

Labour Market Insights - Dorset | August 2020

This commentary offers brief reflections on the key labour market statistics available in the monthly dashboard from August 2020.

Despite it being a very unusual summer, Dorset's labour market in August has followed previous years' trends of peaking at the end of the season before the temporary dip in demand expected in September as schools re-open, people return to offices and beer gardens become wetter.

How many jobs were advertised?

The overall number of **vacancies throughout in August in Dorset was 4,707** - an increase of over **10% on the previous month and almost double the numbers seen back in April** – rates of increase reflecting those nationally¹. Yet, vacancies were **still almost 1300 fewer than the same month last year** - this vacancy gap narrowing at a pace slower than the V-shaped recovery predictions, reflecting the uncertainty caused by dynamic coronavirus developments and Brexit negotiations.

What was the labour demand within Dorset's industries?

Over the few months after it plummeted in April, the labour demand has been on the rise across most industries. Encouragingly, vacancy numbers continued to improve in those important sectors of the local economy that were most significantly hit by the pandemic e.g. Accommodation and Food, Construction, Manufacturing and Engineering.

Is the “new normal” affecting the types of jobs employers are looking for?

Along with other interesting think pieces on the future of the workplace, featured in our [general trends paper](#) we have included a [fantastic animated BBC visual](#) imagining a day in the office five years from now.

The vast shifts in the way we socialise and work, along with the economic and behavioural uncertainty have affected the occupations and types of jobs in demand. For example, the number of job adverts specifying, “work from home” has more than doubled and temporary jobs adverts have been on the rise.

Certain occupational shifts expected to take place in the longer term have also been accelerated. Our earlier [skills research](#) for example identified a few major trends for the future that have been confirmed and speeded up throughout the months since the outbreak:

- **A shift of demand in favour of higher skilled occupations** – with a significant decline in customer service, contact and sales related occupations, as well as administrative and secretarial jobs but increased demand for cleaning jobs.
- A key area of demand that continues to stand out is **healthcare, social and residential care** where demand is notably higher in Dorset than elsewhere in UK
- Another key area of continued demand are **digital skills and STEM occupations**, particularly software developers/ engineers/ programmers.

There are also accelerated shifts within individual industries in response to the crisis.

¹Comparison using the same source of labour market intelligence - Burning Glass Technologies: Labour Insight. 2020

As an example, looking at the Retail, Wholesale and Vehicle Repair sector, we have expected that e-commerce will increase its role in the sector, but the coronavirus has accelerated this shift. There is an overall 25% decline in the number of vacancies throughout 2020 (year to date) compared to the same period last year.

Lockdown measures have pushed fashion retailers such as New Look, Primark, M&S and Debenhams from the leading employers list in the sector and demand has shifted to food, DIY, home improvement and pharmacy retail.

While demand has largely been maintained for professional roles, it has substantially declined in customer service and sales occupations. This has pushed the average advertised salary in the sector up by over £5000 over the lockdown period. Looking at the demand by salary bands, decline has predominantly occurred in the lowest salary bands (up to £20,000) and increased in the higher salary bands (see Figure 1).

Find out more about the skills gaps experienced by employers since the coronavirus outbreak in our [general trends paper](#).

What are the trends in Employment, Unemployment and Inactivity?

Wider labour market measures are released for local authority areas on a quarterly basis. The figures in the dashboard relate to the period April 19-March 20, with the next update due in October. In the meantime, to understand the evolving picture in a Covid-19 environment we look at recent national developments and redundancy predictions in our [general trends paper](#). Key observations from the latest data for Dorset are:

- **Increasing flow from employment to economic inactivity** linked to increase of number of claimants relative to the jobs being available (Table 1).
- **The annual increase in claimant count figures is significant** (Table 2) – although the increase in claimant count does reflect changes in Universal Credit and makes comparisons with previous years problematic (issues with interpretation of unemployment data are discussed [here](#))
- **The level of Jobseekers Allowance remains relatively low** (Table 3) – it has to be noted again that it can be claimed as an in-work benefit and sits alongside the roll-out of Universal Credit.

