

# Dorset Labour Market Insights



After an unprecedented political whirlwind, the UK saw its third premier appointed in three months. As former chancellor Rishi Sunak settles in as the new prime minister, he is clearly facing a winter of discontent. We look closer at the latest economic and labour market developments, marked by financial volatility, rising prices and a decline in real terms earnings over the third quarter of the year.

Q3 2022

# Dorset Labour Market Insights

The latest quarter has seen both political and economic volatility, with both closely linked.

Financial markets had a negative reaction to the mini-budget that meant to stimulate a 'high-growth, low tax' economy but ultimately resulted in uncertainty of UK's fiscal position.

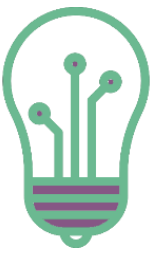
An increase in Government borrowing costs led to higher rates in private lending (mortgages) and fragility in financial institutions such as pensions. Consequently, the new UK leadership ultimately paid the political price.



Q3 2022

Read full report on [Dorset Labour Market and Skills latest insights](#)

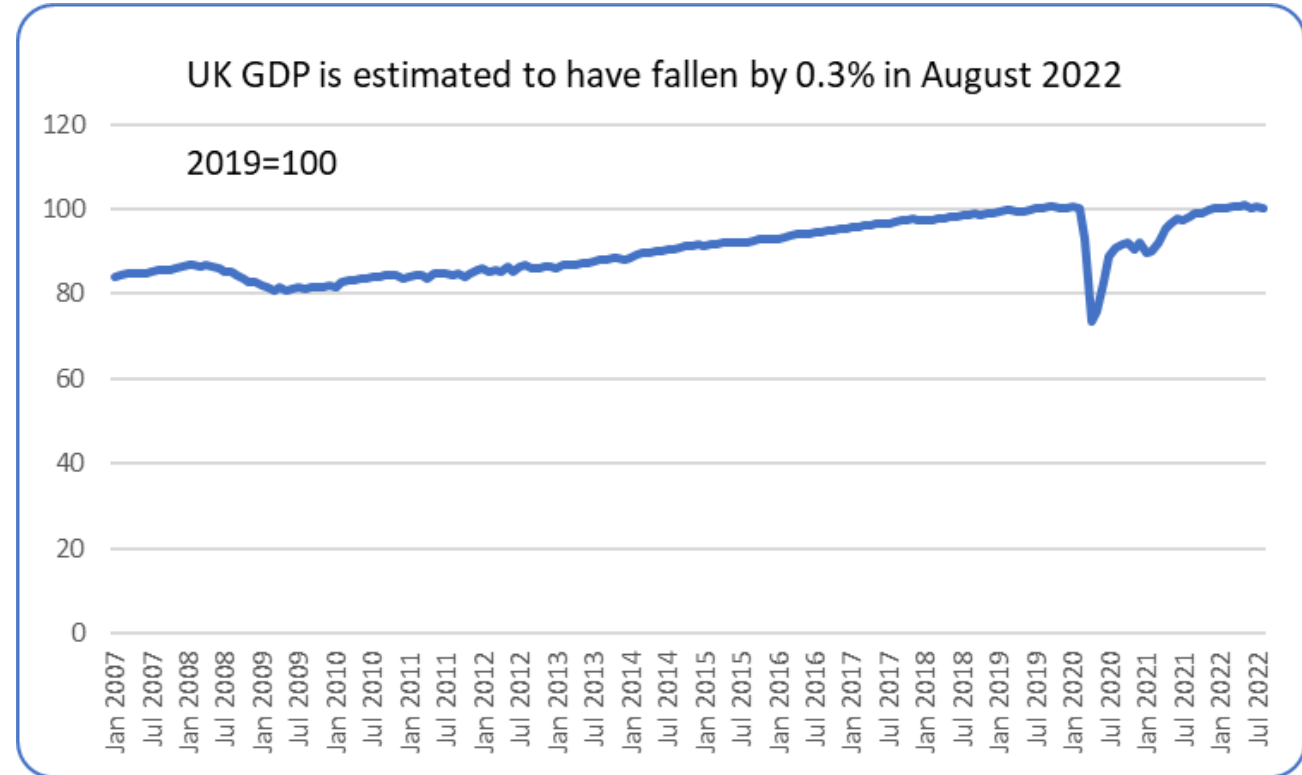
# The economy



Gross Domestic Product (GDP) is estimated to have fallen by 0.3% in August 2022, after 0.1% growth in July 2022 (itself revised down in latest estimates).

There has been a continued slowing in the underlying three-month on three-month growth, where GDP also fell by 0.3% in the three months to August compared with the three months to May 2022.

Output in consumer-facing services fell by 1.8% in August 2022, and with recently released retail sales also showing weakness this is adding up to a picture of persistent and high inflation beginning to impact on consumer spending.



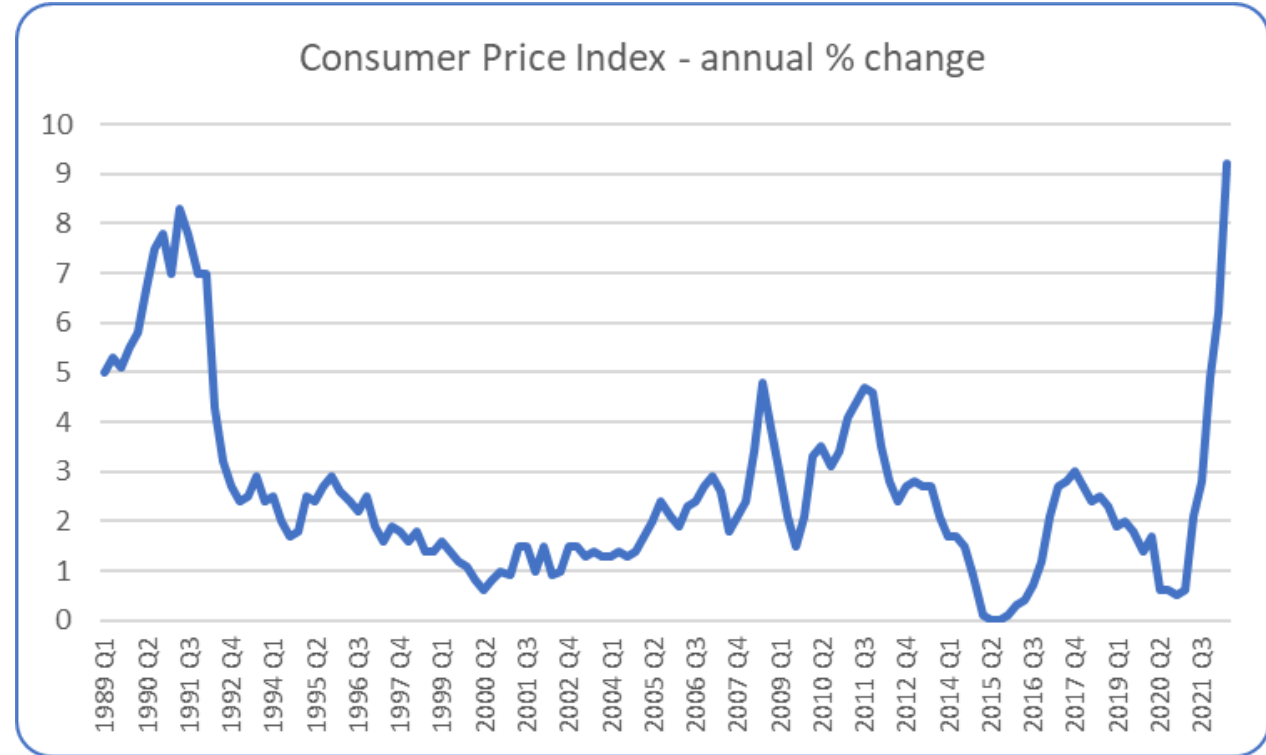
UK economic output is now back at the level seen in 2019 (pre-Covid) – although it could dip back down if a recession occurs

# Prices

Much of the economic context continues to be provided by the pace and scale of inflation within the UK economy.

The now dubbed 'cost of living crisis' has seen inflation reaching heights not seen since 1970s. The scale of price increases has fuelled by a combination of factors, not least the Ukrainian conflict and its impact on energy and agricultural prices (and hence food prices), as well as supply chain bottlenecks.

Inflationary pressures now being experienced are also a result of the monetary and fiscal policies that were put in place as a response to the Covid pandemic. The availability of credit within most major economies at that time are now working through into higher prices.



