	15
P07: Apprenticeship starts as % of population aged 16-64	17
Corporate Risks not assigned to a specific Population Indicator	19
Key to risk assessments	19
Contact	19

OVERVIEW: Direction of travel

P01: Productivity: GVA per hour worked - indexed to UK=100 (Calendar year)	2015 84.9	2016 85.3	
P02: Rate of births of new business enterprises (Calendar year)	2016 81.8	2017 73.7	
P03: Percentage of children achieving the 'Basics' measures at Key Stage 4 (Academic year)	2017 40%	2018 44%	
P04: residents aged 16-64 educated to level 4 (or equivalent) and above (Calendar year)	2016 36%	2017 33%	
P05: Ratio of lower quartile house prices to lower quartile earnings (As at April in calendar year)	2016 10.3	2017 10.9	
P06: Rates of coverage of superfast broadband (Monthly)	Dec 2018 95.6%	Jan 2019 95.6%	
P07: Apprenticeship starts as % of population aged 16-64 (Academic year)	2016/17 2.4%	2017/18 2.0%	

OVERVIEW: Areas for focus

Most key datasets have not been updated since the previous report. Increasing productivity is the very evident message underlying the Government's Modern Industrial Strategy, and the call to action for industry, commerce, Local Enterprise Partnerships and local authorities. Productivity is typically measured, as here, as GVA (Gross Value Added) per hour worked. The UK typically lags behind the other G7 nations, including Germany, France, the United States of America and Italy, and the South West of England lags behind London and the South East. Thus, Dorset will always lag behind the national average, distorted by London and South East.

Productivity is a blunt measurement. It is more helpful to consider Dorset's progress and performance against the various factors which actually contribute to productivity, and which we need to improve to achieve the inclusive and sustainable economic growth we are seeking to achieve. These factors include: -

- Improving the skills of the workforce
- Investment in digital and physical infrastructure
- Innovation in the way we provide goods and services
- Increasing enterprise through business creation, growth and especially exporting

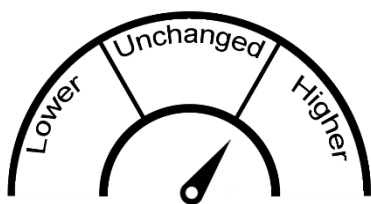
Whilst PO1 indicates a marginal improvement in productivity for Dorset, we need to look beyond this indicator, and seek to do so with other indicators and outcomes.

Officers have identified the need for a more joined up approach to apprenticeships that addresses all aspects of the council's involvement as a levy payer and employer, as a commissioner of services, in its economic development functions around meeting the skills needs of the area and in its statutory functions to promote all post 16 education and training options to young people. Apprenticeships starts in Dorset saw a significant decline over the year (down by 760).

PROSPEROUS P01: Productivity: GVA per hour worked - indexed to UK=100

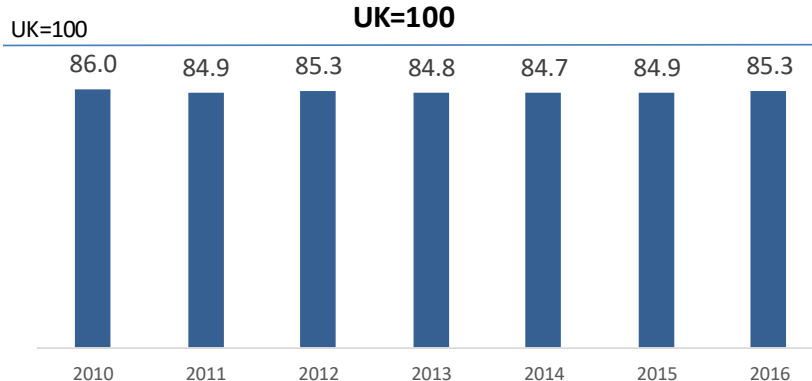
Outcome Lead Officer David Walsh; Population Indicator Lead Officer Anne Gray

Trend: over the year



Benchmarking: Whilst the gap to the UK has narrowed it is still significant.

DCC Dorset GVA per hour worked: indexed to UK=100



What are the indicators/performance measures telling us?

There was a further very small gain in productivity over the year. Whilst this does narrow the gap to the UK, the situation is little changed and the gap is still significant. There are many potential influences on productivity including skills, competitiveness, infrastructure (including digital) and investment. Closing this productivity gap could add an estimated £1.4 billion per annum to total GVA in Dorset. Note: this is an annual dataset with the next update due around March 2019.

What has changed and why?

No change in the last quarter as GVA is an annual dataset. There has been minimal change in the last five years.

What are the issues and how can we address them?

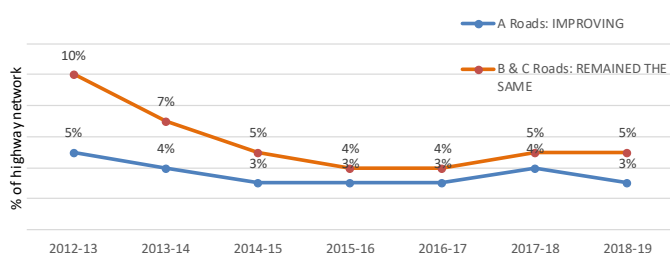
Improving productivity leads to economic growth giving the potential for Dorset businesses to offer better quality jobs with higher pay to local people, which should raise living standards. Improving the skills of our residents will open more opportunities to them and improve their quality of life.

