



**Topic Paper**

**Economy**

**Version 2  
November 2012**



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## 1.0 Purpose

- 1.1 This document is one of a number of topic papers produced to support the Draft Core Strategy and Development Management Policies Development Plan Document (DPD) (also known as the New Plan for North Dorset)<sup>1</sup>. It provides a general overview of economic issues. It summarises those parts of the evidence base which informed the policies relating to the economy, retailing and town centre uses in the draft Core Strategy and Development Management Policies DPD. It also sets out the policy background – at national, regional and local levels – against which plans are prepared.
- 1.2 The topic paper is a working document which will be updated as evidence is acquired and the consultation process proceeds. Version 1 of the Economy Topic Paper was published in August 2009.
- 1.3 This revision takes into account changes to national planning policy, notably through the provisions of the Localism Act, which was enacted in November 2011<sup>2</sup> and the National Planning Policy Framework (NPPF), which was published in March 2012<sup>3</sup>.

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<sup>1</sup> The draft DPD, which was published in March 2010, can be viewed here -

<http://www.dorsetforyou.com/media.jsp?mediaid=147729&filetype=pdf>

<sup>2</sup> <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

<sup>3</sup> <http://www.communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf>

## 2.0 Introduction

- 2.1. This paper summarises the following as they apply to the economy:
- The national, regional and local policy context;
  - Issues arising from stakeholder and community consultations;
  - Issues arising from evidence and research studies; and
  - Conclusions and implications for future policy.
- 2.2. This section provides a brief overview of the characteristics of the District, which need to be taken into account when developing policy including:
- The District's economy and labour market profile;
  - It's locational structure and retail catchments; and
  - Commuting patterns and sustainable communities.

### North Dorset Economy & Labour Market Profile

- 2.3. North Dorset is a predominantly rural district with a relatively sparsely located population, based around a number of market towns and smaller local service centres. The 2011 Census figures show that the resident population was 68,600. The District's population has grown by 10.8% (6,700) over the last 10 years<sup>4</sup>. Most of this growth has focused around the main market towns of Blandford, Gillingham and Shaftesbury. About 78.4% of the working age population is economically active in the District and the employment rate is about 74.5%. The working age population is around 36,900.
- 2.4. The economy of North Dorset reflects the District's rural nature but it differs from the rest of the Dorset sub-region by containing more employment in primary sectors and utilities, manufacturing and construction, whereas employment in financial and business services is well below the sub-regional average. More than half of employment in the District is in two sectors: public administration, education & health; and distribution, hotels and restaurants. Employment in manufacturing is just above the County average. About 17% of working age employees are self-employed. Annual Business Inquiry data indicates that 5% (about 150) of the District's 2,950 businesses are in leisure and tourism. The Dorset county average is 6%.

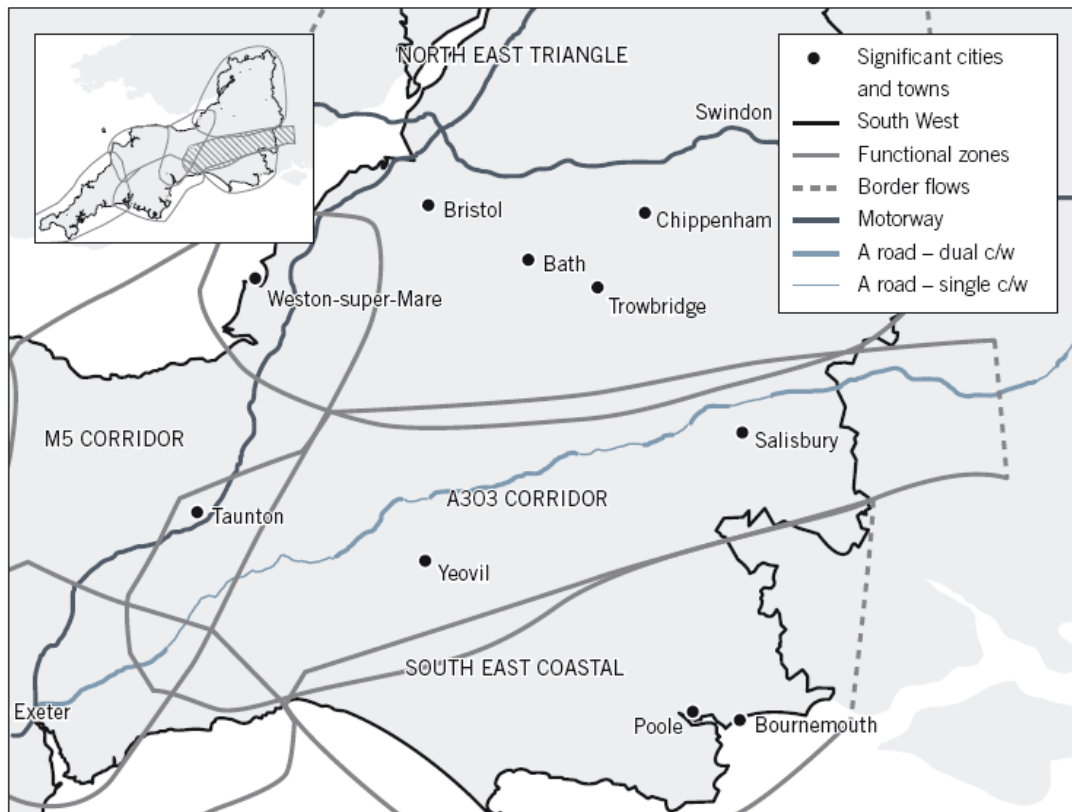
### Locational Structure

- 2.5. North Dorset is divided by two of the seven Functional Economic Zones identified in the Regional Economic Strategy (RES)<sup>5</sup>, as shown in Figure 1 below.

