

Dorset Labour Market Insights

Quarter 3 | 2021

The latest labour market and economic indicators show switching the entire economy on over the summer created a unique spike in labour demand with an unseen peak in vacancies and the employment indicators holding up well.

As businesses were trying to fill their increased demand from the same talent pool, the narrative has changed from a peak in unemployment, feared at the start of the pandemic to now widely reported labour shortages and a job seekers market.



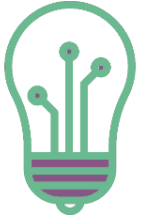
**HELP
WANTED**

Labour shortages



Back in the summer of 2020, the national press was flooded with employers reporting they were drowning under a sea of job applications...

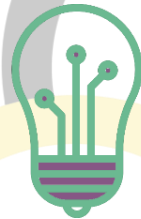
Fast forward to Q3 of 2021, switching the entire economy on over the summer created a unique peak in demand, while the number of candidates fell sharply and “labour shortage” reports are now flooding the press.



[The Recruitment and Employment Confederation and KPMG](#) signalled further rapid increase in hiring activity in September while availability of candidates fell at record rate with both permanent and temporary candidate numbers deteriorating.



[The Bank of England](#) reported recruitment difficulties increased sharply and became widespread and acute, leading to some upward pressure on pay and increase in unfilled vacancies constraining growth in many sectors, including business services, logistics, hospitality, construction, engineering, manufacturing, especially automotive and food production



[The British Chamber of Commerce](#) released a survey of 5,600 firms revealing over three-quarters of businesses that attempted to recruit report difficulties, including 92% of hotels and catering sector, 80% of manufacturing and 75% of service sector firms.

Labour shortages & the economy

Whilst [supply challenges](#) are attributed to a [100,000 shortage of HGV drivers](#), the labour shortages are wide-ranging with cross-sector effects:

- [The Food & Drink Federation](#) warned of a “battle for labour” as Christmas approaches.
- [Amazon](#) to offer “[sign-up bonuses](#)” of up to £3,000 to recruit 20,000 temporary staff.
- [NHS](#) warns [staff shortages, sickness and exhaustion](#) create a “very challenging situation” amongst [warnings](#) waiting lists could reach 13 million.

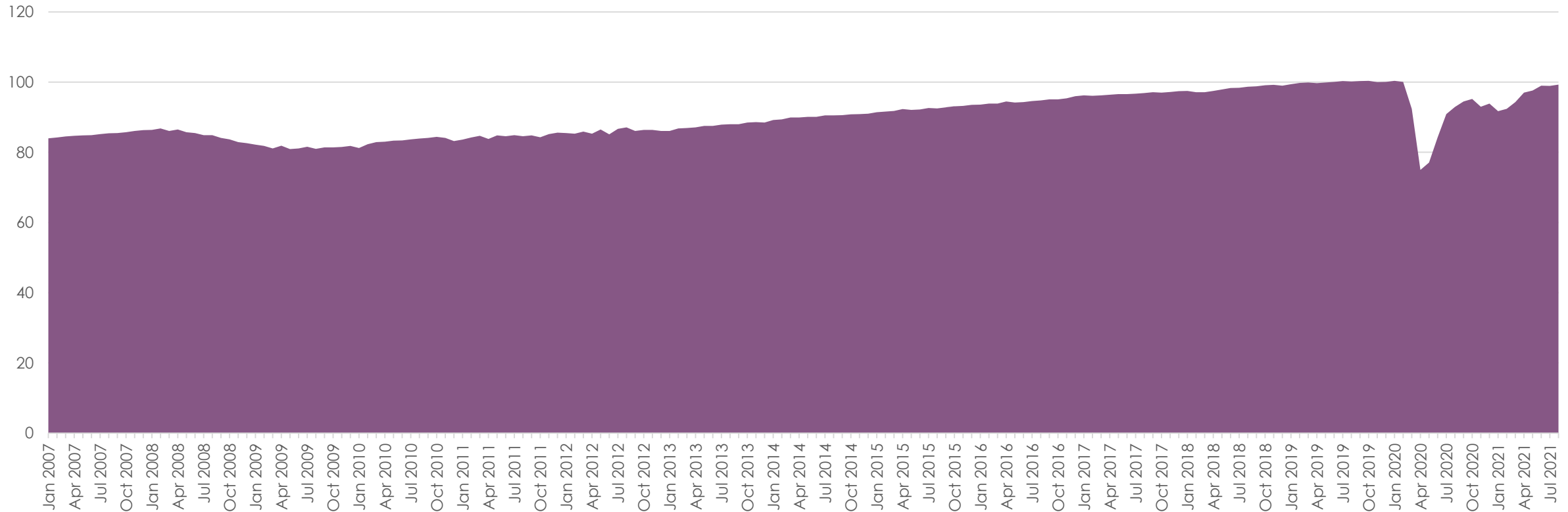


Labour shortages & the economy



ONS estimates a 0.4% GDP growth in August UK, after a revised 0.1% fall in July (revised down from 0.1% growth). GDP remains 0.8% below its pre-coronavirus pandemic level.

UK Monthly GDP*



Gross domestic product (GDP) - the value of goods and services produced. It estimates the size of and growth in the economy.

ONS, GDP monthly estimates, UK Aug 2021, Oct 13, 2021

Record number of vacancies

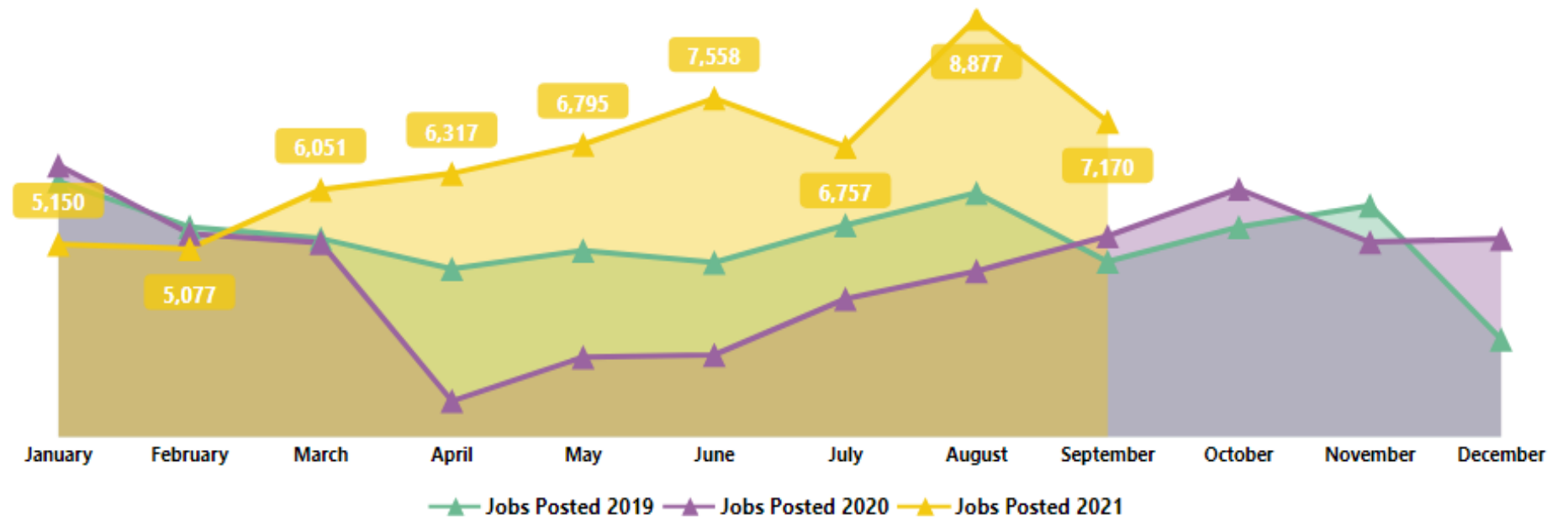


Latest vacancy figures in Dorset show continued growth across all sectors, and employers are now facing a tight labour market.

**Vacancies
January - September**

Total Vacancies
Dorset LEP
59,752

Monthly Vacancies (2019, 2020, 2021)



The vacancy growth in Dorset seen earlier in 2021 continued throughout Quarter 3. The number of jobs advertised this year was 48% higher than those in 2020 and 25% higher than the same period in 2019.