The latest inflation rate hit >10% and is expected to rise further through the remainder of 2022

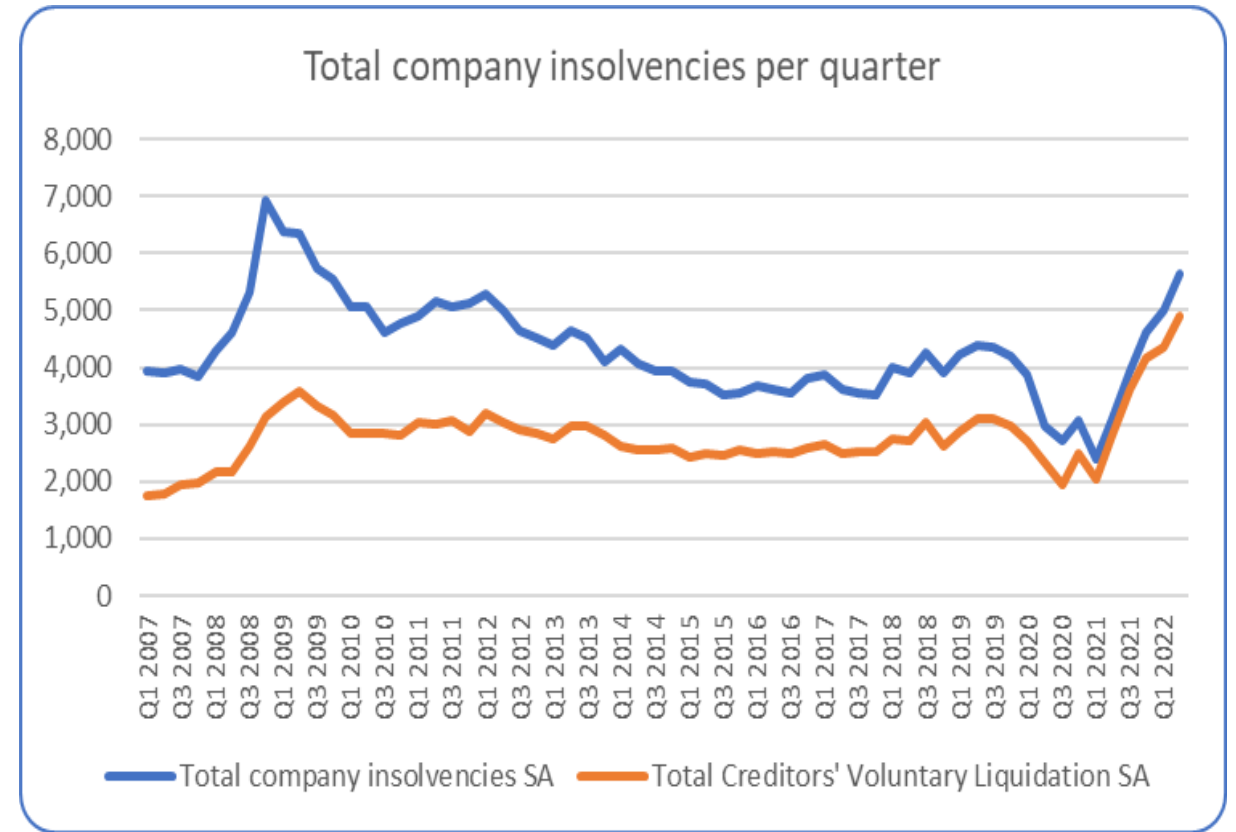
# Business pressure

Businesses themselves are facing rising input costs - be it energy, raw materials, labour etc. The prospect of increasing interest rates will also increase the cost of finance.

Clearly higher inflation indicates that some of these costs have been passed on. However, it is likely that not all cost increases have resulted in higher consumer prices.

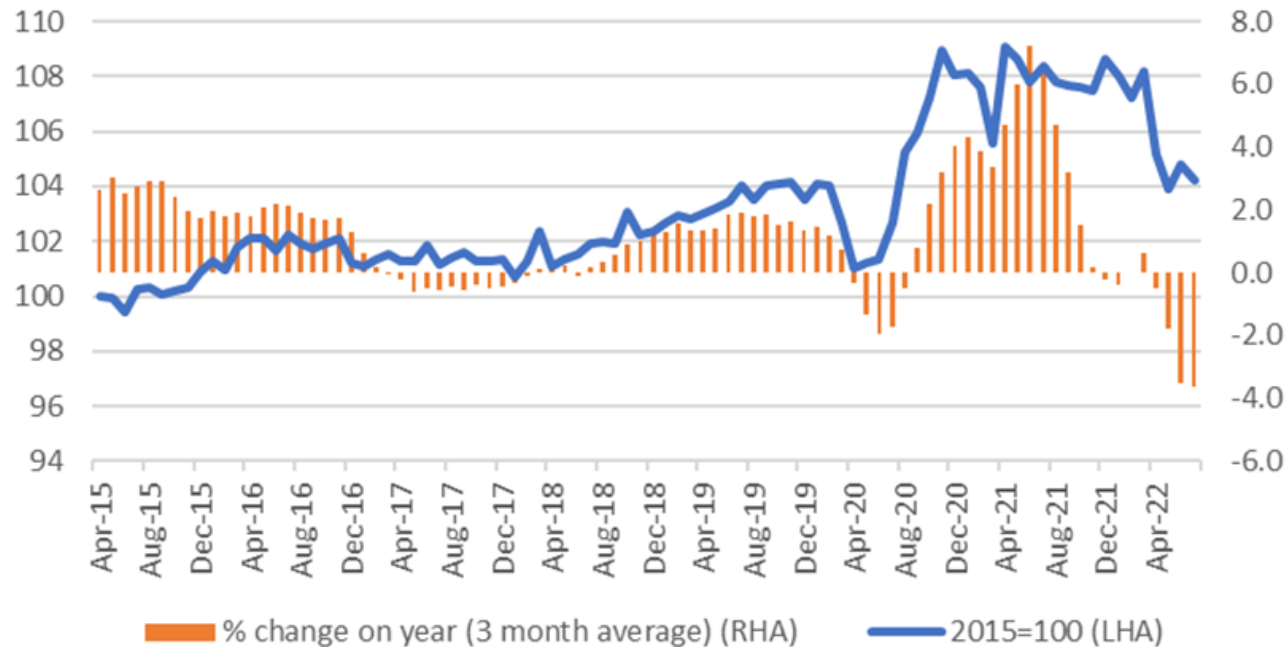
Consequently, margins are being squeezed.

Latest data suggests that 1-in-10 UK businesses reported a moderate-to-severe risk of insolvency. Total company insolvencies in the second quarter of 2022 reached their highest quarterly level since late 2009 - driven by Creditors Voluntary Liquidations.



# Chart of the Quarter: Real Wages

Real average weekly earnings growth



The other impact of rising prices is that it has largely eroded any increases in (nominal) wages.

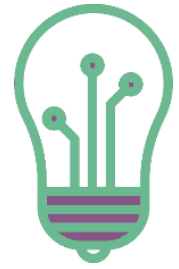
The last 6-7 years has been characterised as an era of low real wage increases.

Typical UK real wages are now only 4% higher than then they were in 2015 in real terms, and the high inflation that has been building over much of 2022 has meant that **real wages have actually declined** through much of the year (as show in the orange bars of the chart).

Whilst nominal wages have increased – with many employers under pressure to increase the wages of their staff in response to the cost-of-living crisis – any gains are still being eroded by inflation.

Again, this will (and is) dampening consumer spending as disposable income for households are squeezed.

# What is the employer response?

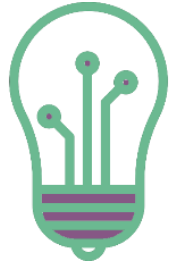


[The Bank of England](#) reported that:

- Companies' hiring plans slowed and recruitment difficulties stabilised and there are signs of slowing staff turnover as employees are becoming more cautious about changing jobs.
- Many companies continued to struggle to find staff.
- Businesses still wanted to retain skilled people but slowing the pace of recruitment, reducing hours, redeploying staff or not replacing leavers.
- Pay awards continued to increase, with more firms offering one-off payments to offset rising living costs. Nominal pay inflation averaged around 6% - real wage growth expected to be negligible/ negative.

<https://www.bankofengland.co.uk/agents-summary/2022/2022-q3>

# The labour market

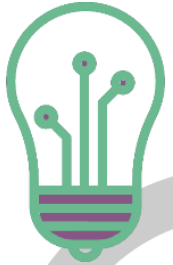


**The Recruitment and Employment Confederation (REC) latest Report on Jobs** noted that employers' confidence in both the UK economic outlook and their own ability to invest in their business declined.

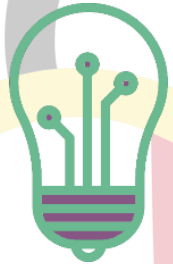
However, the immediate outlook for hiring remains positive.

The REC felt that the hiring challenges that firms continue to face may be insulating the jobs market from declining employer and employee confidence.

<https://www.rec.uk.com/our-view/news/press-releases/report-jobs-hiring-slows-september-amid-weaker-economic-outlook-and-candidate-shortages#>



**The latest Purchasing Managers Index** indicated that employment across the South West private sector declined during September. Though only slight, it marked the first reduction headcounts since February 2021. Anecdotal evidence suggested that the non-replacement of voluntary leavers and redundancies had driven the renewed fall in staffing levels.



**The ONS** estimates that around **20% (1-in-5) working adults** is looking for a job that pays more money, and 18% working more hours than usual, because of the increases in the costs of living.