We can help by:

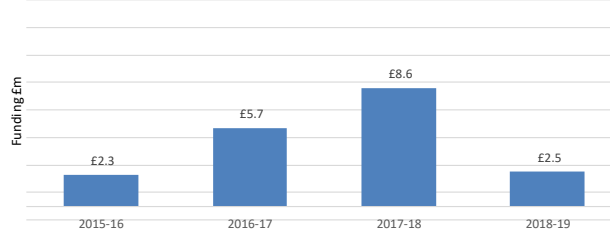
- supporting infrastructure such as improving broadband connectivity and maintaining and improving highways
- searching for funding opportunities together with partner organisations

Performance Measure(s) – Trend Lines

% of highway network where maintenance should be considered



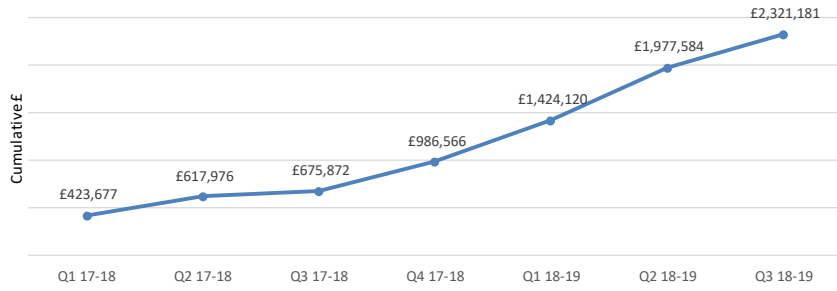
Funding secured for the delivery of transport improvement schemes



- Principal road condition has improved this year. This could be attributed to National Productivity Investment Fund (NPIF) investment on sections of the A350 in poor condition, to improve safety and journey times, as well as trials of micro-planing and redressing failed sites.
- The amount of funding secured for transport improvements is in part a reflection of the bidding opportunities open to us and government's overall priorities for its distribution.
- Non-Principal road condition maintained, with increased surface dressing programme providing good value treatment with increased network coverage.
- Also, recent improvements in road defects being repaired on time and highway inspections being completed on time, both relevant to the productivity of businesses. More information on these can be found in the SAFE report.

Performance Measure(s) – Trend Lines

**Leader indicative allocation invested in active interventions
(cumulative)**



Corporate Risk	Score	Trend
No associated current corporate risk(s)		

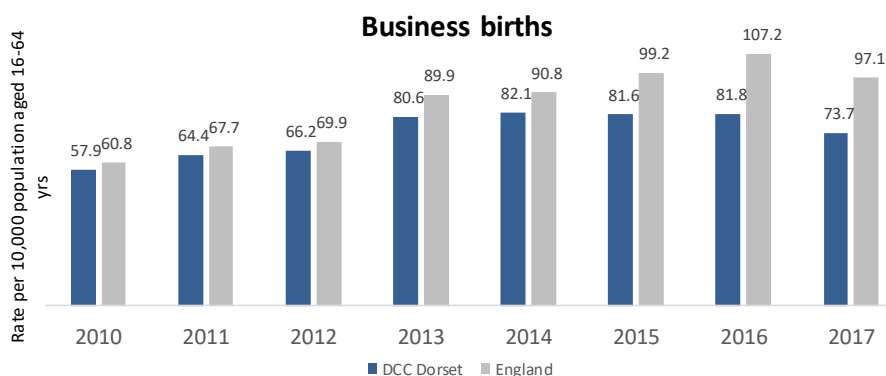
PROSPEROUS P02: Births of new enterprises per 10,000 population aged 16-64 yrs

Outcome Lead Officer David Walsh; Population Indicator Lead Officer Anne Gray

Trend: over the year



Benchmarking: Dorset's gap to the England average narrowed slightly over the year.



What are the indicators/performance measures telling us?

The number of business births fell in Dorset, as they did in England as a whole. The number dropped by about 10% over the year, much in line with the England average. However, in the previous two years, growth in business births was considerably below the national average suggesting cause for concern.

What has changed and why?

This is an annual dataset – the next update is expected around November. As reported previously, the number of business births fell in Dorset, as they did in England as a whole.

At the same time, the Dorset population aged 16-64 also fell very slightly, but there was a marginal increase nationally. This led to a slight narrowing of the gap between Dorset and England.

Economic activity at the Dorset Innovation Park continues to increase steadily with growing occupation of small workspace units and expansion of one of the established businesses. Commercial interest in the Park remains positive, and the Local Development Order has now been adopted, thereby enabling fast track planning for development.