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<sup>4</sup> based on the 2001 and 2011 Census figures

<sup>5</sup> Regional Economic Strategy for South West England 2006 – 2015 – SWRDA (May 2006)



Copyright Mapinfo/Bartholomew - Adapted from Spatial Dynamics Final Report, DTZ

**Figure 1: Economic Activity Zones in Dorset**

- 2.6. The northern part of the District, including Gillingham and Shaftesbury, lies within the A303 Corridor. The RES notes that Gillingham is as an important, fast-growing, local centre located close to both the A303 and the Exeter – Waterloo railway line, whereas Shaftesbury is described as an important tourism and service centre.
- 2.7. The southern part of the District, including Blandford, lies within the South East Coastal Zone. The RES recognises the importance of Blandford as a local centre and the importance of the Ministry of Defence presence at Blandford Camp, both in its own right and in terms of the potential economic development benefits associated with the ICT sector.

**Retail Catchments**

- 2.8. In order to assess the health of the District’s towns a Joint Retail Assessment<sup>6</sup> was undertaken with four other Dorset authorities.
- 2.9. The assessment confirmed that Blandford, Gillingham, Shaftesbury and Sturminster Newton all merit classification as ‘town centres’, but also notes that they *“all primarily serve a local catchment area and have limited draw*

<sup>6</sup> Joint Retail Assessment: Christchurch Borough Council and East, North and Purbeck District Councils – Nathaniel Lichfield and Partners (March 2008)

*beyond their respective boundaries.”* Other centres that exert an influence on these towns are listed in Figure 2 which shows that in terms of wider retail catchments, particularly for non-food shopping, the towns in the north of the District mainly look towards Salisbury and Yeovil whereas Blandford looks south-east towards Poole.

Town Centre	Other Town Centres With an Influence	
	Major Influence	Minor Influence
<b>Blandford</b>	Poole	-
<b>Gillingham</b>	Salisbury Yeovil	Shaftesbury
<b>Shaftesbury</b>	Salisbury Yeovil	Gillingham
<b>Sturminster Newton</b>	Yeovil	Shaftesbury

**Figure 2: North Dorset Town Centres and Wider Retail Catchments**

**Commuting Patterns**

2.10. North Dorset has high economic activity rates and very low unemployment. Figures from June 2011 show that in the previous 6 months unemployment was 1.3%, compared to 1.5% in DCC Dorset and 3.7% in Great Britain as a whole. Census data showed that commuting was an issue in 2001 and anecdotal evidence suggests that it has increased since then<sup>7</sup>. In 2001 about 70% of the working age population both lived and worked in North Dorset, but Census figures for 1991 and 2001 showed that North Dorset had a net loss of commuters of 3,400 and 3,200 respectively. Commuters are largely travelling to and from other parts of North Dorset, Wiltshire and Somerset although commuting to the South East Dorset conurbation is also an issue for Blandford and the southern part of the District.

2.11. Achieving a high level of self-containment in a rural area like North Dorset is challenging, however, the provision of a sufficient range and number of jobs in suitable locations would help to reduce the need for commuting and contribute to the creation of more sustainable communities in the District.

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<sup>7</sup> 2011 Census data on commuting was not available at the time this topic paper was written



### 3.0 National, Regional and Local Policy

#### The National Planning Policy Framework (NPPF)

- 3.1. National Policy in respect of the economy and economic development is set out in the NPPF, which supersedes the previous relevant PPGs and PPSs. Paragraph 7 envisages an economic role for planning – *“contributing to building a strong, responsive and competitive economy by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure”*. Paragraph 9 also indicates that planning should be *“making it easier for jobs to be created in cities, towns and villages”* as well as improving the conditions in which people work.
- 3.2. Paragraphs 18 to 22 of the NPPF relate to building a strong, competitive economy. This involves a commitment to securing economic growth in order to create jobs and prosperity. The planning system should do all it can to support economic growth and local planning authorities should plan proactively to support the economy and meet the needs of business.
- 3.3. Planning policies should seek to address barriers to investment and in drawing up Local Plans, local planning authorities should:
- Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
  - Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
  - Support existing business sectors, where possible plan for new or emerging sectors and be flexible enough to accommodate needs not originally anticipated;
  - Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
  - Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
  - Facilitate flexible working practices.
- 3.4. Paragraph 161 of the NPPF indicates that local authorities should assess *“the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs”*. In addition, paragraph 22 states that *“planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed”*.
- 3.5. Paragraph 28 of the NPPF clearly supports economic growth in rural areas, with local and neighbourhood plans being given a role to:

- Support sustainable growth and expansion of all types of business and enterprise in rural areas both through conversion of existing buildings and well-designed new buildings;
- Promote the development and diversification of agricultural and other land-based rural businesses;
- Support sustainable rural tourism and leisure developments that benefit businesses in rural areas, communities and visitors and which respect the character of the countryside; and
- Promote the retention and development of local services and community facilities in villages.