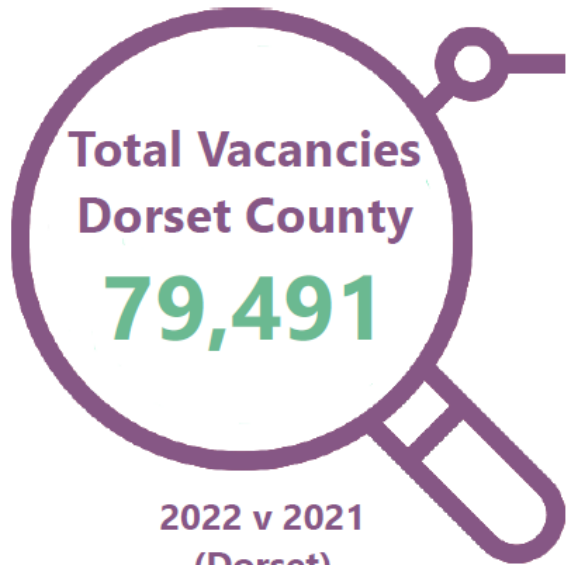
**DORSET**  
Local Enterprise Partnership

# LABOUR MARKET & ECONOMIC CONTEXT IN DORSET

- Demand for labour
- Future career corner: remote & hybrid
- Employment, unemployment & out-of-work claimants
- Top employers
- Industry developments
- Professional trends
- Skills requirements

# Labour Demand

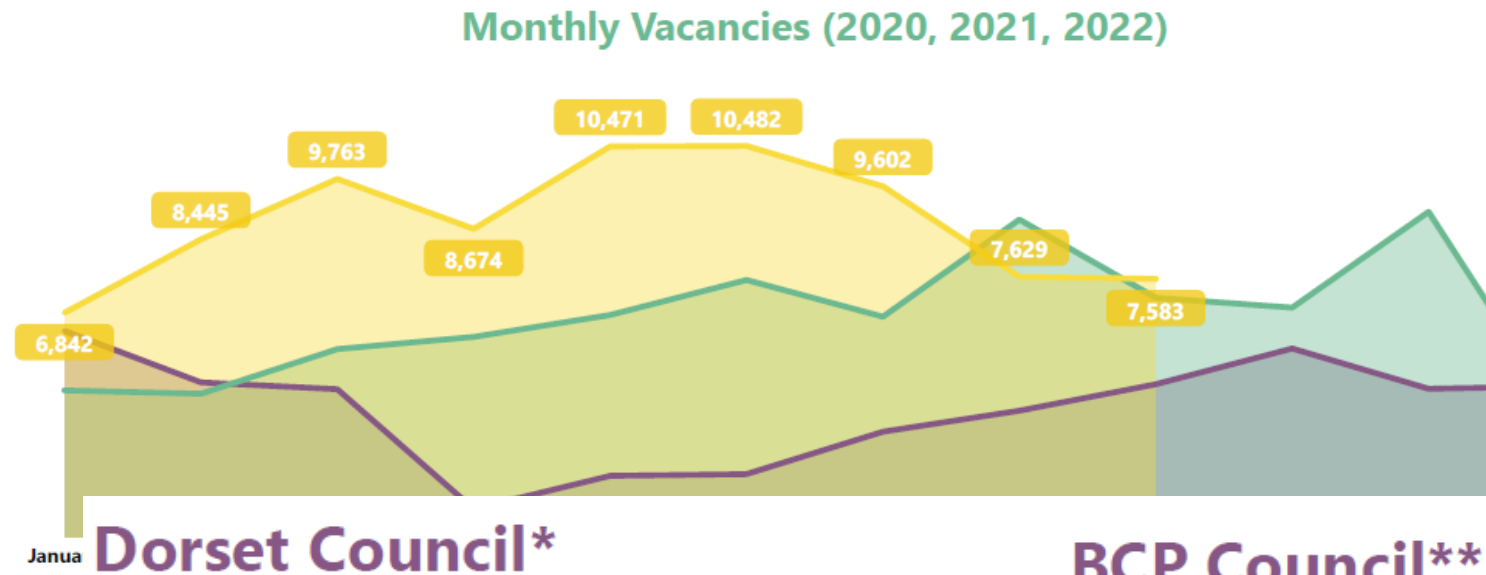
For the first time in two years, there was a continuous decline in labour demand seen over the three consecutive months to September in Dorset. Still, the overall vacancies in the last quarter reached circa 25,000 which was not far from the levels seen in the first quarter. Overall, the first three quarters saw circa 79,500 vacancies across the county, which was a third higher than the same period last year and nearly double than 2020.



2022 v 2021  
(Dorset)

↑ **33%**  
(UK)

↑ **34%**



Janua **Dorset Council\***

**BCP Council\*\***

**40,883**

2022 v 2021

↑ **37%**

**38,608**

2022 v 2021

↑ **29%**

\*Including Christchurch \*\*Excluding Christchurch

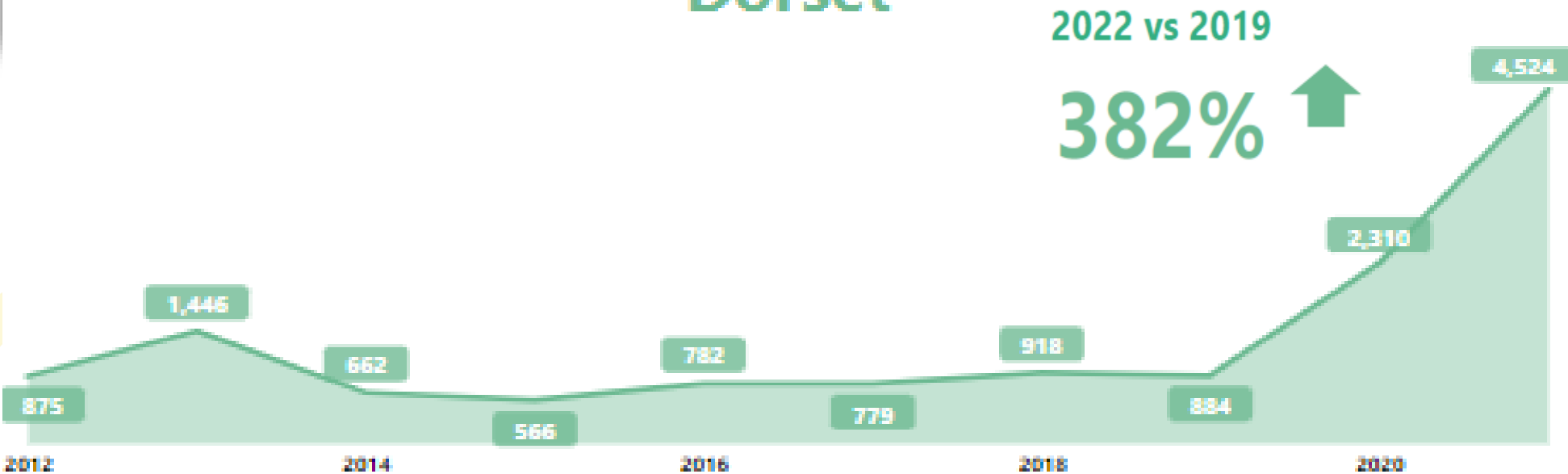
# Future career corner: remote & hybrid



The ONS estimates that around 13% of working adults work exclusively from home (11% in the previous period), with around 7-in-10 now travelling to work at some point in the previous 7 days.

While the number of work from home vacancies increased exponentially over the past 2 years in Dorset, there was a noted slowdown in the last quarter. There were c. 1150 home based jobs, 26% down on the previous quarter.

## Annual vacancies offering home working in Dorset

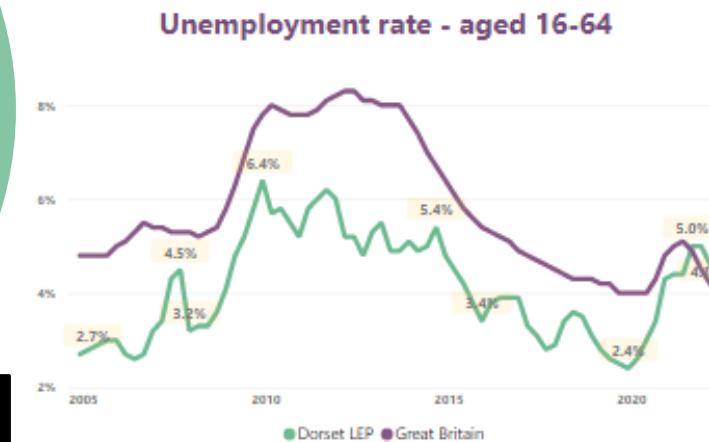
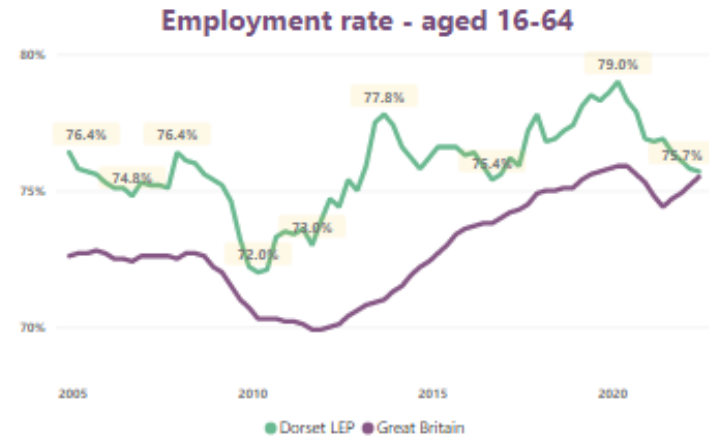
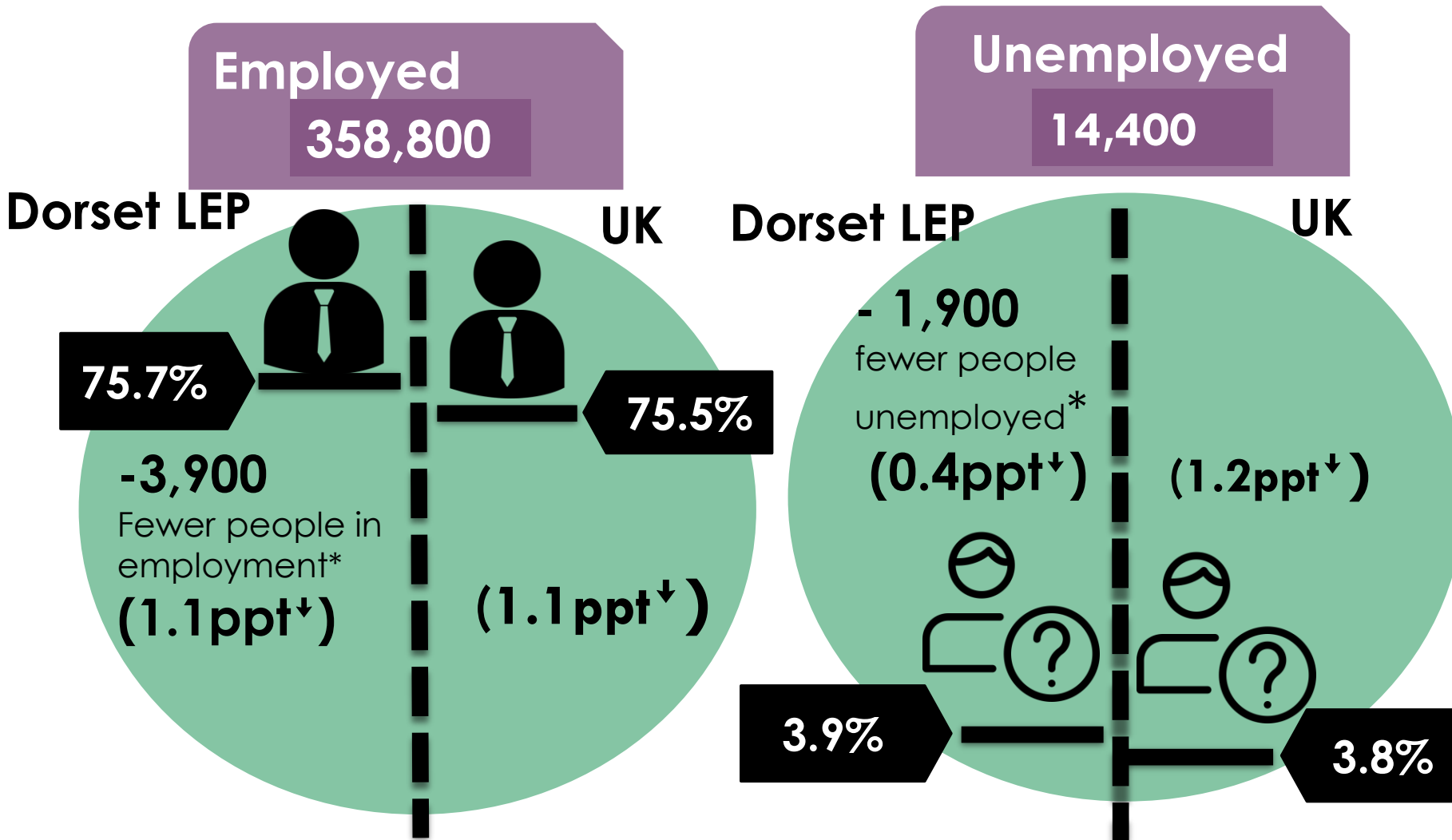


