

Key Findings

As we enter 2021 and a fresh lockdown, we look back at what a year 2020 has been and what the dynamics of a rapidly developing pandemic and EU transition uncertainty meant for the world of recruitment, employment and skills in Dorset.

Bouncing back from lockdowns: recruitment activity resilience

Dorset's vacancies bouncing back better from lockdowns than the UK average.



Dorset's vacancy figures in 2020 indicate recruitment activity recovered relatively well after crashing by half with the first lockdown. The second lockdown in November caused a wobble, but nothing of the extent seen earlier in the year and was followed by a swift comeback in December. There were 57,433 vacancies advertised in Dorset in 2020, closing the year at 92% of their 2019 levels. Remarkably, there were 47% more vacancies in December 2020 than a year earlier, which is 18ppt higher than the UK average.

- **Demand for service roles**, e.g. sales, customer service, office administration, chefs, machine operatives, skilled trades declined
- **Dorset saw significantly higher than average increased demand for care workers.** Carers made the Top 3 most in demand job roles, joining registered nurses and software developers and replacing office/ administrative jobs.
- **Outside of health and care** – job roles with increased demand were accountants, lawyers, web developers and general cleaners.

Top employers in Dorset throughout 2020

The National Health Service was by far the largest individual employer. J.P.Morgan, Bournemouth University and the Councils joined the top the chart as individual employers, while residential care firms saw continued increase in recruitment activity, jointly forming the second largest chunk of demand after healthcare. Engineering firms recruitment held up, but saw mixed demand with RNLI, Siemens, Curtis Wright and Holt Engineering being more tentative, while Cobham, Ultra Electronics and Gattaca increasing their vacancies. In December, Bourne Leisure represented tourism at the top employers chart.



Industries with high and maintained demand continued recruiting



Overall recruitment for most sectors was lower in 2020 with vacancies sharply plummeting with the first lockdown, and recovery varying considerably over the course of the year and across industries. While labour **demand fell** by a half in accommodation and food services, and arts, entertainment, and recreation, it was **largely maintained** in financial services, utilities and professional, scientific and technical activities while it **actually grew** by a quarter in the health and social care sector.

Sharp increase in available workforce



As large parts of the economy closed back in March, a quarter of residents aged between 16 and 65 were furloughed and claimant count grew almost threefold in Dorset. Over the following months, claimants remained high, still accounting for 5% of the 16+ residents and 7% of 18- 24 year olds in November. The good news is the furloughed workers significantly dropped to 5% in November without causing notable further increase in claimants, and indicating movements back to work.

There were 4.6 claimants for each advertised vacancy in November - a ratio three times as high as the pre-crisis levels, but showing improvement from the 7.5 peak in May.

Employed? Unemployed? Furloughed? Support measures and homeworking changing the trajectory of the recession



While restrictions disrupted the market as seen with furlough and claimant counts, the devastating effects on unemployment feared earlier in the pandemic have thus far been avoided. Unemployment remained lower in Dorset over the first half of 2020 and unlike previous recessions, with many jobs and businesses protected by the support schemes, this time around, vacancies have bounced back relatively quickly, allowing some cautious optimism.

Another mitigating factor is homeworking, which saw a steep rise in April 2020 when almost half of employees were working from home and very few have returned to the office since. Amongst concerns on homeworker's health and happiness, homeworking is here to stay.

EU workers going home?

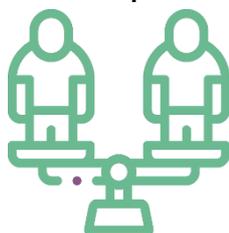


Looking at employment by nationality in the UK in September 2020 compared to a year earlier, there were actually .5% more British workers in employment, but significant proportion European workers (16.5%) have disappeared from employment. Most notably, there were almost a quarter fewer employed from A8 and A2¹ EU countries. As there is no corresponding increase in unemployment for these groups, it is suggested they have relocated throughout the pandemic and the persistency of these trend are yet unknown.

UK Brexit Transition Hub [gov.uk/transition](https://www.gov.uk/transition) - key source of guidance on the new rules, [Dorset Gateway](#) - the best place for local businesses and citizens to start.

A skills mismatch between vacancies and those looking for work

As the pandemic hit sectors of the economy differently, low-skilled workers and young



people are disproportionately affected with almost half of the 18-24-year olds working in Dorset employed in distribution, hotels and restaurants. While there are sectors with vacancies, skills mismatch could slow movement across and cause unemployment lagging for longer, while skills gaps remain a challenge for employers. Historically, Dorset has adjusted relatively quickly to shocks, securing jobs and maintaining low unemployment, but it would be critical that people gain new skills to support the recovery and avoid long-term unemployment scarring.

Youth Offer [guidance](#) has been published in support of claimants aged 18 – 24.

[The Learning and Work Institute's Youth Commission Report - Unleashing Talent: Levelling up opportunity for young people](#) is calling for a 10 year strategy for 16-24 year olds education.

Providing intelligence, leadership and support

It is Dorset LEP's key priority to provide quality labour market intelligence, signpost people to available opportunities, invest in local educational providers and lead on career development at schools and colleges, and support local residents in gaining new skills.



A list of measures announced with the recent Spending review are included in this report. Among the 'Plan for Jobs' initiatives aiming to help people re-skill and secure a better future, the new '[An Hour to Skill](#)' campaign, , urges people to set aside an hour a week for online learning. Taking a free course from [The Skills Toolkit](#) can set them apart in a competitive job market.

The local [Labour Market and Skills Research produced by Dorset LEP](#) provides latest skills developments and trends within Dorset's key industries and allows residents, employers and educators to make informed decisions.

¹ A8 - Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic and Slovenia; A2 – Bulgaria and Romania

Labour Market Insights – Dorset 2020

Dorset Local Enterprise Partnership January 2021

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This report offers reflections on key labour market statistics available in the monthly dashboard from [December 2020](#) and also provides some wider labour market trends and analysis.

It should be read in conjunction with the [Understanding LMI during COVID-19](#) guidance on interpreting these statistics.

Recruitment activity in Dorset

Within the dynamics of developing pandemic, increasing case rates in Dorset² and EU transition uncertainty, the employer recruitment activity in the county showed resilience in 2020, which is a cause of some much-needed optimism.

Upon reflection, 2020 was an extremely turbulent year, where:

- **Large parts of the economy were intentionally closed** throughout the bulk of the year in order to restrict the spread of Coronavirus.
- **There were two national lockdowns** (23 March - 6 May and 5 November – 2 December) and various degrees of regional restrictions in between.
- **Industries relying on direct contact with large employee base in Dorset**, such as Accommodation and Food Services, Arts and Entertainment, Wholesale & Retail, Construction and Education, were unable to operate and hardest hit.
- As more people in Dorset are self-employed or engaged in these industries, **large number of jobs were supported** by the governmental coronavirus support schemes.

