

Dorset Labour Market Insights

Q1 2023

At a national level the labour market has begun to show signs of softening with vacancy levels starting to fall, although still at historically high levels and many businesses continuously struggling to recruit.

The local picture appears to differ, with worker demand levels continuing to climb to new records and the market showing signs of near full employment, indicating a challenging situation for employers across the county with long-term sickness worsening.

Pressure remains on household incomes as inflation remains persistently high, particularly for food prices and worker mobility may be affected by an unprecedented squeeze on the rental market. It is difficult for employers to respond to these calls.

The economy



Latest ONS Quarterly Economic figures illustrate the UK economy is not growing but not shrinking. Economy avoids recession but stays mostly flat.

Economic growth as measured by GDP remained static, and inflation stayed stubbornly in double digits (10.1%) for the seventh month in a row.

In February 2023:

- **Services fell** by 0.1% after growing by 0.7% in January.
- **Production fell** by 0.2% following a fall of 0.5% in January.
- **Construction** grew by 2.4% after falling by 1.7% in January.

There are indications that wide-spread industrial action has impacted economic performance.



In its recent World Economic Outlook, the International Monetary Fund (IMF) reported the lack of growth leaves the UK behind other major economies. IMF forecasts that the UK would have the lowest GDP growth (-0.3%) in the G7 in 2023 (Germany is the only other G7 member whose economy is forecast to shrink) and this is projected to continue in 2024 when UK's growth is projected to be the second lowest in G7(+1.0%, ahead of Italy with +0.8%).



The S&P Global's flash estimates showed positive signs of accelerated business activity growth above forecasters' expectations in the Service sector and **Consumer Confidence also rose, as measured by the GfK Consumer Confidence Index**

The labour market (UK)



In their [latest Report on Jobs](#), the Recruitment and Employment Confederation (REC) noted that economic uncertainty has resulted in a marginal fall in permanent staff placements across the UK, whilst the growth in temporary job appointments rose to a six-month high.

For the first time in over two years recruiters also reported improved candidate availability – a possible sign of easing in the labour market tightness to be monitored over the coming months.

[The Bank of England](#) reported **employment intentions remained stable as activity held up a little better than expected.** Firms expected to *maintain headcount* over the coming year.

Few firms planned to cut jobs, and most said that if demand fell, they would reduce hours or allow headcount to fall through attrition (natural process of people leaving jobs), rather than make redundancies.

A sizable number of businesses planned to *expand workforce*, either due to *higher demand* (for example in professional services, IT and in some parts of manufacturing) or to address *labour shortages* (in hospitality, travel and tourism). **Recruitment difficulties eased but remained above normal.**



The labour market – UK vacancies & jobs

Vacancies



Jobs*



Nationally, ONS reports an estimated 4% fall in the number of vacancies in the first quarter of 2023 on the last quarter of 2022**. Where businesses were holding back on recruitment they cite economic pressures as a key factor.

Company size plays a role with the largest contraction (7.6%) in advertised vacancies seen among smaller businesses (employing up to 9 people).

The number of employee jobs on the other hand continued to rise, reaching a 3% increase on the year (data available to the end of 2022).

Much of the increase is attributed to people taking on jobs driven by financial squeeze. Food prices have soared (19,1%↑) and rents are going through the roof. The average rent has risen by 4.7% across the UK and reached 39% of the average income in Dorset. This compares to a quarter of the earnings in areas in the North ([link](#)).

[ONS Vacancies and jobs in the UK, April 2023](#)

*The number of jobs is not the same as the number of people in employment - a person can have more than one job.

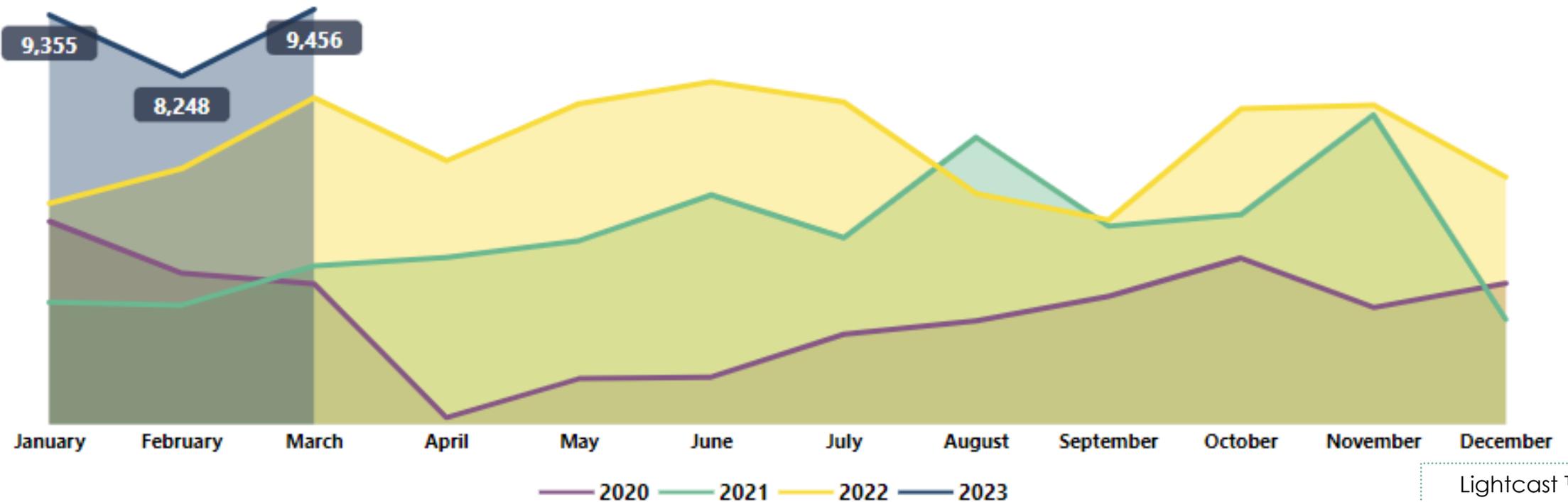
**Note. There is some variability in the data across sources - some showing a small increase.

A strong start for vacancies in Dorset



Counter to the national picture of softening demand, the year started strongly in terms of the scale of vacancies advertised in Dorset. There were on average 9,000 vacancies per month over the first quarter of 2023, which compared favourably to the same period in the previous three years (20, 21 and 22) and illustrates robust demand for workers across Dorset.

Monthly Vacancies (2020, 2021, 2022, 2023)