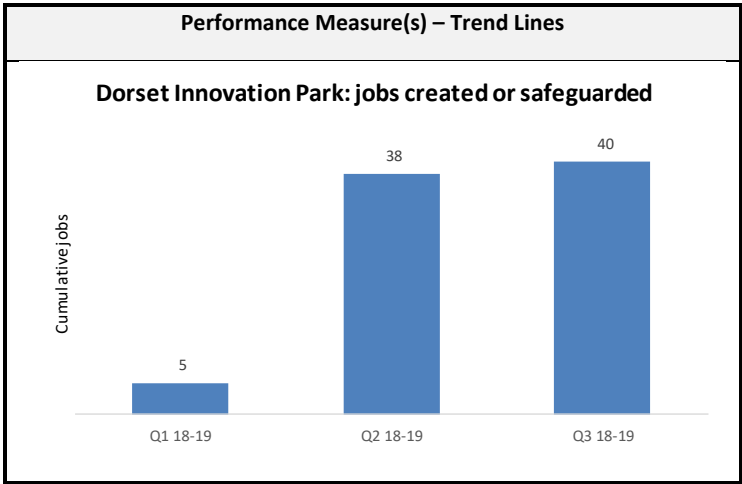
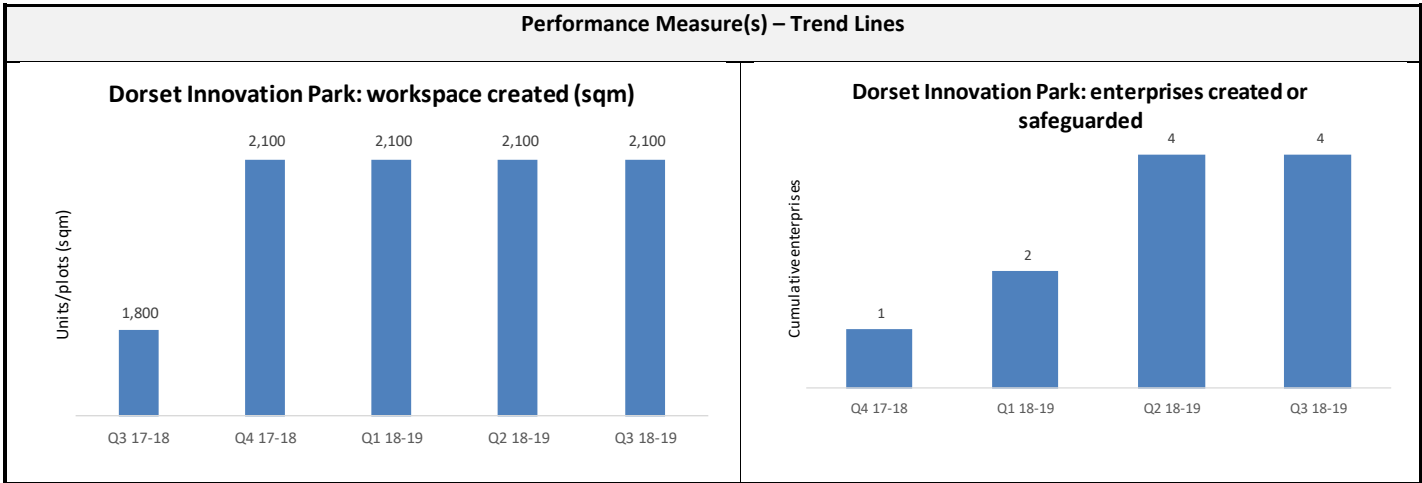
What are the issues and how can we address them?

Low business births may reflect several issues such as

- A lack of innovation/dynamism in local economy;
- A lack of available/suitable employment land and premises in the right location;
- Change in the working age population.

We can help by providing the right conditions to encourage businesses to grow but also stay in the local area, such as appropriate employment land and premises, and by investing in local infrastructure to help provide the operating conditions businesses need. By actively promoting inward investment, we encourage potential investors and 2017-18 saw 14 new inward investment wins in the Dorset LEP area bringing in about 245 new jobs.

The extent of uncertainty associated with Brexit is as yet unknown and is affecting the economy nationwide.



Corporate Risk	Score	Trend
No associated current corporate risk(s)		

PROSPEROUS P03: Percentage of children achieving the 'Basics' measures at Key Stage 4

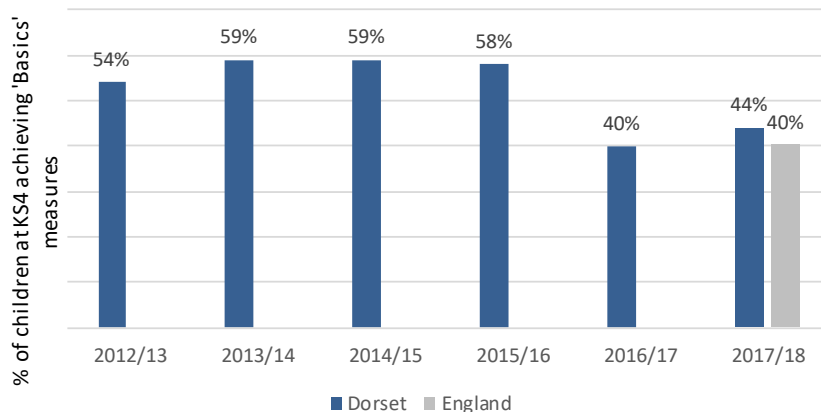
Outcome Lead Officer David Walsh; Population Indicator Lead Officer Doug Gilbert

Trend: over the academic year



Benchmarking: Better than the England average

Achievement of 'Basics' measures at Key Stage 4



What are the indicators/performance measures telling us?