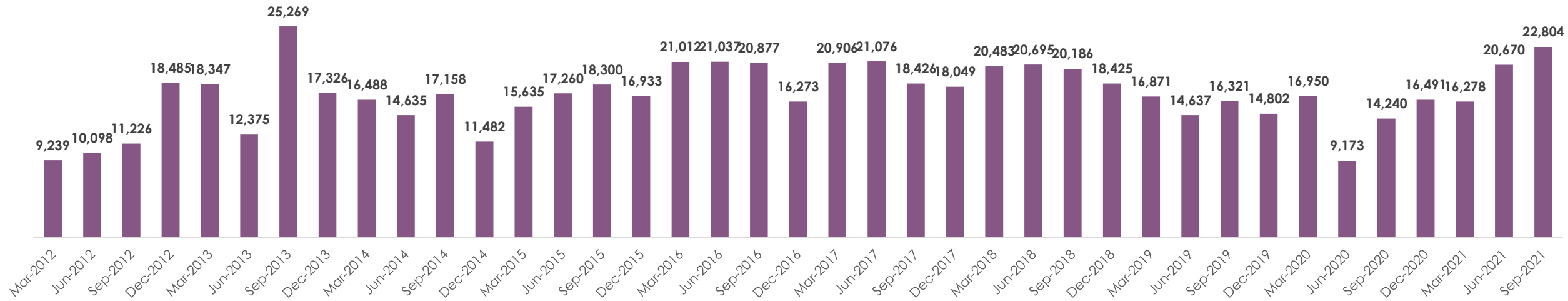
(see [Vacancies and Opportunities](#) dashboard)



Vacancies

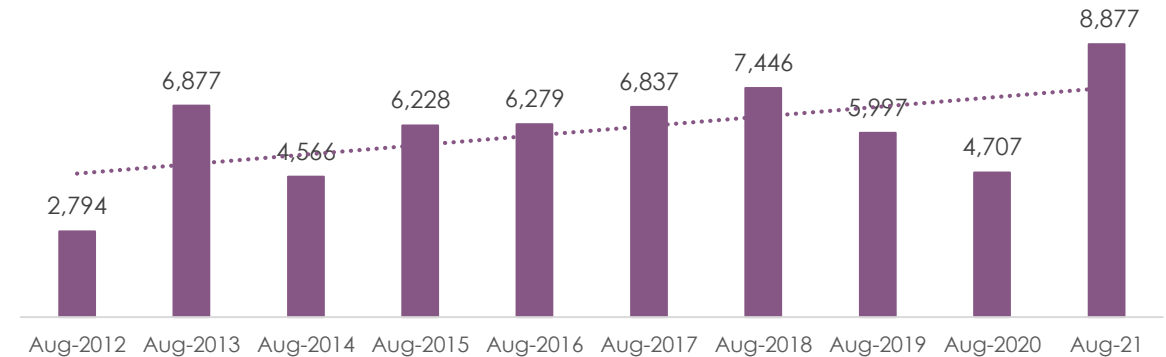
Vacancies in Quarter 3 reached highs last seen in 2013. There were c.22,800 vacancies - 10% higher than the previous quarter, over 70% higher than the vacancies over the same period last year and 40% higher than 2019.

Dorset vacancies (quarterly) - time series



There were a record number of vacancies posted in August 2021. These marked a 31% increase on the previous month, an almost 90% increase on the levels seen over the same period last year and 48% increase on August 2019.

August - Vacancies in Dorset (Time Series)



Recruitment trends 2021



These indicators of hiring difficulty - **Posting Intensity** and **Posting Duration** show that throughout the past quarter in Dorset, for every unique job vacancy, there were six postings on average online with an average posting duration of 30 days.

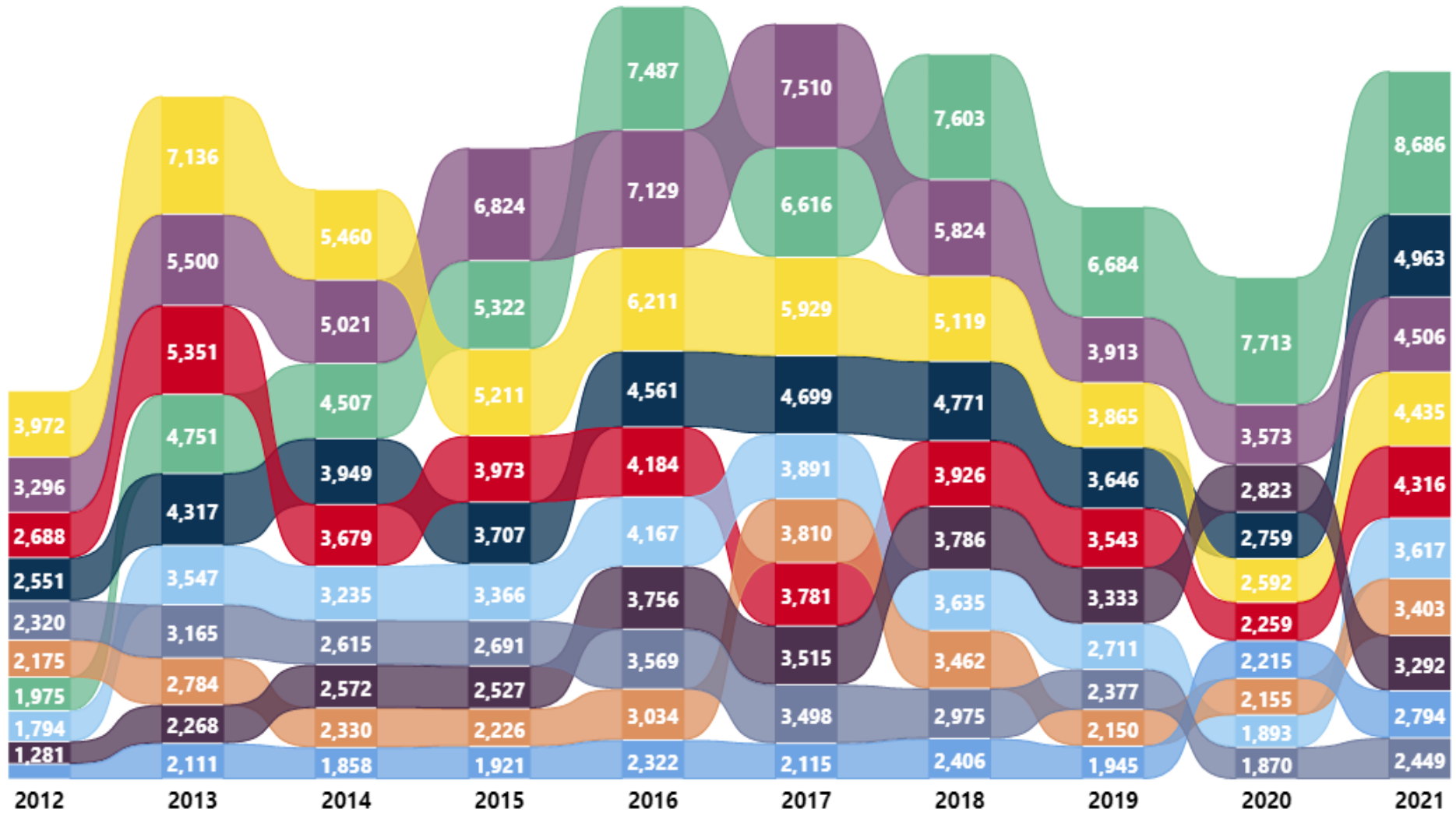
Higher posting intensity illustrates recruiters are working harder to reach applicants and higher posting duration shows there are fewer applicants which drives the duration of postings up.

Job Title	Postings	Average Posting Intensity		Median Posting Duration	
		QUARTER 1-3 2021	QUARTER 3 2021	QUARTER 1-3 2021	QUARTER 3 2021
Care Assistant	3,282	8 : 1	46	30	30
Nurse	2,297	10 : 1	44	30	30
Administrator	1,986	4 : 1	18	30	30
Software Developer/ Engineer	1,642	14 : 1	33	30	30
Customer Service Advisor/ Representative	1,480	8 : 1	31	30	30
Project manager	1,325	6 : 1	42	30	30
Accountants/Bookkeepers	1,300	6 : 1	21	30	30
Account manager	1,172	7 : 1	34	30	30
Chef	902	8 : 1	32	30	30
Teaching Assistant	802	9 : 1	28	30	30
Labourer	750	5 : 1	30	30	30
Cleaner	744	6 : 1	31	30	30
Lawyer	701	5 : 1	30	30	30
Food Service Team Member	646	9 : 1	38	30	30
Healthcare Assistant	604	4 : 1	31	30	30
Sales Representative	564	7 : 1	17	30	30
Receptionist	560	5 : 1	30	30	30
Computer Support Specialist	524	8 : 1	30	30	30
Financial Manager	503	7 : 1	32	30	30
Sales Assistant	485	4 : 1	22	30	30

Top 10 Professional Families

Long term developments illustrate the occupational demand in Dorset is a dynamic picture.