A new record in quarterly demand

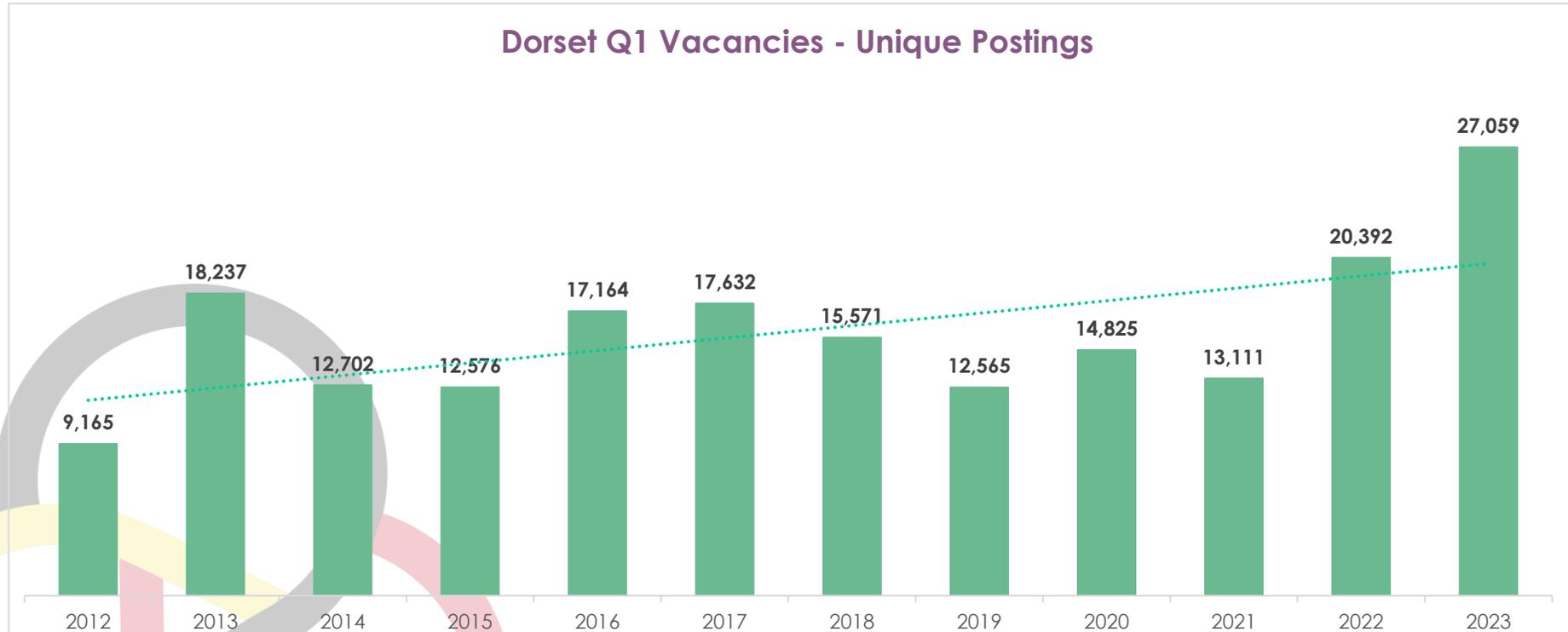


The aggregate vacancies advertised through the first 3 months of 2023 in Dorset hit a new record. This was one-third higher than the same period in 2022 and compared to a 1% fall seen across the UK. When comparing the two local council areas, vacancy growth was even more pronounced in Dorset where they grew by 38% vs 30% increase in BCP.

**Vacancies
Jan - Mar**

**Total Vacancies
Dorset County
27,059**

Dorset Q1 Vacancies - Unique Postings



**2023 v 2022
(Dorset)**

↑ 33%

(UK)

↓ -1%

A new record in quarterly demand



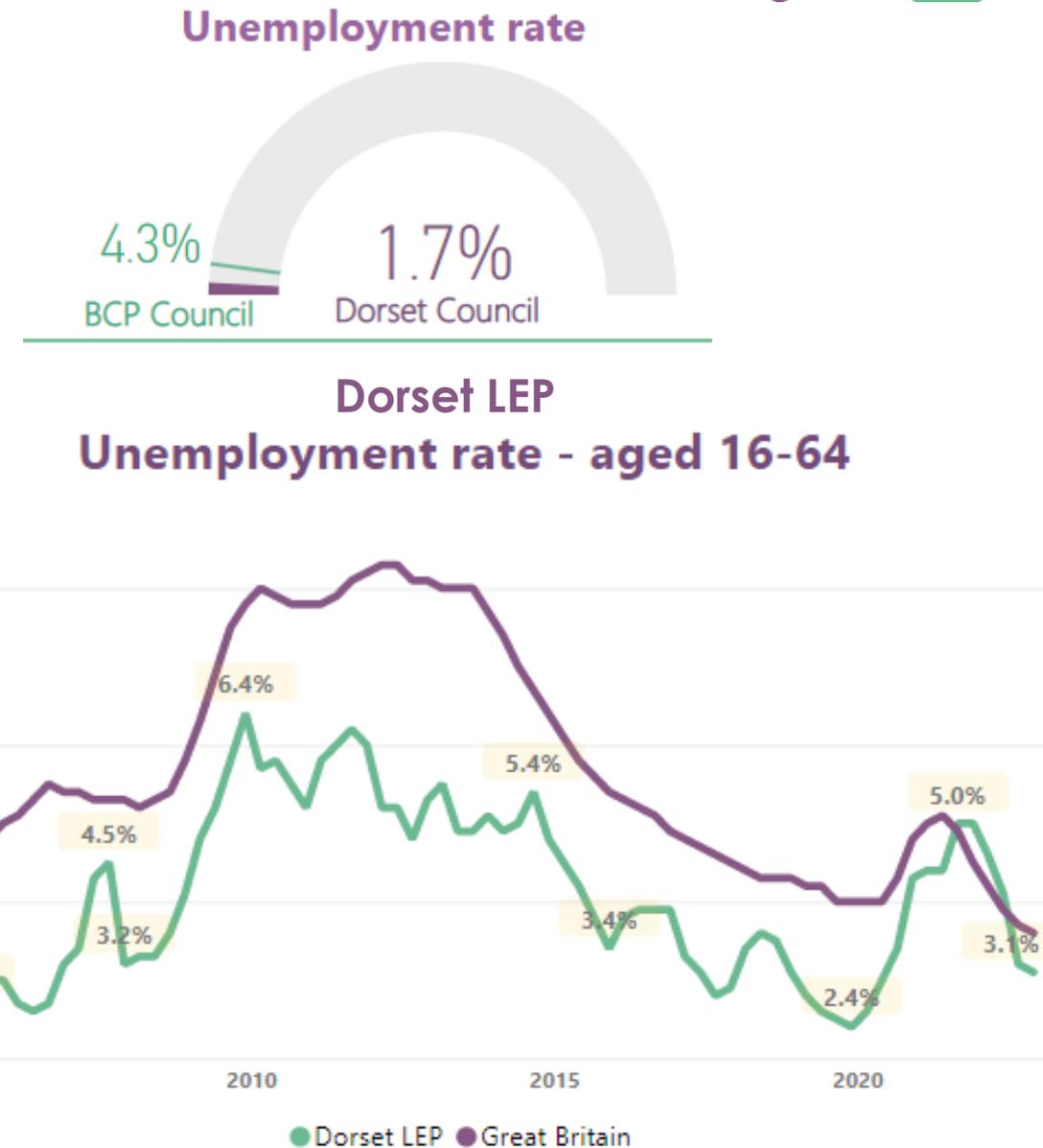
Unemployment rates in Dorset (LEP) have declined continuously since the last quarter of 2021 when they reached 5% and briefly overtook national rates for the first time on record.

The latest quarterly data indicates that only 3.1% of working age people in Dorset (LEP) were unemployed and looking for a job. Moreover, this figure hit a historic low in Dorset Council dropping to an estimated 1.7%.