Achievement at the end of Key Stage 4 (age 15). The Basics measures (English and Maths GCSE pass, at grade 4+ or grade 5+, are a useful indicator of pupils ready to move onto further education, apprenticeships or jobs with training. Progress 8 is a measure of progress from the end of primary (Key Stage 2) to the end of Key Stage 4 and is the key measure of school effectiveness at secondary level.

What has changed and why?

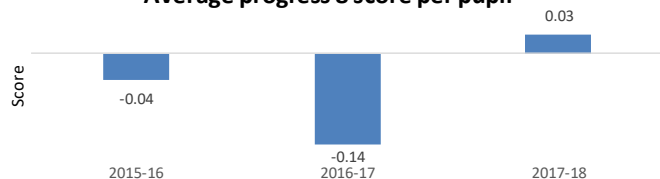
The 2018 figure, previously provisional, has now been confirmed. Dorset is now in line with or above National and the South West for all indicators. Dorset saw the second highest improvement in Progress 8 in England from 2017. Wholesale changes in the curriculum and exam system have caused some volatility in the system, this has affected some schools in Dorset who are now adjusting to the changes.

What are the issues and how can we address them?

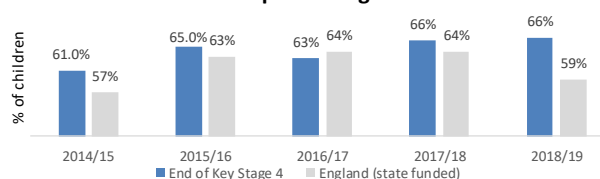
Achievement in Weymouth and Portland is still a cause for concern.

Performance Measure(s) – Trend Lines

Average progress 8 score per pupil



Basics: Standard pass in English and Maths



Corporate Risk

Score

Trend

09a Unable to provide sufficient school places (Basic Need)

HIGH

UNCHANGED

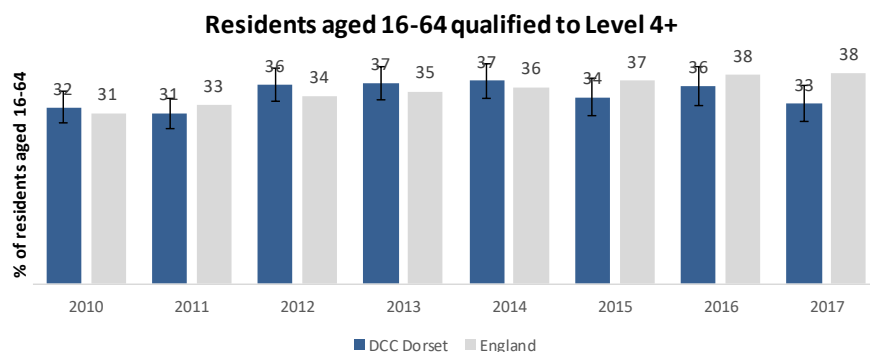
PROSPEROUS P04: Percentage of residents aged 16-64 qualified to level 4 (or equivalent) and above

Outcome Lead Officer David Walsh; Population Indicator Lead Officer Anne Gray

Trend: over the year



Benchmarking: Below the England average



What are the indicators/performance measures telling us?

The data come from a sample survey and has associated confidence intervals which are shown as error bars. Taking into account the range of error, there is no real difference in Dorset's performance in 2017 compared to the previous year, even though it looks as though it has gone down. However, there is a difference to the England average: even at best (the top of the error bar), Dorset is below the England average. This suggests a cause for concern.

Apprenticeship starts at higher level: as nationally, the number of apprenticeship starts overall fell over the year, but the number of higher apprenticeship starts rose. However, the percentage of higher level starts in Dorset is below the England average.

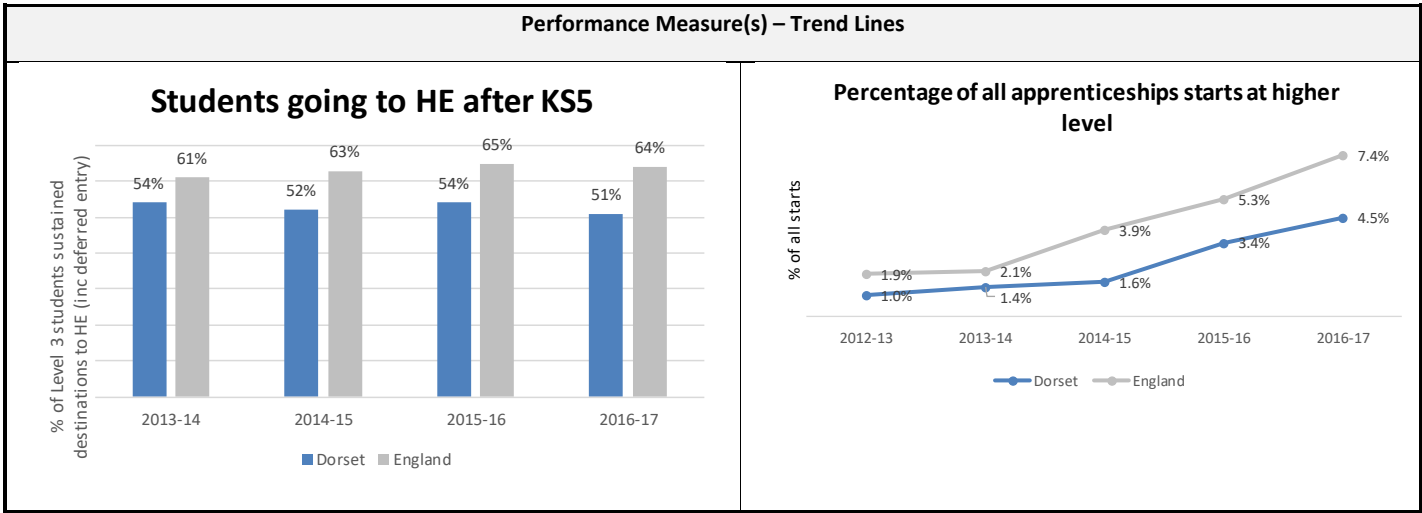
What has changed and why?