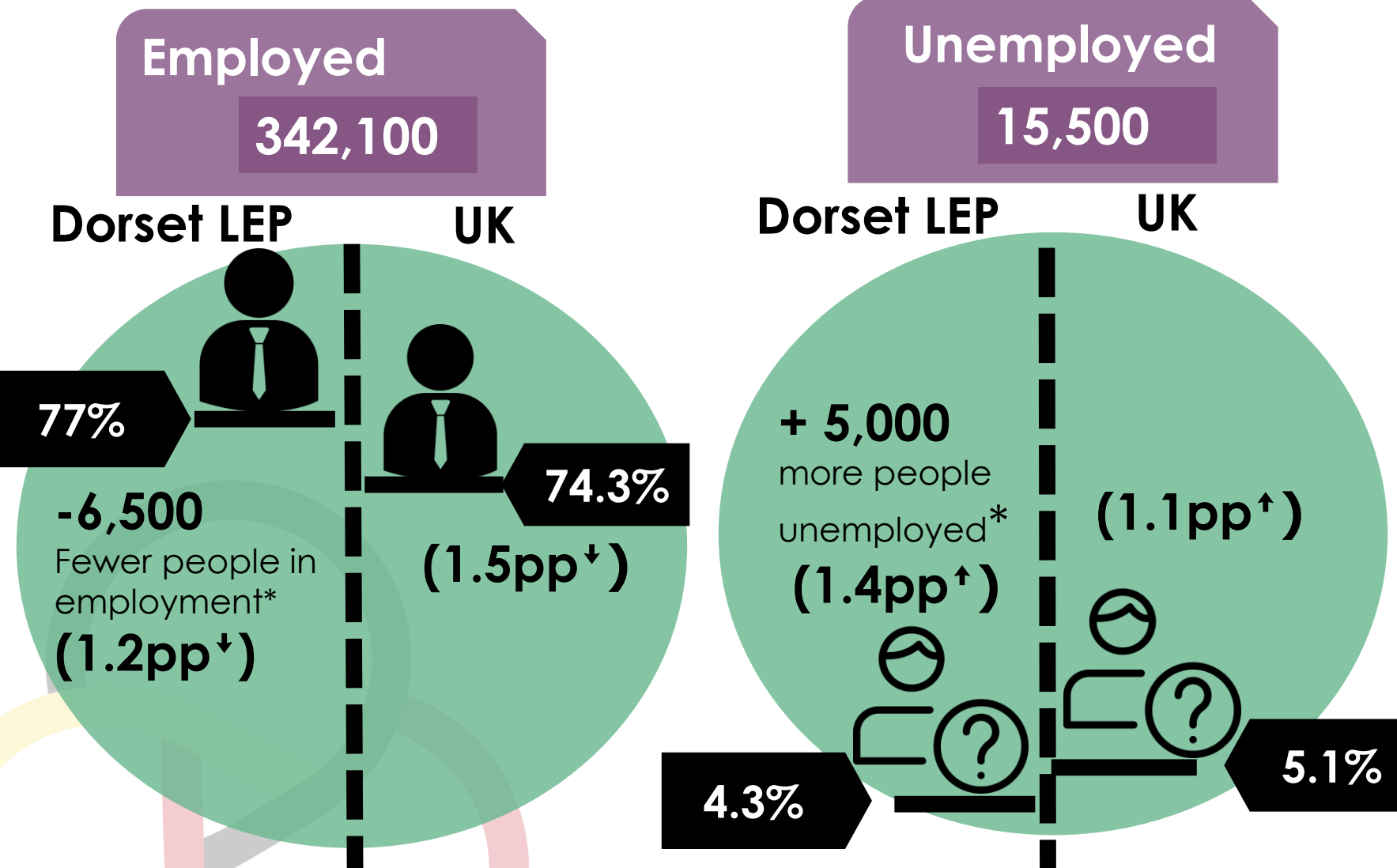
Top 10 professional families - long-term developments January - September



- Health Care including Nursing
- Business Management and Operations
- Information Technology
- Sales
- Hospitality, Food, and Tourism
- Clerical and Administrative
- Finance
- Education and Training
- Community and Social Services
- Engineering

(Un)Employment

In our conversations with employers and recruitment agencies, variation of one question comes up persistently: **Where has the staff gone?**



Whilst the pandemic had more significant negative effects on (un)employment in Dorset, there is a continuous improvement and figures are favourable when compared to national.

* Figures refer to the period Jul 2020-Jun 2021 in comparison to Jul 2019-Jun 2020 - ONS Annual Population Survey 2021



Out-of-work benefits

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

3.9%

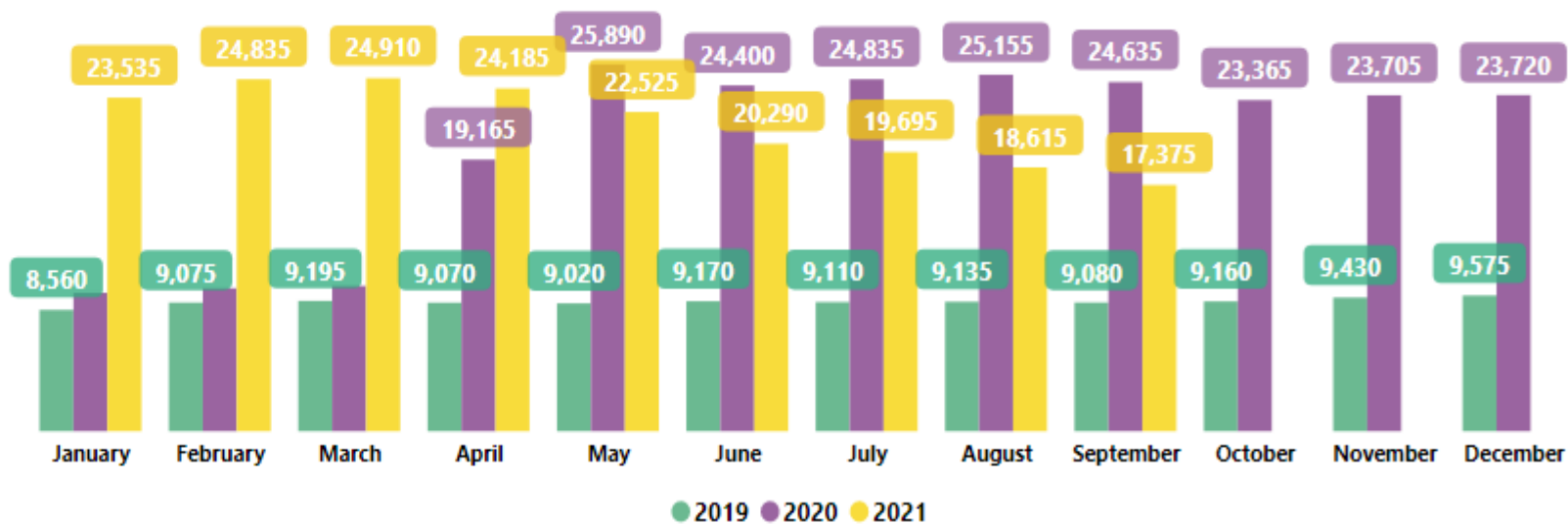
Youth unemployment

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

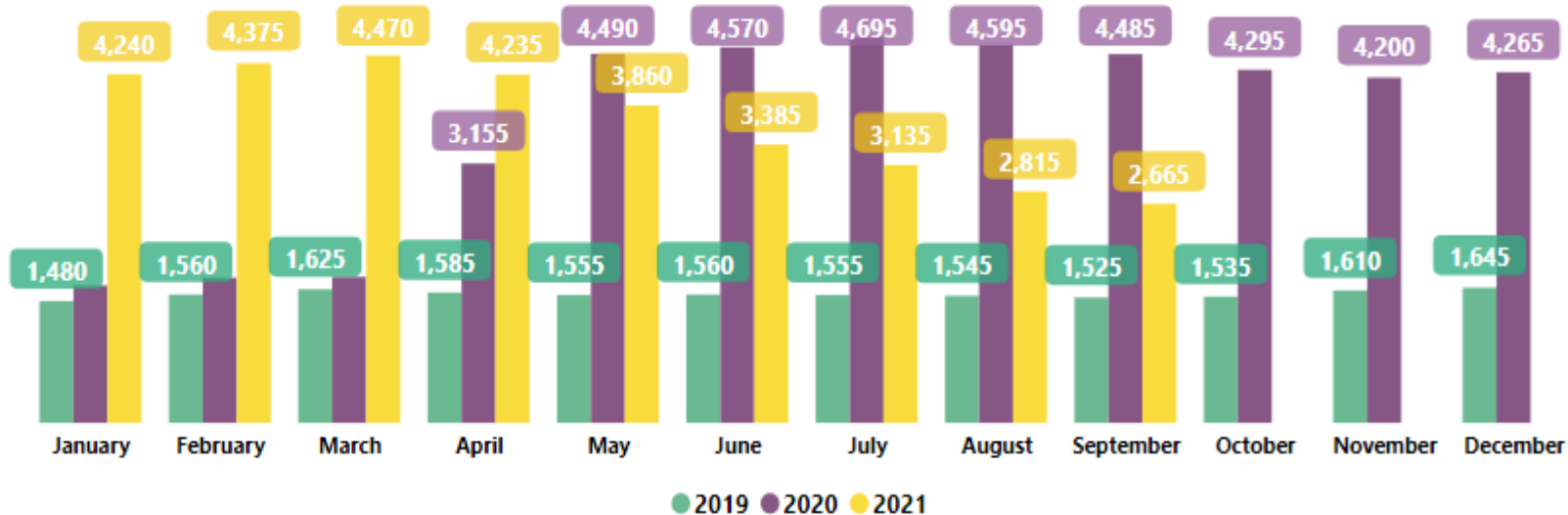
4.6%

The proportions of young people in receipt of unemployment related benefits remains higher, but the rate of decline has also accelerated,

