



Regional Economic Development
Local Economy Briefing 9

Latest Local Productivity Numbers

The current stage of the UK and local economic cycle can be characterised as one of modest recovery driven by higher employment but relatively little gain in productivity. Without a significant increase in productivity growth, it will be hard to sustain the upturn and the jobs it has provided. Arguably, boosting local performance with regard to the key drivers of productivity (investment, innovation, skills, entrepreneurship and competitiveness) is the prime development goal at this time.

Evidence

ONS has just released 2014 data on local productivity measured by GDP per hour. It suggests an unchanged comparative picture for Dorset as a whole from the previous year (see table below). It shows the area covered by the Dorset LEP at about 9.2% below the UK average, ahead of Devon and Somerset (HoSW) but significantly lower than the comparative figures for Swindon and Wiltshire and especially Solent. These relative scores have shifted little since the 'Great Recession' (2008-9).

Dorset & its Neighbours

2014	GDP per hour (£)	Change from 2013	Index UK = 100	Change from 2013
Bournemouth & Poole	28.4	+0.5	91.8	+0.1
Dorset County	28.0	+0.5	90.3	+0.1
All Dorset LEP	28.1	+0.5	90.8	unch
HoSW LEP	26.8	+0.5	86.6	+0.2
Swindon & Wilts LEP	30.7	+0.3	99.0	-1.0
Solent LEP	33.3	+0.4	107.6	-0.4

Source ONS

Comment

At £28 per hour, Dorset has a fairly good productivity rating compared with national (£31) and local averages. The problem is that few parts of the UK and LEP areas across southern England are recording strong figures in global or historic terms. The question, then, is whether local businesses and development bodies have the capacity and aspiration to shift these metrics over time. The current strategic debate and initiatives on Dorset Devolution need to consider this aspect of economic performance carefully.

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