



Dorset Labour Market & Skills Insights

The first quarter of 2021 was one of highs and lows: Dorset entered a fresh lockdown and a New Year simultaneously and marked a year since the start of the pandemic. The spike in cases seen at the beginning of the year subsided with over 60% of adults getting their first COVID-19 jab and cautious steps on the roadmap to easing the restrictions are well underway.

Our latest round of insights shows the labour market and skills responded accordingly: there was a decline in employment and a rise in furlough, but also a noted increase in vacancies towards the end of the quarter.

This issue also highlights the pandemic impact on inequalities, skills gaps and future of work nationally and in Dorset.

With some new employers on the vacancy front and the majority of companies planning to recruit, Dorset is gearing up for a sunny summer.

Quarter 1 2021

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Contents

Dorset Key Findings	3
Unemployment, furlough, out-of-work benefits increase	3
Recruitment activity picking up	3
Dorset Apprenticeships finder - latest vacancies and statistics	3
Top employers and job creation in Dorset at the start of 2021	4
Demand grows in ICT, property, construction and finance sectors	4
Dorset LEP and Skills Advisory Panel & Board Skills Initiatives	4
□ Dorset Investment Prospectus goes live	4
□ Mid-Life MOT is launched with a programme of bookable free events and a digital toolkit	4
□ Dorset Local Skills Report goes live – book for future of skills event	4
□ Virtual work experience call for businesses approaches deadline	4
□ New Apprenticeship Finder in Dorset dashboard launched	4
□ Digital skills bootcamps applications have closed	4
□ The Careers and Apprenticeship Show going ahead on 20th May	4
Key skills strategy findings	5
Place: COVID 19 effects on inequalities	5
Recovery: Skills Bridges to support career change	6
After the storm – 5 main jobs and skills areas for post-pandemic recovery	7
Sector Spotlight: Cyber Security	7
Qualification spotlight: Graduate employment more resilient during pandemic	8
Futures: The digital skills gap	8
The future of work after COVID-19 -	10
Government’s Initiatives	11
Budget 2021	11
Skills for Jobs White Paper	11
Lifetime Skills Guarantee - Fully-funded courses for Adults without a Level 3	12

Dorset Key Findings



Unemployment, furlough, out-of-work benefits increase

Employment rate in Dorset LEP fell by almost 2 percentage points (ppt) over the past year.

While employment remained higher in Dorset than the national average (76.7% Dorset; 75.4% UK), the decline was more pronounced (1.9 ppt vs 0.4 ppt UK average). This represents an estimated 8,400 fewer people in employment at the last quarter of 2020 than in 2019 and 3,600 fewer than the previous quarter. In fact, the BCP area has seen a more significant 4 ppt decline in employment rate with 11,000 fewer people in employment while Dorset Council surprisingly marked an increase of .7ppt and 2,700 more people in employment compared to 2019.

Unemployment increased at a similar rate to 4.2%, which is still lower than the 4.7% UK average, but the gap has narrowed.

There were 24,910 people claiming out-of-work benefits in March in Dorset, which continues to be almost 2.5 times higher than the same time last year, accounting for 5.5% of residents (6.5% UK reference).

Young people are even more affected with 4,470 -7.7% of those aged 18-24 in Dorset (9.1% UK) claiming job or income support.

56,000 people in Dorset were furloughed at the end of February – 17% of the eligible employments - over twice as high as October-November of last year and higher than the 15% average nationally. Almost half (26,000) of furloughed employments were in Tourism, Hospitality and Retail. Sector breakdowns nationally show Tourism, Hospitality and Arts and Entertainment had over half the eligible employees furloughed while Public administration and Defence, and Health and Social work with less than 4%.

26,600 people were in receipt of Self Employment Income Support - increase of 4,000 on the previous month, c 62% take-up (65% in UK). The Centre for Economic Performance [analysis](#) shows movements from self-employment to employment were at their highest levels for 20 years. Also in January, c57% of self-employed workers were reporting incomes of less than £1,000 per month, up from 31% in January 2020.

Recruitment activity picking up



There were over 16,300 vacancies advertised in Dorset in the first quarter of 2021 - 95% of 2020 and 97% of 2019 levels.