Despite this bleak context:

- **Dorset’s vacancy figures indicate labour demand recovered well over the course of the few months after crashing by half with the first lockdown in 2020. In September and October the labour demand eventually exceeded its 2019 levels and while the second lockdown caused a wobble in November, it was nothing of the extend seen earlier in the year and was followed by a remarkable comeback in December.**



Source: [Dorset Labour Market Insights Dashboard December 2020](#)

² While Dorset generally maintained lower case rates than other regions throughout the year, the latest [Public Health Dorset](#) figures show the exponential growth in the BCP area far exceeding the South West average.

- In December, the overall number of vacancies advertised in Dorset was 5,266, growing 2% on the previous month, and surprisingly 47% higher than past year's levels.

Vacancies - Dorset December 2020

5,266

December 2020 v 2019

47 %

- There were 57,433 vacancies advertised in Dorset in 2020, closing the year at 92% of their 2019 levels.

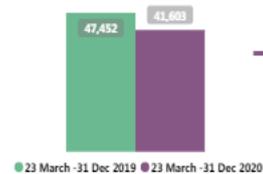
Vacancies - Dorset
2020
57,433

Vacancies 2019 - 2020



-8%

Job Vacancies post lockdown (i) (2020 v 2019)



-12 %

Source: [Dorset Labour Market Insights Dashboard December 2020](#)

- **Dorset's vacancies performing better in bouncing back from lockdowns than the UK**

Looking at the UK average, Dorset's labour market is performing better after the first lockdown. It is 12% down since 23 March, compared to the UK average of 15% down and in December alone it was 47% higher than December 2019 whereas in UK it was 29% higher³.

- **Trajectory of the recession is different this time around**

At the previous recession vacancies fell and did not pick up quickly leading to unemployment rates reaching over 8% between 2010 and 2014 (see section [Employment, unemployment and inactivity rates](#)). Both vacancies and unemployment recovered over some years before reaching a very tight market between 2016 and 2019 also described as "near-full employment" in Dorset.

- This time around, with many jobs and businesses protected by the governmental support, the extreme rise in unemployment feared earlier in the pandemic has thus far been avoided and we have also seen relatively quick recovery of vacancies, which provide some cautious optimism.

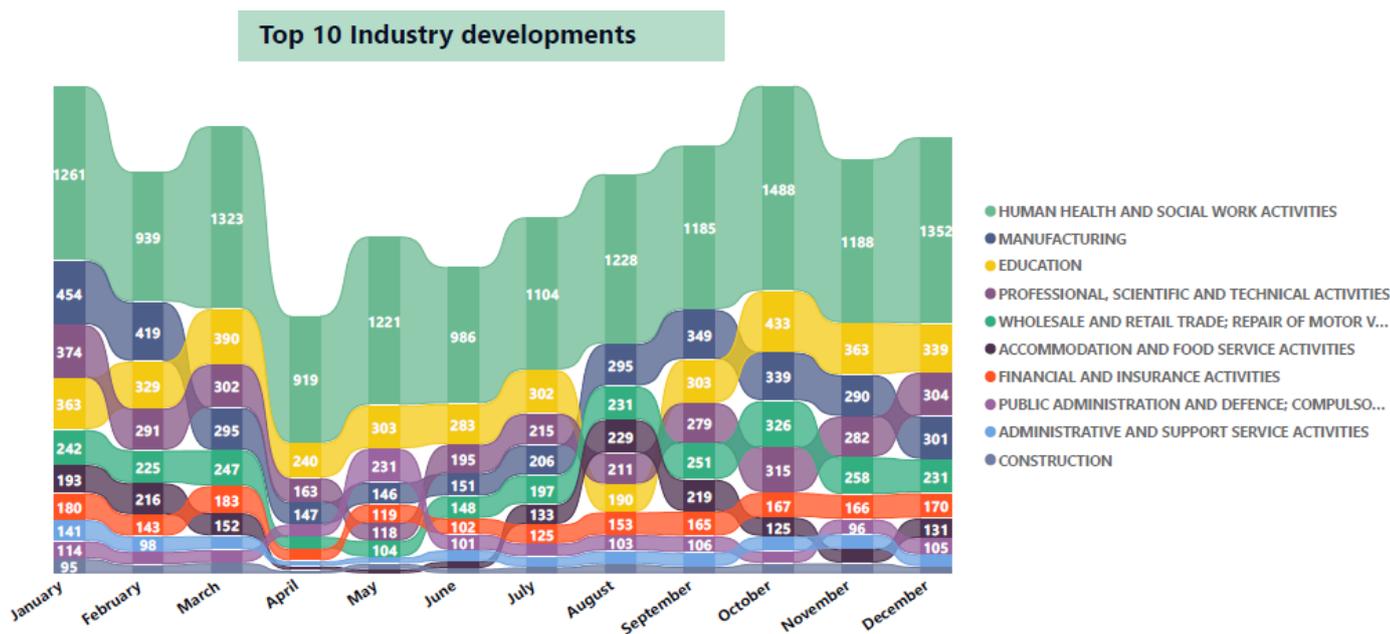
- **Temporary jobs on the rise suggesting employer cautiousness**

The number of temporary jobs has risen more than nationally by almost a third in 2020 reaching 16% of all jobs advertised in Dorset, which is 5ppts higher than the previous year (with reference figures for UK 15% and 3ppts).

³Comparison using the same source of labour market intelligence - Burning Glass Technologies: Labour Insight. 2020 accessed under Dorset LEP license.

Industry picture

Overall recruitment for most sectors was lower in 2020, but demand varied considerably over the course of the year and across industries. Recruitment activity sharply decreased across all sectors with the first lockdown and started to recover in the following months. Labour demand fell by a half in accommodation and food services, arts and entertainment, but it was largely maintained in financial services, utilities and professional, scientific and technical activities and actually grew by a quarter in the health and social care sector.



Source: [Dorset Labour Market Insights Dashboard December 2020](#)

The difference in the volume of vacancies advertised in 2020 by industry compared to 2019 is illustrated below.



Source: [Dorset Labour Market Insights Dashboard December 2020](#)



Those industries directly involved with the drive to control and fight the pandemic – health and social care, public administration and defence and other service activities – have expanded their recruitment activity, with labour demand in healthcare growing by a quarter over the course of the year.



At the other end of the spectrum, vacancy levels in accommodation and food services, as well as arts, entertainment and recreation ended the year barely at 55% of their 2019 and (as shown in [Coronavirus Job Retention Scheme \(furloughed\)](#) section) with around a quarter of their eligible workforce on furlough nationally in October.



There were also industries where recruitment levels were either only marginally lower or largely maintained in 2020. Among them are financial services, utilities and professional, scientific and technical activities, where activities were not as reliant on physical contact and they quickly adapted to new ways of virtual working and online operating models.

Accommodation and food services [latest statistics](#)

The latest statistics covering the period from 14 to 23 December 2020 make a grim read, indicating over three-quarters of accommodation and food services businesses experienced decrease in turnover and profits compared with normal expectations for this time of year. Half of businesses also reported had less than three months' cash reserves, compared with 30% across all industries and 28% had no/ low confidence that they would survive the next 3 months.