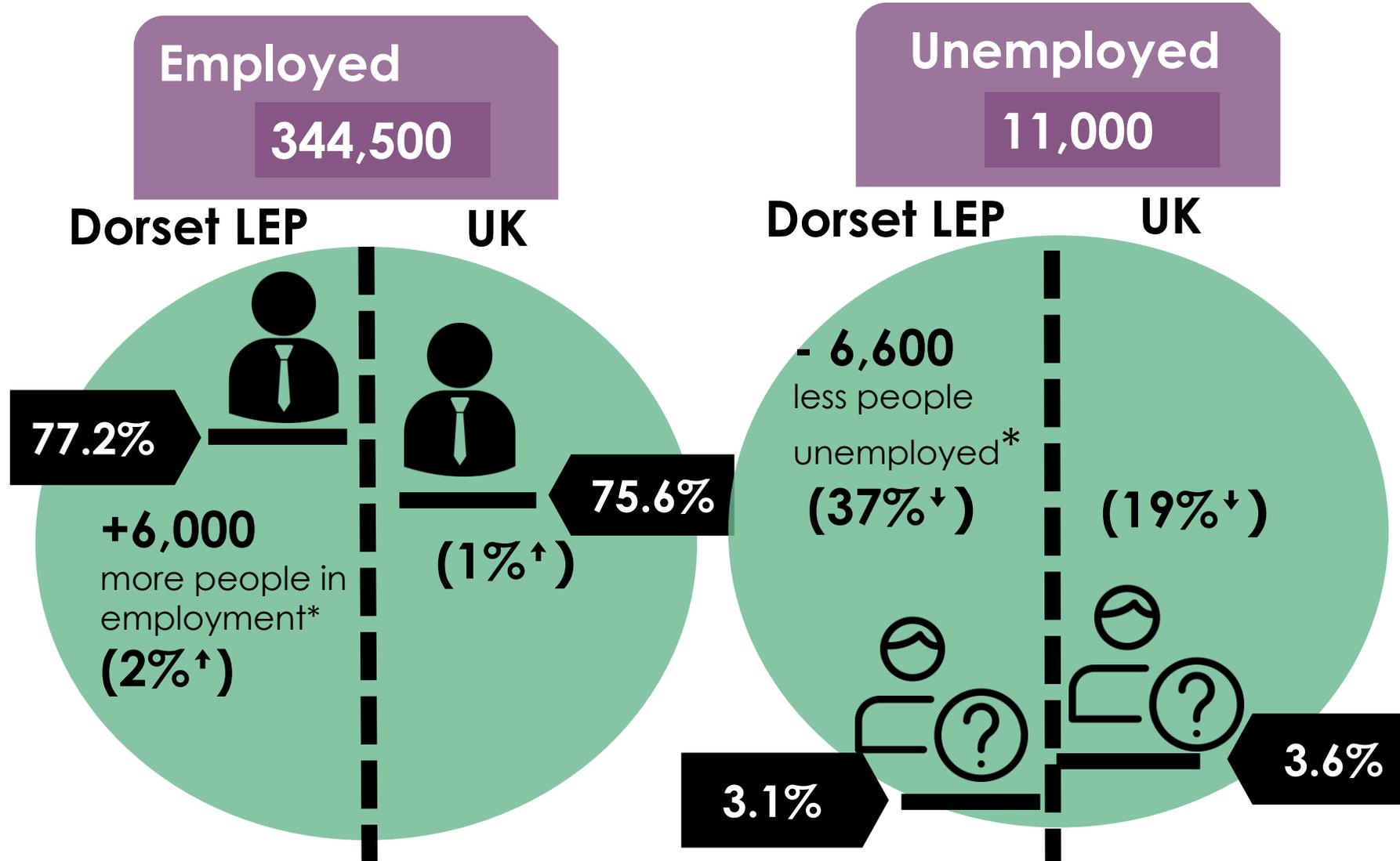
Taken with the increase seen in vacancies, these figures paint a picture of full employment in Dorset Council and with employment rates rising more than nationally, indicate a challenging market for employers across the county.

ONS Annual Population Survey

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



(Un)Employment



Both employment and unemployment rates in Dorset remain more favourable than the national figures.

There were 6,000 more people employed in Dorset (LEP) in the end of 2022 which marked a 2% increase from a year before, compared to a 1% increase in the numbers employed nationally.

The decline in the numbers unemployed in Dorset is even more impressive which fell by 37% compared to a 19% decline in the UK.

* Figures refer to the period Jan 2022-Dec 2022 in comparison to Jan 2021-Dec 2021 - ONS Annual Population Survey 2023

Chart of the quarter – changing Inactivity patterns

- Although employment rate has increased, it is still below pre-pandemic rates and the emerging economic inactivity patterns offer part of the explanation.
- Dorset's 77% employment rate in December 2022 was 2 percent points lower than in March 2020 and economic inactivity - circa 3 pp higher (and 3.5 pp in BCP). This represents a fifth of those aged 16-64 in BCP and close to a quarter of Dorset Council's workforce.
- Economic inactivity patterns mask **large rises in those out of work due to long-term ill health**, which according to IPPR research, costs the UK economy 43bn a year.
- The Institute for Employment Studies reports that UK is now the only major economy where this is the case saying disadvantaged groups (long term sick, NEET young people and women) are struggling to enter the workforce, which in turn is holding back growth.



Economic Inactivity Dorset LEP

90,500 / 21.5%

UK 8.7m / 21.6%

20.1%
BCP Council

23.1%
Dorset Council

Claimants

With some lag in employment figures, claimant counts over the first quarter of 2023 show some increase in the number of people on out-of-work benefits, particularly amongst young people, where unemployed remains higher than the whole workforce.