In January alone vacancies were down by a fifth on last year (and a quarter down across the UK). Despite the continued lockdown, the difference narrowed in February, while in March, they grew by a fifth on the previous month and overtook their 2020 and 2019 levels for that month by 15% (see [Vacancies and Opportunities](#) dashboard)

Dorset Apprenticeships finder - latest vacancies and statistics



Created in collaboration with local partners, the [Dorset apprenticeship finder](#) dashboard is published.

Following overall trends, apprenticeship opportunities were on the rise with 88 vacancies in Dorset in March 2021 – 20% higher than the same time last year.

Apprenticeships and traineeships in 2019/20 (Aug 19 – July 20) headlines:

- Apprenticeship starts were down by 10% on 2018/19, which compared to 18% in the UK. National figures show that during the period of lockdown (23 March to 31 July 2020), there were 60,860 starts - a 45.5% drop compared to the same period in 2018/19.

- Almost half of starts (41% with UK reference of 46.8%) were by those aged 25+

- The largest proportion of starts in Dorset were in **Engineering and Manufacturing Technologies**, which made over a quarter of all starts (26.5%) This and the next three most popular sector subjects:

- Health, Public Services and Care
- ICT; and,
- Business, Administration and Law,

accounted for four fifths (82%) of starts in 2019/20 in Dorset. Greatest decline of over 40% was recorded in Leisure, Travel and Tourism.

Top employers and job creation in Dorset at the start of 2021



The National Health Service, J.P.Morgan, Bournemouth University, the Councils and residential care firms continued to be the top recruiters, with

Checkatrade and the Office for National Statistics joining the chart and new jobs projected:

A [£14m governmental investment](#) in standards on importing animal products expected to create 500 jobs across 21 authorities including BCP.

[Two new Aldi stores in Poole](#) are set to create 60 new jobs.

Plans taking place to build a [Travis Perkins](#) in Boscombe.

['Hundreds of jobs' to be created](#) in plans to transform Parnham House in Beaminster by building a 'batman' adventure wonderland.

Demand grows in ICT, property, construction and finance sectors



While labour demand **fell** by over a half when compared to last year in accommodation and food, arts, entertainment, and recreation over the first quarter, demand **grew** in ICT, property, public administration and defence, construction, financial and other services as well as the health and social care sector.

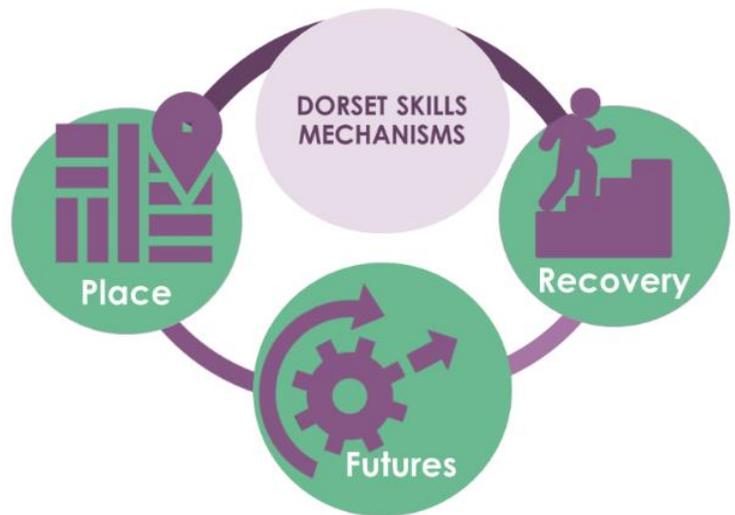
Labour demand also increased on last year for a number of occupations:

- [Agriculture, Horticulture and the Outdoors](#)
- [Construction, Building, Architecture](#)
- [Marketing, Media, Public Relations, IT, HR, Finance, Planning and Analysis](#)

Dorset LEP and Skills Advisory Panel & Board Skills Initiatives

- [Dorset Investment Prospectus](#) goes live
- [Mid-Life MOT](#) is launched with a programme of [bookable free events](#) and a digital toolkit
- [Dorset Local Skills Report](#) goes live – book for [future of skills event](#)
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Key skills strategy findings