Dorset LEP Claimant Count Age 16+



Dorset LEP Claimants Aged 18-24




#Furloughed Employments
-August 2021 

13,200

% of eligible
employments

4 %

Self-Employed supported by
September 2021 

11,400

% of eligible
self-employed

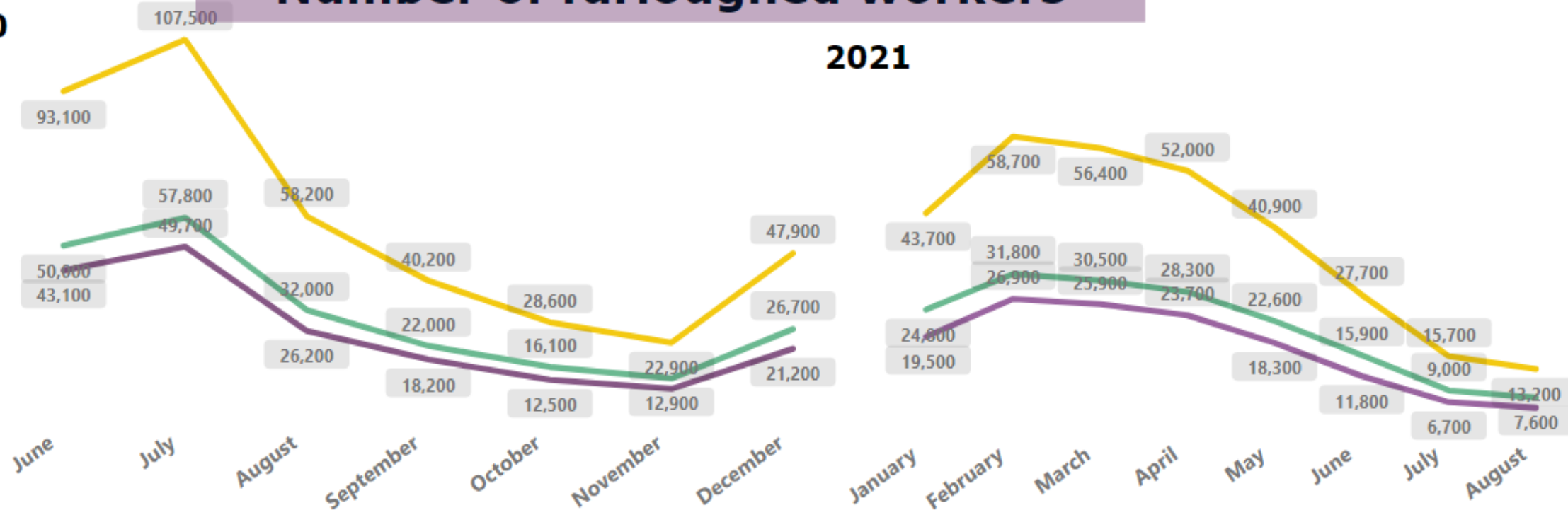
27 %

Number of furloughed workers

2020

2021

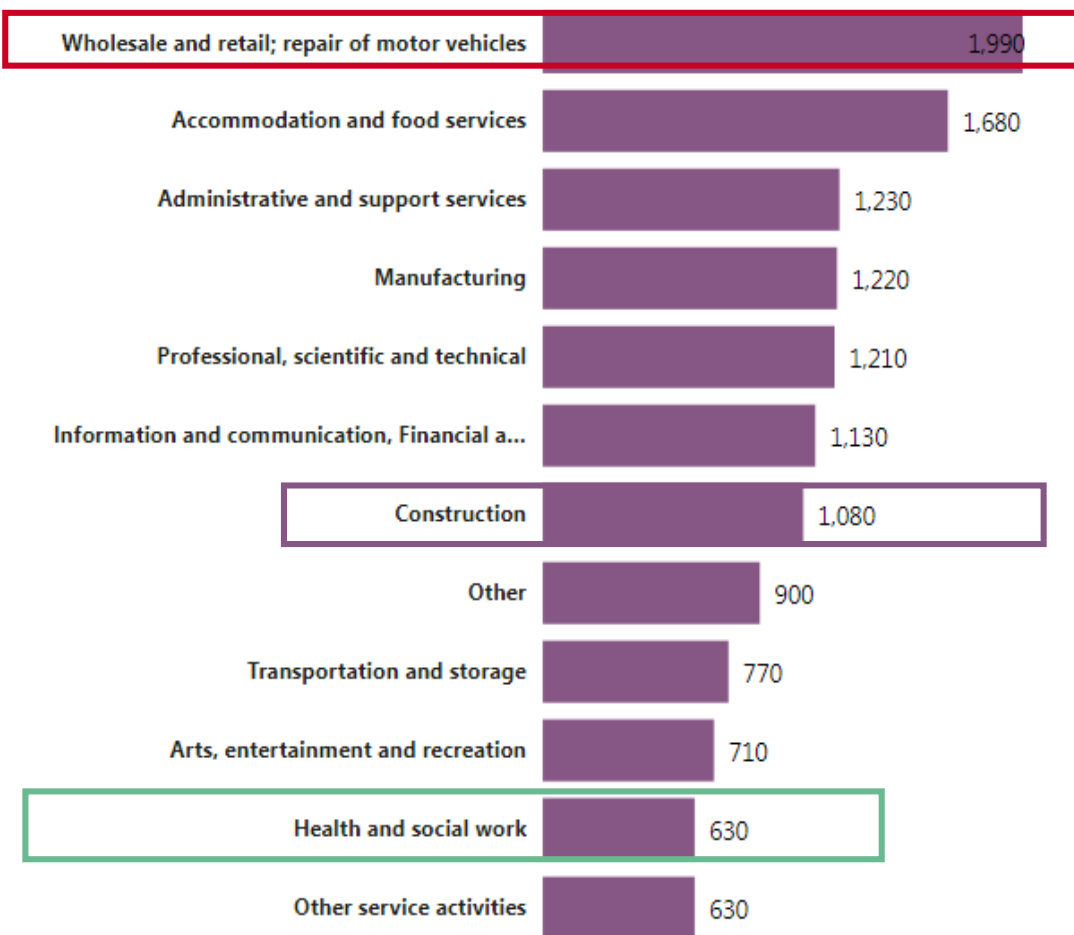
- Dorset LEP
- BCP Council
- Dorset Council