Out-of-work benefits



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

2.9%

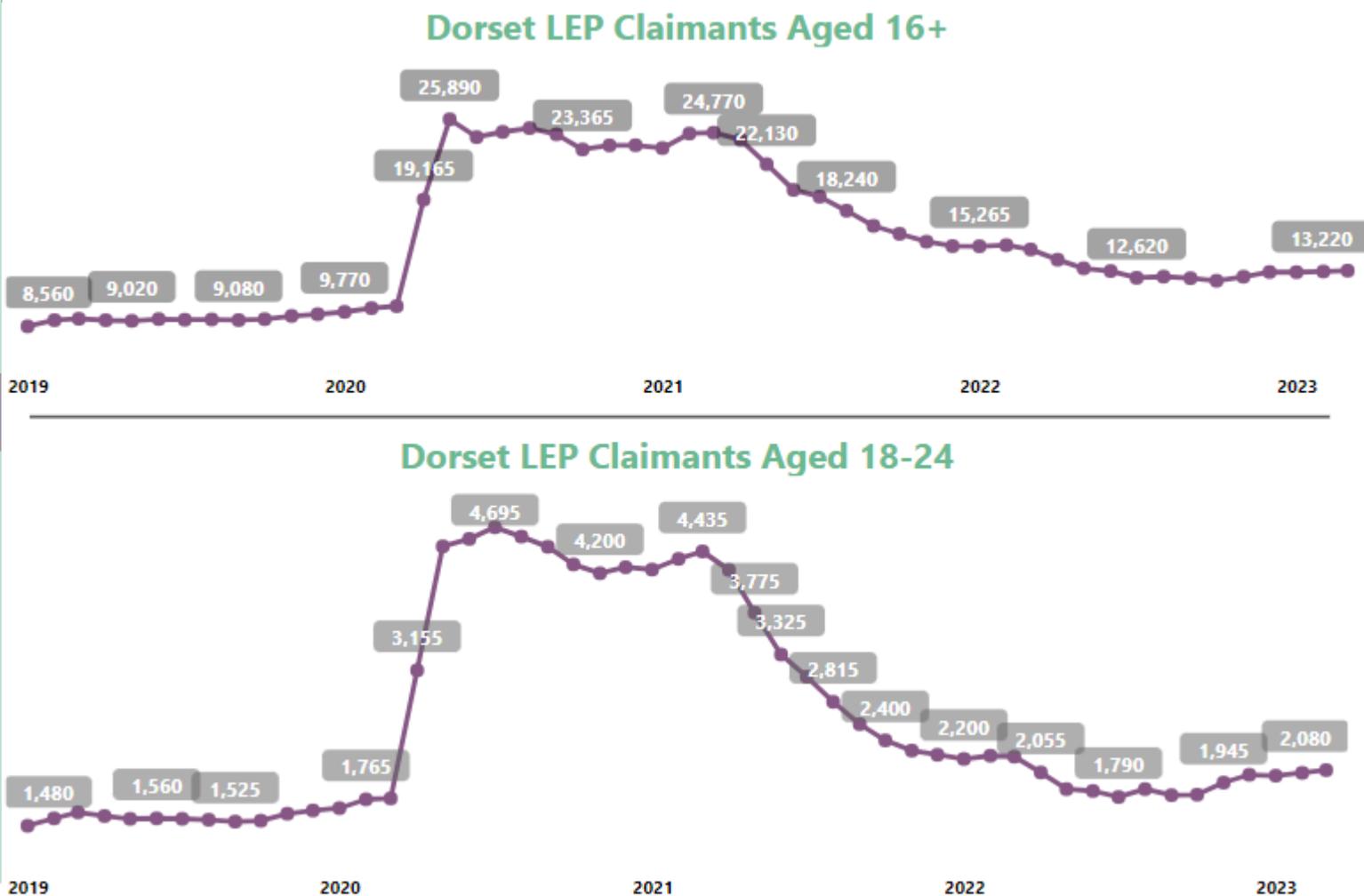
Youth unemployment



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

3.5%

Source: ONS, Claimant counts



Salaries

With a focus on the cost-of-living crisis and the squeeze on incomes due to persistently high inflation it is interesting to understand trends in salaries/wages being offered through advertised vacancies (noting this is a proportion of total jobs). The data suggests that advertised wages have not increased markedly locally – with offered salaries increasing marginally, or remaining flat. However, other evidence suggests that existing employees have seen wages increase – at least in nominal terms.

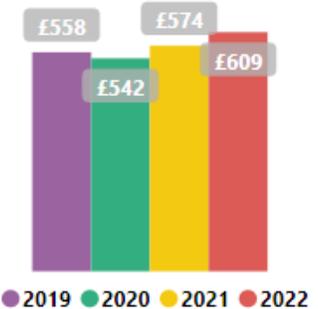
Full-time Workers Pay*

Area
Dorset LEP

Gross Weekly Pay (Mean (Average))*

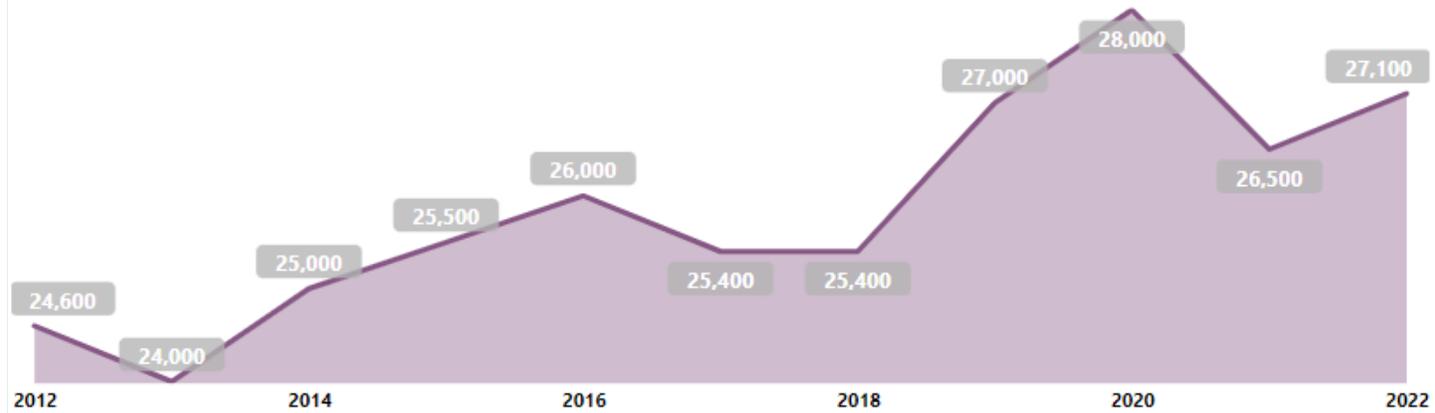


Gross Weekly Pay (Median)*

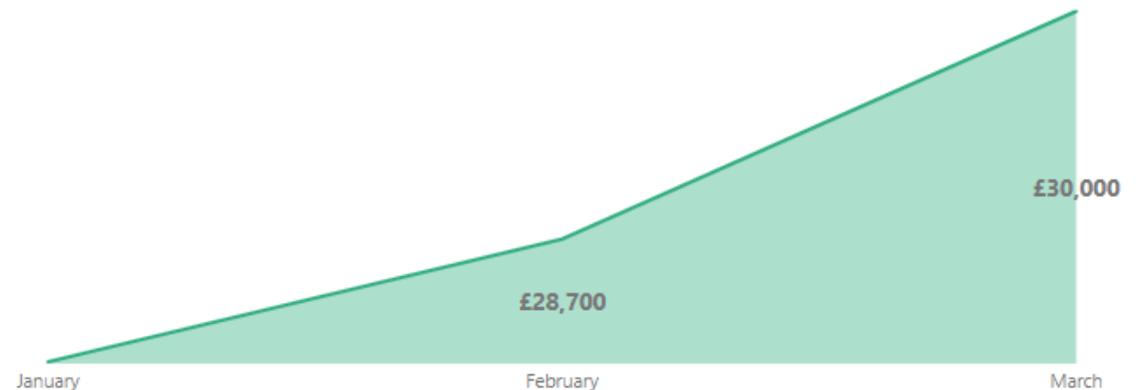


Advertised Salaries**

Dorset LEP Advertised Salary Mean- Annual



Dorset LEP Median by Month



Policy impact

The latest in the Resolutions Foundation's Low Pay Britain series notes that raising the wage floor – through the introduction of the National Living Wage in 2016 – has had a transformative impact on the pay of the lowest earners.

It has hugely reduced pay inequality.

The proportion of employees in 'low' hourly pay fell to 9% in 2022 - more than halved from 21% in 2015.

It has also **reshaped the distribution of pay growth.**

In the 1980s and 1990s, the highest earners saw the fastest pay growth and the lowest earners the slowest; this pattern has been reversed in the minimum wage era.



REPORT

Dorset recruitment trends:

Top employers



As is consistently the case, the NHS is by far the largest source of labour demand in Dorset – over 5 times as many as the second largest employer – BCP Council (excluding recruitment agencies). The NHS and the care sector continues to face significant skills shortages and recruitment difficulties. Demand has also been high at local Councils, JP Morgan, Holt Engineering, Ultra Group and residential care firms. The table also reflects that much recruitment still flows through recruitment agencies.