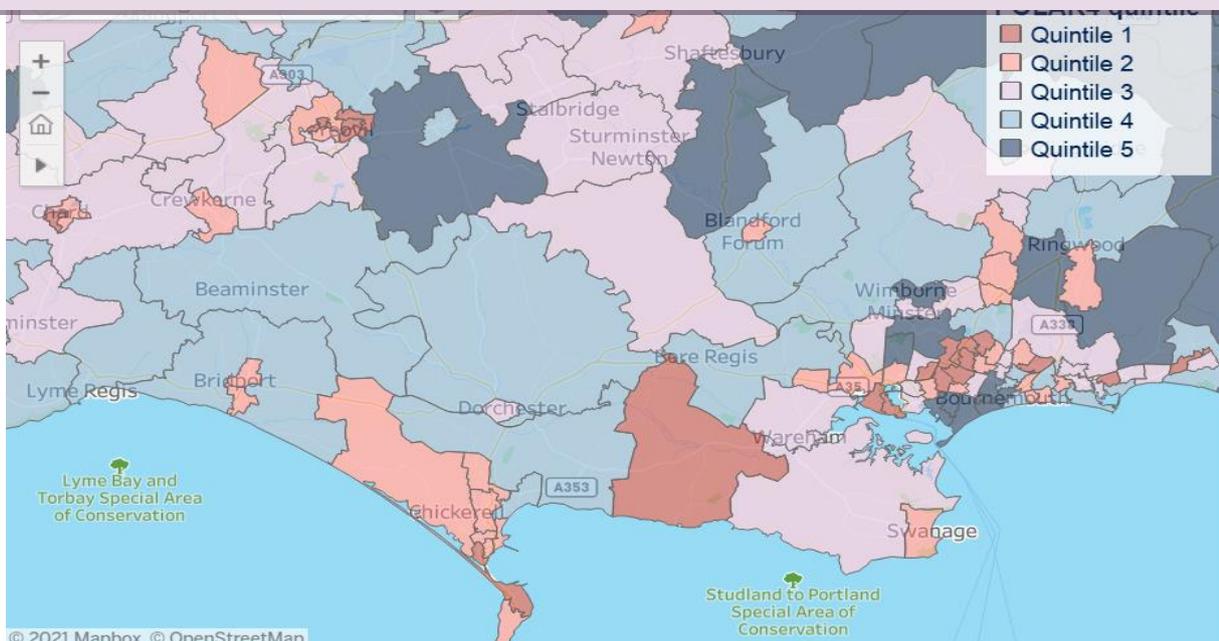


Place: COVID 19 effects on inequalities

While achievement gaps have narrowed, there are notable disparities in HE participation across Dorset

The OfS [key performance indicators](#) for HE participation and outcomes outline significant progress in narrowing the achievement gap for students with disabilities and black students throughout the pandemic. Yet, there was still a participation gap of 28.9 percentage points between the most and least represented areas: only 30% of the least represented (Quintile 1) were participating in HE, whereas the proportions were double (59%) in the most represented areas.

The [interactive maps](#) of how likely students are to participate in HE according to where they live, illustrate notable disparities across Dorset. In parts of the County (including areas of Weymouth and Portland, Purbeck, Bournemouth, Poole and Christchurch) participation was as low as 13% (quintile 1 assigned), whereas in neighbouring parts of Bournemouth and Poole, a 100% of young people participated in HE (and quintile 5 was assigned).



Public perception on social mobility worsens with the pandemic

The Social Mobility Commission published their annual [2021 Social Mobility Barometer](#), unveiling concerns of increased social division in Britain because of the pandemic. The findings concur with growing evidence that those from the most disadvantaged backgrounds are most affected by the pandemic with over half (56%) thinking the outbreak has increased inequality in Britain. People in the South are much more likely to describe the opportunities for progression in their area as 'good': 74% in London; 31% in the North East.



Recovery: Skills Bridges to support career change

A third of Britons want to change careers, but only 16% understand how their skills could be useful in another career. Skills bridges could be the key.