No change in the last quarter as this is an annual dataset (update expected April 2019). There has been no real change in the last five years except that in 2017 it became statistically evident that Dorset is below the national average.

What are the issues and how can we address them?

- Level 4 skills are key to future jobs. Over the next decade Dorset will need 45% of workers to have higher level skills as technological advances mean that many more jobs will be automated and new types of job will be created.
- Demographic change means that the workforce is ageing.
- Raising skill levels in the workforce would help reduce skill shortage vacancies, especially for skilled trade occupations.
- Higher skill levels give workers the opportunity to apply for better jobs which can improve quality of life through better pay and job satisfaction.
- A higher skilled labour pool will encourage inward investment thus raising the quality of jobs and productivity through competition and the potential development of clusters.
- The percentage of Level 3 students progressing from Dorset schools to Higher Education has shown little change over the past 4 years and the gap between the proportion of Dorset students progressing and England has grown from 7% in 2014 to 13% in 2017. The work of the Careers & Enterprise Company and ensuring that schools meet their Careers related statutory duties is important in addressing this. It is also important to promote local higher skills employment opportunities to inspire local residents.

Dorset County Council works with partners to ensure they understand that increasing the number of young people entering Higher Education and upskilling adults to Level 4 helps the local economy meet its needs. DCC and partners work together to ensure that all young people and their parents are aware of all post 16 opportunities and are supported and encouraged to use this knowledge when making decisions. As part of the Western Dorset Growth Strategy, sector skills plans are being developed for growth sectors to understand and present opportunities for meeting those sectors skills needs. The construction sector plan is currently under development and has identified a need for more provision and a higher profile for training the current workforce. DCC leads the DCC Skills and Progression Board which holds the overview of post 16 learning provision in schools and FE Colleges. This helps promote a shared understanding that raising skills at level 4 will help support the local economy as well as open opportunities for both young people and adults.



Corporate Risk	Score	Trend
No associated current corporate risk(s)		

PROSPEROUS P05: Ratio of lower quartile house prices to lower quartile earnings (workplace based)

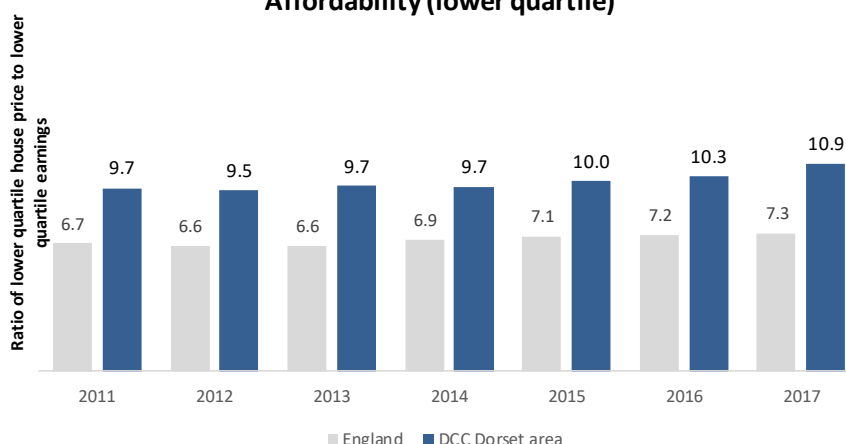
Outcome Lead Officer David Walsh; Population Indicator Lead Officer Anne Gray

Trend: over the year



Benchmarking: Above the England average

Affordability (lower quartile)



What are the indicators/performance measures telling us?

For those wishing to become property owners, 'higher' is not a positive trend. The ratio of lower quartile earnings to lower quartile house prices has risen for the third consecutive year meaning that properties in Dorset are likely to have become less affordable. This has also happened nationally, but the gap continues to widen at a greater rate in Dorset, meaning Dorset properties are becoming increasingly less affordable relative to the national picture. Weymouth and Portland actually saw a slight fall in lower quartile earnings between 2016 and 2017 (a fall of £153) while lower quartile house prices remained static here. All other parts of the DCC Dorset area saw a modest rise in incomes but a more significant increase (in both actual and relative terms) in house prices for the respective lower quartiles. Whilst published lower quartile median earnings rose in Dorset over the year, the data are from a sample survey with associated statistical error which means that no true change is evident. If the same range of error is applied to the house price ratio then it is hard to discern a real increase.