Job vacancies and job seekers

- **Young people are hit disproportionately**

As the pandemic hit sectors of the economy differently, low-skilled workers and young people were affected disproportionately. The most affected industry sectors are offering entry routes to the employment market for large proportions of young people in Dorset. According to the latest [annual population survey results](#), almost half (48%) of all 16-24-year olds working in Dorset are employed in Distribution, Hotels and Restaurants – those sectors most affected by the pandemic in terms of operations, number of vacancies, employment prospects and furlough numbers. Reference average proportions in the UK are 38%.

In response, a Youth Offer [guidance](#) has been published on help available for claimants aged 18 – 24 to find a job, work-related training or apprenticeship.

Numerous research pieces have also been released throughout the year calling for urgent action in alleviating the effects of the pandemic on young people and their futures.

Most recently, [the Learning and Work Institute's Youth Commission Report \(Number 6\) - Unleashing Talent: Levelling up opportunity for young people](#) examines ways to improve education and employment opportunities for 16-24 year olds and calls for a 10 year strategy with the following recommendations:

- More young people to gain A level equivalent qualifications by age 25
- Reversing the decline in apprenticeships – with 1 in 3 young people in apprenticeship
- Diversify HE routes - Focus on growing Higher Technical routes and HE access at all ages. Widen access by introducing maintenance grants of around £3,000 per year
- Combine work and study through a new Youth Allowance in Universal Credit
- The reforms would cost an extra £4.6bn per year, focusing on investing more in technical education and employment opportunities. Before the pandemic, half of the £20bn spent each year on education and employment went on HE.

- **A skills mismatch between vacancies and those looking for work**

In its [Monetary Policy Report](#), Bank of England indicated that with the pandemic affecting sectors of the economy differently, some labour would have to move between sectors. While there are sectors with vacancies, skills mismatch could slow movement across sectors and cause unemployment to lag for longer. Historically, Dorset has adjusted relatively quickly to shocks, maintaining low unemployment and the BoE notes that in normal times, around 9% of workers change jobs every year, but some workers will need to gain new skills and move sectors to avoid long term unemployment.

- **It is Dorset LEP's quality labour market intelligence, signpost people to available opportunities, invest in local educational providers and lead on career development at schools and colleges, and support local residents in gaining new skills.**
- The local [Labour Market and Skills Research produced by Dorset LEP](#) provides latest skills developments and trends within Dorset's key industries and allows residents, employers and educators to make informed decisions.
- An interesting source of information regarding job transitions is NESTA's [experimental labour market mapping tool](#) that identifies roles at risk and suggests more secure roles with similar sets of tasks.

The recent [Spending Review](#) included notable announcements on Employment and Business, including:

- A new £4.6bn package to help people back to work.
- £2.6bn for Restart scheme to support those out of work for 12 months.
- £1.6bn for the Kickstart scheme to subsidise jobs for young people.
- £375m skills package, including £138m to provide Lifetime Skills Guarantee.
- New £4bn "levelling up" fund to finance local infrastructure projects.

The Chancellor has said his "[number one priority is to protect jobs and livelihoods](#)".

- [4,500 new Work Coaches](#) are being recruited to join the frontline to help Britain build back better. These new recruits will join Jobcentres across the UK and fuel the nations 'Plan for Jobs'.

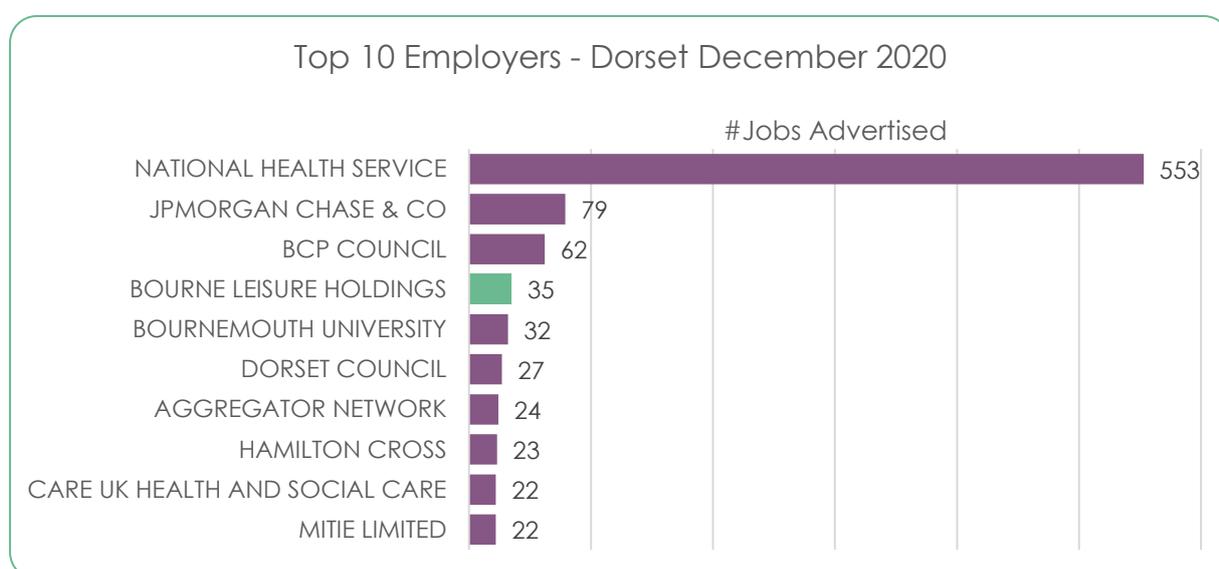
Along with helping people improve their CV, interview chances and job search, Work Coaches also help arrange more structured support including:

- The [Kickstart scheme](#) which puts young people receiving benefits first in line for new, high quality, six-month roles provided by employers from all sectors. The placements give them a wage for the duration and the chance to build their experience and professional networks.
- The [£238 million JETS programme](#) targeting those out of work for three months with a range of help from expert providers, including specialist advice on how people can move into growing sectors.
- Increased support for 40,000 jobseekers of all ages through the [Sector-based Work Academy Programme](#), which received a £17 million funding boost this summer and will help people learn new skills through a mixture of work experience and training.
- The newest among the 'Plan for Jobs' initiatives aiming to shrink the skills gaps and allow people to re-skill and secure a better future, '[An Hour to Skill](#)' campaign, urges people to set aside an hour a week for online learning. Taking a free course from [The Skills Toolkit](#) can set them apart in a competitive job market. [Recent research](#) shows that 1 in 3 people have used online learning to help them get a better job, and that on average it can boost annual pay by £3,640.

Recruiting employers, occupations and roles in demand

Throughout 2020:

- The National Health Service was by far the largest individual employer.
- J.P. Morgan, Bournemouth University and the Councils joined NHS at the top of the employer charts as individual employers.
- Various social and residential care employers continued active recruitment in a continued trend for Dorset forming the second largest chunk of the demand after NHS.
- Online vacancies for engineering and manufacturing saw a mixed picture. Although overall recruitment appears maintained over year, this was not true across the board with key companies such as RNLI, Siemens, Curtis Wright and Holt Engineering recruiting tentatively, while there was some increase amongst others such as Cobham, Ultra Electronics and Gattaca. We have also seen a rise in redundancies in manufacturing.
- **In December, Bourne Leisure represented tourism at the top of the employers chart for the first time since September.**



Source: Burning Glass Technologies: Labour Insight. 2020

In December 2020 demand across all occupations was considerably stronger than December 2019 with caring, elementary, professional and managerial jobs rising by more than a half.