3.6. Paragraph 42 of the NPPF identifies that high quality communications infrastructure is essential for sustainable economic growth both within the rural areas and other urban areas.

### Issues from National Policy

3.7. The key issues from national policy that will need to be addressed in North Dorset relate to those set out in the NPPF, which are:

- **The provision of a supply of land for business in suitable sustainable locations.** This will include a supply of land not only for B-Class 'industrial' uses, but also land for offices and non B-Class uses (for example retailing, health and education);
- **The creation of suitable conditions to attract inward investment.** The right kind of new businesses (for example 'knowledge-based' firms), would provide a better range of job opportunities for local people. Such businesses need suitable land and a skilled workforce and are attracted by a quality environment;
- **Ensuring that employment land remains fit for purpose** by periodically reviewing its suitability; and
- **Promoting more self-contained and sustainable communities.** More and better jobs locally can help to reduce the need for people to commute, (both within North Dorset and to locations outside the District) to find suitable employment.

### Regional Planning Policy

3.8. The Localism Act provides the legislative basis for the abolition of regional planning. This means that the 'emerging' Regional Spatial Strategy (RSS) for the South West will not now proceed to adoption. The draft RSS was produced in June 2006 and following an examination in public the Secretary of State produced 'Proposed Changes' to the draft RSS in July 2008.

Although the draft policies in the 'emerging' RSS are no longer being taken forward, some of the evidence that underpinned them remains relevant.

3.9. The 'emerging' RSS set out general policies for the region but also included sub-regional policies based on Housing Market Areas (HMAs). It identified North Dorset as part of the Bournemouth and Poole HMA and indicated that 45,400 jobs were required overall, including 23,000 at Bournemouth and 19,000 at Poole. These figures suggested a need for only 3,400 jobs in the

rest of the HMA outside Bournemouth and Poole. The District Council objected to these figures as they thought that a higher level of provision was likely to be needed in North Dorset.

- 3.10. The Regional Economic Strategy<sup>8</sup> is still important in its identification of the main economic development issues, challenges and opportunities facing the South West and the Dorset sub-region (i.e. Bournemouth, Poole and rural Dorset), as discussed in more detail below.

### Issues from the RES

- 3.11. The RES identified **the environment as a key driver for the economy** of Dorset and North Dorset. It estimated that over 12% of the regional economy directly relied on the land and landscape and considered that business efficiency could be enhanced through better environmental management. Food and drink was identified as a priority sector, which is clearly linked to the environment.
- 3.12. A number of different EU funded rural diversification schemes have taken place across Dorset in this sector. “Sowing Seeds” covered the Cranborne Chase and West Wiltshire AONB area and “Direct from Dorset” (a food labelling scheme to encourage consumers to invest in high quality produce) operates across the County. Future schemes to take forward this theme include the development of a possible ‘food hub’ at North Dorset Business Park, Sturminster Newton<sup>9</sup>.
- 3.13. The RES highlighted **a lack of basic skills** as a key issue for the region. There is a key role for local authorities, working with other stakeholders to facilitate spatial links between skills development, business productivity, prosperity and sustainable skills. The skills challenges and employment opportunities presented by an ageing population together with the need to promote lifelong learning are issues which are particularly pertinent in the South West.
- 3.14. North Dorset’s **low wage economy and the lack of further and higher education opportunities** mean that young people, particularly in the 18 to 24 age group, leave the District. Further education is offered by the North Dorset Skills Centre at Wincombe Lane, Shaftesbury, which is part of Yeovil College, but otherwise local people need to travel further afield to Yeovil, Salisbury, Poole or Bournemouth. Improving the facilities offered by Yeovil College at Shaftesbury would improve the opportunities available to the existing and future workforce and help them to acquire the skills needed to meet the requirements of local employers.

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<sup>8</sup> Regional Economic Strategy for South West England 2006 – 2015 – SWRDA (May 2006)

<sup>9</sup> The design and development brief for North Dorset Business Park, which was prepared by The Matrix Partnership for SturQuest in April 2012, can be viewed online here - <http://www.dorsetforyou.com/media.jsp?mediaid=171979&filetype=pdf>

### **Dorset Sustainable Communities Strategy**

- 3.15. The preparation of the Core Strategy requires close alignment with the priorities in the updated Dorset Sustainable Communities Strategy (SCS), which was produced in 2010 and covers the period 2010 to 2020. The Strategy raises two priority issues with regard to Economy and Prosperity, these are:
- Improving the skills of local people and in particular supporting local businesses; and
  - The need to provide a wide range of services and infrastructure for business, in particular small and medium sized enterprises (SME's).
- 3.16 The concerns which were expressed in the original SCS from 2007 remain valid. This noted that *“the county has an increasing number of older people, second home-owners and out-of-county commuters, with a generational imbalance. The economy has failed to develop higher-wage jobs for the workforce and wages remain low”*. Low wages mean that there is too large a gap between income and house prices, making affordability a key issue. This County-wide situation is no less pertinent to North Dorset.
- 3.17 In addition to the priority issues outlined above, the Dorset SCS also identifies a number of key challenges to Dorset's economy, which are:
- low wages;
  - poor transport links;
  - inadequate telecommunications links;
  - limited further education opportunities;
  - loss of workplace skills;
  - business start-up numbers are low;
  - more skilled manual and technical workers are needed;
  - a more balanced economy is required; and also
  - while there is potential for the environment and culture to drive the economy, businesses are not environmentally sustainable enough.
- 3.18 The Dorset SCS indicates that the local economy needs to be stimulated to improve performance in relation to these characteristics and that this is vital if the challenges facing the County are to be tackled.