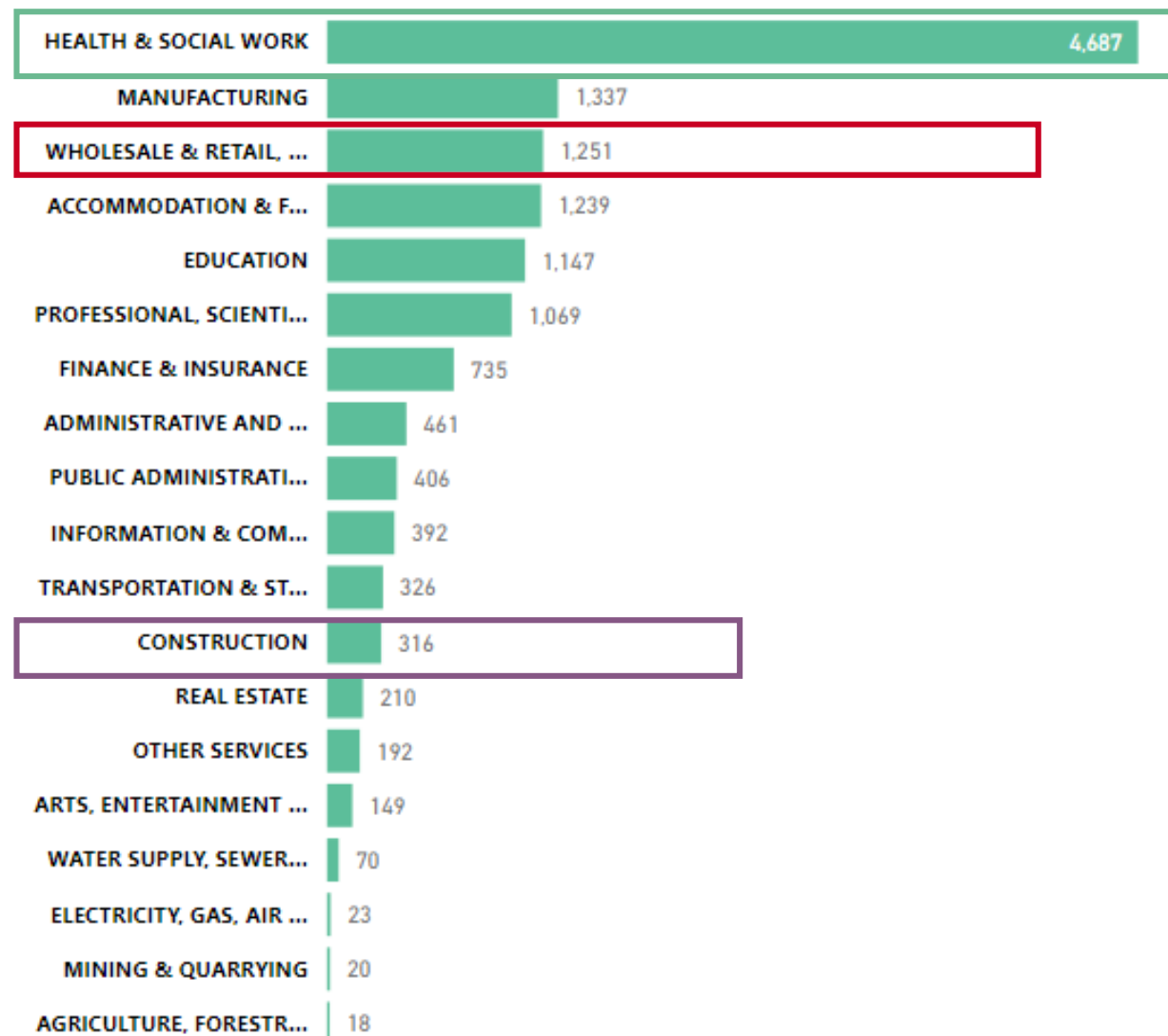
CJRS and demand by industry

Furloughed employments by sector - Dorset

August 2021



Job Adverts by Industry: Q3





Labour shortages

Where has the staff gone?
Example – the HGV Drivers Crisis

Number of HGV drivers, working in the UK - downward trend started in 2017, greatest decline in the past 2 years and over the pandemic; In June 2021, they were 39,000 (13%) fewer than June 2019 and **53,000 (17%) fewer than June 2017**.

- **42,000 (15%) fewer UK nationals** were employed as HGV drivers since 2017
- A small (3000) increase of EU nationals in the job between 2017 and March 2020, but subsequently declined during the pandemic with overall **12,000 (30%) fewer** in 2021 than 2017.
- An **ageing workforce**. The **age group 46 - 55** years has seen the largest decline in HGV drivers over the past four years, **falling almost 34,000 (29%)**.
- Number of younger HGV drivers **aged up to 35 years also fell by 4,000 (7%)**.
- **Vacancies** in transport and storage are at their **highest on record**.
- The **number of driving tests** during the first year of the pandemic **was the lowest for more than a decade** (16,022 [tests passed](#) in the year ending March 2021 compared to an average of 41,731).
- HGV drivers [worked an average of 48 hours a week](#) in 2019, largely unchanged since 2005.
- Average **paid hours** for the workforce were **much lower at 33 hours in 2019**.
- Mean earnings £12.25 p/h in 2020 - bus and coach drivers (£12.28); vs £17.57 ph for all occupations.

In Summary: Labour shortages

Where has the staff gone?

There are layers of complexity explaining the labour market supply and demand fluctuations that cause the labour shortages across sectors and occupations. Covid and Brexit thrown in the mix of existing challenges



Demand is recovering quicker than expected, with firms having shed too many workers early on in the pandemic

Switching the entire economy on over the summer created a unique demand spike with many businesses trying to hire at the same time



Nervousness and reluctance among candidates about changing jobs

Ageing workforce - more workers left jobs than could be replaced in the short term



Many EU workers have travelled back through the pandemic and there are fewer incoming EU workers.

There are pre-existing structural skills shortages, pay and condition issues, whilst the rise in precarious/ temporary jobs on offer is another barrier to attracting candidates.



Labour shortages: Solutions

Companies are making changes to attract candidates. The [Bank of England reports](#) many companies are :

- ✓ launching or expanding apprenticeship programmes
- ✓ hiring remote workers
- ✓ increasing in-house training
- ✓ investing in automation
- ✓ streamlining product lines
- ✓ increasing hours of existing staff or redeploying staff
- ✓ improving non-pay benefits
- ✓ offering flexible working
- ✓ increasing pay

Dorset LEP calls for considering labour and skills holistically and looking at the “skills ecosystem” where policy interventions and investment in skills address both the supply and demand side locally.



Read our report for top tips for hiring employers from [Helen Stacey](#) – a recruitment expert from local agency [Aspire Jobs](#).

Supporting slides



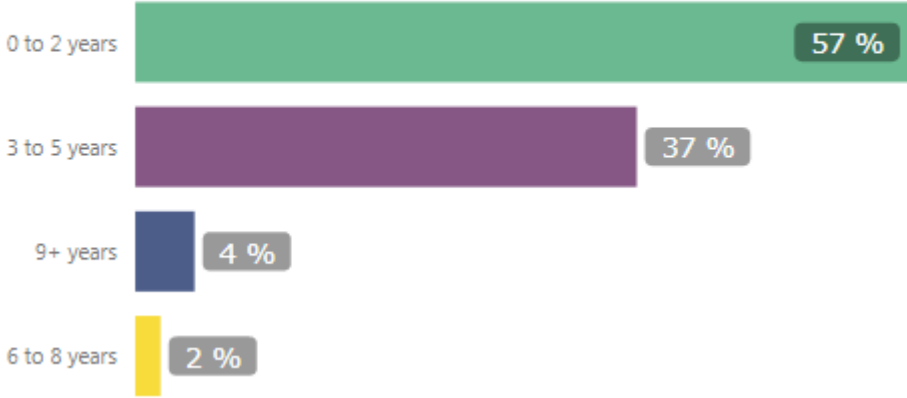
Education & Experience

-Jan-Sep 21

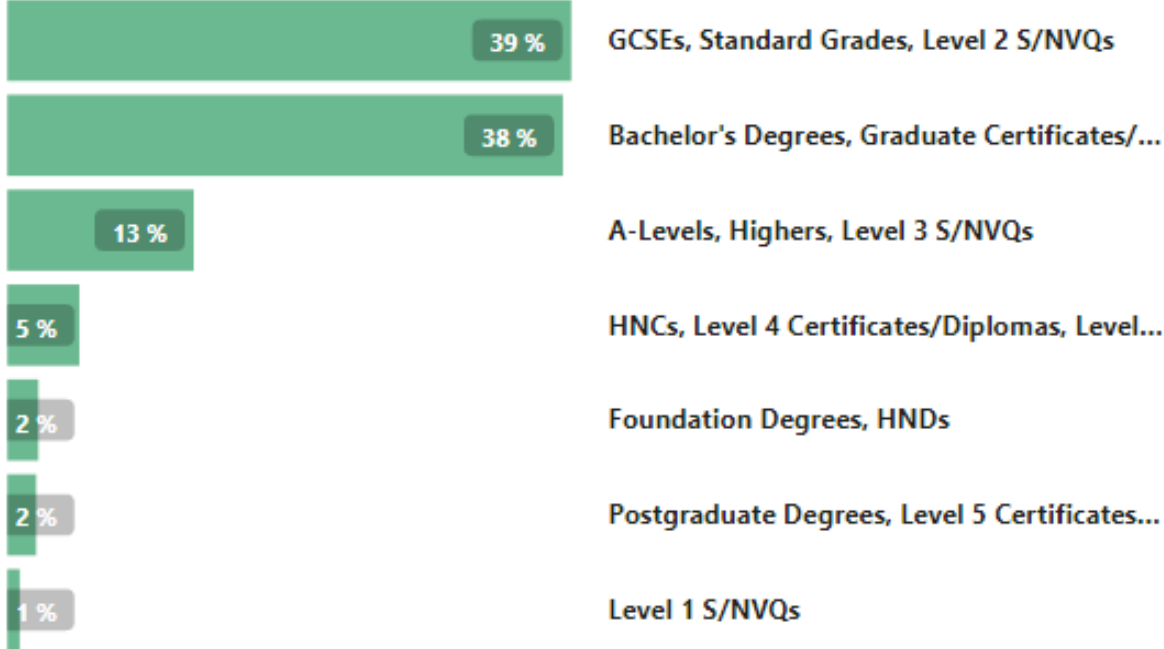


Half of the jobs required GCSE's and A Levels as a minimum and 40% required degrees.