SOC Code	Occupation	December 2019 Job Postings	December 2020 Job Postings	Difference December	2019 Job Postings	2020 Job Postings	Difference Year
1	MANAGERS, DIRECTORS AND SENIOR OFFICIALS	338	518	53%	5,163	4,874	-6%
2	PROFESSIONAL OCCUPATIONS	1,150	1,801	57%	18,498	19,356	5%
3	ASSOCIATE PROFESSIONAL AND TECHNICAL OCCUPATIONS	552	721	31%	9,838	7,850	-20%
4	ADMINISTRATIVE AND SECRETARIAL OCCUPATIONS	315	446	42%	5,194	4,310	-17%
5	SKILLED TRADES OCCUPATIONS	238	272	14%	4,825	3,608	-25%
6	CARING, LEISURE AND OTHER SERVICE OCCUPATIONS	350	653	87%	6,014	7,183	19%
7	SALES AND CUSTOMER SERVICE OCCUPATIONS	320	412	29%	6,217	4,604	-26%
8	PROCESS, PLANT AND MACHINE OPERATIVES	139	147	6%	2,671	1,979	-26%
9	ELEMENTARY OCCUPATIONS	174	288	66%	4,092	3,437	-16%

Source: Burning Glass Technologies: Labour Insight. 2020

The annual comparisons (shown in the far right column of the previous table) paint a somewhat bleaker picture, yet not as bad as initially feared:

- **Demand in 2020 decreased across all occupations, except for professional and caring roles.** Further analysis shows that reflecting the pandemic context, demand for caring roles and health professionals grew by a fifth this year -the latter accounting for the positive balance in professional occupations.

The top 3 job roles most in demand

Dorset

2020

- Registered General Nurse (RGN)
- Caregiver / Personal Care Aide
- Software Developer / Engineer

2019

- Registered General Nurse (RGN)
- Office / Administrative Assistant
- Software Developer / Engineer

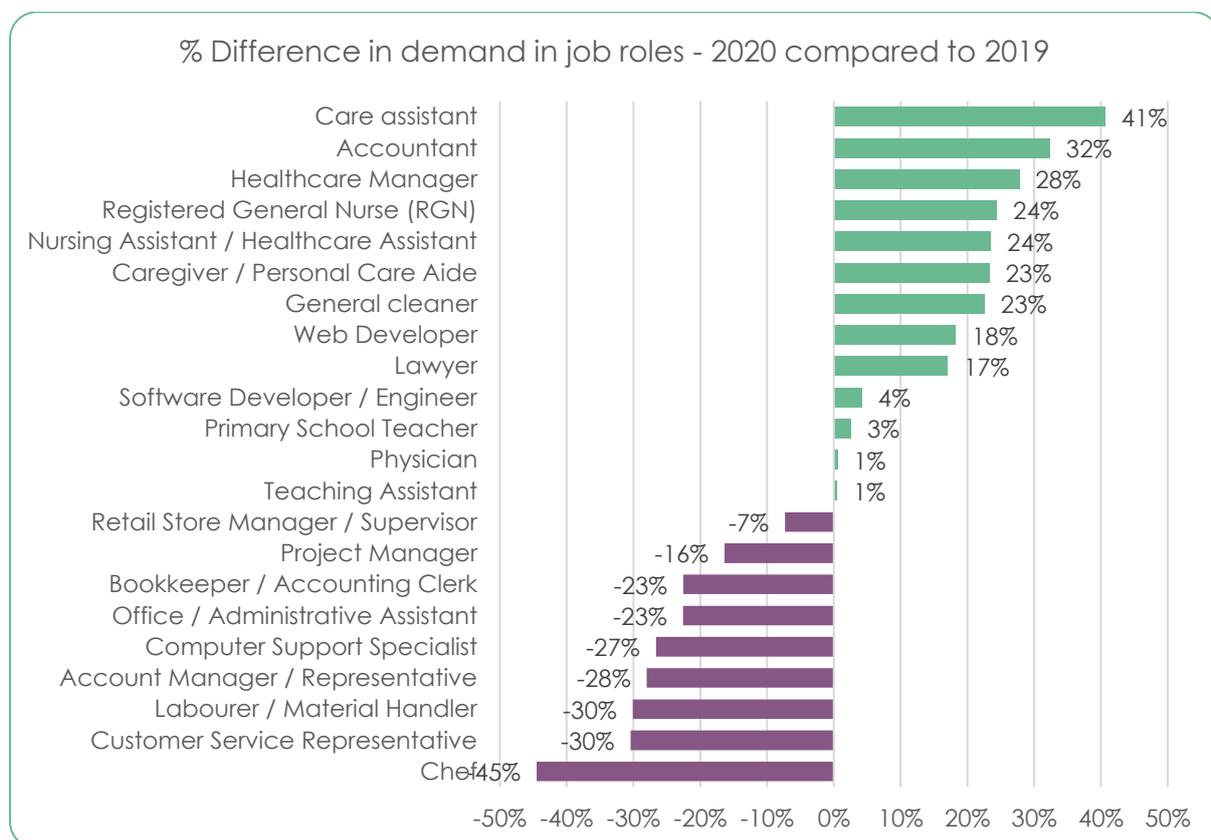
UK-wide

2020

- Software Developer / Engineer
- Registered General Nurse (RGN)
- Office / Administrative Assistant

2019

- Office / Administrative Assistant
- Software Developer / Engineer
- Registered General Nurse (RGN)

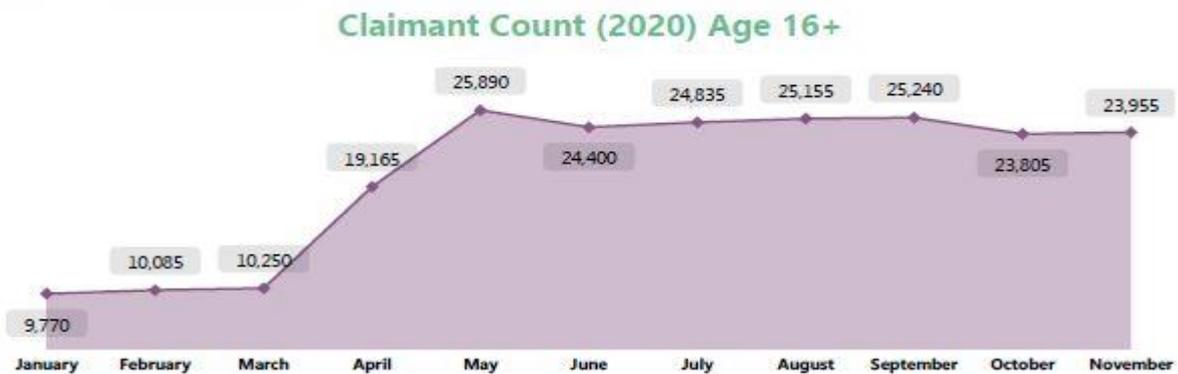


Source: Burning Glass Technologies: Labour Insight. 2020

- **Demand for service types of roles**, e.g. activities such as sales, customer service, office administration, chefs, machine operatives and skilled trades has declined with vacancies at 74% to 80% of their 2019 levels.
- **Dorset saw significantly higher than average increase in demand for care workers.** Carers made the Top 3 most in demand job roles, joining registered nurses and software developers and replacing office/ administrative jobs.
- **Outside of health and care** – job roles with increased demand were accountants, lawyers, web developers and general cleaners.