What has changed and why?

No change in the last quarter as this is an annual dataset (update expected April 2019). The differences since the previous year are relatively modest but corroborate a continuing negative trend.

What are the issues and how can we address them?

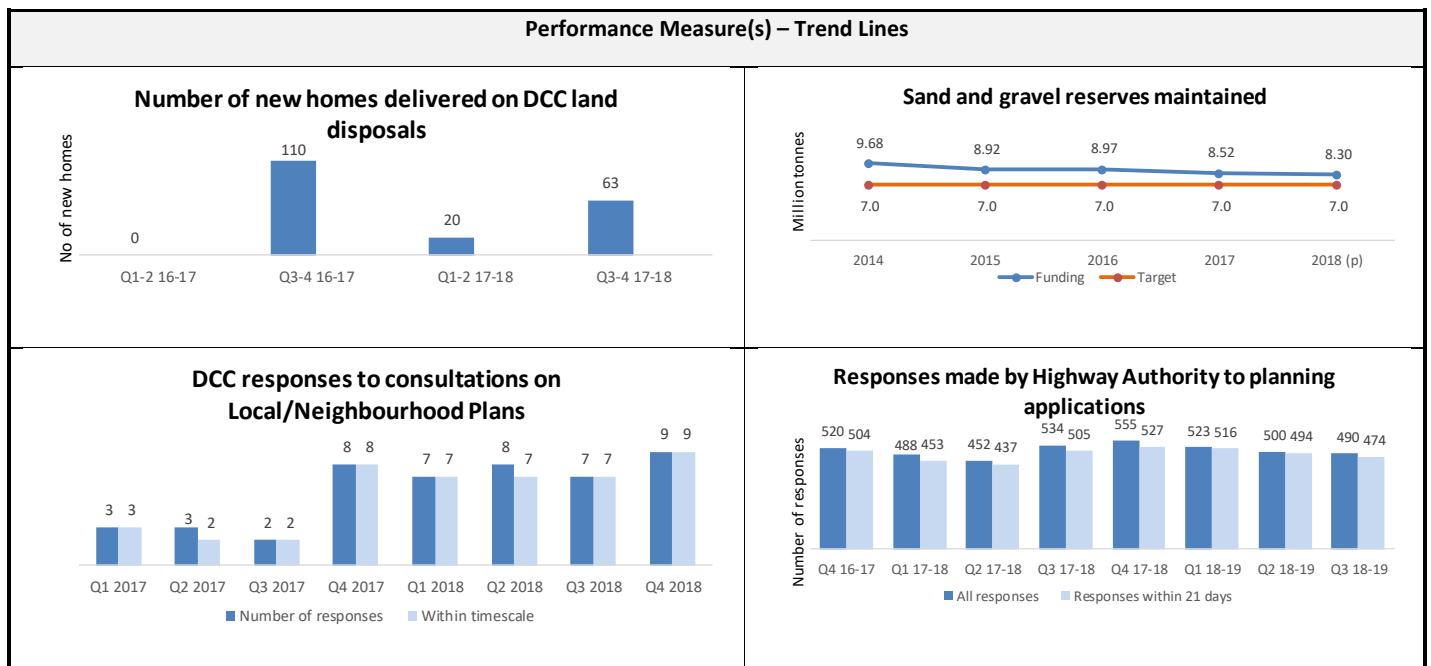
The underlying causes of this remain unchanged:

- Relatively lower earnings in Dorset
- Relatively lower productivity in Dorset
- More people working part-time and more in lower paid sectors
- Higher house prices
- Constraints on housing land supply

Addressing these issues should focus on improving productivity, skills development, employment opportunities, and improved supply of all housing, including affordable units.

Dorset County Council is neither the Housing Authority nor the Planning Authority in respect of housing. We work closely with our District and Borough Council partners to facilitate the delivery of housing, economic growth and infrastructure and ensure a ready supply of construction materials through our role as the Mineral Planning Authority. We can also control and influence the development and use of land that we own. Plans are in place to use County Council land for a range of innovative solutions to address the needs of social care clients and carers. These include "care villages", which will include care services, extra care housing, and key worker accommodation. There are also proposals to supplement this with modern prefabricated modular housing, which is purpose built, quick to provide, flexible and relatively inexpensive (see [Supply of housing to meet need of people with Adult Social Care need](#), Cabinet 7-03-18).

The first planning application for modular housing for 18 dwellings in Wareham has now been submitted to planning authority for consideration.



