Place and Resources Overview Committee
22 May 2025
Economic Growth Strategy

For Review and Consultation

Cabinet Member and Portfolio:
Cllr R Biggs, Property & Assets and Economic Growth

Local Councillor(s):
All Cllrs

Executive Director:
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Report Status: Public Choose an item.

Brief Summary:

Dorset has significant opportunity to secure investment, jobs and growth through the realisation of a number of key economic projects most notably around clean energy generation and storage, sovereign defence capabilities, and regeneration of our significant population centres.

The new Economic Growth Strategy will identify and influence how we secure this investment and direct it to those projects where it will make the most difference. This demands a new, focused approach to Economic Growth that concentrates resources and activity on a small number of priority ambitions.

Dorset has some significant economic challenges including low productivity, a lack of available skilled labour, social mobility challenges in some of its largest population centre’s, and housing affordability concerns. This Strategy identifies opportunities that will help mitigate these challenges.

This Strategy is a key component in the delivery of the Council Plan and demonstrates how the relevant Council Plan priorities and targets will be delivered.

Recommendation:

The Place and Resources Overview Committee is asked to consider the content of this report and accompanying presentation, and:

1. Comment on the proposals for the draft Economic Growth Strategy contained in the report;
2. Notes the intention to form a Dorset Growth Board.
3. Note the roles that several Dorset Council services need to play in supporting improved economic growth.

Reason for Recommendation:

1. **Background**

1.1 The Economic Growth Strategy is a very significant document which is being produced at a critical time. World economics are currently very fluid, and the council is aware of a wide range of economic challenges and opportunities as it seeks to create a more prosperous and more sustainable Dorset for current and future generations.

1.2 Dorset has a number of unique opportunities to attract investment and substantially change the local economy. Capitalising on these opportunities is a priority for the council and will determine the future prosperity of the county.

1.3 Technology advancements means that Dorset's geology and industrial history enable the county to play a significant role in clean energy generation. This has the potential to deliver several thousand long term, sustainable and highly paid new jobs into the local economy either directly or in a local supply chain.

1.4 The council has already agreed to creating a new Arms Length Company to deliver the Dorset Innovation Park. This new approach will bring private sector experience and investment into the council's, and county's largest employment estate with a focus on attracting defence related manufacturing and research collaborations with both universities and the defence sector.

1.5 Following the closure of the Dorset LEP, there is an opportunity for the council to reconnect directly with business across the county. The council will continue the development of a strategic relationship with the Dorset Chamber of Commerce, and other business representative organisations such as the Federation of Small Businesses and Business Improvement Districts.

1.6 Additionally we will provide one to one relationships with our largest and fastest growing businesses backed by a range of support and finance options to facilitate higher productivity and creation of higher value jobs.

1.7 There will be a similar approach to supporting the tourism sector where there is significant potential to grow the length of tourist season and increase the average visitor spend. This will inevitably have a focus on our market and coastal towns which are often the centre of the local tourist offer. We will provide guidance and support for communities to develop masterplans that reflect local priorities and can be used to develop funding proposals.

1.8 The strategy reflects the firm commitment to the ongoing aim of enabling a vibrant local economy. The Council wants to grow a strong, sustainable economy for our future so that Dorset can achieve its maximum potential for the benefit its businesses and residents. This requires a very particular focus on our people, our places and our businesses.

2. Economic Context

2.1 Dorset has a significant economy incorporating 20,000 businesses, generating over £8.45b of GVA and supporting 145,000 jobs. The business base is varied with particular strengths in advanced engineering & manufacturing, and defence and security with many businesses delivering innovative and exciting products.

2.2 The varied market and coastal towns offer unique and attractive visitor experiences, making a significant contribution towards the 18.6m tourists who visit the county. In spite of this some of our town centres are struggling from the structural changes to retailing and reduction in local service provision.

2.3 Despite the strength of the Dorset offer, there are significant economic challenges the county is facing which demonstrate why it is vital that a new, focused approach to economic growth is required.

2.4 Although unemployment is relatively low in Dorset, there are high levels of under-employment, with many people working part-time and/ or in in low pay and low skilled occupations.