Vacancies offering work from home 2022 Quarter 3



# (Un)Employment

Employment in Dorset fell, but rates remained comparable to national rate. Unemployment also fell compared to the same period the year before, highlighting rise in economic inactivity. There appears to have been a significant drop in the proportion of economically inactive who want a job (10,900 in June 22 v 20,300 in June 21), conversely a big increase in those who are not seeking a job (82,700 v 66,800)

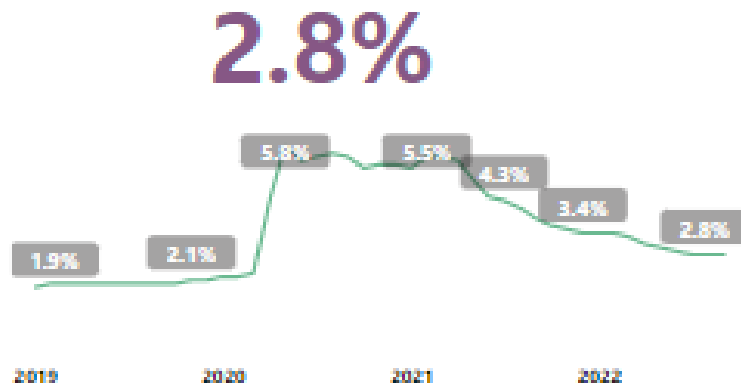


\* Figures refer to the period Jul 2021-Jun 2022 in comparison to Jul 2020-Jun 2021 (aged 16-64) - ONS Annual Population Survey

# Claimants

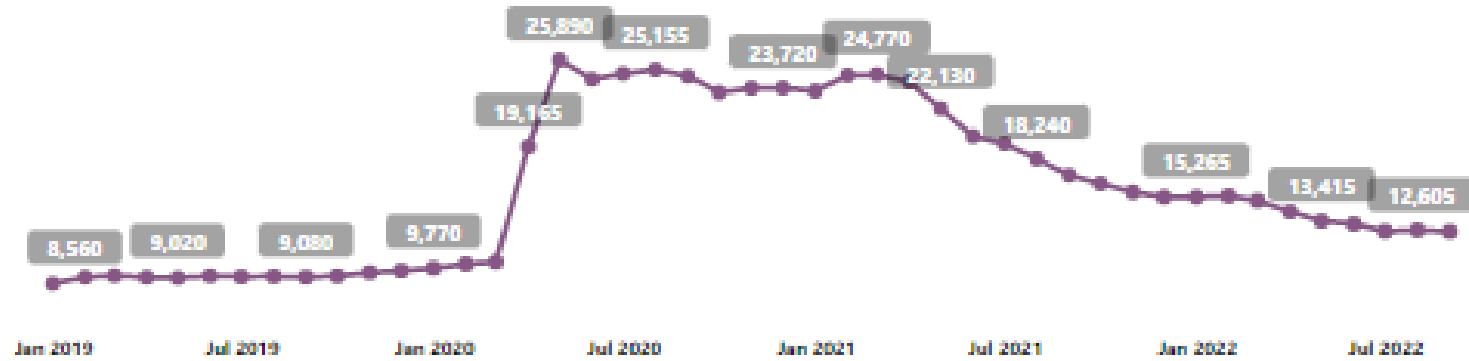
Out-of-work benefit claimants have declined significantly since Covid peak but are still higher than pre-pandemic state.

Claimants as a proportion (%) of residents aged 16-64



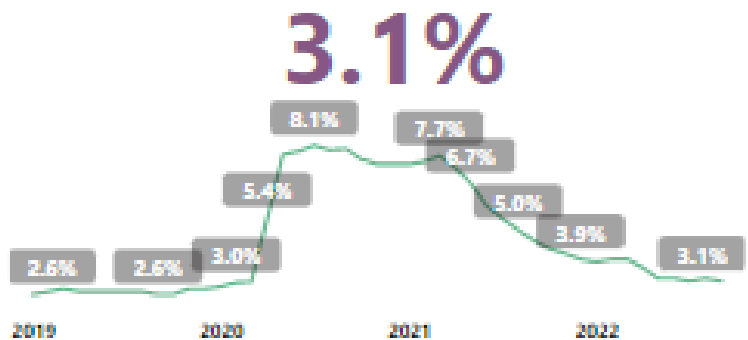
## Out-of-work benefits

Dorset County Claimants Aged 16+

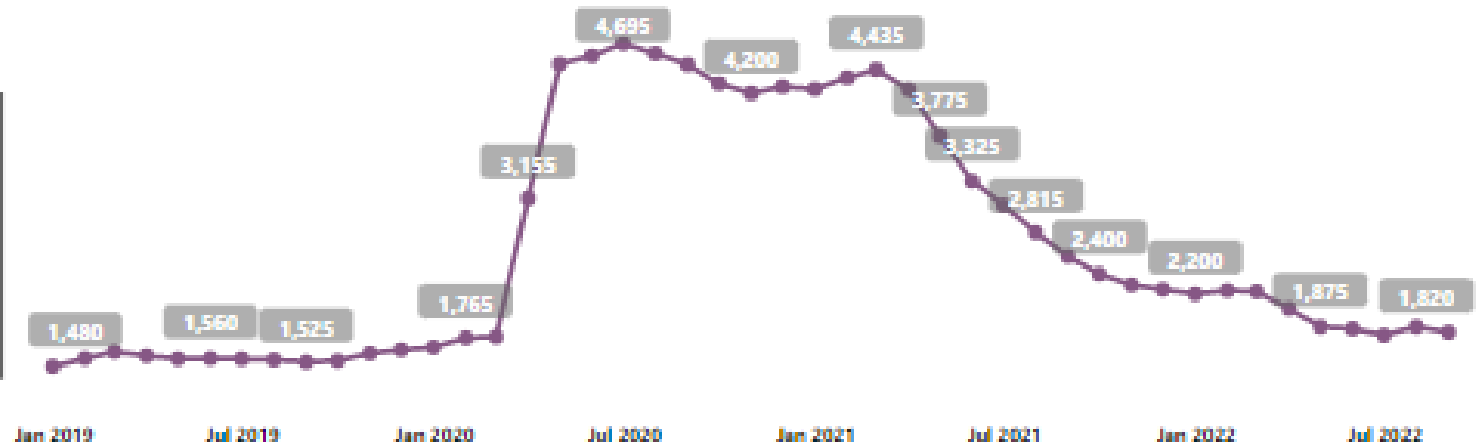


## Youth unemployment

Claimants as a proportion (%) of residents aged 18-24



Dorset LEP Claimants Aged 18-24



# Demand by area

As expected, most vacancies were advertised in Bournemouth and Poole, reflecting their roles as the primary employment centres.