Corporate Risk	Score	Trend
No associated current corporate risk(s)		

PROSPEROUS P06: Rates of coverage of superfast broadband

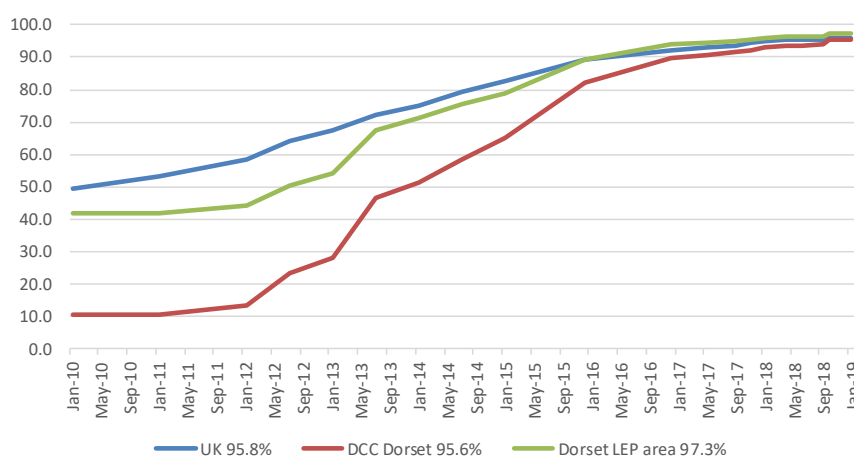
Outcome Lead Officer David Walsh; Population Indicator Lead Officer Pete Bartlett

Trend: over the month



Benchmarking: Comparable to UK

Percentage of superfast broadband coverage Jan 2019



What are the indicators/performance measures telling us?

Superfast broadband (24Megabits per second / Mbps) across the Superfast Dorset partnership (Dorset, Bournemouth and Poole) is **97%** and above the UK average of **95%**, and across Dorset is in line with the UK average.

This shows approximately 10,000 premises spread across the county remain in need of access to superfast broadband. Although superfast broadband coverage in the UK is ahead of many countries, full fibre network coverage is below the global average. The UK has only **5%** full fibre coverage, and in DCC Dorset this is **3%** and across the Superfast Dorset partnership area this is **7%**.

What has changed and why?

The Superfast Dorset programme's third contract is currently deploying fibre to the premises, which increases access to superfast broadband by 4,000 premises or approximately 1%.

Premises continue to be built and there is no mandatory requirement for these to be provided with superfast broadband at present. Government is consulting on changes to planning and building regulations to close off this issue in the future.

What are the issues and how can we address them?

Achieving universal coverage of superfast broadband is the stated policy ambition in the Local Broadband Plan and Digital Infrastructure Strategy. Superfast Dorset has launched a fourth procurement to expand coverage into areas still in need of superfast.

Government announced its ambition for the whole of the UK to have access to full fibre infrastructure by 2033, and 50% by 2025, in the [Future Telecoms Infrastructure Review](#) (FTIR) published in July 2018. This programme is being managed by the Local Full Fibre Network team in the Department for Digital, Culture, Media and Sports (DCMS).

Full-fibre networks are more reliable than copper-based networks, and cheaper to maintain and operate. They are technologically essential to meet ever-increasing speed requirements, and for supporting high capacity mobile broadband networks, particularly emerging 5G networks.

A future large-scale Government infrastructure investment is described in the FTIR of £3-5 billion, details of which are expected in the April 2019 Comprehensive Spending Review. It is anticipated this will focus on an 'outside in' approach targeting the final (most rural) 10% of the UK premises first.

Currently the LFFN programme is utilising £295m funding for 3 waves of pilot projects around the UK, and a further £200m announced in the 2018 Budget for Public Sector Building Upgrade pilot work.

Superfast Dorset and Bournemouth Borough Council are partnering on an application to Wave 3 of the LFFN programme. The multi-million-pound bid focuses on a new high capacity fibre network serving public sector buildings with future commercial opportunities to serve businesses. Dorset was the first area of the UK to benefit from the Public-Sector Building Upgrade programme with Cheselbourne school receiving subsidy fully funding a contract connecting them to full fibre from Wessex Internet. This deployment then allowed for businesses and residents to connect to full fibre through either commercial connection charges or with Gigabit Vouchers.

Superfast Dorset is managing a further expansion of this pilot activity with DCMS, Department for Education and DCC schools teams to seek funding for a further 19 schools across Dorset.

We are also working the Dorset NHS Clinical Commissioning Group (CCG) to secure Government funding for the installation of full fibre to GP surgeries across the county, from the same pilot programme.

Corporate Risk	Score	Trend
No associated current corporate risk(s)		

PROSPEROUS P07: Apprenticeship starts as % of population aged 16-64

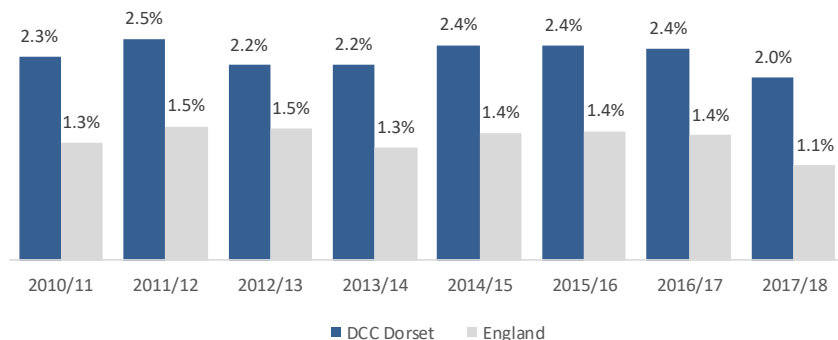
Outcome Lead Officer David Walsh; Population Indicator Lead Officer Anne Gray

Trend: over the academic year



Benchmarking: Above the England average

Apprenticeship starts as percentage of population aged 16-64 years



What are the indicators/performance measures telling us?