[New research](#) by Burning Glass Technologies and City & Guilds Group reveals a third (32%) of Britons had no idea where else their current skillset might be useful. When asked to consider changing careers to move into new industries, people were concerned about starting over. They felt they lacked knowledge and expressed an overall lack of confidence.

As Dorset LEP's [Vacancies and Opportunities](#) dashboard illustrates, labour market demand is picking up and there are growing sectors and opportunities to reskill. This has been confirmed by new [BBC report](#) on 2,000 firms of which 56% plan to hire in the first quarter of 2021. The sectors with the most vacancies are likely to be Healthcare, Finance and Insurance, Education and ICT.

- **Skills Bridges**

With a shift in available jobs, this report suggests the most effective way to change careers is for people to harness their transferable skills.

To help solve this problem, City & Guilds, in partnership with FutureLearn, has launched ['Skills Bridges'](#) to help individuals who work in industries impacted by Covid-19 to reskill and switch careers into growing industries or those facing labour shortages. The first phase of Skills bridges focuses on the social care sector. The [Step into Social Care course](#), available on the FutureLearn platform, promotes the social care sector and the jobs and progression opportunities it can offer.

As noted in Dorset LEP's [Vacancies and Opportunities](#) dashboard, the Health and Social care sector has grown by a quarter throughout 2020 and demand for care related occupations has increased by a fifth. Also, according to [Ucas statistics](#), record numbers have applied to study nursing at UK universities during the pandemic, applications rising by almost a third (32%), motivated by inspiring stories from wards over the past year.

Skills Bridges have secured funding from Nesta's Rapid Recovery Challenge and are set to grow in response to the UK jobs market and will include FutureLearn courses in sectors such as digital and construction.

Dorset LEP is supporting the Nesta's Rapid Recovery challenge.

After the storm – 5 main jobs and skills areas for post-pandemic recovery

[New research](#) by Burning Glass Technologies ascertains “fundamental patterns of how we work, produce, move, and sell will never be the same” post-Covid. Using current and historical vacancy database, along with expert views, the report anticipates the types of jobs and skills that will be most important in the post-pandemic labour market. They identify **5 main areas that will shape the recovery**:



- **The Readiness Economy**, including public health, cybersecurity, biotech, infrastructure and a range of fields that provide social resilience. Roles like cybersecurity experts and software engineers will be in demand, but so will project managers and other organisers of work.



- **The Logistics Economy**, including advanced logistics skills, advanced manufacturing and pharmaceuticals, big data analytics, the Internet of Things to create chains that are both efficient and resilient.



- **The Green Economy**, steadily shifting to conservation, renewables, waste management, recycling, and environmental sciences, engineers and technicians to meet ambitious climate goals.



- **The Remote Economy**, in at least some fields and roles, the shift to remote work forced by the pandemic is likely to be permanent. There are growing opportunities in Ed-tech, network systems, cloud technology, e-commerce, while eventually artificial and virtual reality will play a larger role.



- **The Automated Economy** - accelerated adoption of automation, artificial intelligence, natural language processing and machine learning is expected. Jobs developing and driving automation and robotics will thrive across sectors, but mostly concentrated innovation expected in healthcare, finance and investment, as well as in computer vision and autonomous driving.

Sector Spotlight: Cyber Security

[Linked to the rise in the readiness economy, new report from the Department for Digital, Culture, Media and Sport reveals that between 2017 and 2019:](#)

- the number of cyber security firms in the UK increased 44 per cent
- employees working in the sector were up 37 per cent, and
- there was a 47 per cent increase in revenue from the sector.

8% of cyber companies operate in the South West with 110 registered cyber security businesses. Bristol, Bournemouth, Exeter and Plymouth are among the key towns, and companies such as BAE Systems, Draken (previously Cobham), JP Morgan, Curtis Wright etc. The rapid move to digital operating models since the start of the pandemic has also accelerated cyber-attacks and the need for more specialists.

Cyber Security vacancies in Dorset increased by 13% in 2020 on 2019. The median advertised salary was £36,000 and 75% of jobs requested a Bachelor's degree. Bournemouth University offers [a range of Cyber Security courses](#). There were 113 jobs posted over the first quarter of 2021.