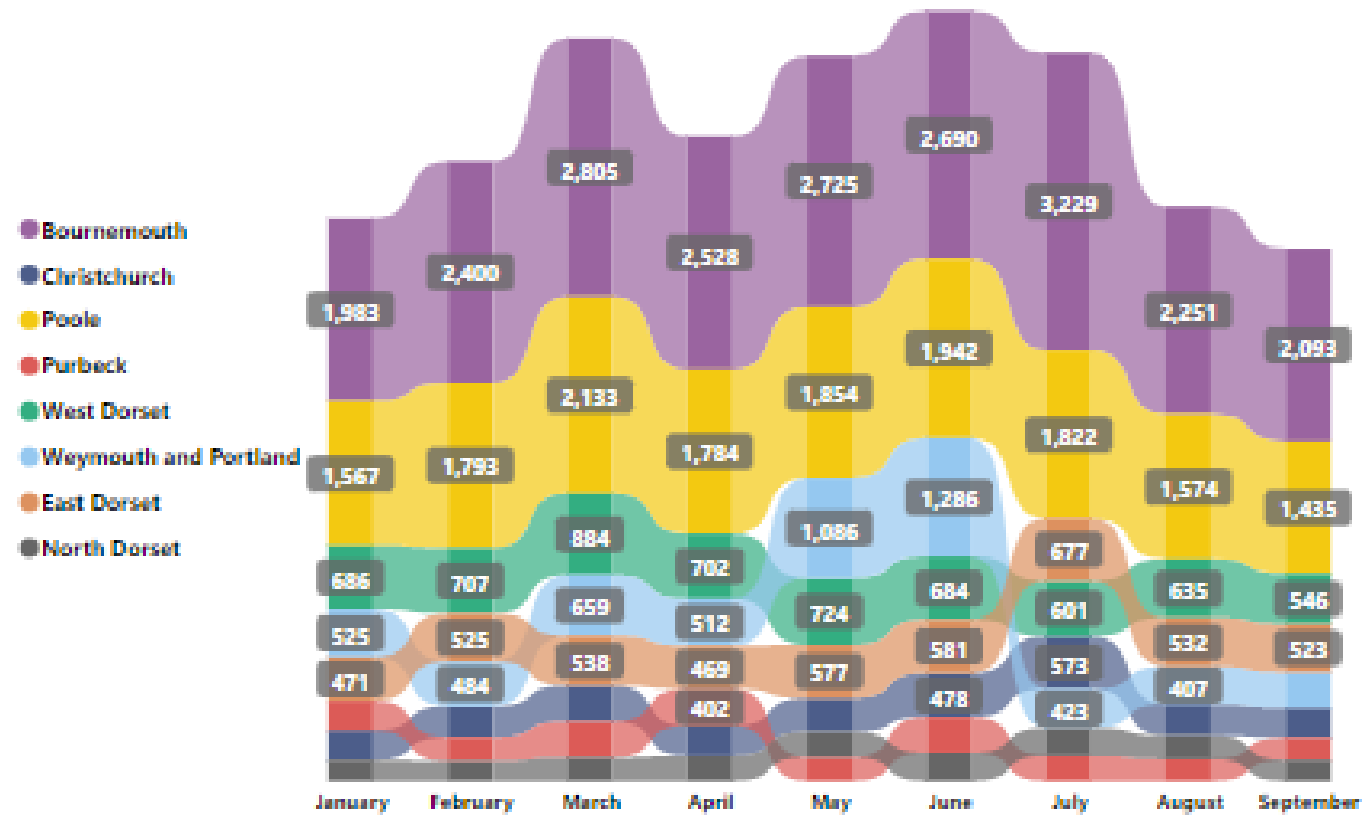
Year  
2022

## Vacancies by local area

Annual Vacancies



Monthly Vacancies





# Top employers

The employers continuing to top the charts of labour demand are from a variety of sectors:

- **healthcare** (NHS and care firms),
- **local government** (BCP and Dorset Councils),
- **finance** (JP Morgan),
- **tourism and hospitality** (Bourne Leisure, Haven Whitbread, Hall & Woodhouse among others),
- **education** (BU and BPC),
- **manufacturing** (Holt Engineering, Ultra, RNLI),
- **retail** (TESCO, ASDA, etc).

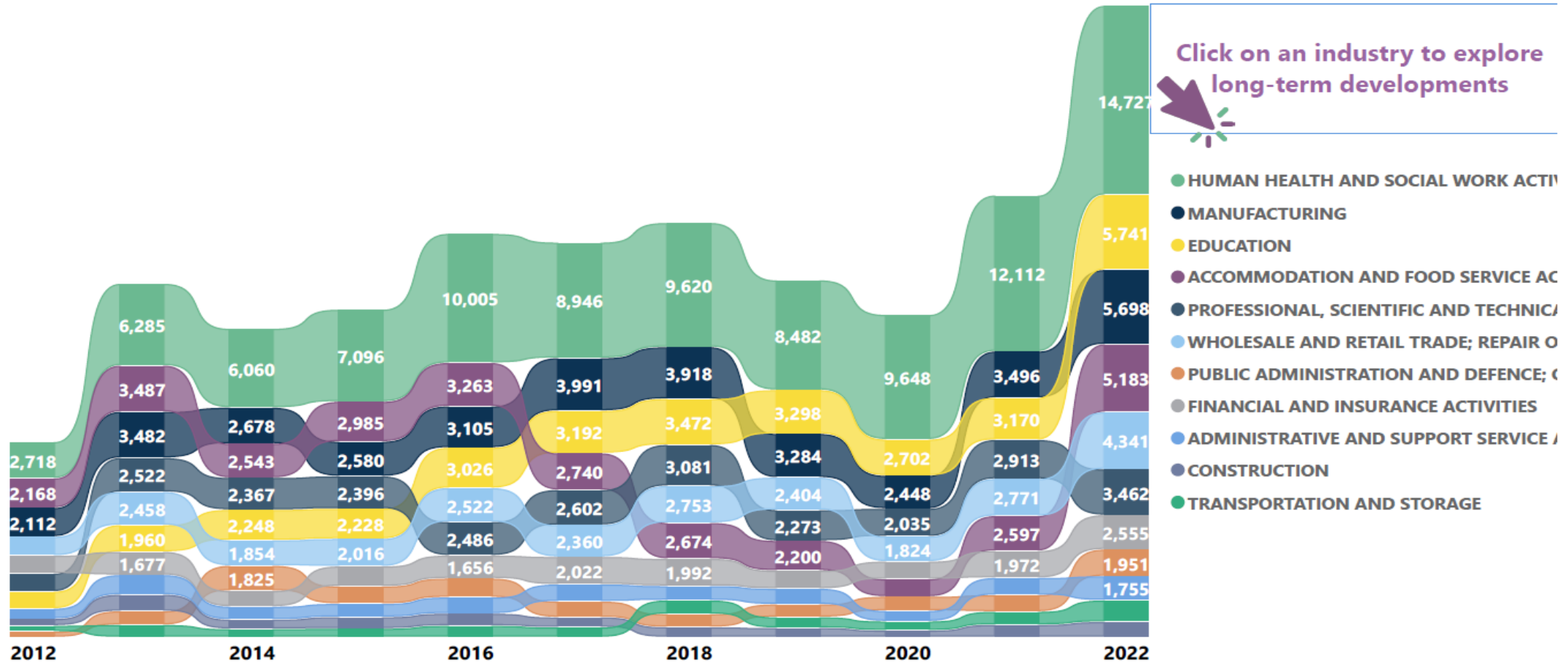
The National Health Service remains by far the largest employer in Dorset. Both Councils are also significant hirers, alongside key private sector businesses.

Top Employers	#Jobs
NATIONAL HEALTH SERVICE	6,205
BCP COUNCIL	1,100
JPMORGAN CHASE & CO	1,022
DORSET COUNCIL	590
BOURNEMOUTH UNIVERSITY	576
BOURNE LEISURE	507
HOLT ENGINEERING LIMITED	472
WHITBREAD	361
TESCO PLC	322
COLTEN CARE LIMITED	312
VITALITY LIMITED	272
AGINCARE GROUP LTD	246
HALL & WOODHOUSE	241
RNLI	233
ULTRA GROUP LIMITED	201
HAVEN LIMITED	184
CARE UK HEALTH AND SOCIAL CARE	168
ASDA	158
BARCHESTER HEALTHCARE	157
CARE SOUTH	151
BOURNEMOUTH AND POOLE COLLEGE	150

# Industries

Over the first 9 months of 2022 vacancy growth continued across most sectors of the economy in Dorset when compared to previous years, including pre-pandemic periods. The largest growth from the same period of last year was recorded in 'accommodation and food service' – more than doubling. There were almost 15,000 vacancies in 'human health and social work'. Also notable was that there were c5,700 manufacturing vacancies advertised – surpassing sectors such as finance and construction.