### **Raising the Game<sup>10</sup>**

- 3.19 Raising the Game was the economic development strategy for Bournemouth, Dorset and Poole for the period 2005 to 2016. It has now largely been superseded by the emerging Dorset Local Enterprise Partnership (Dorset LEP). In the light of current economic circumstances, there still remains a need to 'Raise the Game' in the Dorset sub-region - to strengthen the economy and ensure that it delivers greater value for local people in terms of the quality of jobs available.

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<sup>10</sup> Raising the Game: Economic Development Strategy 2005 – 2016 – Bournemouth, Dorset and Poole Economic Partnership (November 2005)

## 4.0 Future Requirements for Jobs and Employment Land

### Main Evidence Base Studies

- 4.1 The Bournemouth, Dorset and Poole Workspace Strategy was produced in 2008. It provided an overview of the need for and supply of employment land in the period to 2026 and also examined ways in which a number of key sites could be brought forward. The employment land projections have been updated in the Bournemouth, Dorset and Poole Workspace Study<sup>11</sup>, which was produced in March 2012. However, the 2012 study did not seek to update other strategic aspects of the 2008 work.
- 4.2 These studies, along with the work undertaken during the preparation of the 'emerging' RSS, were the main sources of evidence used to inform policies in the draft Core Strategy.

### 'Emerging' RSS – Identified Need for Jobs

- 4.3 The 'emerging' RSS indicated that 45,400 jobs were required in the Bournemouth and Poole HMA up to 2026, including 23,000 jobs at Bournemouth and 19,000 jobs at Poole. This suggested that there was only a need for 3,400 jobs in the rest of the HMA including the whole of North Dorset and parts of East Dorset and Purbeck. The District Council objected to these figures on the basis that this projected level of job provision was too low to support likely future housing growth (of 7,000 net additional homes between 2006 and 2026).
- 4.4 Further more detailed work was undertaken by Dorset County Council (DCC), which suggested that about 3,300 jobs might be required in North Dorset by 2026. In addition, further work on Gillingham<sup>12</sup>, which recognised the town's potential for economic growth, suggested that a 'supply led' approach could generate as many as 2,500 additional jobs in the town by 2026.

### 'Emerging RSS' – Identified Need for Employment Land

- 4.5 The 'emerging' RSS was unclear about the amount of employment land required in the rural parts of the Bournemouth and Poole HMA, but further work at the sub-regional level (i.e. the Workspace Strategy) identified a need for 25.3 hectares of employment land in North Dorset for the period up to 2026. On the basis of the further work at Gillingham, it was suggested that additional employment land should be provided at the town, reflecting the proposed 'supply-led' approach. The study identified land at Wyke, to the west of the town, as a site for possible new business park.

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<sup>11</sup> Bournemouth, Dorset and Poole Workspace Study: Employment Land Projections 2012 update – Dorset County Council (March 2012)

<sup>12</sup> Economic development is discussed in Section 5 of Assessing the Growth Potential of Gillingham, Dorset – Atkins (December 2009)

### **Draft Core Policy 6: Economy**

- 4.6 Draft Core Policy 6: Economy in the draft Core Strategy was based on the policies in the 'emerging' RSS, whilst also drawing on subsequent evidence base studies. Taking account of all of these factors, draft Core Policy 6 indicated that about 4,700 jobs and 38.3 hectares of employment land should be provided in North Dorset in the period up to 2026. These figures assumed the provision of a new 10-hectare business park at Wyke.
- 4.7 The supporting text to the draft policy noted that there were at least 40 hectares of employment land - for Use Classes B1 (Business) B2 (Industrial) and B8 (Storage and Distribution) - across the District, including sites with planning permission and sites which were already allocated in the 2003 District-wide Local Plan.

### **2012 Workspace Study - Updated Need for Jobs**

- 4.8 The estimated need for jobs in 'emerging' RSS was based on pre-recession economic growth projections. These assumed Gross Value Added (GVA) growth of 3.2% per annum across the South West. The 2012 Workspace Strategy updates the estimated need for jobs based on post-recession economic growth projections, which assume 2.5% GVA growth per annum across Bournemouth, Dorset and Poole. The 2012 study indicates that about 4,400 full time equivalent jobs will be needed in North Dorset over the 20-year period between 2011 and 2031.

### **2012 Workspace Study – Updated Need for Employment Land**

- 4.9 The 2012 study uses broadly the same methodology for estimating the future need for employment land. It seeks to establish a 'baseline projection', to which it adds allowances for:
- Windfall losses – they take account of the likelihood of some employment land being lost to other uses; and
  - Churn – this recognises the need for an element of vacant land to aid smooth market function.
- 4.10 Unlike the 2008 strategy, the 2012 study factors in an additional 'flexibility allowance' of 10% or 20% to allow for competition in the market. The results of this analysis for all authorities in rural Dorset are set out in Figure 3 below. Since the sources of the data for the 2008 and 2012 projections come from different forecasting houses, it should be noted that direct comparisons should not be made.