Qualification spotlight: Graduate employment more resilient during pandemic

The [Dorset Local Skills Report](#) forecasted a continued shift to high-level qualifications with over 88% of jobs projected to become available in Dorset over the coming years (c.144,000 jobs) expected to require graduate level (Level 5+). According to the latest ONS [analysis of the pandemic impact on the graduate labour force](#), focusing on unemployment, occupational shifts and the skills mismatch, graduate workers were also better able to stay in jobs and change jobs during the crisis, (albeit not always at the same job quality). They find:

- Graduates are on average less likely to be unemployed than non-graduates:
 - 76% of unemployed individuals do not hold a graduate degree
 - Unemployment rate for graduates between Quarter 1 2017 and Quarter 3 2020 was 3.0%, compared to the total average of 4.2%
 - Unemployment rate increased to 4.6% in Quarter 3 of 2020 for graduates, compared to 5.1% for non-graduates
- The coronavirus crisis resulted in the redeployment of workers from most adversely affected occupations and graduates are more likely to have moved into top tier and high-skilled occupations:
 - 70%+ of graduates in employment are concentrated in the top three occupations: managers and directors, associate professional and technical occupations, and professional occupations and their proportion in these occupations has increased during the crisis, while biggest declines in the proportions of graduates employed occurred in administrative and secretarial occupations.
 - Similarly, the proportions of graduates employed in high-skilled occupations increased during the pandemic, while the proportions in lower skilled and elementary occupations decreased.
- However, when looking at recent graduates, they have been amongst the hardest hit with proportions of unemployed recent graduates reaching a peak of 12% in Quarter 3 2020 (only below the non-seasonally adjusted [youth unemployment rate](#), which stood at 13.6% in Quarter 3 of 2020).



Futures: The digital skills gap

A third of employers reporting advanced digital skills gaps while ICT participation declines at GCSE level

[Recent Learning & Work Institute research](#) surveyed digital skills

demand with 1000 businesses exploring the perspectives of employers and young people:

- **What did employers say?**
 - 9-in-10 of the said basic level of digital skills is important,
 - 1-in-4 required advanced digital skills.
 - 3-in-5 expected reliance on advanced digital skills to increase over the next five years.
 - **1-in-3 felt they had an advanced digital skills gap.**

- **What did young people say?**

- Young people recognise the importance of digital skills: nearly 9-in-10 say digital skills will be essential for their career.
- There is a gender gap with 3-in-5 young males interested in a digital career, compared to 2-in-5 young females, and there is a similar gender gap in young peoples' confidence in their digital skills.

At a time when the demand for AI, cloud and robotics skills are soaring, participation in ICT subjects in schools and further education has declined. The BBC warns of a 'Catastrophic Digital Skills shortage Disaster' as the number of young people taking IT subjects at GCSE level dropped by 40% since 2015. Upskilling today's young people in digital technology is vital as well as providing the knowledge about the range of job opportunities available.

As shown in Dorset LEP's [Vacancies and Opportunities](#) dashboard the top 20 digital skills in Dorset were:

Top 10 Digital Skills Dorset	# Q1 Job Postings (Dorset)	# Q1 Job Postings (UK-wide)
Microsoft Excel	1,072	145,900
Microsoft Office	703	87,088
Software Development	410	43,173
SQL	357	53,808
JavaScript	297	40,001
Software Engineering	291	33,253
Microsoft Word	259	31,859
Java	224	31,703
Hypertext Preprocessor (PHP)	213	13,252
Microsoft C#	205	33,432
Enterprise Resource Planning (ERP)	204	19,109
Python	192	40,379
Microsoft Powerpoint	182	32,297
Git	175	16,669
LINUX	172	22,361
MySQL	161	9,457
.NET	129	19,440
AutoCAD	117	11,953
Scrum	117	18,070
Customer Relationship Management (CRM)	115	15,530

Source: Burning Glass Technologies: Labour Insight. 2021

The future of work after COVID-19 -

[This research](#) by McKinsey Global Institute examines the long-term impact of COVID-19 on work in eight economies and finds **the physical dimension of work is a new factor shaping the future of the work** illustrating concentrated *pandemic impact in four work arenas* with high levels of proximity: **leisure and travel, on-site customer interaction, computer-based office work** and **production and warehousing**.