## Top 10 industries - long-term developments - January - Sept



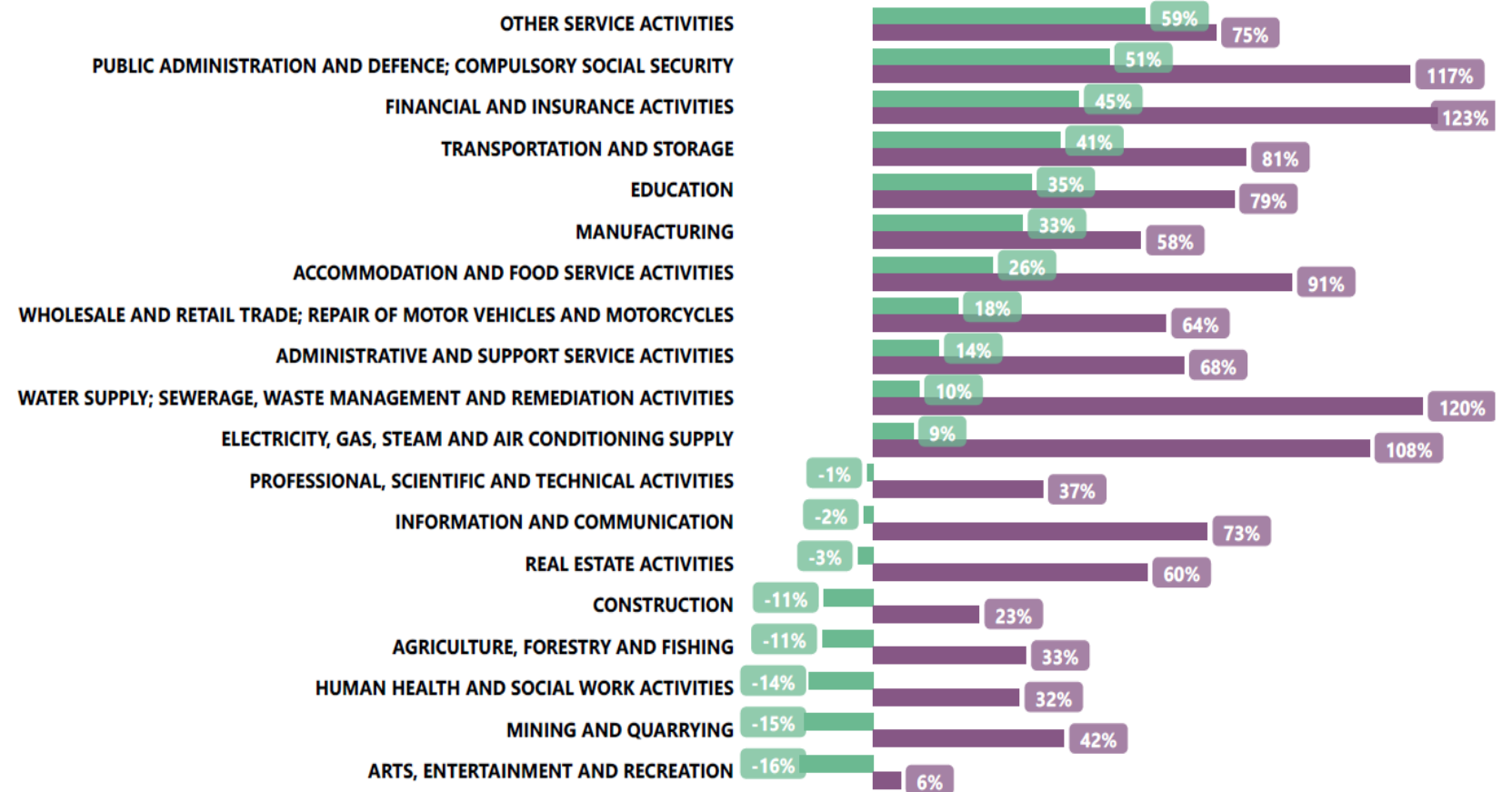


# Industries – Q3

Looking at most recent Quarter 3 developments (although noting that the data is quite volatile), the most notable growth was in financial and insurance, public admin. In terms of human health and social care – to date through 2022 there have actually been c14% fewer advertised vacancies when compared to the same period in 2021.

## Difference in number of vacancies per industry - Quarter 3

● 2022 vs 2021 ● 2022 vs 2019

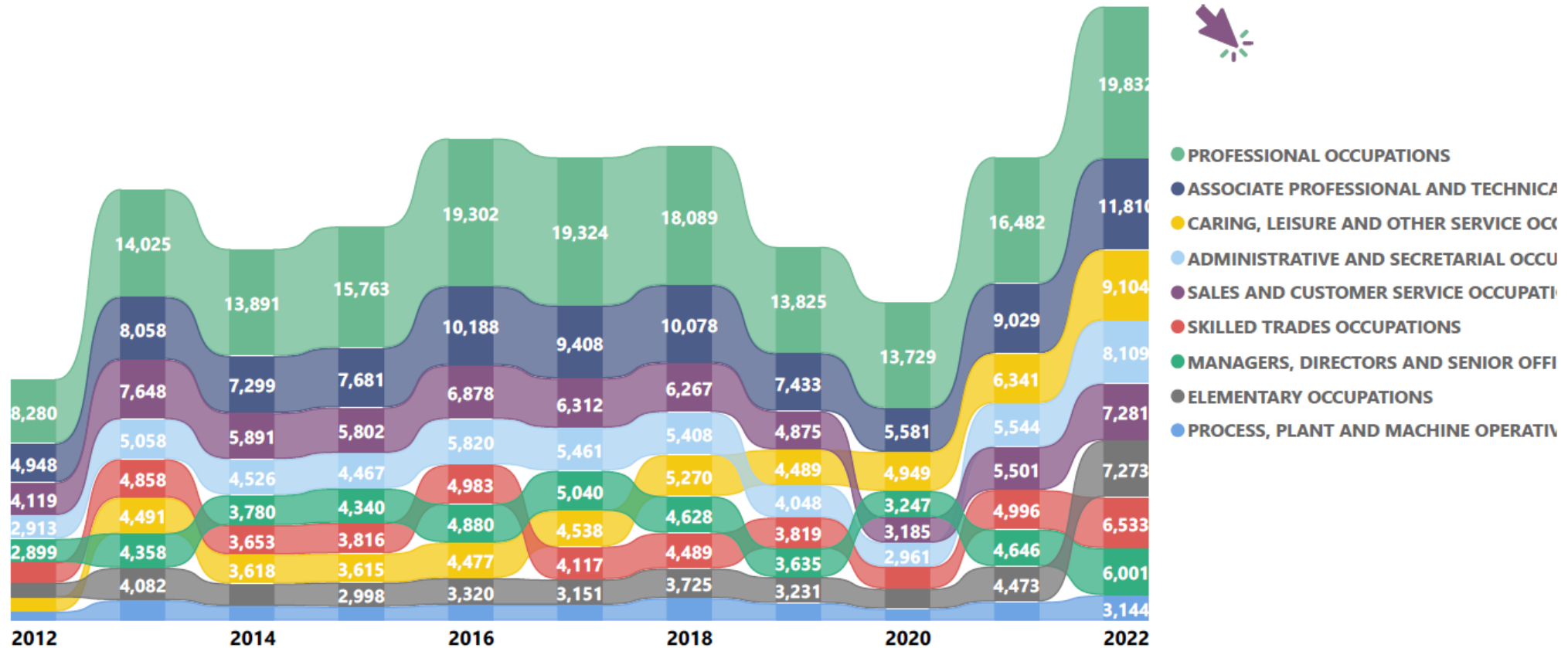


# Occupation trends

The high skilled labour market continues to be strong. Professional jobs are advertised in largest numbers – perhaps reflecting the recruitment practices for those type of jobs (with other less skilled jobs being recruited more informally and therefore not necessarily being reflected in the below figures). The scale of professional job vacancies have now reached pre-pandemic levels, returning strongly from the significant drop experienced through 2019-2021.

## Top 10 occupations - long-term developments - Jan - Sept


Click on an occupation to explore long-term developments



# Occupation trends

The top 3 jobs in demand within the top 3 occupation groups in Dorset were:

- Professional roles: nurses, programmers, and teachers.
- Caring, leisure and other services: care workers and home carers
- Sales and customer services: sales related occupations

 Click on an occupation to see linked top jobs in demand

## Top jobs by occupation - Jan - Sept



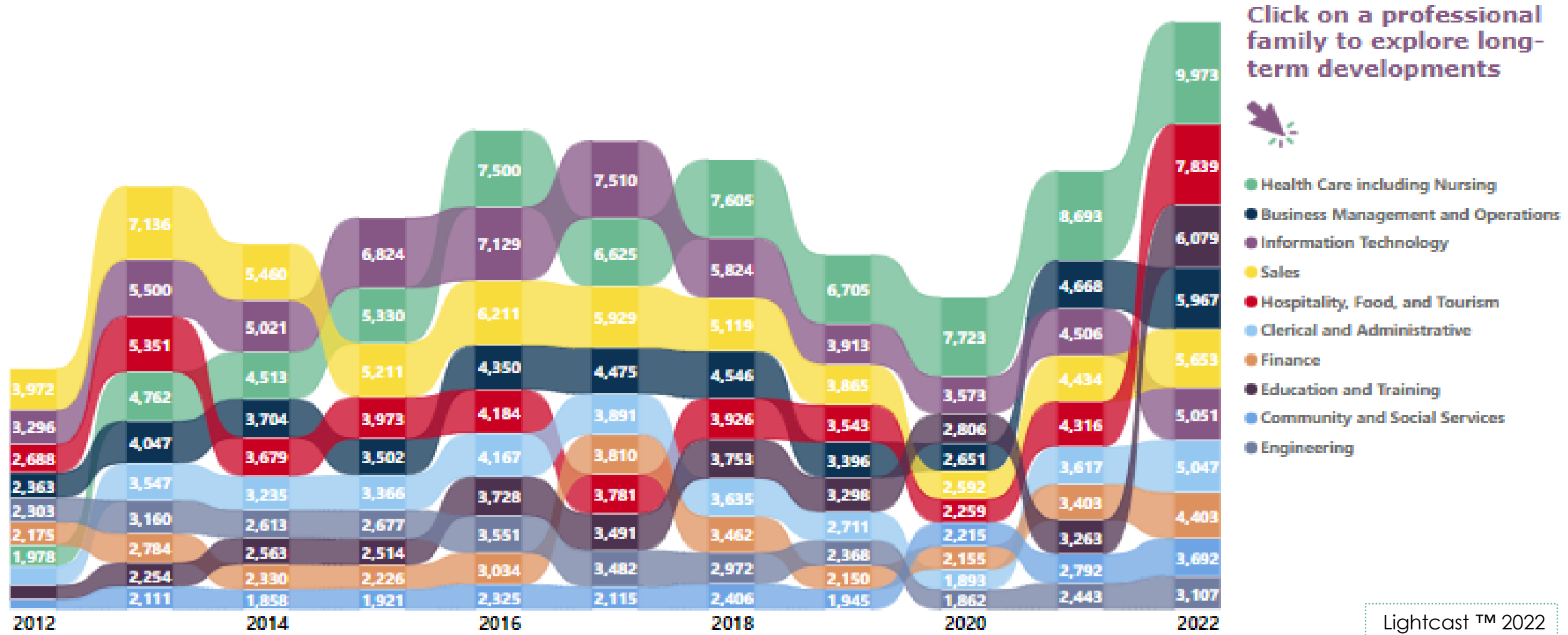
Jobs most in demand	#Job Postings
Care workers and home carers	4,304
Nurses	3,077
Sales related occupations n.e.c.	2,712
Other administrative occupations n.e.c.	2,708
Customer service occupations n.e.c.	2,292
Programmers and software development professionals	2,080
Kitchen and catering assistants	1,987
Chefs	1,650
Teaching assistants	1,387
Book-keepers, payroll managers and wages clerks	1,198
Cleaners and domestics	1,183
Managers and proprietors in other services n.e.c.	1,153
Teaching and other educational professionals n.e.c.	1,108
Human resources and industrial	958