Experience Requirements*



Education (Minimum Advertised)*



Over half of the advertised jobs required less than 2 years of experience.

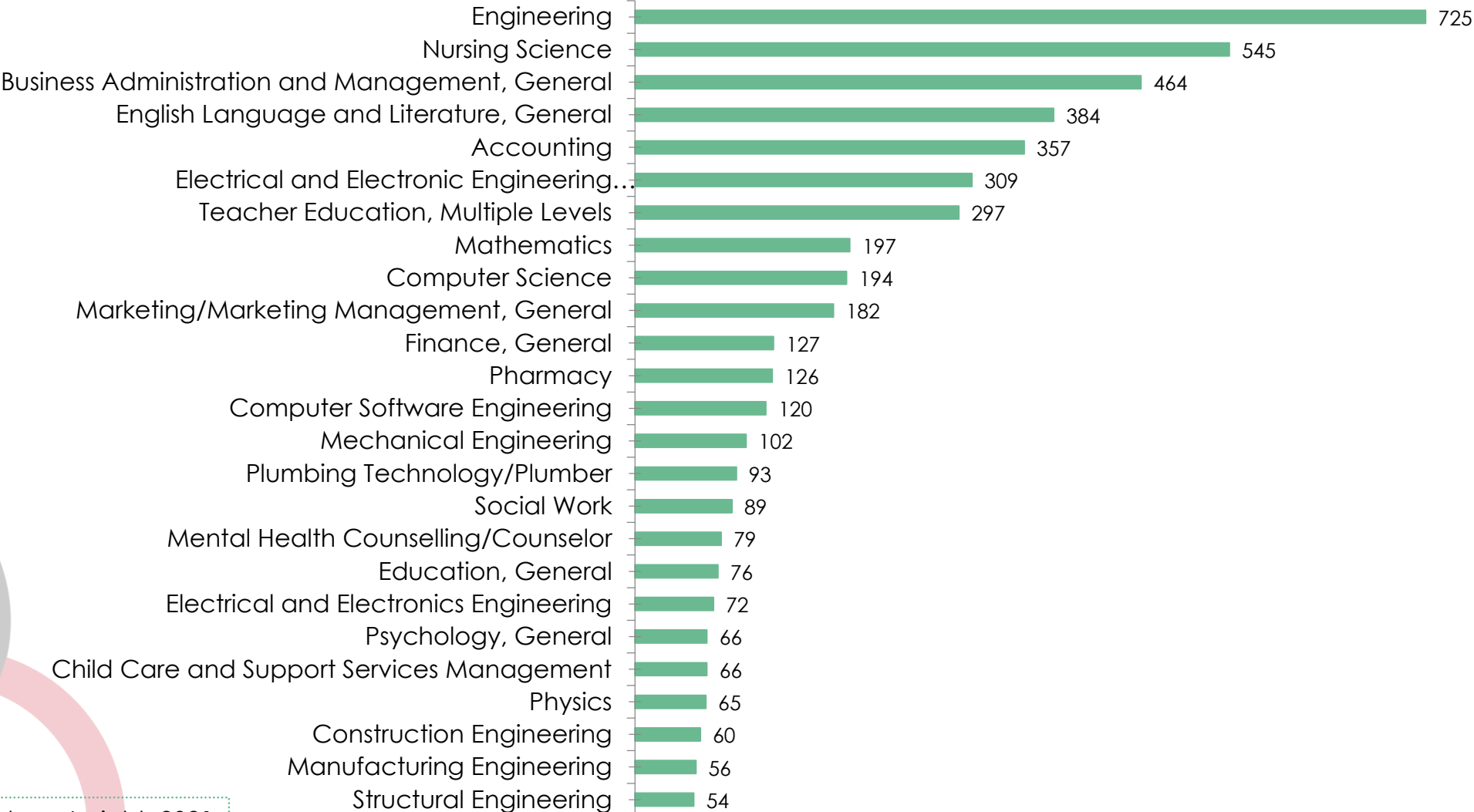
*Figures to be taken with caution due to large number of missing data points.

Education & Experience

-Jan-Sep 21



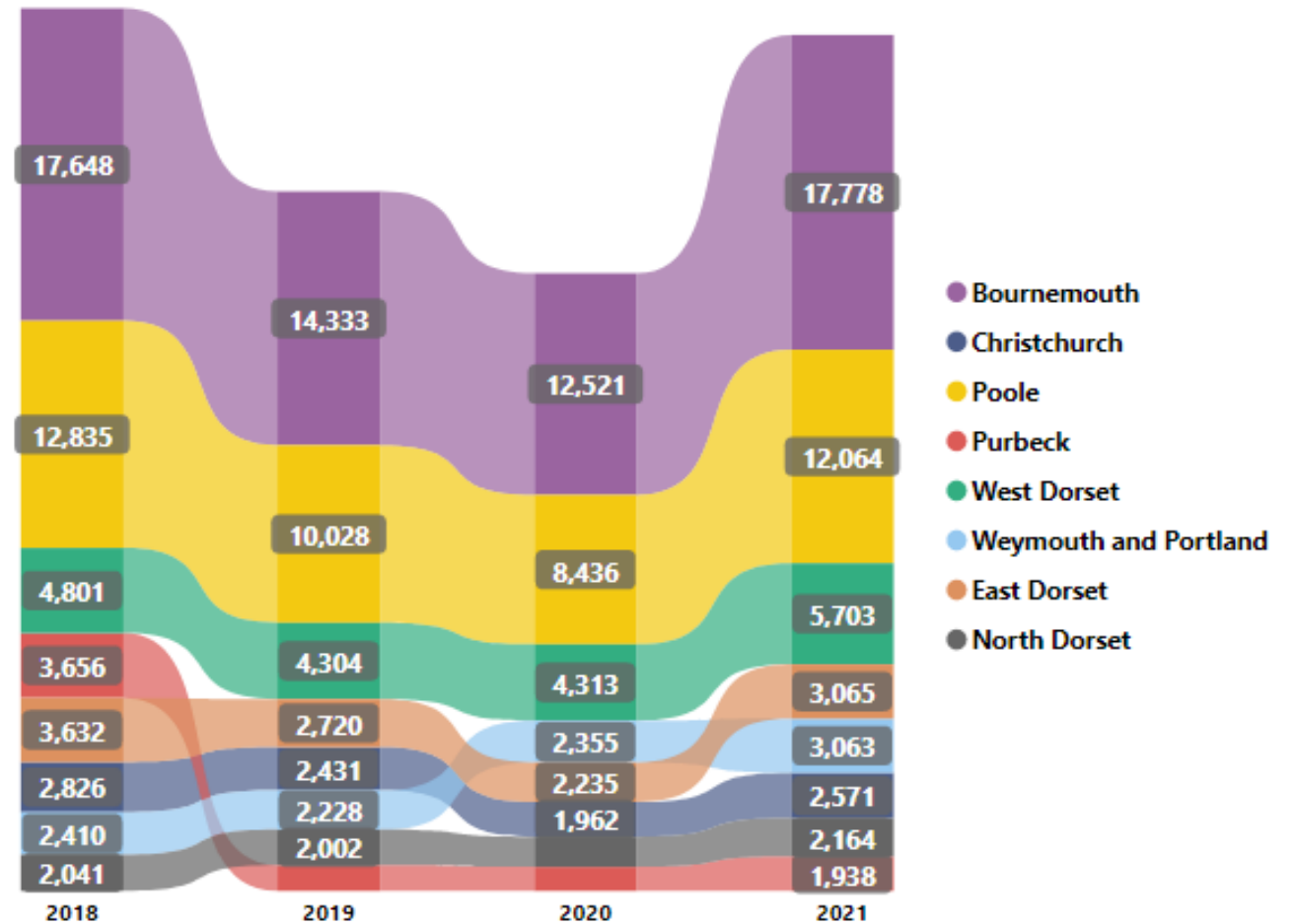
Subject Areas in Greatest Demand



Vacancies by area- Jan-Sep 21



The largest number of vacancies were advertised in Bournemouth and Poole while there were fewer opportunities across Dorset Council areas. Trends of increased demand were noted across the county with East Dorset, Christchurch and Poole seeing the largest increase over the past two months on previous months (~15%[†]).