	Christ church	East Dorset	North Dorset	Purbeck	West Dorset	Weymouth & Portland
Office	9.6	9.3	8.7	3.2	11.5	5.7
Industrial	7.8	7.4	0.8	10.9	8.4	1.6
Baseline B use land requirement 2011-2031 (ha)	17.4	16.7	9.5	14.1	19.8	7.3
Windfall losses	0.7	1.6	13.4	1.3	11.9	7.0
Churn	1.7	1.5	5.6	1.9	7.9	0.8
1) Total B use land requirement (ha) 2011-31	19.9	19.8	<b>28.5</b>	17.2	39.7	15.2
Flexibility at 10%	1.7	1.7	1.0	1.4	2.0	0.7
Flexibility at 20%	3.5	3.3	2.1	2.8	4.0	1.5
2) Total B use land requirement (ha) with 10%	21.6	21.5	<b>29.5</b>	18.7	41.6	15.9
3) Total B use land requirement (ha) with 20%	23.4	23.2	<b>30.5</b>	20.1	43.6	16.7

**Figure 3: Employment Land Projections 2011 - 2031**

- 4.11 The study shows a requirement for 28.5 hectares of employment land – for Use Classes B1 (business), B2 (general industrial) and B8 (storage and distribution) – in North Dorset between 2011 and 2031. A 10% ‘flexibility allowance’ increases the requirement to 29.5 hectares. Increasing the ‘flexibility allowance’ to 20% further increases the requirement to 30.5 hectares.
- 4.12 The study also broke down the estimated future need into two ten-year periods. This shows a higher requirement for all Councils in the first ten-year period (2011 to 2021), with a reduced need in the second period (2021 to 2031). The table below shows that the projected need in North Dorset is for 21.9 hectares between 2011 and 2021, falling to 8.6 hectares between 2021 and 2031.

	2011-2021	2021-2031	2011-2031
	ha	ha	Total ha
Christchurch	14.9	8.4	23.4
East Dorset	18.7	4.5	23.2
North Dorset	<b>21.9</b>	<b>8.6</b>	<b>30.5</b>
Purbeck	13	7.1	20.1
West Dorset	30.7	12.9	43.6
Weymouth & Portland	10.5	6.2	16.7

**Figure 4: Employment Land Projections by Phased Periods Including 20% Flexibility Allowance**

- 4.13 The 2012 Workspace Study also looked at the supply of employment land. This showed a supply of 49.6 hectares of employment land for Use Classes B1 (business), B2 (general industrial) and B8 (storage and distribution)<sup>13</sup>. In the light of this study, changes in economic circumstances and site-based concerns, the Council now considers that the proposed new business park at Wyke, Gillingham is no longer needed. This issue is discussed in Section 11 of the Autumn 2012 Key Issues consultation document.
- 4.14 The 2012 Workspace Strategy shows that the amount of employment land available in North Dorset on sites with planning permission or on sites which are already allocated in the 2003 Local Plan exceeds the identified need over the next 20 years. This situation gives the Council the opportunity to consider whether it should have a more flexible policy approach to 'non B-Class uses' on employment sites. This issue is discussed in Section 7 of the Autumn 2012 Key Issues consultation document.

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<sup>13</sup> All the sites that make up the supply of employment land in each local authority area are listed in Appendix of the Bournemouth, Dorset and Poole Workspace Study: Employment Land Projections 2012 update – Dorset County Council (March 2012)



## 5.0 Taking Forward Economic Development

### The Changing Context for Economic Development

- 5.1 Since the draft Core Strategy was produced in March 2010, the context for taking forward economic development has changed significantly. Regional policy, both in the form of the 'emerging' RSS and the adopted RES, is being abolished in favour arrangements based on more recognisable economic geographies.
- 5.2 Local Enterprise Partnerships (LEPs) have now been established across England. The Dorset LEP covers Bournemouth, Poole and rural Dorset, which was the area previously covered by sub-regional strategies, such as Raising the Game. The Dorset LEP will now take forward aspects of the economic development work that was previously undertaken at both the regional and sub-regional levels.

### The Dorset Local Enterprise Partnership (LEP)

- 5.3 LEPs were set up by Government to provide direct involvement in developing an economic strategy for an area from the business community. The Dorset LEP is controlled by a voluntary board comprising leaders from a variety of business backgrounds, alongside representatives from local government and further and higher education. The board works to set out the strategic priorities for Dorset, and also seeks to abolish barriers that would prevent growth, whilst also chasing capital investment.
- 5.4 The Dorset LEP has already secured more than £45 million for different projects, including £38 million for the roll out of Superfast Broadband across the county (a top priority), £6.5 million to boost jobs and housing, plus a further allocation of £2 million from the last budget.

### The Local Economic Assessment (LEA)

- 5.5 The Local Economic Assessment (LEA)<sup>14</sup>, describes the economic characteristics of the Dorset sub-region, including Bournemouth and Poole. Its purpose is to provide the evidence to assist decision makers and local communities in identifying the actions and strategies needed to support future economic growth. The LEA, which was produced in June 2011, identifies the main challenges facing its area as:
- Low productivity and in the County area a GVA considerably lower than the national average;
  - Lack of affordability due to relatively low wages and very high housing costs, which is compounded in some areas by a large stock of second homes;
  - Skills gaps, demographic change, loss of young adults and a growing aging and retired population;
  - Hidden deprivation in some neighbourhoods; and

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<sup>14</sup> The Local Economic Assessment for Bournemouth, Dorset and Poole can be viewed here - <http://www.dorsetforyou.com/media.jsp?mediaid=164469&filetype=pdf>

- Poor infrastructure and inadequate wider connectivity (particularly electronic connectivity in rural areas).