2.5 Access to skilled labour and good communication linkages varies considerably across the county. Digital and mobile phone connectivity, especially in rural areas, is unreliable and large numbers of Dorset's brightest and best young people move out of the county to find employment, education and entertainment.

2.6 It is recognised that a shift change is required to break this cycle of slow growth, lower skills levels, and unaffordable housing. A starting point is the recognition that our key economic challenges are:

- Demographics: Dorset has net in migration of elderly people and those close to retirement age..
- Productivity. Productivity has stalled over the last 25 years, increasing by only 6% during that period.
- Skills. Recruiting and retaining people with the right skills is increasingly becoming a significant issue for businesses across all sectors and is inhibiting their growth.
- Housing affordability. Connected to the above, skilled workers are put off relocating to Dorset due to high house prices and lower paid employment, whilst many locals struggle with housing affordability.

2.7 These challenges are all interlinked and tackling them will require a concerted approach. The Council is committed to producing a new strategy and approach to grow our economy.

3. An Economic Growth Strategy for Dorset

3.1 This new, different approach to Economic Growth requires a new variant of strategy, a document that reflects our vibrant opportunities, that is forward thinking and focused on attracting private sector attention and investment.

3.2 We consider it vital that we break the cycle of low productivity. Productivity is often a reflection of wages and skill levels, lower productivity is connected with lower skill levels and lower wages. By improving productivity the ambition is to assist businesses in the creation of new, higher paid, higher skilled jobs.

3.3 To achieve this the Economic Growth Strategy focuses on a small number of "Ambitions" that illustrate those projects and developments that represent the greatest opportunity to make a difference for the Dorset economy.

3.4 This represents a difference from previous, unfocused, approaches to economic growth where a range of sectors, businesses, and projects have been supported providing significant benefit to the recipients but little strategic benefit to the wider economy. This prior approach has resulted in the 6% productivity growth over the past 20 years.

3.5 The Strategy still has an emphasis on cornerstones of the Dorset economy such as tourism, market towns, and key sectors such as defence but this is supplemented by new opportunities to generate significant clean energy, to grow the higher education provision across the county, to regenerate our principle settlements, and to use the Innovation Park as a focal point for defence innovation across the south coast.

3.6 This approach will enable council services to focus their attention on the delivery of these Ambitions. The Economic Growth Strategy will become the Service Plan for the Economic Growth service (and influence other Service Plans across the Place Directorate) and will provide a clear relationship between the delivery of the Council Plan, the Economic Growth Strategy and the application of council officer and financial resource.

3.7 It should be noted that the draft strategy presented to Overview Committee and appended to this report will require significant design input to produce a final version that can be used to promote our approach. Officers will engage with appropriate design support for the final version to ensure a document that can be used in various forums to promote our economic ambitions.

4. Dorset Growth Board

4.1 The strategy includes a new approach to engagement and support for Dorset business. The highest tier of the new engagement structure is the Dorset Growth Board, which will champion Dorset, and Dorset businesses, within the county and at a national level.

4.2 Led by the private sector and with representatives from key sectors, the Dorset Growth Board will advise on emerging concerns and opportunities for the Dorset Economy and how best to respond to them. The principle of establishing a new “economic growth board” to provide business representation into the democratic decision-making process was approved at Cabinet on 15th October 2024.

5. **Member Engagement Sessions**

5.1 In preparing the Economic Growth Strategy officers supported a series of Member engagement sessions focused on the different challenges impact the Dorset economy – Productivity, Skills, Housing affordability and inclusion, Infrastructure and Planning.

5.2 These sessions have informed the content of the Economic Growth Strategy but also will inform the content of other teams service plans and policies. The table at Appendix 2 demonstrates how the key ideas generated by the Member sessions have either been incorporated within the strategy or passed into other council activity.

6. **Financial Implications**

6.1 The economic Growth Service has an operational budget of approximately £1.65m. This covers the delivery of economic development, digital place, and the Visit Dorset tourism teams.