Top jobs – Jan-Sep 21

Nurses and carers are also among the top 3 occupations in demand across all localities in Dorset.

Combining the variety of care roles we find circa 3,500 care and related and circa 2,500 nursing and related roles advertised in Dorset in 2021 between January and August.

Top 3 Bournemouth

Software Developer / Eng
Office/ Admin Asst
Registered Nurse

Top 3 Poole

Office/ Admin Asst
Registered Nurse
Customer Service Rep

Top 3 Christchurch

Caregiver
Registered Nurse
Accountant

Top 3 West Dorset

Registered Nurse
Care assistant
Office/ Admin Asst

Top 3 Weymouth & Portland

Care assistant
Registered Nurse
Food Service

Top 3 East Dorset

Care assistant
Office/ Admin Asst
Registered Nurse

Top 3 North Dorset

Registered Nurse
Care assistant
Customer Service Rep

Top 3 Purbeck

Chef
Registered Nurse
Office/ Admin Asst



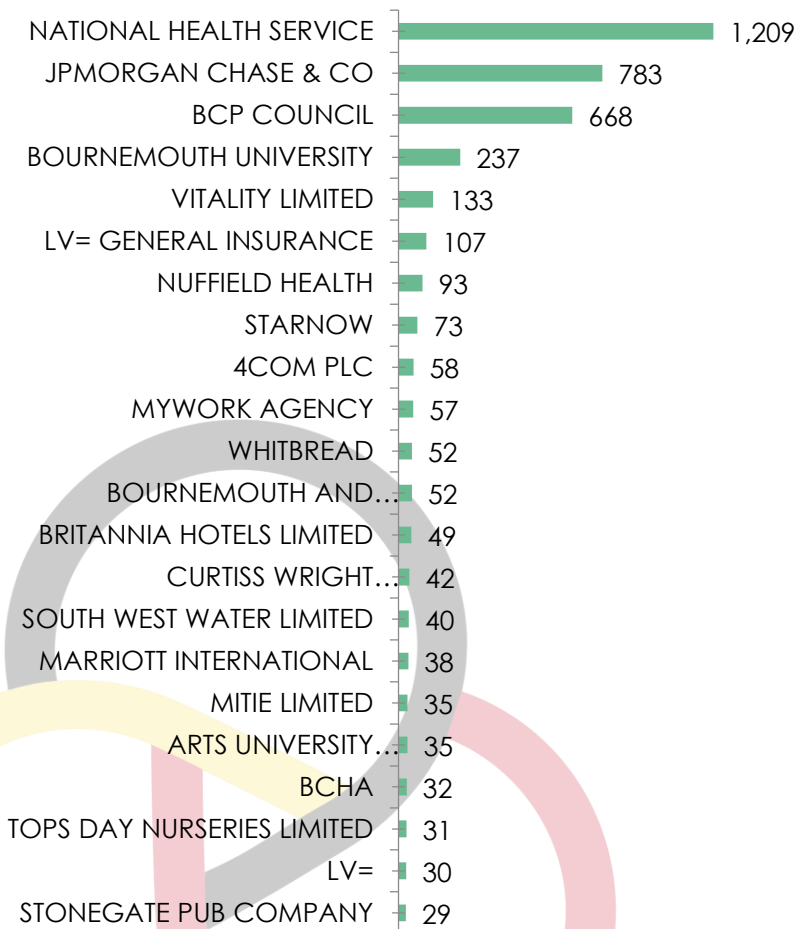


Top employers

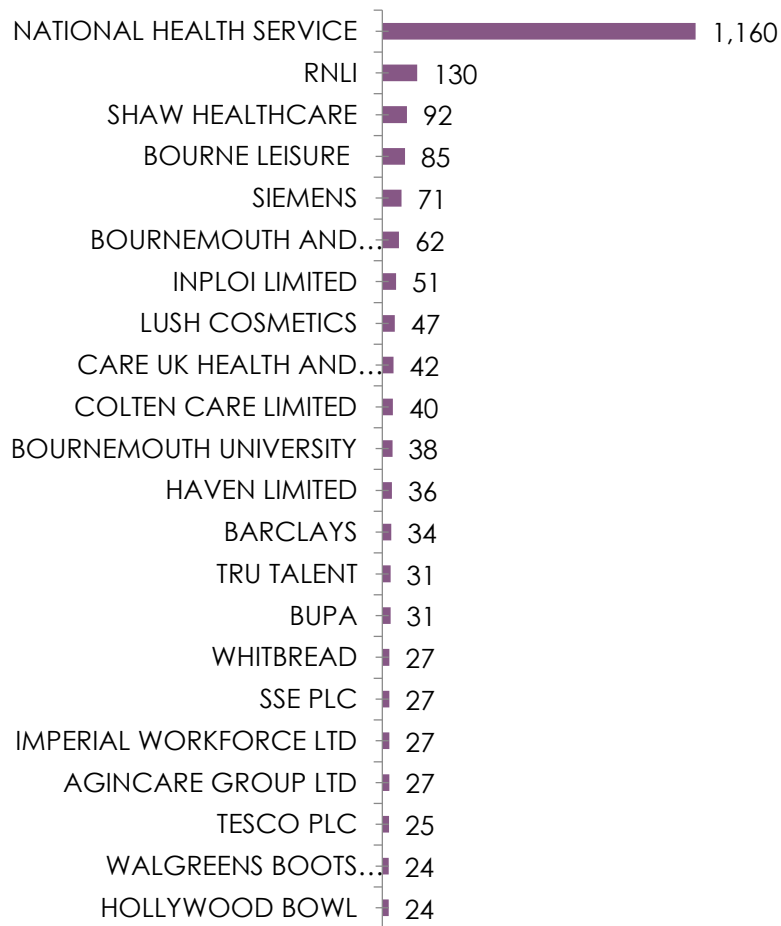
BCP Council Jan – Aug 2021

The type of employers also vary across localities with the exception of the NHS, which was at the top of employer charts across Dorset. In BCP area, apart from health, social and residential care, employer demand was high in finance and insurance, education and the public sector, as well as digital, engineering, retail, tourism and hospitality. There was also noted growth in recruitment agency activity across Dorset.