- 5.6 Much of Dorset is dominated by relatively small market town-based supply chains, workforce capacity, skills and supporting infrastructure. The rural nature of the area presents many challenges for economic development and key measures identified in the LEA, which could reap rewards are:
- Better and faster broadband connectivity;
  - Business support services;
  - Ensuring an adequate supply of employment sites; and
  - a continued commitment to developing procurement practices which maximise opportunities for smaller and local businesses.

### **Local Area Agreement and Multi Area Agreement**

- 5.7 A Local Area Agreement (LAA) for rural Dorset was agreed between Government and many partners represented on the Dorset Strategic Partnership. The LAA provided a focus for delivering the community's priorities, as identified in Dorset's SCS. The LAA ran until 2011 and there is no replacement mechanism currently in place.

- 5.8 In addition, a Multi Area Agreement (MAA) had been agreed between Government, Bournemouth Borough Council, Dorset County Council and the Borough of Poole primarily as a means of taking forward economic development across the Dorset sub-region. The MAA is no longer being taken forward and this strategic approach to promoting economic development will be part of the role of the Dorset LEP.

### **North Dorset Economic Development Strategy**

- 5.9 Strategies for the sub-region largely focus on the economic development needs of the main urban areas. Whilst such a strategic overview helps to provide a wider context, it does not always address the issues for North Dorset, which due to its largely rural nature, can be different. The Council has worked with partners to produce an economic development strategy for action for North Dorset<sup>15</sup>, which sets out specific actions for the period 2012 to 2015 under the key themes of:
- supporting the Dorset LEP;
  - superfast broadband;
  - skills and training;
  - employment sites;
  - market towns;
  - villages and rural areas;
  - attracting resources to the area; and
  - communication, partnership working and public relations.

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<sup>15</sup> The North Dorset Economic Development Strategy for Action 2012 to 2015 can be viewed here - <http://www.dorsetforyou.com/media.jsp?mediaid=178594&filetype=pdf>

## 6.0 Issues Arising from Stakeholder and Community Consultations

### North Dorset District Wide Local Plan 2003

- 6.1 The 2003 Local Plan<sup>16</sup> set out economic objectives for the District, which included: maintaining, improving and diversifying employment opportunities for the local community; maintaining an adequate land supply in a variety of locations for future employment needs; and support for the expansion of existing and creation of new businesses. The 2003 Local Plan identified a number of existing employment areas and new allocations. It envisaged that the majority of the employment development would be concentrated in Blandford, Gillingham and Shaftesbury in line with its overall strategy to encourage sustainable development.
- 6.2 Since the adoption of the 2003 Local Plan, consultation has been undertaken, from 2007 onwards, on the emerging Core Strategy, which includes policies relating to the economy. The main issues raised in response to these consultation exercises are outlined below.

### Core Strategy Issues and Options Consultation

- 6.3 The community's views on a number of key issues relating to the economy were sought when the Council undertook consultation on the issues and options<sup>17</sup> for inclusion in a core strategy in June – July 2007.
- 6.4 The Economic Prosperity section of the Issues and Alternative Options consultation sought stakeholders and resident's views about: the need to identify sufficient employment land; the protection of existing employment land; and how to promote and enhance a diverse and sustainable local economy. The number of consultation responses to the economic prosperity section of the paper although limited, supported the view that existing employment sites should be extended where appropriate and additional sites should be identified, if required, in sustainable locations. It was acknowledged that extensions should only be permitted when the current supply of employment land has been taken up. Also the community's view was that employment uses should be strictly controlled on employment sites.
- 6.5 Other issues that received support were homeworking, promotion of sustainable tourism and the sustainable re-use of rural buildings. Consultees commented on the need for a careful balance between promoting a diverse and healthy rural economy and other objectives including the protection and promotion of the countryside.

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<sup>16</sup> North Dorset District-Wide Local Plan (First Revision) – North Dorset District Council (January 2003)

<sup>17</sup> Core Strategy: Issues and Alternative Options – North Dorset District Council (June 2007)

**Consultation on the Draft Core Strategy**

- 6.6 The community's views were sought when the Council undertook consultation on the draft Core Strategy from March to May 2010.
- 6.7 115 comments were made in relation to draft Core Policy 6: Economy with almost equal numbers supporting and objecting to the policy. In general, those objecting were concerned about: the overall number of jobs proposed (especially in the light of the current economic climate); the amount of land proposed; and the split of employment sites between the towns and the villages. Other concerns related to: growth and infrastructure (in particular road capacity); the impact of tourism on the natural environment; and the type of jobs the Council is seeking to attract.
- 6.8 The proposed business park at Wyke, Gillingham was the site that attracted the largest number of comments, none of which were in support. Objections focussed on whether there was an actual need for these jobs and whether Wyke was the most suitable location considering its landscape setting and the traffic implications for existing residents.
- 6.9 The approach taken in draft Core Policy 7: Retail and Other Town Centre Uses was largely supported. There were no specific concerns about the proposed hierarchy and network of centres although there was concern that the policy did not mention shops in the villages (which is dealt with by draft Core Policy 19 and draft Development Management Policy 7).
- 6.10 The aim to ensure the future viability and vitality of town centres was largely supported although a number of concerns were raised about the level and type of provision in certain towns. In Blandford there were suggestions that a retail park on the other side of the bypass may be appropriate whilst others had concerns about flooding in the town centre. There was support for the regeneration of the Station Road area in Gillingham but some individuals raised concern about the relationship of the town and nearby Shaftesbury. Certain residents in Sturminster Newton do not support the limited growth proposed, whilst there was concern in Stalbridge about the lack of detail in the policy in relation to their town.