6.2 The projects contained within the Economic Growth Strategy will invariably be subject to their own budget discussions and decision. For example Cabinet has recently approved the formation of a new arms length company to manage the Dorset Innovation Park and this decision considered the specific financial implications.

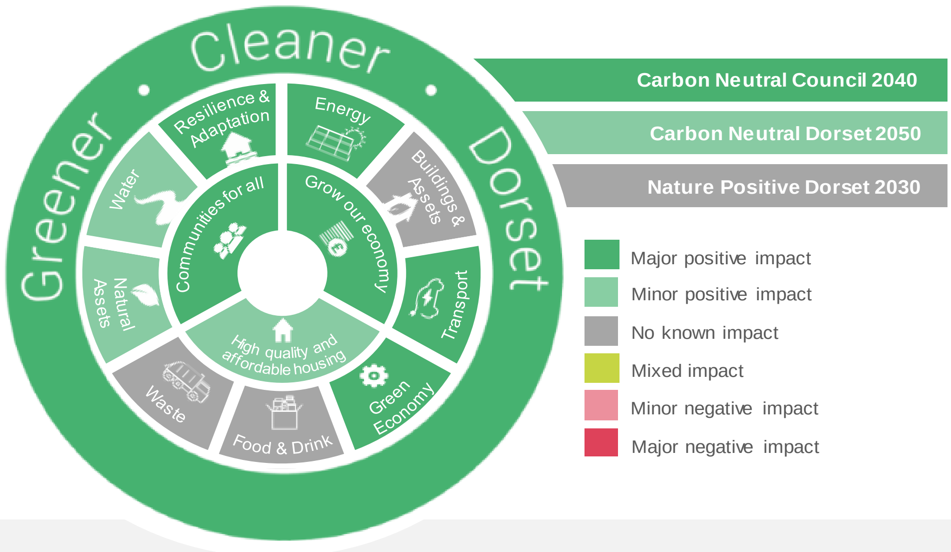
6.3 The portfolio holder for Assets and Economic Growth will lead negotiations with the wider Cabinet regarding the allocation of suitable resources to support the Economic Growth Strategy and the delivery of related Council Plan priorities.

6.4 Where applicable, projects will develop business cases to inform funding discussions and processes involved in the setting of the council capital programme.

6.5 A role of the Economic Growth service is the identification of external funding opportunities and the preparation and submission of applications to secure government and other external funding sources. Wherever possible funding applications will be targeted towards the delivery of projects within the Economic Growth Strategy and the wider Council Plan priorities.

7. Natural Environment, Climate & Ecology Implications

Economic Growth Strategy



Quantitative Impact on CEE targets (if known)	Unit	Number of units (+/-)
2030 - Natural asset extent & condition	Ha	0
2040 - Operational Emissions	CO_2 (tonnes)	

Natural Environment, Climate & Ecology Strategy Commitments	Impact
Energy	major positive impact
Buildings & Assets	No known impact
Transport	major positive impact
Green Economy	major positive impact
Food & Drink	No known impact
Waste	No known impact
Natural Assets & Ecology	minor positive impact
Water	minor positive impact
Resilience and Adaptation	major positive impact
Corporate Plan Aims	**Impact**
Grow our economy	strongly supports it
High-quality and affordable housing	minor positive impact
Communities for all	strongly supports it

8. **Well-being and Health Implications**

This strategy has positive implications for well-being and health, as having a stable job and home is one of the key wider determinants of a healthy life.

9. **Other Implications**

This proposal promotes Dorset as a place for investment and contributes to national and energy security.

10. **Risk Assessment**

10.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk:
Residual Risk:

11. **Equalities Impact Assessment**

Having considered the Equalities Impact Assessment, this strategy provides positive or neutral impacts. The strongest positive impacts are in respect of age and socio-economic deprivation.

12. **Appendices**

12.1 Appendix 1: Energising Dorset, Economic Prospectus – Growth Strategy 2025 – 2030.

12.2 Appendix 2: Response to Member Engagement Sessions

13. **Background Papers**

14. **Report Sign Off**

11.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring

Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

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