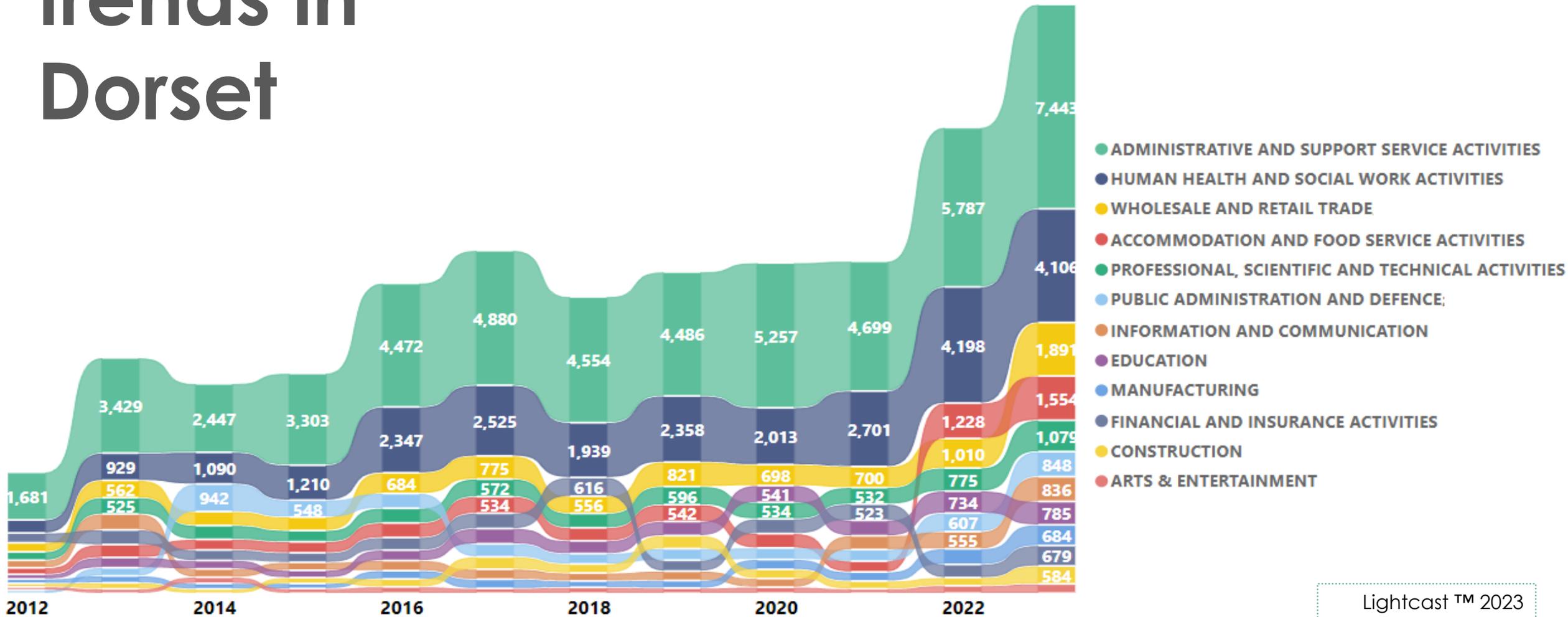
There has remained some strong demand by manufacturers and engineering companies, as well as those in the hospitality industry.

Top Employers	# Unique Job Postings
NHS	1,750
Rubicon Recruitment	381
BCP Council	314
Bond Williams	314
Dorset Council	300
JPMorgan Chase	237
Bourne Leisure	228
Hays	208
Newcross Healthcare Solutions	182
Randstad	159
Holt Engineering	157
Reed	150
Rise Technical Recruitment Ltd	146
Ultra Group Company Limited	142
Prospero Teaching	128
Adecco	114
Uber	102
Bournemouth University	95
Nigel Frank	94
Office Angels	94

Industry demand trends in Dorset

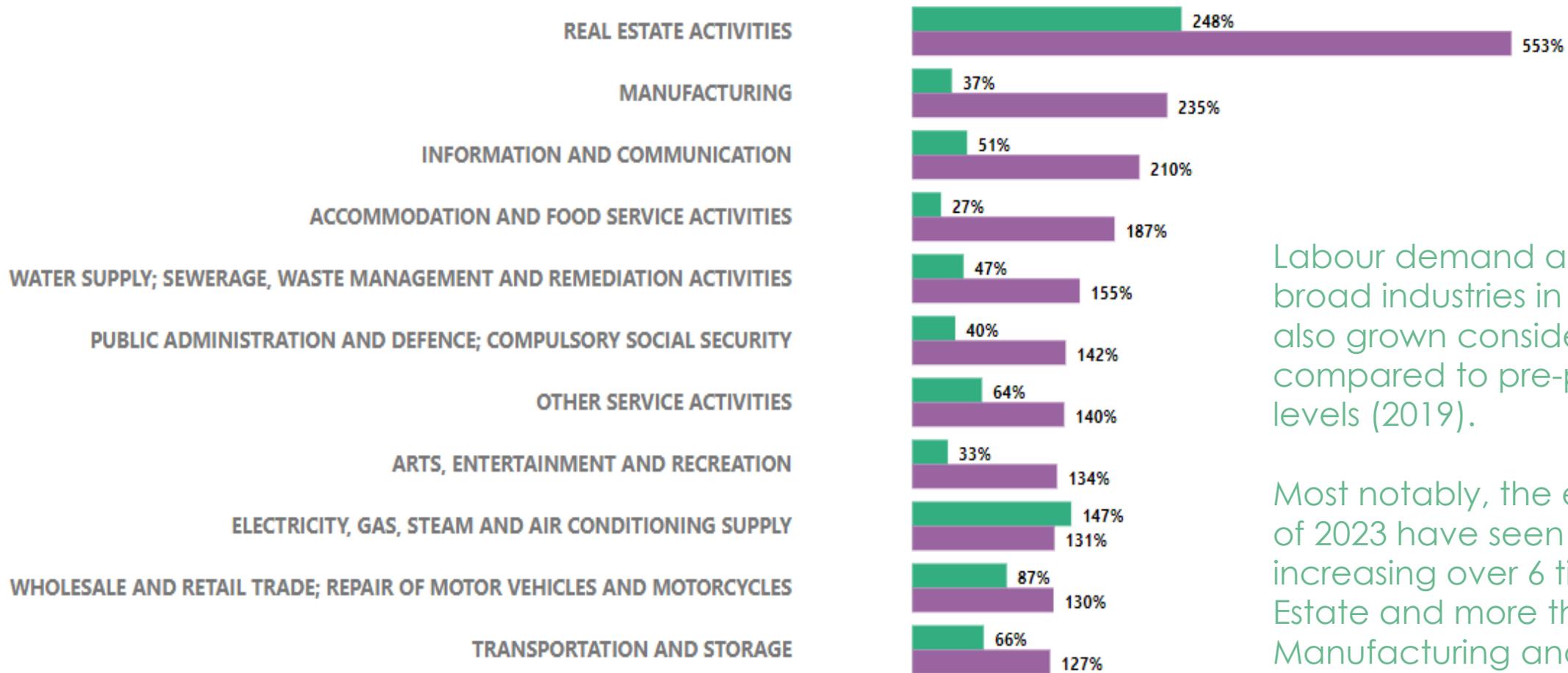
Looking at the industries with highest number of vacancies in the first three months, the largest numbers were advertised across Administrative services, Healthcare and Retail. When compared to the same period in 2022, vacancy levels in Quarter 1 increased across all industry sectors except Healthcare where demand fell by 2%.

The largest increases were noted in Construction (↑160%), Wholesale and Retail Sales (↑87%), Financial Services (↑66%), and IT (↑55%).





Top 10 industries by vacancy growth in Q1 2023



Labour demand across all broad industries in Dorset has also grown considerably when compared to pre-pandemic levels (2019).

