

London Local Skills Improvement Plan 2026

Refreshed evidence base

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1. Introduction

Purpose and scope

This evidence base supports the 2026 refresh of London's Local Skills Improvement Plan (LSIP). It provides an updated picture of London's labour market and employer skills needs, focusing on where conditions have changed since the first London LSIP was published in 2023.

It builds on the previous [LSIP evidence base](#), supporting evidence for [London's Inclusive Talent Strategy](#) (ITS)¹, and recent Skills England research and analysis. Rather than restating London's labour market in full, it updates the evidence most relevant for the refresh.

The evidence base is intended to inform judgement and prioritisation. It aims to support a shared understanding of:

- recent labour market trends and emerging skills needs
- recruitment and workforce challenges faced by London employers
- sectoral and occupational evidence that can inform education and training provision, employer action, and wider system priorities.

Consistent with national LSIP guidance, the analysis focuses on employer demand for skills. Evidence is structured around a set of pan-London priority sectors and key occupations, reflecting the previous LSIP and the [2025 London Growth Plan](#). Some areas of economic activity, including parts of the frontier innovation and experience economy, are not covered in full.²

Approach

The analysis draws on the latest available data on labour market conditions, workforce characteristics, and skills demand in London, including:

- Office for National Statistics datasets
- Skills England reports, data tools, and analysis
- employer surveys and Lightcast online job postings data
- administrative data from government sources
- GLA modelling and analysis.

The main emphasis is London-wide, with comparisons with England³ and sub-regional differences highlighted where they are material. Where evidence has not changed in recent years, this is often noted rather than repeated. Links to supporting publications, dashboards, and annexes are provided throughout.

¹ In particular, see: [Inclusive Talent Strategy and Get London Working Plan Evidence Base](#) (hereafter referred to as the ITS evidence base or supporting evidence for the ITS).

² Moreover, in several cases the analysis relies on proxies (eg online job postings) or broad data definitions (eg SIC codes) which may not capture all relevant activity in priority sectors.

³ Unless otherwise stated, national data comparisons typically refer to England.

Limitations

The evidence base is intended to inform judgement and prioritisation alongside employer insight and local and sector intelligence.

Much of the analysis uses vacancies, employer surveys, and other data as indicators of skills demand and challenges. These provide useful signals but do not capture all underlying demand or recruitment difficulties. For example, online job postings do not capture demand for roles recruited by word-of-mouth.

Data quality, availability, and timeliness also vary across sources, sectors, and sub-regions.

How to read this report

Different readers may find different sections most useful:

- **Policymakers, local leaders, and system partners**
 Chapters 2 to 5 describe how London's labour market has changed since 2023 and the factors shaping skills demand and supply.
- **Employers and business representatives**
 Chapter 5 brings together evidence on recruitment pressures, skills gaps, and emerging needs in key London priority sectors. Chapter 4 includes cross-cutting analysis of transferable, digital, and green skills.
- **Education and training providers**
 Chapter 5 sets out sector-level skills demand alongside evidence on workforce supply and qualifications in Chapter 3.
- **Researchers and analysts**
 Annexes, data tables, and linked dashboards also provide detail on data sources, methods, and limitations to support further analysis and interpretation.

2. London's labour market at a glance

London is the largest labour market in England. It is home to one sixth of the population and working-age population, but accounts for a larger share of jobs, higher-level qualifications and international workers, and has a particularly high concentration of employment in the LSIP priority sectors covered in this evidence base.

Many of these features were set out in the [2023 LSIP evidence base](#) and remain defining characteristics of London's economy. Table 1 restates this context, providing a reference point for the analysis that follows. The [supporting evidence](#) for the Inclusive Talent Strategy (ITS) also provides a recent overview.

The remainder of this chapter focuses on how London's labour market has changed since the 2023 LSIP evidence base, particularly in relation to jobs growth, hiring conditions and participation in the labour market. The main emphasis is on recent changes that affect skills demand, recruitment and workforce supply.

Summary of key points

- Labour market conditions in London have eased since the post-pandemic peak. Jobs growth and hiring have slowed since 2022, with workforce jobs increasing by less than 1% between December 2022 and September 2025 and overall reports of worker shortages falling over the same period.
- Outcomes for Londoners have shifted as hiring has slowed. Employment estimates have been volatile, with the employment rate below recent peaks. Unemployment has risen more clearly, increasing from 4.9% in early 2023 to 7.6% at the end of 2025, while economic inactivity has fallen, though it remains high in absolute terms. This pattern suggests more Londoners are active in the labour market but unable to find work. Wider commentary indicates that young Londoners are particularly exposed to weaker hiring conditions.
- Structural features continue to shape skills and workforce challenges. London's economy remains characterised by a large number of small businesses, a high reliance on migrant workers in several priority sectors, and persistent employment gaps for some groups of Londoners, all of which remain relevant for the LSIP refresh.