- **COVID-19 accelerated three trends that could persist to varying degrees**
 - **1) Hybrid remote work.** 20 – 25% of workers in advanced economies could work from home three to five days a week, mainly in the computer-based office work arena.
 - **2) Growth of e-commerce and the “delivery economy,”** which was two to five times faster in 2020 than before the pandemic, is likely to continue.
 - **3) Automation and AI have adoption to cope with COVID-19 disruptions** may accelerate in the years ahead, putting more robots in manufacturing plants and warehouses and adding self-service customer kiosks and service robots in customer interaction arenas.

These trends will likely affect work arenas and countries in varying ways and raise new questions for cities. Workforce transitions may be larger than estimated, and the share of employment in low-wage job categories may decline.

Depending on how extensively these trends stick, scenarios suggest that more than 100 million workers in the eight countries may need to switch occupations by 2030, a 12 percent increase from before the virus overall and as much as 25 percent more in advanced economies.

Luring staff back to the office: funky spaces, yoga, gyms and live music

[New case study analysis](#) suggests companies are rethinking offices as spaces to collaborate, socialise and have fun.

Government's Initiatives

Budget 2021

Delivered by Chancellor on Wednesday, 10 March, [the Budget](#) combines a raft of measures to continue supporting the Covid-ravaged economy in the short term, with some fiscal policies that aim to start addressing the debts in a couple of years' time. The key announcements include:

- A six-month extension to the furlough job support scheme, £20 weekly increase in Universal Credit, and stamp duty cut.
- The level of capital investment will be maintained and a new 'super- deduction' will be introduced to encourage business investment.

Key announcements on skills

- New "flexi-job" programme that enables apprentices to work with a number of different employers in one sector.
- Boost in cash incentives for businesses taking on apprentices, rising to £3,000 per hire from 1 April.
- £126m investment in traineeships, to lead to up to 40,000 additional places for 16 to 24 year-olds in 2021/22.
- In-work training -'Help to Grow' schemes to improve management and digital skills across the labour market.
- Additional support for schools and colleges with a one-off £302m Recovery Premium for state primary and secondary schools.

Bournemouth has 21.7 million [Town's Fund funding](#) confirmed as part of the Budget.

Skills for Jobs White Paper

Highlights of the new measures are:

- A new role for business groups, including Chambers of Commerce, working alongside colleges to develop skills plans to meet local training needs.
- The above business groups supported by a new £65 million Strategic Development Fund to put the plans into action to help pay for the:
- New College Business Centres to drive innovation and enhanced collaboration with employers.
- Giving employers a central role in designing almost all technical courses by 2030, to ensure that the education and training people receive is directly linked to the skills needed for real jobs.
- Boosting the quality and uptake of Higher Technical Qualifications – by introducing newly approved qualifications from September 2022 supported by a government-backed brand and quality mark.

- Reforms will enshrine the flagship Lifetime Skills Guarantee so everyone can get the skills they need, when they need them, and secure jobs with higher wages that support the economy
- Changing the law so that from 2025 people can access flexible student finance so they can train and retrain throughout their lives, supported by funding in 21/22 to test ways to boost access to more modular and flexible learning.

Read [commentary](#) from the Career Development Institute (CDI) of the white paper's implications for career development.

Lifetime Skills Guarantee - Fully-funded courses for Adults without a Level 3

The new Lifetime Skills Guarantee courses which include 400 new courses will commence this month. This means that all adults without a Level 3 (A-level equivalent) can study a range of courses free of charge. The courses cover a number of sectors from Childcare to Engineering. For a full list of courses visit [.gov](#) website. This offer is for students aged 24 and over to study for their first full work-focused qualification at level 3. This offer will also be available to adults aged 19 to 23 alongside the 19 to 23 level 2 and level 3 legal entitlement offer. This will help them gain skills that are in high demand, and to either change jobs or find work in new sectors.