Number of people on unemployment benefits vs number of job vacancies

While awaiting the release of second quarter employment figures, claimant count remains a more immediate unemployment indicator. The number of claimants sharply increased in April and May and has since plateaued with higher proportion of young people (16-24) claiming benefits and treated as being unemployed.

Comparing vacancy data with the number of claimants, there are **now 5.4 claimants for every vacancy** – the ratio decreasing after its 7.5 peak in May, but well above the 1.9 pre-crisis ratio back in February.

The Government's coronavirus support schemes have been very helpful in allowing businesses to take pause yet retain their workforce. Substantial proportions of those in employment and self-employed in Dorset have been supported by these schemes:

- **Coronavirus Job Retention Scheme (furloughed)**

Based on claims received up to the 31st July, **112,400** employed within the Dorset labour market were furloughed – **an increase of 4,900** from the previous month. This represents approximately 33.6% of the eligible workforce (see Table 4) – higher than the rate found across England (31.5%) and the South West (32.1%)

On a sector basis (at a regional South-West level), the highest take-up has been – as expected – in the accommodation and food sector – with take-up rate in July equating to c78% of

employees. This was a reduction from the proportion seen in June (90%), as hotels, restaurants etc. reopened at the start of the month. The arts, entertainment and recreation sector remains badly hit by the enforced closures – 72% of its workforce remained furloughed in July (see Table 5).

- Self-Employment Income Support Scheme (SEISS)

Even higher proportions of self-employed have claimed coronavirus related support² in Dorset. As of 31 July, **over 32 thousand** of the potentially eligible self-employed in Dorset had claimed a SEISS grant with the value of these claims totalling **£96 million**. This represents approximately 75% of all eligible businesses - marginally lower than the rate found across England of 76%. The average value of claims up to the end of June was £3,000.

There is an ongoing debate on the future of the schemes and interventions required to moderate the employment fallout as they get scaled down and withdrawn over the following months. Find more details in our [general trends paper](#).

Supporting charts

Table 1. Employment, unemployment and inactivity rates. ONS. 2020

April 19-March 20 (% 16-64 year olds)			
	Employment rate	Unemployment rate (modelled-based)	Economic inactivity
UK	75.9%	3.9%	21%
Dorset	76.1%	2.5%	21.9%
BCP	81.2%	2.5%	16.7%

Table 2. Claimant count. ONS.2020

Claimant Count (% population aged 16-64)		
	August 2020	August 2019
England	6.6%	2.7%
Dorset LEP area	5.7%	2.0%
Dorset	4.6%	2.0%
BCP	6.6%	2.4%

Table 3. Jobseekers allowance claims. ONS.2020

Jobseekers Allowance (% population)		
	August 2020	Change on year
England	0.8%	+0.3ppt
Dorset LEP area	0.6%	+0.4ppt
Dorset	0.5%	+0.3ppt
BCP	0.7%	+0.4ppt

² SEISS - Self-Employment Income Support Scheme statistics: August 2020. <https://www.gov.uk/government/publications/self-employment-income-support-scheme-statistics-august-2020/self-employment-income-support-scheme-statistics-august-2020>

Table 4. Dorset parliamentary constituencies – furloughed employment statistics (based on claims received for the period to 30 June 2020. Coronavirus Job Retention Scheme Official Statistics. August 2020

Parliamentary constituency	Employments furloughed	Eligible employments	Take up-rate
England	8,067,700	25,577,800	32%
South West	808,900	2,517,100	32%
Bournemouth East	16,600	51,300	32%
Bournemouth West	16,900	47,500	36%
Christchurch	11,600	33,800	34%
Mid Dorset and North Poole	12,800	37,900	34%
North Dorset	13,500	40,900	33%
Poole	15,000	45,300	33%
South Dorset	13,100	39,100	34%