Claimant count⁴

The market is challenging for the jobseeker and particularly competitive for young people. The ratio of claimants per job vacancy in Dorset was in line with the UK average standing at 4.6 in November - three times as high as the beginning of 2020, but marking an improvement from the peak of 7.5 in May. Claimant counts spiked with the first lockdown and have since remained high, accounting for over 5% of residents aged between 16 and 65 and 7% of young people (18- 24 year olds) in November.

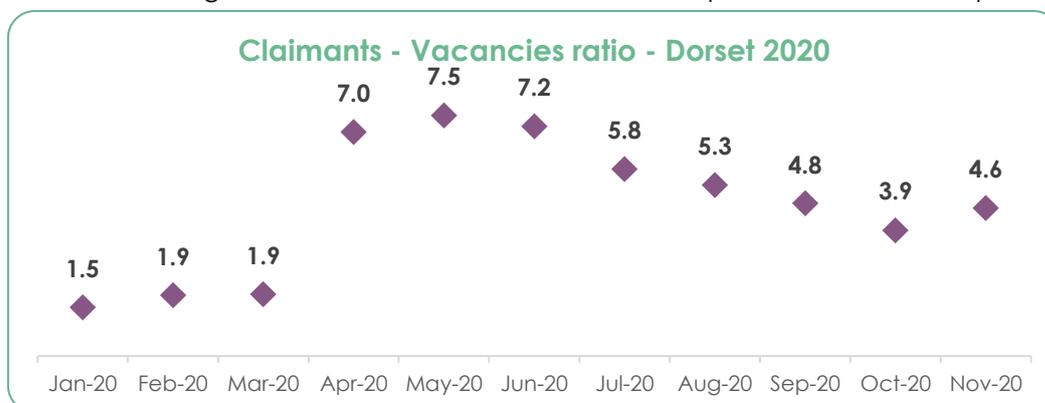


Source: [Dorset Labour Market Insights Dashboard December 2020](#)

Claimant Count (% of population aged 16-64)		
	November 2020	November 2019
UK	6.3%	2.9%
Dorset LEP area	5.3%	2.1%
Dorset Council	4.3%	1.7%
BCP Council	6.2%	2.5%

Source: ONS

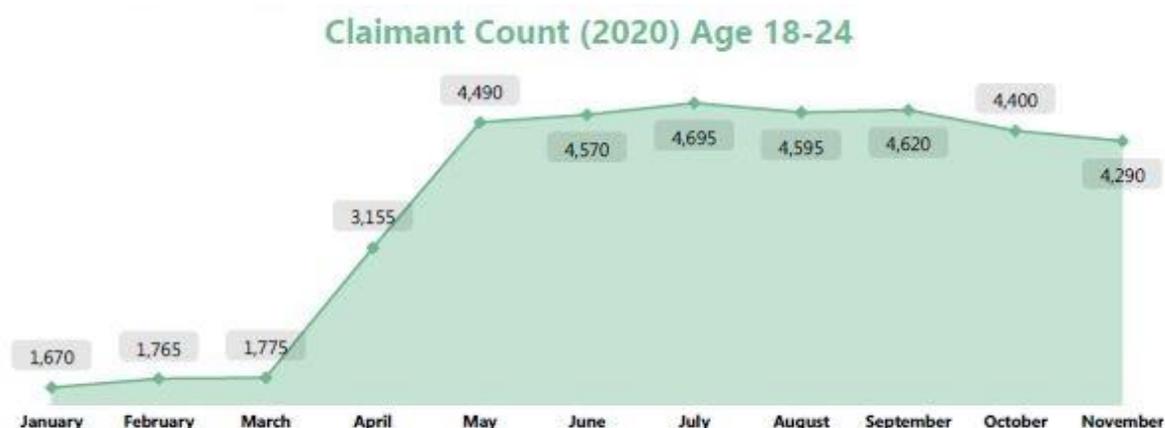
- It is a challenging market for the jobseeker, which peaked at 7.5 claimants per vacancy in May. With the recovery of recruitment in the following months, this ratio fell to 3.9 in October, before climbing up again to 4.6 with the second lockdown in November. This is three times as high as the start of 2020, but marks an improvement from the peak in May.



Source: Burning Glass Technologies: Labour Insight. 2020/ ONS

⁴ Claimant count remains a more immediate unemployment indicator, although does reflect changes in Universal Credit, which makes comparisons with previous years' unemployment benefits unreliable as described [here](#).

- The proportion of young people claiming support has increased even more markedly and stands at 7.4% of those aged between 18 and 24 and there have been numerous reports raising concerns on the long term scarring effects on young people.



Source: [Dorset Labour Market Insights Dashboard December 2020](#)

Claimant count 18-24 (% population aged 18-24)				
	DLEP	BCP	Dorset	England
January 2020	2.9%	2.8%	3.0%	3.9%
February 2020	3.0%	2.9%	3.2%	4.1%
March 2020	3.1%	3.0%	3.1%	4.2%
April 2020	5.4%	5.1%	5.9%	6.6%
May 2020	7.7%	7.4%	8.4%	8.8%
June 2020	7.9%	7.5%	8.5%	9.0%
July 2020	8.1%	7.7%	8.7%	9.3%
August 2020	7.9%	7.6%	8.4%	9.2%
September 2020	8.0%	7.8%	8.3%	9.4%
October 2020	7.6%	7.3%	8.0%	9.2%
November 2020	7.4%	7.2%	7.8%	9.2%

Source: ONS

- **Jobseekers Allowance**⁵ levels remain relatively low as a proportion of the residents aged 16-64, however the numbers in November 2020 were three times as high in comparison to this period in 2019 (from 826 to 2598 claimants).