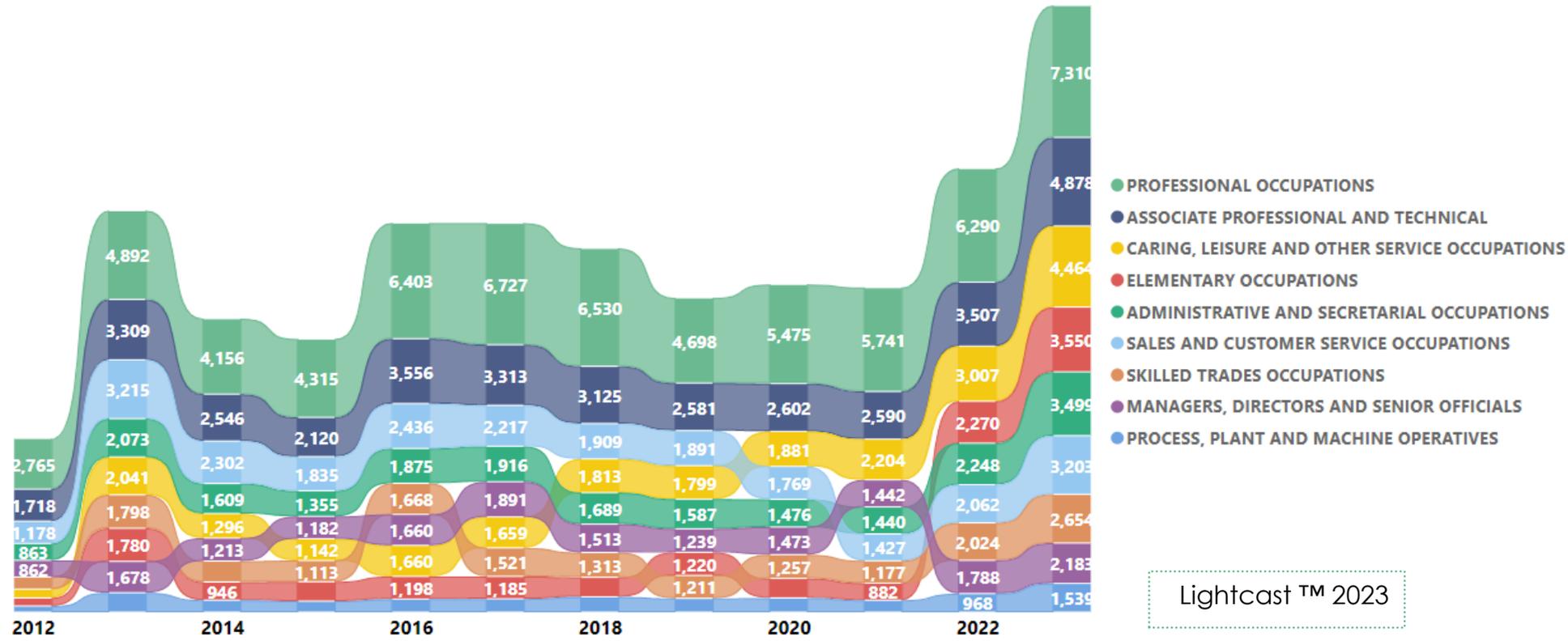
Most notably, the early months of 2023 have seen vacancies increasing over 6 times in Real Estate and more than tripling in Manufacturing and IT from 2019.

Vacancies by Occupation | Q1 2023

The Standard Occupation Classification (SOC), offers an approximation of jobs on the market that require high, medium or low skills and linked levels of education.

Occupations - long-term developments - Jan - March

SOC 1-3 Digits	High skilled jobs
1 – Managers 2 – Professionals 3 – Associate Professionals	Generally require a graduate level education
SOC 4-6 Digits	Med-range skilled
4 – Admin 5 – Skilled trades 6 – Caring, leisure, service	Mostly require a Level 3-5 education
SOC 7-9 Digits	Low skilled jobs
7 – Sales 8 – Process, machine operatives 9 – Elementary	Mainly Level 2 qualifications and below



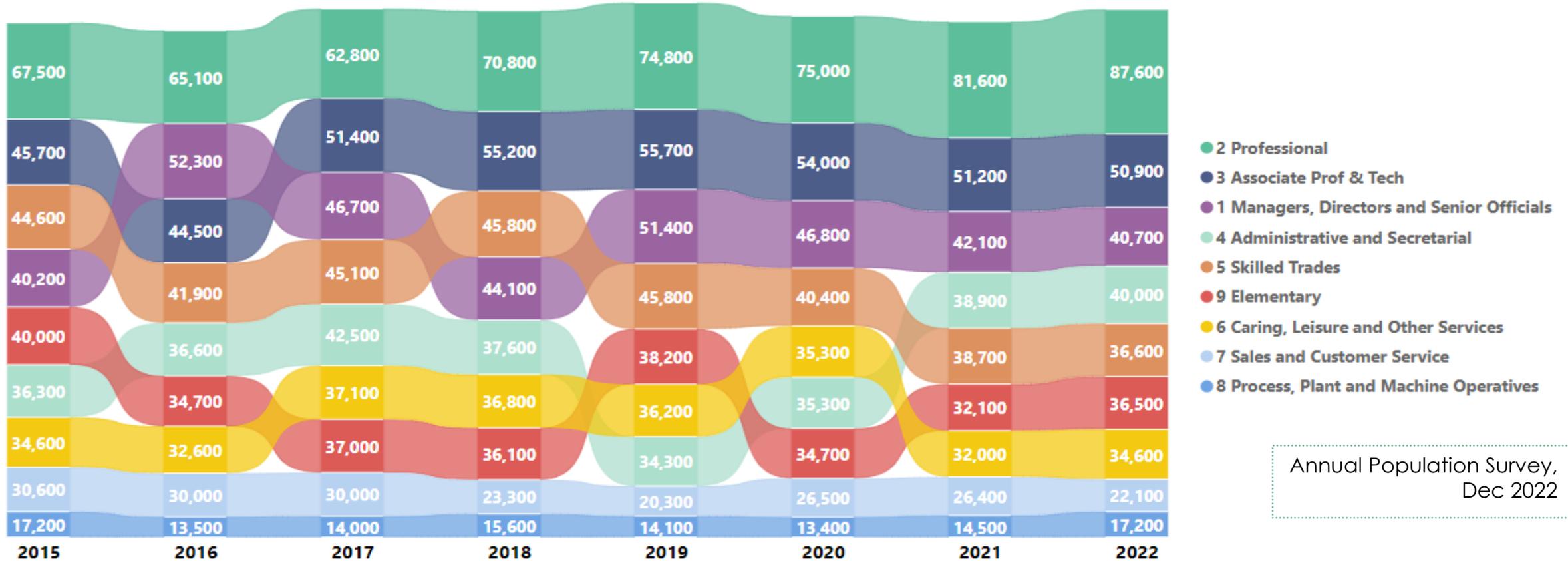
Lightcast™ 2023

The demand for lower and mid-skilled roles in Dorset have elevated in scale over the past decade, particularly for Elementary and Caring occupations, which have almost quadrupled since 2015, resulting in shrinking of high skilled vacancies as a proportion. This is likely a reflection of higher turnover, declining supply and possible changes in the way employers recruit for these roles in recent years. The openings for high skilled jobs (SOC 1-3) that typically demand university and college graduates in Dorset however remain critical to local growth. With c14,300 vacancies in Q1 they accounted for 43% of the advertised vacancies, whilst mid-skilled roles made up 32% and lower-skilled for 25% of demand.

[SOC 2020 Structure & Descriptions, ONS](#)

Employment by broad occupation

The existing employment figures illustrate that vacancies demand is not a mirror reflection of actual employment. The largest drops in employment over that period were recorded amongst those employed in low skilled roles (↓14%), mainly explained by a 28% Sales and 18% Skilled Trades declines. High skilled occupations (SOC 1-3) tended to dominate, accounting for half of all in employment and the occupational grouping that has seen a growth in employment since 2015 (↑17%), largely accounted by the increases in professionals (↑30%) and associate professionals (↑10%) in employment.