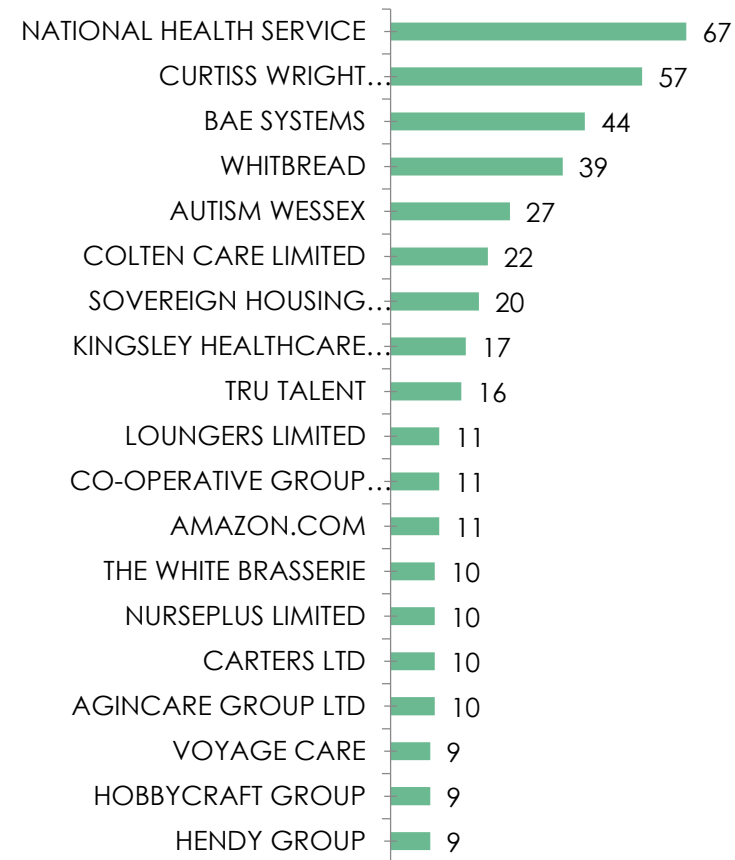
Bournemouth



Poole



Christchurch



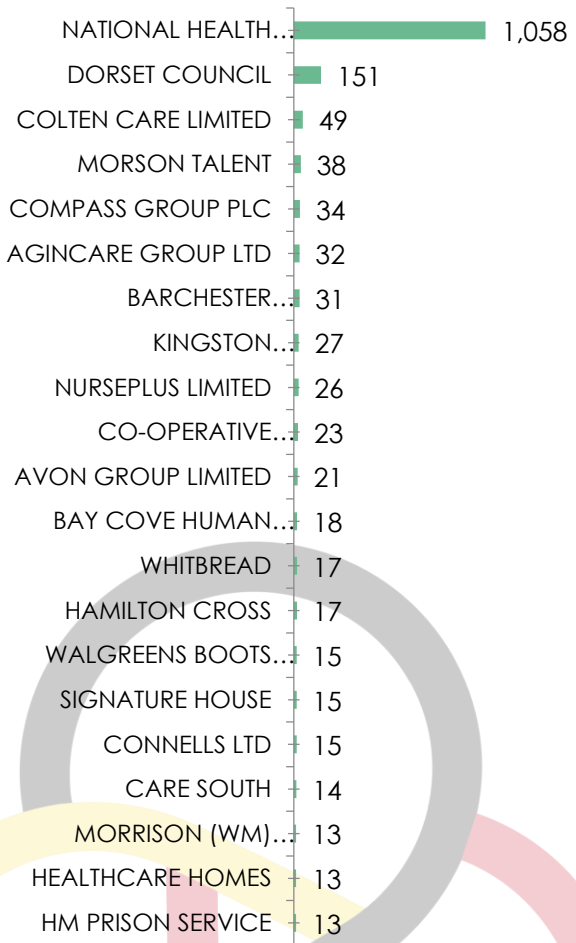


Top employers

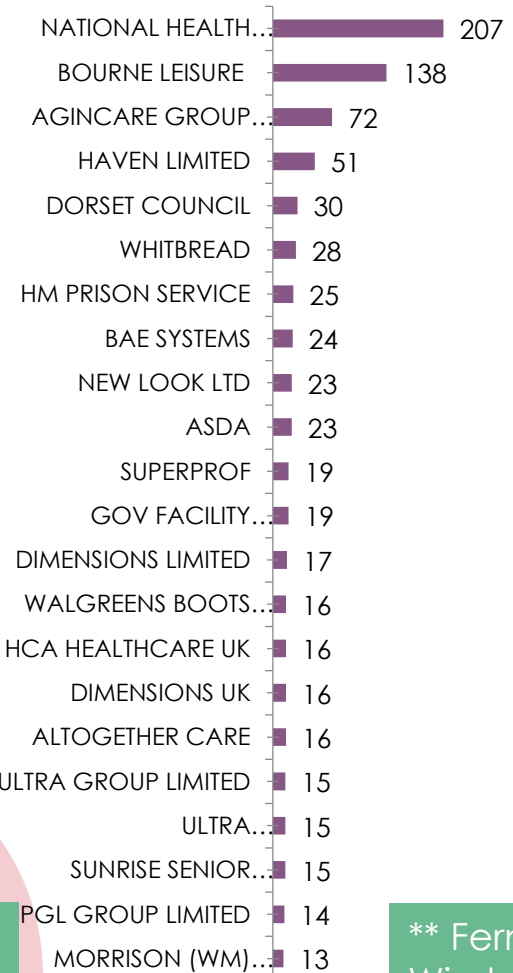
Dorset Council (Jan – Aug 2021)

While employers varied across Dorset C. areas, demand was more concentrated among health, social and residential care and public service employers, and to a lesser extent in defence, manufacturing, retail, tourism and hospitality ones.

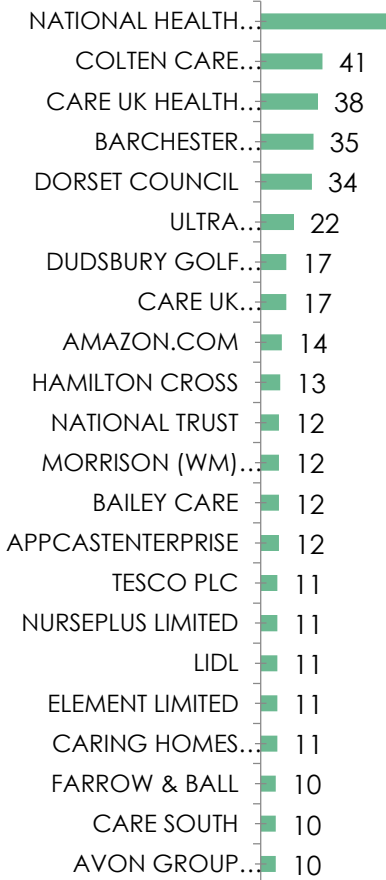
West Dorset*



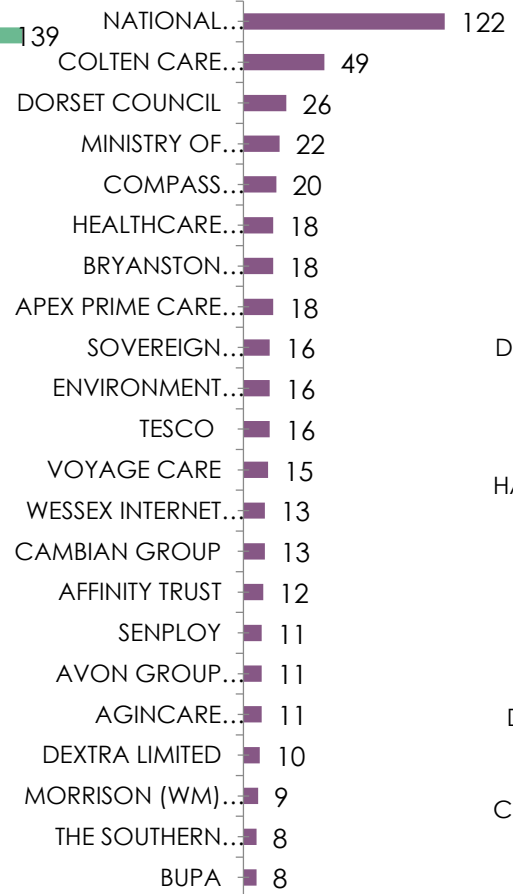
Weymouth & Portland



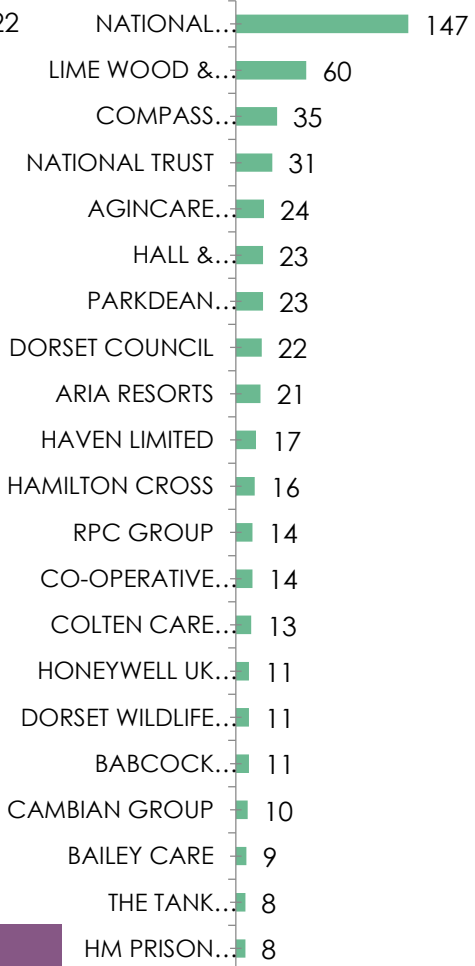
East Dorset**



North Dorset***



Purbeck



*Beaminster, Bridport, Dorchester, Lyme Regis, Sherborne

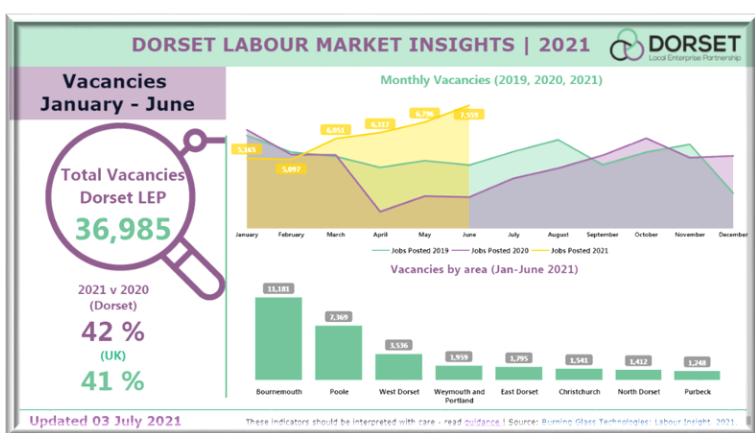
** Ferndown, Verwood, Wimborne

*** Sturminster Newton, Blandford Forum

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Key industries



Apprenticeship Statistics