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

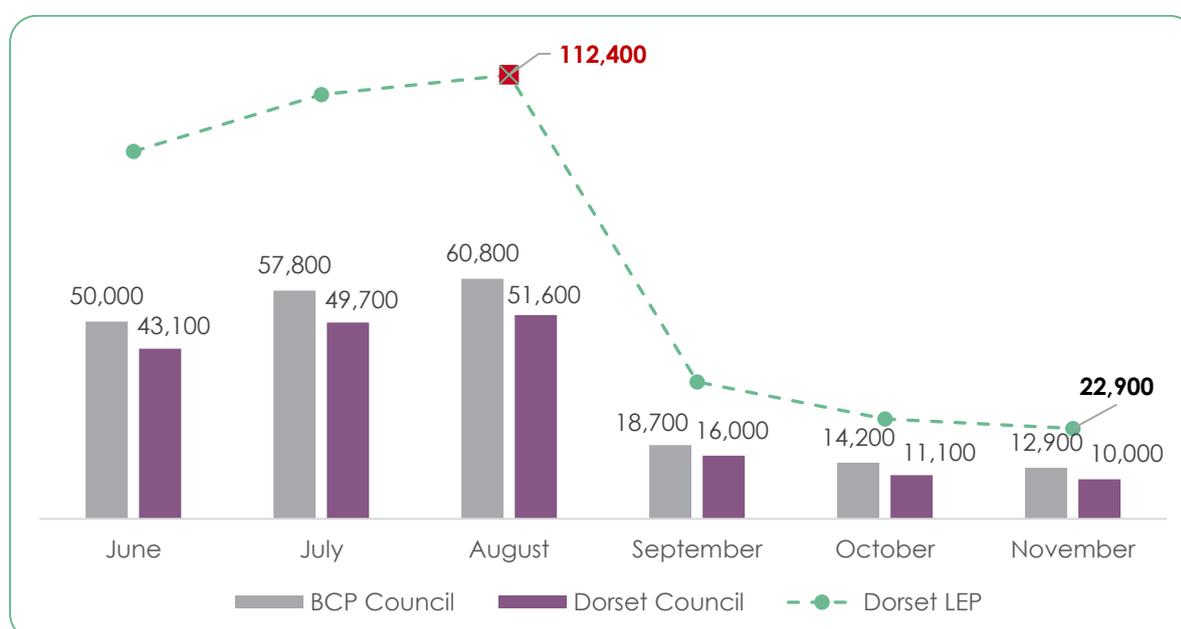
Source: ONS

⁵ The JSA can be claimed as an in-work benefit and sits alongside the roll-out of Universal Credit.

Coronavirus Job Retention Scheme (furloughed)

The number of furloughed workers peaked in July supporting 112,400 workers - over a third of the eligible employments in Dorset. These rates have since significantly dropped over the following months to 7% in November without causing further increase in claimants over the same period. National figures show that the numbers greatly vary across sectors with accommodation and food services and arts, entertainment and recreation sectors had over a quarter of their workforce furloughed at the end of October.

- Latest (provisional) data includes the claims submitted by the end of October. There were 22,900 furloughed employees in Dorset LEP - 89,500 less than the peak reported in August (claims submitted by the end of July) – marking a decrease from 34% of eligible employments to 7%.



Source: Coronavirus Job Retention Scheme claimants – BCP and Dorset Council. HMRC

What happens to workers after their furlough ended?

This significant drop in furloughed employments has not caused further notable increases in claimants over the same period, which is a positive development indicated in the HMRC [analysis](#) showing the majority (90%) of furloughed workers remained with their original employer after their period of furlough ended.

At a sector level the latest breakdown of claimants available nationally (UK) is shown below.

- **As at 31 October**, the sector with the highest proportion of its workforce furloughed was accommodation and food services at 27%, followed by arts, entertainment and recreation sector at 24% (both from over 40% back in July). In all, 45% of employers in both the accommodation and food services sector and the arts, entertainment and recreation sector were using the furlough scheme at the end of October.

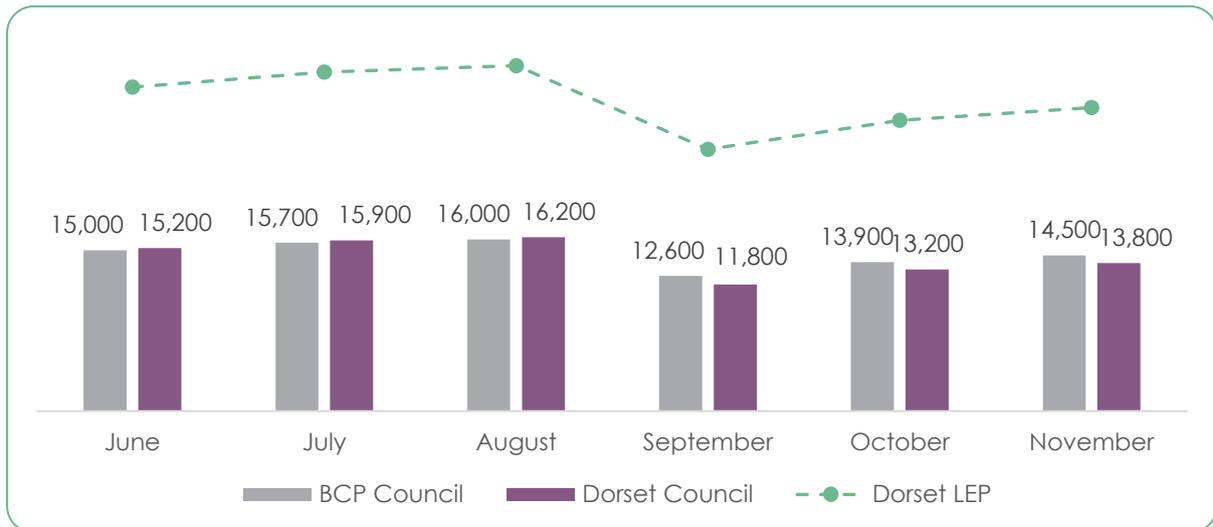
Sector	Eligible employments take-up rate
Public administration and defence; social security	0%
Energy production and supply	1%
Households	1%
Finance and insurance	2%
Education	2%
Health and social work	2%
Mining and quarrying	3%
Agriculture, forestry and fishing	4%
Water supply, sewerage and waste	4%
Information and communication	6%
Manufacturing	8%
Wholesale and retail; repair of motor vehicles	8%
Administrative and support services	8%
Transportation and storage	9%
Real estate	9%
Professional, scientific and technical	9%
Construction	10%
Other service activities	18%
Arts, entertainment and recreation	24%
Accommodation and food services	27%

Source: HMRC

Self-Employment Income Support Scheme (SEISS)

Self-employed income support uptake has remained consistently high throughout the year showing sole traders and self-employed have been disproportionately hit by the restrictions across all industries.

- As at 31st October, 28,300 self-employed in Dorset were in receipt of SEIS– an increase of 1,200 from the previous month. This represents approximately 66% of those eligible to apply –lower than the rate found across UK (69%) and in line with the South West. The average value of claims was £2,600. Change over time is shown below.



Self Employment Income Support Scheme – BCP and Dorset Council areas. Source: HMRC

The breakdown of claimants at a sector level is available nationally (UK). Figures as of the end of October are shown in the table below.

Sector	Eligible self-employments take-up rate
Agriculture, forestry and fishing	44%
Real estate activities	54%
Human health and social work activities	59%
Information and communication	59%
Administrative and support service activities	60%
Professional, scientific and technical activities	60%
Wholesale and retail trade; repair of motor vehicles	63%
Financial and insurance activities	64%
Accommodation and food service activities	65%
Manufacturing	68%
Public administration and defence; compulsory social security	68%
Arts, entertainment and recreation	73%
Education	74%
Construction	76%
Other service activities	78%
Transportation and storage	81%

Source: HMRC

Employment, unemployment and inactivity rates⁶

While the first lockdown disrupted the labour market with immediate effect on vacancies and number of claimants, it did not influence employment/unemployment rates to such extent.