Annual Population Survey,
Dec 2022

High skilled occupations in Dorset Q1 2023

PROFESSIONALS

~7.3k jobs, 22%

Median advertised salary: 40k

Top roles: Nurses, Engineers, Teachers & Accountants

Top Sectors: Administrative, Health & Education

Top employers: NHS, JP Morgan, Councils, BU, BAE Systems

Top skills: Communications, Management, Customer service

ASSOCIATE PROFESSIONALS

~4.9k jobs, 15%

Median advertised salary: 30k

Top roles: Technicians, HR, IT Support, Marketing & Recruitment

Top Sectors: Administrative, Health, Retail

Top employers: NHS, JP Morgan, Hays, Councils, BU, Holt Engineering

Top skills: Communications, Customer service, Detail Orientation

MANAGERS

~2.1k jobs, 7%

Median advertised salary: 39k

Top roles: Finance, Project, Site Business Development Mngrs

Top Sectors: Administrative, Health, Trade & Finance

Top employers: NHS, JP Morgan, Hays, Councils, Vitality

Top skills: Management, Communications, Leadership

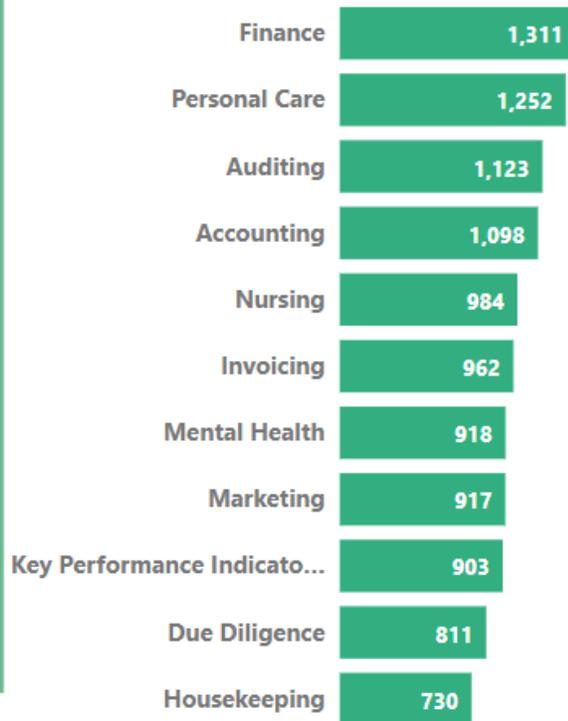
Skills

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

Many of these were less prevalent in candidate profiles (i.e. CVs) when compared to the volume of references in job postings (recognising that skill sets may not be accurately described in candidate profiles).

Top skills requested by employers

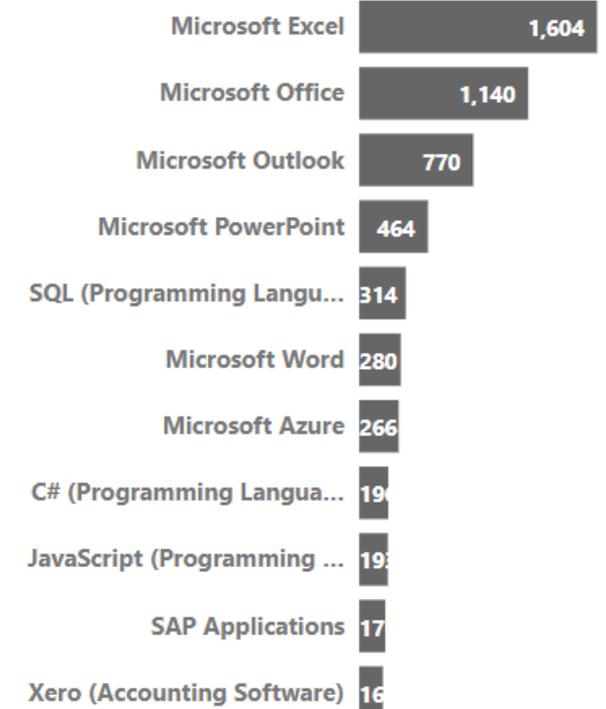
Top Specialised Skills



Top Soft Skills



Top Digital Skills

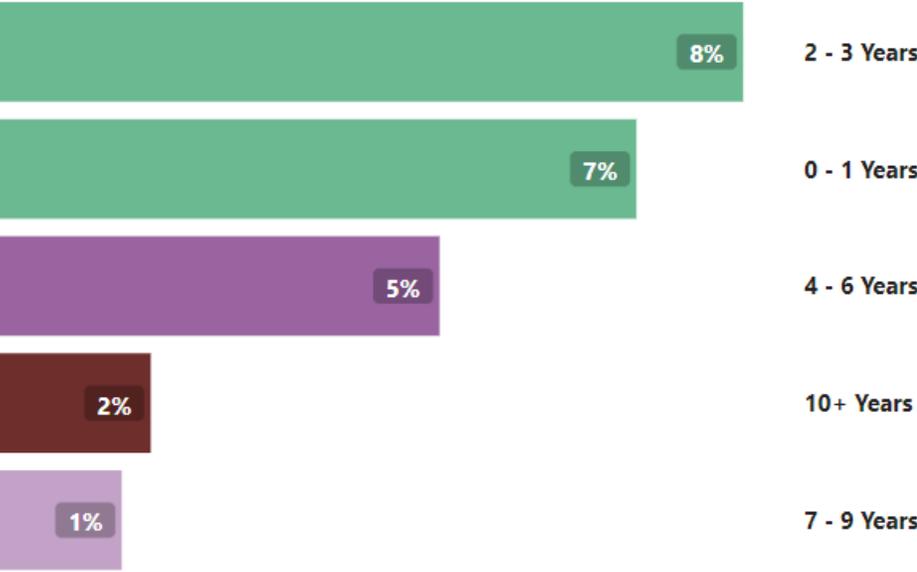


Education & Experience

| Q1 2023



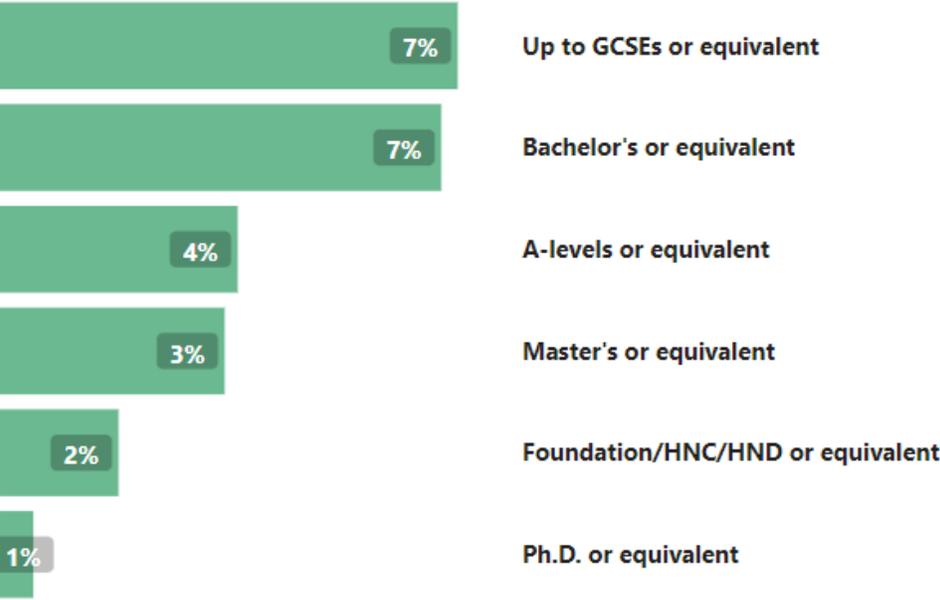
Experience Requirements*



Only 17% of advertised jobs specified experience requirements in terms of number of years. Where specified, two-thirds of the advertised jobs required less than 3 years of experience.

Only 18% of advertised jobs specified educational requirements. Where specified, over half of the jobs (57%) required degrees.

Education (Minimum Advertised)*



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



Remote & hybrid jobs

The [ONS estimates that around 12% of working adults work exclusively from home](#) (slightly lower than levels in previous data), with around three-quarters now travelling to work at some point during the working week (hybrid working) and around 40% solely worked from a non-home location. There are wide spared discussions on bringing people back to offices - [link](#).