# Professional demand trends

The significant demand for labour in hospitality, food and tourism can be seen by the fact that to-date in 2022, there were c7,850 advertised vacancies in the sector, far in excess of the same period in preceding years. [There are reports that UK hospitality businesses are increasingly turning to older workers to plug staffing shortages.](#) Approximately 19% of hospitality businesses said the proportion of over-50s in their organisations had increased in the past year – reflecting shifting demographics.

## Top 10 professional families - long-term developments Jan - Sept



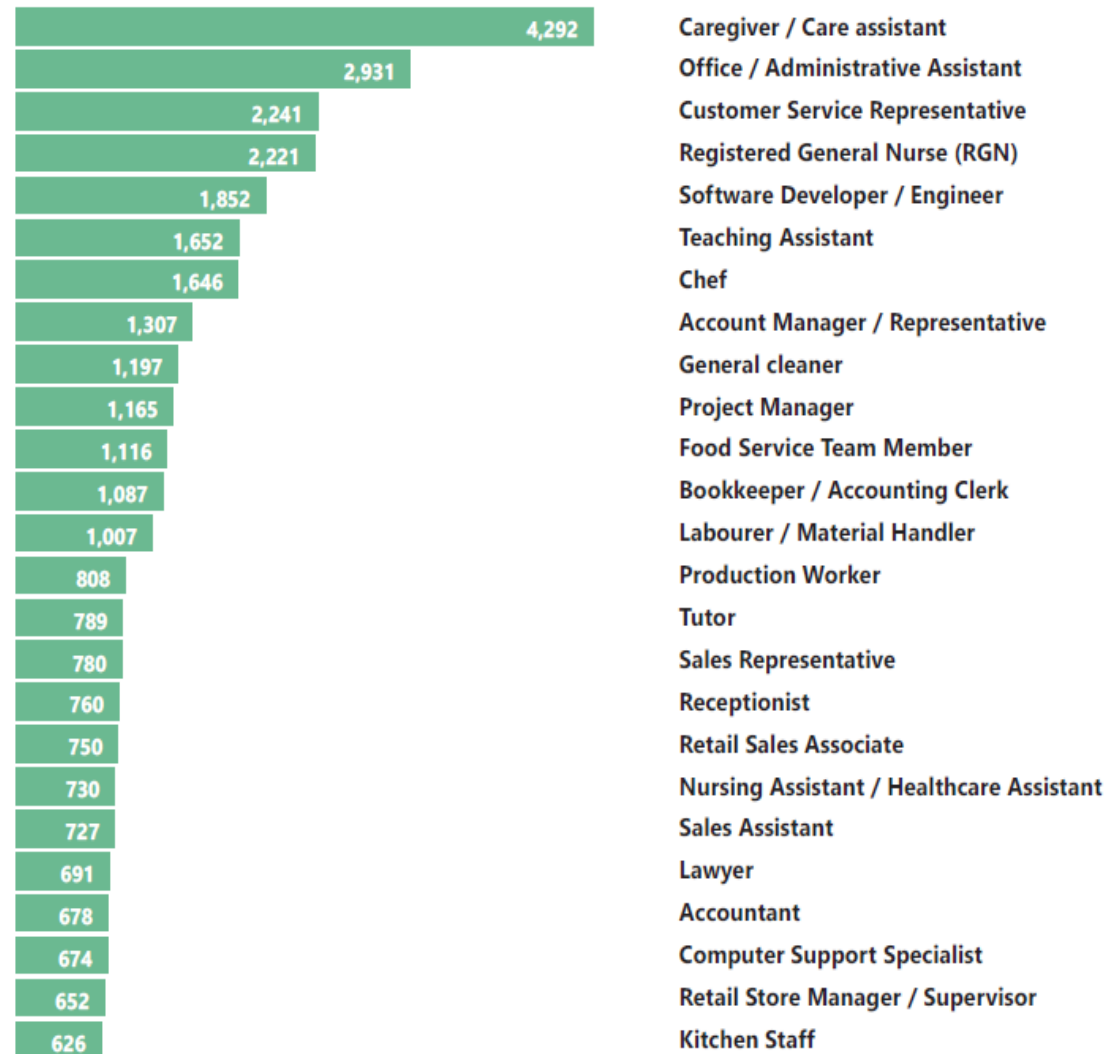


# Top jobs

Carers and office assistants overtook nurses and software developers as jobs most in demand in Dorset. Other roles such as customer service, chefs, cleaners and kitchen staff continued to be in demand over the first 9 months of the year – reflecting the strong demand during the summer months.

The fact that c4,300 care roles have been advertised in 9 months reflects the continued demand for people to fill these roles – only expected to increase as demographics continue to shift and staff shortages continue.

## Top jobs in demand

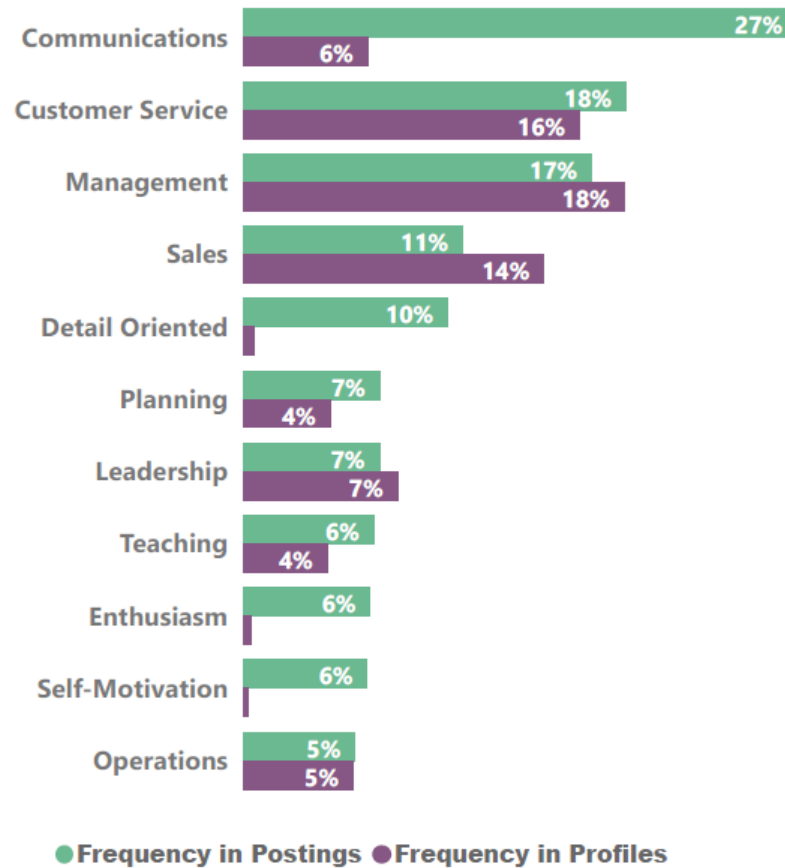


# Skills

Employers most frequently requested soft skills were communication, customer service, management, sales, detail-orientation and personal attributes such as enthusiasm and self motivation.