Table 5 South-West region –Coronavirus Job Retention Scheme take-up rate by industry sector. Coronavirus Job Retention Scheme Official Statistics. August 2020

Region: South West Sector	Take-up rate
Accommodation & food services	78%
Arts, entertainment, recreation and other services	72%
Construction	63%
Trade union, religious, political and repair	55%
Unknown and other	49%
Wholesale and retail; repair of motor vehicles	42%
Property	39%
Manufacturing	38%
Mining, quarrying & utilities	34%
Business administration and support services	32%
Transport & storage (inc postal)	31%
Professional, scientific & technical	31%
Agriculture, forestry & fishing	23%
Waste and Recycling	20%
Information & communication	20%
Education	14%
Energy Production	10%
Health	10%
Finance & insurance	7%
Domestic employers	6%
Public administration & defence	2%

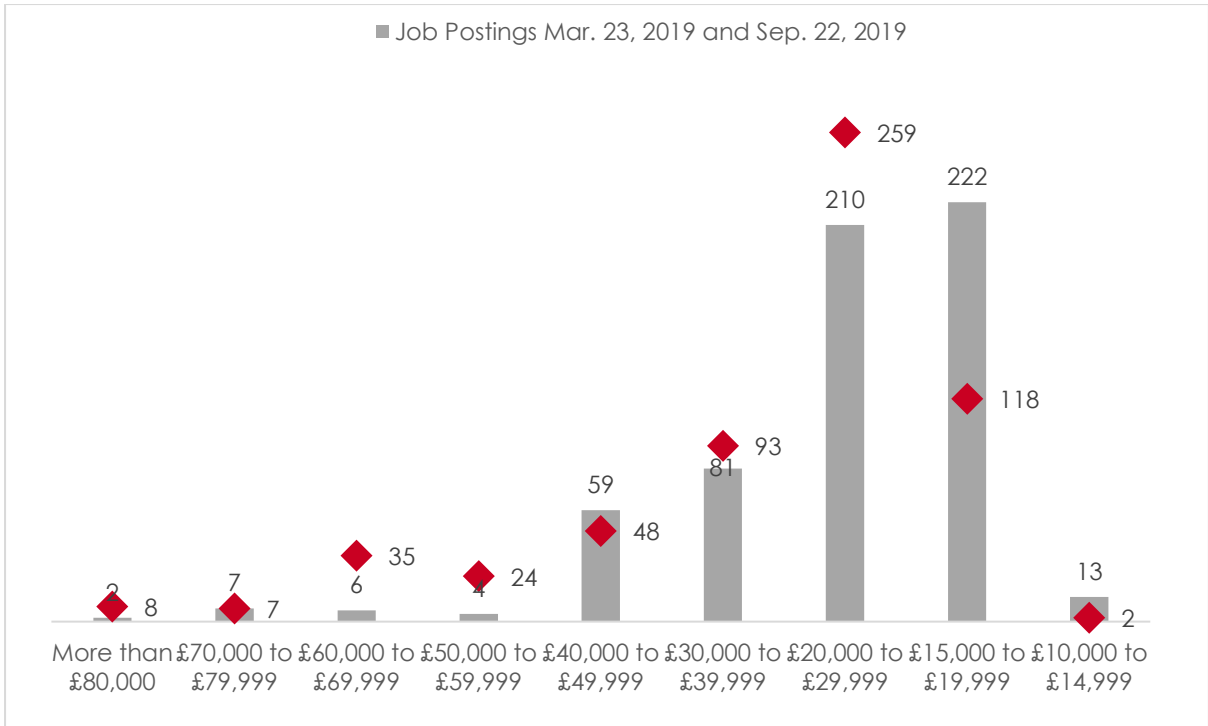


Figure 1. Wholesale, Retail and Repair of Motor Vehicles sector demand comparison 2020/2019 by salary band