**Consultation on Key Issues for the Revision of the Draft Core Strategy**

- 6.11 The Council is undertaking consultation on key issues for the revision of the draft Core Strategy during Autumn 2012. Views are being sought on the need for further employment sites and on the uses that might be permitted on such sites. Views are also being sought on the deletion of the proposal for a new business park at Wyke, Gillingham.

## 7.0 Issues from the Evidence Base

### Main Evidence Sources

7.1 To help the District Council take forward new policy, it jointly commissioned consultants to produce reports identifying key policy issues which the draft Core Strategy should seek to address. These studies included:

- Employment Land Review: Review of Existing Sites;<sup>18</sup>
- Workspace Strategy and Delivery Plan<sup>19</sup>, partly updated by the Workspace Study;<sup>20</sup> and
- Joint Retail Assessment.<sup>21</sup>

7.2 The Council's Annual Monitoring Report<sup>22</sup> provides information on: the delivery and availability of employment land; the provision of retail floorspace; vacant industrial and retail floorspace; and loss of employment land to other uses. Research undertaken to support the North Dorset Economic Development Strategy for Action is also relevant.

### Employment Land Review (ELR) (2007)

7.3 The current and future suitability of existing employment sites (as identified in the Local Plan) was reviewed in the ELR. The ELR assessed all employment sites to ensure: that there was sufficient provision for future economic development; that it is appropriately located across the District and; that it has a reasonable prospect of being realised for development.

7.4 Following a preliminary appraisal, the ELR identified 13 of the District's 40 employment sites that required a more detailed assessment to establish if they should be retained, assessed further or recommended for release through the plan preparation process. Of these 13, three were recommended to be released from their current employment use through the plan preparation process and a further three should be assessed for their potential to accommodate mixed use development. These were:

- The Brewery Site, Blandford;
- Station Road, Gillingham; and
- The Creamery, Sturminster Newton.

### Workspace Study (2012) and Workspace Strategy and Delivery Plan (2008)

7.5 The Workspace Study undertaken in 2012 reviews and updates some elements of the 2008 Workspace Strategy and took account of the findings of the ELR. The future requirements for jobs and employment land

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<sup>18</sup> Employment Land Review: Review of Existing Sites – North Dorset District Council (April 2007)

<sup>19</sup> Bournemouth, Dorset, Poole Workspace Strategy and Delivery Plan – GVA Grimley (2008)

<sup>20</sup> Bournemouth, Dorset and Poole Workspace Study: Employment Land Projections 2012 update – Dorset County Council (March 2012)

<sup>21</sup> Joint Retail Assessment: Christchurch Borough Council and East, North and Purbeck District Councils – Nathaniel Lichfield and Partners (March 2008)

<sup>22</sup> The most recent Annual Monitoring Report is for the year April 2011 to March 2012

identified in these studies and how these findings have influenced policy, is explained in Section 4.

- 7.6 The 2008 Strategy identified a number of key strategic sites at the main towns that would play a major role in meeting the need for employment land. These were:
- Land south of the A30 at Shaftesbury;
  - North Dorset Business Park, Sturminster Newton;
  - Brickfield Business Park, Gillingham; and
  - The Brewery Site, Blandford.
- 7.7 The 2012 Study foresees employment growth largely in: business services; health and social employment with other growth in: distribution; hotels and catering; and transport and communications. The sectors likely to decline are considered to be: manufacturing; construction; agriculture; public administration and defence.
- 7.8 There is currently little office accommodation in North Dorset, but the Workspace Study indicates that a little under a third of the demand between 2011 and 2031 will be for office space. There are some purpose built offices in the District, such as those at Stour Park, Blandford and Wincombe Business Park, Shaftesbury. However, the majority of offices are small in nature and often occupy space above shops in the main market towns or are ancillary to industrial uses throughout the District.
- 7.9 The 2008 Workspace Strategy indicated that North Dorset was well positioned to take advantage of the likely changes to the sectors of the economy. However, the delivery of sites was also seen as a major issue. Where sites are not coming forward, the strategy suggests that intervention should occur to ensure delivery both on small and large sites. Issues related to infrastructure requirements for economic developments need to be considered with a more coordinated approach to ensure better use of existing and planned funding and delivery.

#### **Joint Retail Assessment (2008)**

- 7.10 The Joint Retail Assessment was undertaken with four other Dorset authorities and was produced in 2008. It identified floorspace projections for both convenience and comparison goods at Blandford, Gillingham, Shaftesbury and Sturminster Newton. The assessment suggests that the strategy for accommodating such growth should be based on maintaining the existing market share and by reducing the level of shop vacancies.

#### **Economic Development Strategy for Action 2010-2013**

- 7.11 More recent research has been undertaken to support the North Dorset Economic Development Strategy for Action 2010 – 2013. The research shows that:
- Economic growth is generally lower in rural Dorset than regionally or nationally;

- Gross value added (GVA) per resident is below the national and regional average;
- Dorset's rate of new business formation is below average; and
- Workplace-based earnings in Dorset are lower than the regional or national average.