The number of advertised vacancies that offered 'work from home' opportunities continue to increase. There were c1,500 jobs advertised as home-based (with many more offering hybrid-working opportunities), 29% higher than the same period in 2022 and 28% higher than the last quarter.

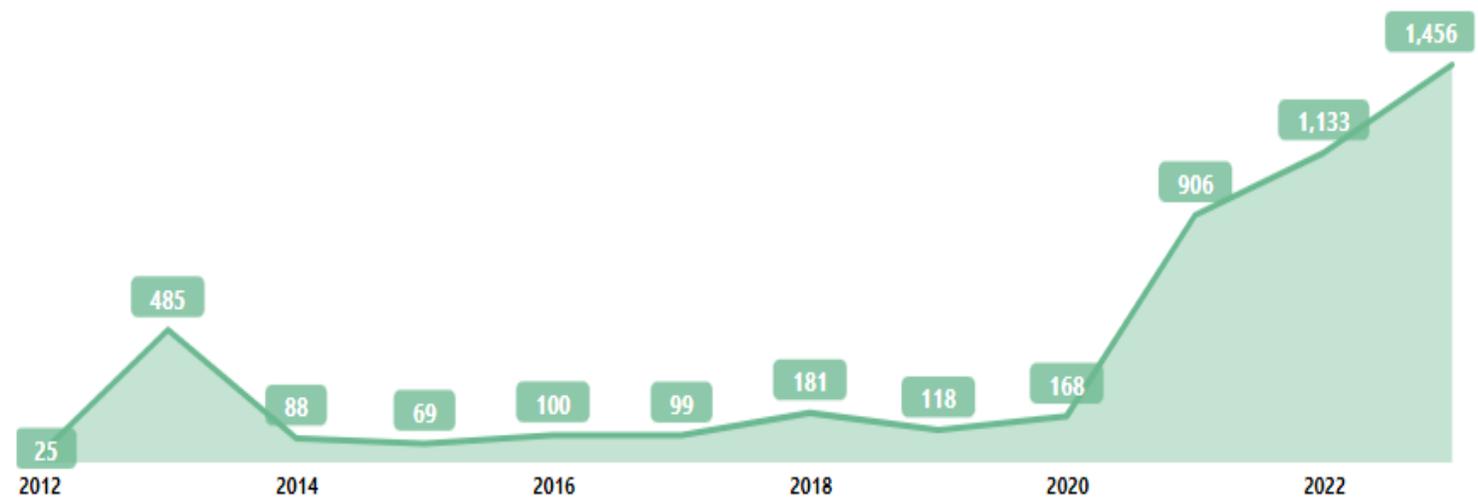
Vacancies offering remote or hybrid work in Dorset



2023 v 2022
29% ↑

2023 vs 2019
1134% ↑

Lightcast™ 2023



Working Futures Corner

The Institute for Employment Research has produced its latest projections for the size and shape of the employment and labour market in the UK and local areas up to 2035.

The megatrends expected to shape the future of work include:

- Brexit & Covid 19
- Increased adoption of technology
- Major demographic changes
- Major environmental changes

In the immediate future up to 2027

Decline in overall employment due to automation is expected in the Primary sector (Agriculture, Electricity and Water) and Manufacturing, while moderate growth in employment is projected in Construction, Trade, Accommodation, Transport, Business and Public Administration.

Significant employment growth is expected for:

- Higher level occupations, including managers, most professional occupations and many associate professional and technical roles;
- Caring, leisure and other service occupations;
- Net job losses are projected for administrative and secretarial occupations, skilled trade occupations, and process, plant and machine operatives;
- Elementary occupations will experience mixed fortunes, with some modest growth in jobs where tasks are not so easily subject to automation, but job losses in other areas.

Detailed local projections for new and replacement demand are also available for Dorset - [link](#).

Visit dorsetlep.co.uk/labour-market-and-skills-research to explore latest insights and our interactive dashboards
 Email DorsetLEP@bournemouth.ac.uk to subscribe for updates

Key Industry Posters

DESTINATION DORSET

- 77% employment rate
- +29,000 new jobs by 2030
- 5G Testbed
- Top Destination for Tourism & Retail
- Population of 777,000
- International Airport
- 2 Hours Train Journey
- 3 Harbours
- 3 Universities
- 80 Miles of Jurassic Coast
- 40% of Dorset Area of Outstanding Natural Beauty
- Start-up Hotspot

Start Your Career Here

The perfect mix of urban coastal and rural

ADVANCED ENGINEERING CAREERS IN DORSET

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

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
- Electricians and Electrical Fitters

Salaries

Engineering jobs top the average wage in Dorset by 11%

£30,000 Average annual salary

Key Subjects: Project Management, Problem Solving, AutoCAD

Top Skills: Digital, Soft

Local Authority: Bournemouth, Christchurch and Poole, Dorset

Local Enterprise Partnership: Dorset

Local Enterprise Partnership: Dorset

Local Enterprise Partnership: Dorset

Key industry dashboards

The GREEN (low carbon & renewable energy) economy

Turnover generated in the UK | 2020

£41 billion

Employment: in the UK 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 6%
- Energy-efficient lighting 4%
- Energy monitoring systems 3%

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

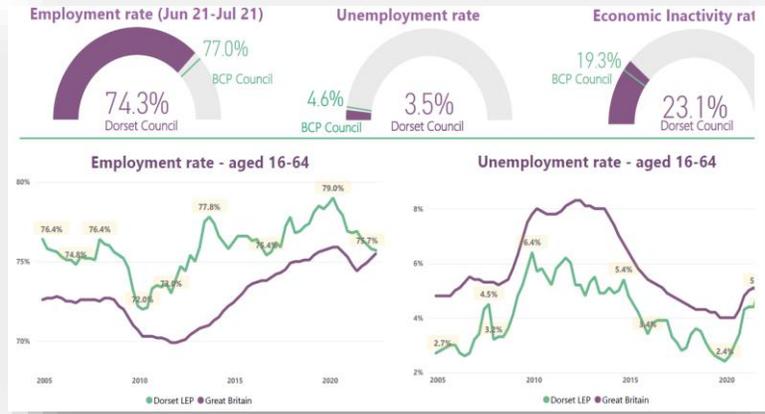
Explore Careers

Job help we'll help you find it

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

Updated: March 2022

Employment Insights



Apprenticeships finder

Apprenticeship finder in Dorset

Current Vacancies* 195

Click on a sector to see apprenticeship vacancies available

Sector	Vacancies
Sales Marketing and Pro...	38
Food and Drink	21
Hospitality	13
Business	6
Digital	5
Ad...	4
Health and Science	4
Housing	4
Travel	2
Customer serv...	10
Net...	2
Health and Science	4
Housing	4
Travel	2
Customer serv...	10
Net...	2

Search by Location

Search by Job Title

Search by Employer

Search by Training Provider

Apprenticeship Name	#	Employer	#	Training Provider	#
Retail leadership (integrated degree)	40	WM MORRISON SUPERMARKETS P L C (Verwood)	40	LIFETIME TRAINING GROUP LIMITED	49
Production chef	26	J D WETHERSPOON PLC ()	10	THE UNIVERSITY OF BRADFORD	40
Hospitality team member	17	MITCHELLS & BUTLERS LEISURE RETAIL LIMITED ()	9	YEOVIL COLLEGE	17
Travel consultant	16	BCP Council (Dorset)	7	HAYS TRAVEL LIMITED	16
Business administrator	12	HAYS TRAVEL LIMITED (Bournemouth)	6	ASPIRE TRAINING TEAM LIMITED	7
Early years practitioner	9			DUTTON FISHER	7
Senior housing and property	7				

Vacancy Insights