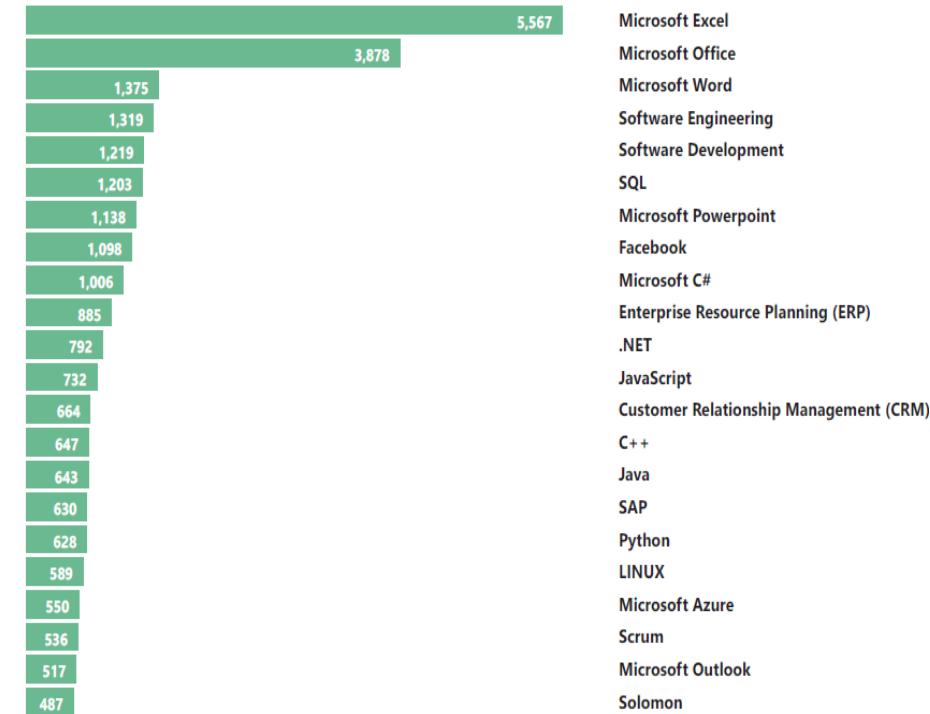
Many of these were less prevalent in candidate profiles than in job postings.

## Top Soft Skills



Skills in Microsoft tools remain the most prevalent digital skills sought, although specific software development skills remain in demand.

## Top digital skills



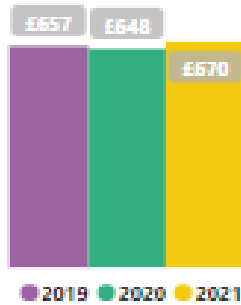
# Salaries

With a focus on the cost-of-living crisis and the squeeze on incomes due to rising inflation it is interesting to understand trends in salaries/wages being offered. Advertised vacancies appear to suggest that wages are not increasing markedly locally – with offered salaries at best increasing marginally, or at worst remaining flat.

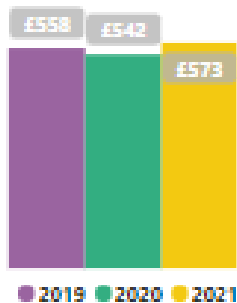
## Full-time Workers Pay\*

Area  
Dorset LEP

### Gross Weekly Pay (Mean (Average))\*

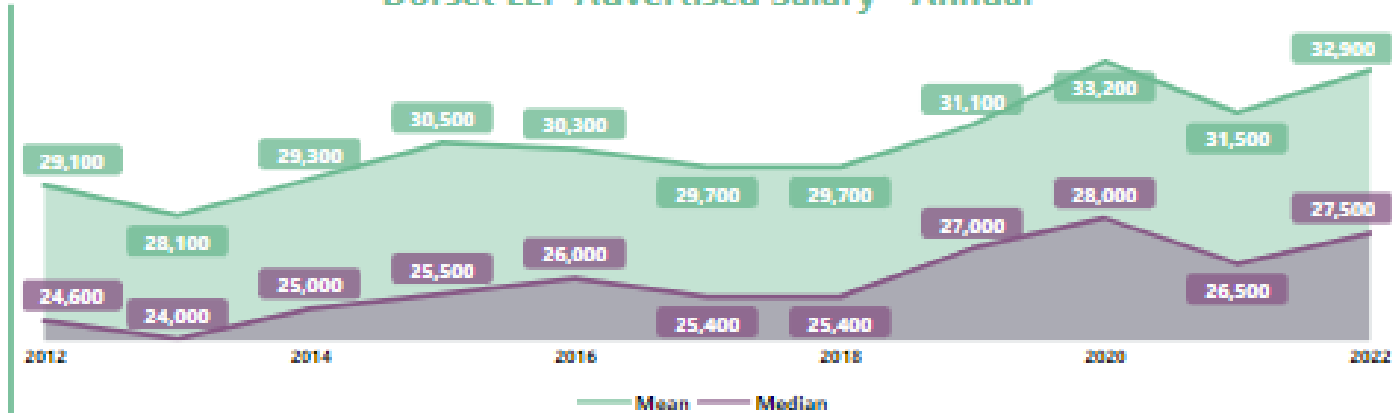


### Gross Weekly Pay (Median)\*

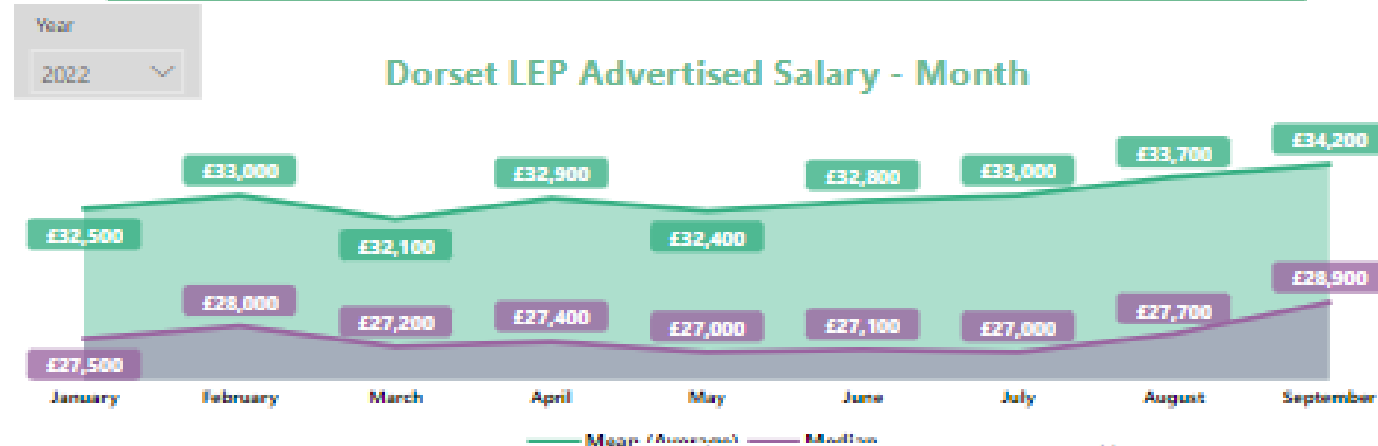


## Advertised Salaries\*\*

### Dorset LEP Advertised Salary - Annual



### Dorset LEP Advertised Salary - Month



Source: \*ONS Annual Survey of Hours and Earnings | \*\*Lightcast (TM) 2022

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## Key Industry Posters

## Key industry dashboards

## Latest Labour Market Insights

### DESTINATION DORSET



### ADVANCED ENGINEERING CAREERS IN DORSET

A career in advanced engineering and manufacturing could see you work anywhere from marine technologies to defence and aerospace.

### Key sectors for jobs - now and in the future

- Health & Care
- Advanced Engineering & Manufacturing
- Finance & Fin-Tech
- Retail, Hospitality & Leisure

**DESTINATION DORSET**  
Your career starts here. Curious? Find out more

### FACTS

- From the mysterious Stonehenge to the world's first underground railway, the UK has a remarkable engineering tradition.
- Over 2 million people work in the sector in England, making it one of the largest employment industries.
- Dorset is home to thriving advanced engineering employing around 28,000 people, and contributing £1.7 billion to the economy.

### Future of Jobs in Dorset

There is high demand for talent in this exciting fast-paced sector.

**40%** more vacancies available in 2021 than 2020

Year	Vacancies
2019	4,275
2020	3,362
2021	4,718

### Top Careers

- Engineering Technicians
- Automotive Engineering and Production Technicians
- Engineering Professionals
- Mechanical Engineers
- Electronics and Electrical Fitters

### Salaries

Engineering jobs top the average wage in Dorset by 11%

**£30,000** Average annual salary

### Key Subjects

- Maths
- English
- Science
- Art

### Top Skills

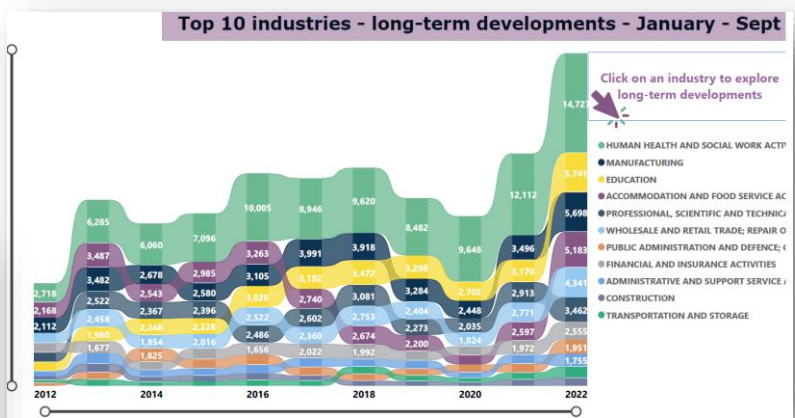
- Problem Solving
- AutoCAD

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**Dorset CAREERS HUB** | **CAREERS & ENTERPRISE COMPANY**

**DORSET** Local Enterprise Partnership



### The GREEN (low carbon & renewable energy) economy

**Turnover generated in the UK | 2020**  
**£41 billion**

The majority of activities take place within the manufacturing, energy supply and construction sectors.

**Employment: 207,800**  
% of all employed  
**1%**

Activities with highest employment:

- Energy-efficient products: 28%
- Low-emission vehicles and infrastructure: 16%
- Bioenergy: 10%
- Nuclear power: 10%
- Offshore wind: 9%
- Onshore wind: 8%
- Energy-efficient lighting: 4%
- Energy monitoring systems: 3%

Sources: Low carbon and renewable energy economy, UK: 2020, ONS 2022 | Image designed by pch-vector / Freepik | updated: March 2022