Continuing historical trends, unemployment rates remained lower and employment rates higher in Dorset over the first half of 2020 with jobs and businesses largely protected by the coronavirus support schemes. While national figures suggest increase of unemployment is likely to peak at the second quarter of this year, inactivity is likely to stabilise and hours worked to continue improving.

Key trends in Dorset

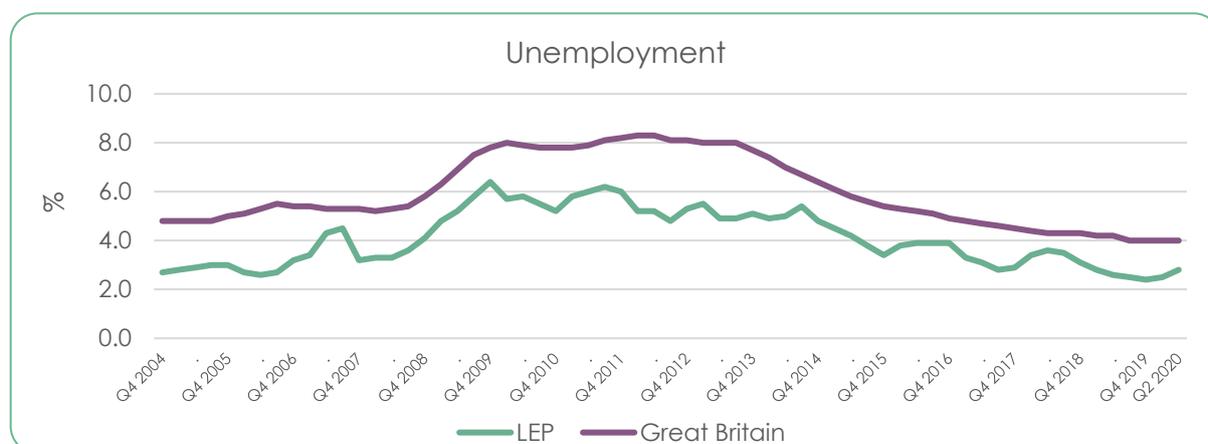
The release of employment statistics at local level is lagging, so the dashboard and the below table feature the latest July 19-June 20 figures for Dorset, where the changes from previous quarter (March 20) are indicated in brackets.

- **The significant shake-up of the first lockdown felt in vacancy decline and spike in claimants, was not reflected to such extent in unemployment figures** as seen in other countries such as US, where unemployment shoot to 15% in the aftermath of lockdown. The affected jobs were largely protected by the furlough scheme.

Dorset LEP - July 19-June 20 (% 16-64 year olds)			
	Employment rate	Unemployment rate (modelled-based)	Economic inactivity
UK	75.8% (-)	4.0% (-)	21.0% (-0.1ppt)
Dorset	76.9% (+0.7ppt)	2.9% (+0.4ppt)	20.7% (-1.1ppt)
BCP	79.2% (-2.0ppt)	2.8% (+0.3ppt)	18.5% (+1.8ppt)

Source: ONS

- The historical trends of lower than national unemployment (see next chart) and higher employment rates in Dorset continued over the first 6 months of the year.
- While there was a movement up in unemployment for both council areas with 1100 more people unemployed across Dorset LEP in Q2, these were slight increases and it looks that the support schemes have prevented the soaring unemployment seen in other countries (e.g. in US unemployment rose to 15% in the aftermath of lockdown).
- Bournemouth, Christchurch and Poole Council area saw a greater negative effect with 5,700 less people in employment in Q2 than Q1 of the year, accounting for a 2 ppt drop in employment and matching increase in inactivity.



Source: ONS

⁶ The interpretation of the unemployment data needs some care – as described [here](#).

Key national trends

National trends available from the [December 2020](#) ONS labour market overview illustrate these trends continued in the later part of the year, providing an idea of what to expect locally.

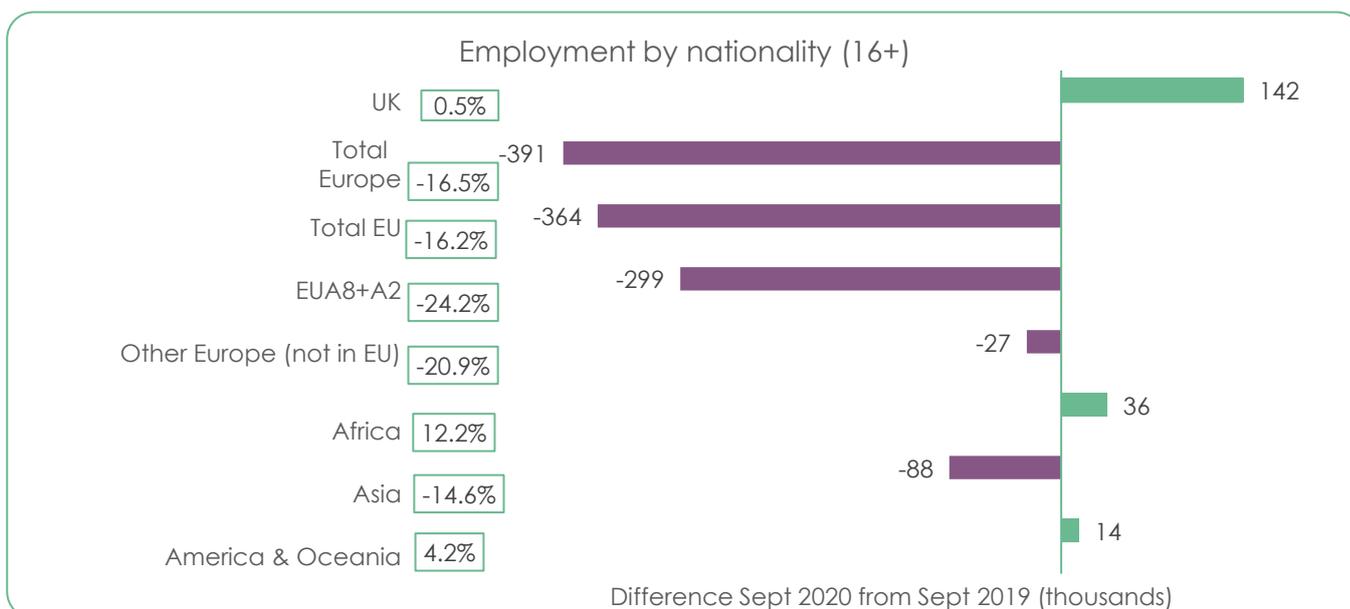
UK - Aug 2019-Oct 2020 (% 16-64 year olds)			
	Employment	Unemployment	Economic inactivity ⁷
Rate (%)	↓ 75.2%	↑ 4.9%	20.8%
Change on Quarter	-0.5	+0.7	0.0
Change on Year	-0.9	+1.2	-0.1

- Employment rate continues to fall but rates of change are slowing down** (flattening)
 In the UK, 280,000 fewer people were employed between August and October 2020 than a year earlier. The UK employment rate in the three months to October 2020 was 75.2%, 0.9 pps lower than a year earlier and 0.5 pps lower than the previous quarter.