7.12 In addition the research showed that there were 2,950 firms in North Dorset of which 88% were micro businesses which employed 31% of the working population. A higher-than-average number of those employed worked from home or were self-employed.

7.13 Key issues emerging primarily from the evidence base are:

- **Meeting the economic development needs of the District.** The economic development needs of a small rural authority like North Dorset are not always fully recognised or understood in wider regional and sub-regional strategies. It is important that these more local needs are fully taken into account in the Core Strategy;
- **Delivering employment land.** Where sites are not coming forward, the public sector needs to assist delivery, especially in cases where associated infrastructure is required;
- **Adapting to sectoral change.** The current global economic difficulties add uncertainty to predictions of how the national, sub-regional and local economies might change. However, being able to adapt to sectoral change is important if the District's economic prospects are to be enhanced;
- **Low productivity.** Gross value added (GVA) per resident has been below the national and regional average and should be increased;
- **Attracting higher quality jobs.** Residents of North Dorset have skills at the national average or just above. However, often the range of jobs on offer in the District is not sufficient and residents need to seek employment opportunities elsewhere;
- **Commuting.** The provision of a sufficient range and number of jobs in suitable locations would help to reduce the need for commuting and contribute to the creation of more sustainable communities in the District;
- **Poor transport and telecommunications infrastructure.** Transport links to Bristol and the North are limited while broadband speeds are slow and generally poor;
- **Economy over reliant on public service jobs and needs to be more balanced.** Reducing the current reliance on public service employment would create a more balanced and resilient economy;
- **Higher education and training.** There is a need to improve higher education and training within the District to meet employment needs.

## 8.0 Conclusions

- 8.1 Dorset is a low-growth, low-waged economy, which is not as productive as it could be. However, the 2008 Workspace Strategy considered that North Dorset was reasonably well positioned to take advantage of future changes to the economy for a number of reasons:
- At the time it performed well against a number of labour market indicators with a growing working age population, high economic activity rates and high skill levels<sup>23</sup>;
  - It had a track record for delivering employment land at above the planned rate<sup>24</sup>; and
  - It already had sufficient employment land and a number of key employment sites identified to meet future workspace needs<sup>25</sup>.
- 8.2 North Dorset needs to develop a more competitive economy that reflects wider sub-regional aims, but which also recognises the particular economic characteristics of the District and brings greater prosperity to its residents. Central to this is the need to maintain a flexible and responsive supply of employment sites and premises, as outlined in the RES and the Workspace Strategy. However, there are also a range of qualitative issues that need to be addressed in order to ensure that the economic growth contributes to the creation of more sustainable communities in the District.
- 8.3 The key conclusions from this topic paper in relation to the provision of land for employment are:
- The ELR found that the vast majority of employment sites in the District are fit for purpose, but periodic reviews will be required in the future;
  - 28.5 – 30.5 hectares of employment land (primarily for B1, B2 and B8 uses) is required in the period up to 2031 to meet the needs of existing firms and new employers;
  - Sufficient employment land, including a number of key strategic employment sites at the main towns, has already been identified to meet the need for B-Class uses;
  - Changes in the economy mean that there is likely to be an increased need for offices and non B-Class uses in future;
  - The ELR has identified opportunities for mixed-use regeneration, which can help to meet the needs for offices and non B-Class uses;
  - There needs to be continued improvement in town centres to increase the overall market attractiveness of the area and to support office and service sector job growth; and

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<sup>23</sup> Bournemouth Dorset Poole Workspace Strategy and Delivery Plan – GVA Grimley (2008)

<sup>24</sup> See chart at the top of page 35, Annual Monitoring Report 2008, North Dorset District Council (December 2008)

<sup>25</sup> Bournemouth Dorset Poole Workspace Strategy and Delivery Plan – GVA Grimley (2008)



- There is a need for additional retail floor space at Blandford, Gillingham, Shaftesbury and Sturminster Newton, which could be accommodated largely through a strategy of maintaining existing market share and reducing shop vacancies.

8.4 The key conclusions from this topic paper in relation to associated issues are:

- A pro-active approach to the delivery of employment sites and premises is required, especially where they are not coming forward, or infrastructure provision is an issue;
- The Core Strategy needs to clearly explain and take account of the economic development needs of North Dorset, which are not always fully recognised in wider sub-regional strategies that focus on larger urban areas. The recent production of an economic development strategy action plan for the District will help in this respect;
- The environment is a key economic driver in the South West and schemes are already in place in North Dorset in related sectors, such as food and drink, which build on this;
- Skills need to be enhanced to meet the changing needs of employers as the employment structure of rural Dorset shifts towards higher skill level occupations in the future. Working together with partners such as Yeovil College could help to improve skills;
- The diversification of the economy would provide local residents with a range and choice of jobs, especially higher-waged, skilled jobs, which would help to reduce the need to commute to find suitable employment;
- The linked provision of homes and jobs helps places to become more self-contained. In North Dorset this can be achieved by focusing employment sites and other employment generating developments at the District's main towns where existing and future housing is concentrated. Such development also needs to be phased to come forward at the same time as housing growth; and
- Some more sustainable limited provision in villages and the countryside is important to achieve sustainable communities in the District's more rural areas.