In Dorset, Apprenticeship starts of all ages expressed as a percentage of residents aged 16-64 years is above the national average. However, the number of starts dropped over the year both locally and nationally as a reaction to the significant major national changes to Apprenticeships which started on 1 May 2017. These include the introduction of an employer levy to fund Apprenticeships, changes to the apprenticeship curriculum, the introduction of end point assessment by independent organisations and the requirement for training providers delivering Apprenticeships to be registered on a national database. The decline in starts over the year was lower locally than nationally. The working age population continued to fall in Dorset over 2016 to 2017¹, but rose slightly nationally.

What has changed and why?

The number of apprenticeship starts fell locally and nationally. Although in percentage terms the local decline was lower than nationally, this represented a significant fall of 760 in the number of local starts.

What are the issues and how can we address them?

Qualifications of young people and skill levels in the workforce are a driver of productivity so the availability of good quality Apprenticeships is important for Dorset. The actual number of Apprenticeship starts in Dorset dropped by 760 over the last year, down from 5,560 to 4,800. The number of starts has been affected by significant national changes to Apprenticeships started on 1 May 2017. These include the introduction of an employer levy to fund and pay for Apprenticeships, changes to the apprenticeship curriculums, the introduction of end assessment, and the requirement for training providers delivering apprenticeships to be registered on a national database. These are coupled with the long-standing challenges of:

- Employer awareness of Apprenticeships and the breadth of vocational areas on offer and the introduction of higher level Apprenticeships;
- Employers unaware of additional funding for Apprenticeships in small businesses;
- Low number of Apprenticeship opportunities in rural areas;
- Wider awareness of Apprenticeships as a route to employment and perception of this by schools/parents/young people as a 'second class' option.

The Dorset LEP has reformed its Skills Board which will look to support Apprenticeship starts, Dorset CC is expected to receive an invitation to join in April 2019 following local government reform.

Apprenticeship data is currently limited to published information, conversations with the Dorset LEP and Bournemouth & Poole Boroughs are underway to facilitate access to more detailed datasets.

The Careers & Enterprise Company, hosted by Dorset CC, supports schools and colleges to offer a good quality careers programme which supports young people receiving information about all provision options post 16. Dorset CC has successfully

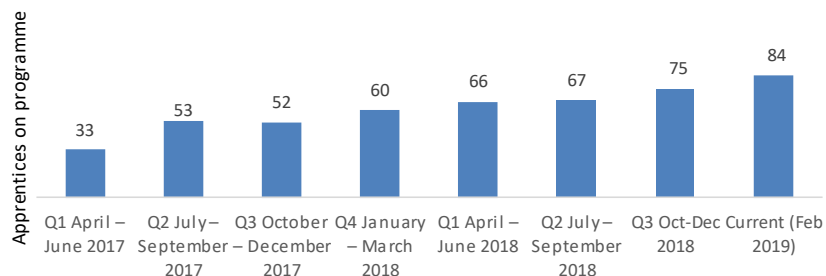
¹ 2018 population updates expected in June

bid for funding to provide additional information for parents and young people to support their decision making about their future careers.

Discussions have been held with DCC procurement around achieving social value and support apprenticeship delivery.

Performance Measure(s) – Trend Lines

DCC apprentices on programme



Corporate Risk	Score	Trend
No associated current corporate risk(s)		

Corporate Risks that feature within PROSPEROUS but are not assigned to a specific POPULATION INDICATOR (All risks are drawn from the <u>Corporate Risk Register</u>)		
17c - Insufficient professional capability/capacity to deliver the full programme of change for Local Government Reorganisation within the identified timescales without impacting negatively on Forward Together savings programme	HIGH	UNCHANGED
14g - The implications of Brexit (impacts on Dorset businesses and employees)	HIGH	UNCHANGED
07a - Failure to sustain an effective relationship across the Dorset Waste Partnership	MEDIUM	UNCHANGED
08a - Failure to maximise income generation opportunities and debt recovery across the Adult & Community Services Directorate	MEDIUM	IMPROVING
08d - Sustainability of our traded education services	MEDIUM	WORSENING
15c - Major service failure associated with transport provision for schools	MEDIUM	IMPROVING
02f - Future negative school improvement inspection	MEDIUM	UNCHANGED
01m - Failure to deliver effective home to school transport within a balanced budget (Mainstream and SEN)	MEDIUM	IMPROVING
09f - failure to adapt services and communities to the impacts of a changing climate	MEDIUM	UNCHANGED

Key to risk assessments	
Corporate Risk(s)	
High level risk in the Corporate Risk Register and outside of the Council's Risk Appetite	HIGH
Medium level risk in the Corporate Risk Register	MEDIUM
Low level risk in the Corporate Risk Register	LOW

CONTACT

Dr David Bonner

Strategic Insight, Intelligence and Performance Manager

Email David.Bonner@dorsetcc.gov.uk

Tel 01305 225503