There have seen **significant falls in employment for men** – down by 150 thousand – while employment for women has risen. This may reflect increasing hours in response partner losing job/ income, as seen in previous crises; or women working in health and social care having to increase their hours in response to the impacts of the pandemic.

Looking at employment by nationality in September 2020 compared to an year earlier, there were actually .5% more British workers in employment, but significant proportion European workers (16.5%) have disappeared from employment. Most notably, there were almost a quarter (300,000) fewer workers in employment from A8 and A2⁸ EU countries. As there is no corresponding increase in unemployment it is expected that they have relocated throughout the pandemic and is yet to transpire whether this is a temporary situation or a persistent trend linked to EU transition.

The UK Brexit Transition Hub gov.uk/transition is a key source of guidance on the new rules and Dorset Gateway is the best place for local businesses and citizens to start.



[Source: ONS](#)

⁷ Economic inactivity measures people without a job but who are not classed as unemployed because they have not been actively seeking work and/or are unable to start work within the next two weeks.

⁸ A8 - Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic and Slovenia; A2 – Bulgaria and Romania

- Despite the restrictions in October (tiered system), **total hours worked continued to recover, increasing by 12% in the quarter.**
- **Unemployment on the rise with rates of change accelerating**
Estimates for August to October 2020 show 1.69 million people were unemployed – up 411,000 on the same period a year earlier and 241,000 on the quarter.

While these indicate definite rise, the estimated UK unemployment rate was 4.9% in October, which is 1.2 percentage points higher than a year earlier and 0.7 pps higher than the previous quarter, and equaled the levels seen back in 2016, but far from the levels seen back in 2010 and what was feared with earlier projections.

Unemployment was higher for men (5.3% - 1.3 pps higher than a year earlier) than for women (4.6% - 1.0 pps higher).

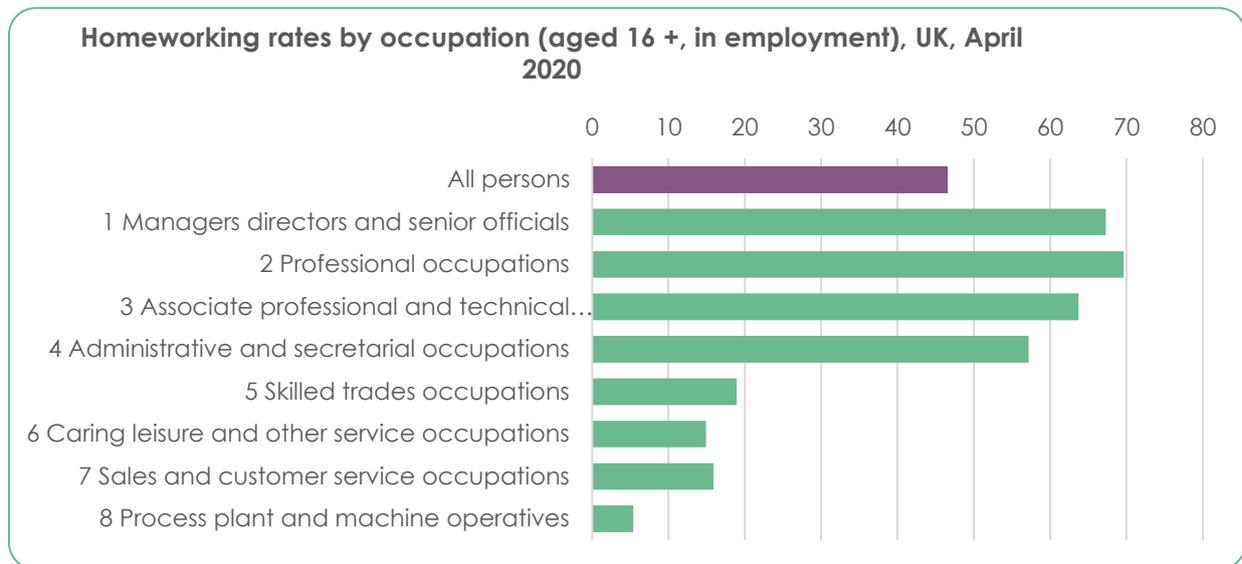
- **Redundancies increased by a record** 217,000 on the quarter to reach 370,000. While redundancies have been on the rise since June 2020 and remained high in October, they have dropped from the peak in September 2020, which may reflect the mitigating effects of the extension of the furlough scheme and a slowing down is expected.
- **Inactivity rates stabilised indicating scarring could be limited**
Despite high redundancies and rising unemployment, the share of people who are economically inactive remains largely unchanged at 20.8% in October after a record flow of 215,000 people from economic inactivity to unemployment in September.

As per [PWC's economic update](#), this indicates the rise in inactivity rate seen in previous months likely to be a temporary phenomenon, with relaxation of measures and demand returning to pre-crisis levels encouraging workers to seek employment possibly limiting the scarring in the labour market.

Homeworking

While seeing a gradual rise, homeworking was a relatively minor share of employment prior to the pandemic. It saw a steep rise in April 2020 and very few homeworkers returned to the office when restrictions were eased in the summer⁹. It looks likely that homeworking is here to stay.

- **In April 2020, in the middle of the first lockdown, 46.6% of people in employment did at least some of their work at home, the majority (86%) as a result of the pandemic.**



[Source: ONS](#)

[ONS analysis shows](#) that higher skilled occupations requiring higher qualifications as well as higher earners with more experience were more likely to be provided with a homeworking opportunity than elementary and manual occupations. Frontline workers are among those least likely to work from home.

- [Reports](#) suggest that homeworking during lockdown did not appear to have had a significant effect on *productivity levels* either way. Two-fifths (40.9%) of homeworkers reported that they were able to get as much work done in June 2020 as they were six months earlier. Over a quarter (28.9%) said that they got more done, while 30.2% said that their productivity had fallen.
- [IES research](#) found health and wellbeing issues including decline in musculoskeletal health, sleep loss, long/irregular hours, decline in protective health behaviours, mental health issues.
- [Report also find](#) employee happiness dropped dramatically during lockdown, and reveals a sharp rise in e-presenteeism.

Going forwards:

[Employer expectations are changing](#) with three quarters of surveyed company directors expecting to keep increased homeworking after Covid-19 and half of them planning to reduce office space.

[The vast majority of workers](#) - nine out of ten (88.2%) who worked at home during the lockdown would like to continue working at home in some capacity with around one in two employees (47.3%) wanting to work at home often or all of the time.

⁹ [Data from before the pandemic](#) show that around 5% of the workforce in the UK worked mainly from home in 2019. The lockdown changed this radically: surveyed [between 8 and 12 July 2020](#), just over a quarter of adults (27%) worked exclusively at home in the previous week – a slight decrease from 30% of adults surveyed the week prior as restrictions continued to ease.