Table 1: London labour market and skills system – selected indicators

Indicator	London	England	Share of England	Latest period
Population and scale				
Total population	9.1m	58.6m	16%	mid-2024
Working-age population (16–64)	6.3m	36.9m	17%	mid-2024
Workforce jobs	6.4m	31.3m	20%	Sep 2025
Labour market outcomes				
Employment rate (16–64)	74% (4.6m)	75% (27.7m)	17%	Oct-Dec 2025
Unemployment rate (16+)	7.6% (398.0k)	5.5% (1.7m)	24%	Oct-Dec 2025
Youth unemployment (16–24)	22% (124.9k)	17% (673.9k)	19%	Oct-Dec 2025 (NSA)
Economic inactivity rate (16–64)	21% (1.3m)	21% (7.5m)	17%	Aug-Oct 2025
Workforce characteristics				
Residents aged 16–64 qualified to Level 4 or above	62% (3.8m)	47% (16.1m)	23%	2024
Residents aged 16–64 with no qualifications	5.6% (343.1k)	6.6% (2.3m)	15%	2024
Non-UK nationals in resident workforce*	42% (2.0m)	21% (5.7m)	35%	Dec 2024
Employee jobs in selected London LSIP priority sectors**	1.35m	5.3m	25%	2024
Skills system scale				
HE student enrolments	549.4k	2.38m	23%	2024/25
Adult (19+) education and training participation	232.3k	1.17m	20%	2024/25
Apprenticeship participation (16+)	83.9k	761.5k	11%	2024/25

Source: GLA Economics analysis of ONS, Nomis, HESA, DfE. Table created with Datawrapper.

Note: *payrolled employments held by non-UK nationals; ** total, defined using a non-overlapping set of SIC divisions and subclasses aligned to pan-London LSIP priority sectors; jobs are counted once only.

Population and scale

London is home to around 9.1 million residents, including 6.3 million (69%) aged between 16 and 64 years, making it by far the largest regional labour market in England. In practice, London's labour market extends beyond its resident workforce, with large numbers of people commuting into and out of the capital for work.⁴

London's population has increased in recent years, driven by high levels of international migration, alongside continued net domestic outflows and slower natural population growth.⁵

London remains younger and more ethnically diverse than England as a whole. The median age of residents is 35.7 years, compared with 40.2 years across England.⁶

Draft 2024-based GLA population projections suggest that London's population will continue to grow over the medium to long term, but at a slower pace than in the period up to around 2016.⁷ Challenges highlighted in the previous LSIP evidence base persist, including falling numbers of young people in the medium-term, longer-term population ageing, and uncertainty around future migration trends.

Population profiles by sub-regional partnership area are shown in [Table 2](#).

Labour market conditions since 2022

At the time of the previous LSIP evidence base, London's labour market was characterised by a strong post-pandemic recovery and very high labour demand, with widespread recruitment difficulties reported by employers.

Since then, conditions have changed. Jobs growth has slowed across multiple measures, attributed to factors including weaker economic conditions and rising employment costs.⁸

In September 2025, there were an estimated 6.4 million workforce jobs in London, held by residents and commuters (Figure 1). Since the end of 2022, total jobs growth in London has been muted and similar to England as a whole (up 0.7% compared with 0.9%). Over this period, workforce employee jobs increased (+127,000), while self-employment continued its longer-term decline (-76,000).

Payrolled employee data show that, after a rapid recovery, the number of London residents on payrolls levelled off from 2023 and has fallen across most parts of the capital over the past year (Figure 2).⁹ The total number of Londoners on company payrolls has fallen faster than the national average over the past year, falling by 1.1% overall in the year to December 2025, compared to a decrease of 0.6% across the UK.

⁴ The total number of jobs in London is significantly larger than the number held by London residents alone. For example, at the end of 2019, 1.0 million people were commuting into the capital for work. Source: ONS (2022) [Homeworking in the UK – regional patterns: 2019 to 2022](#)

⁵ For a discussion, see: GLA Demography (2024) [London's Population](#)

⁶ See: ONS (2025) [Estimates of the population for England and Wales \(mid-2024\)](#)

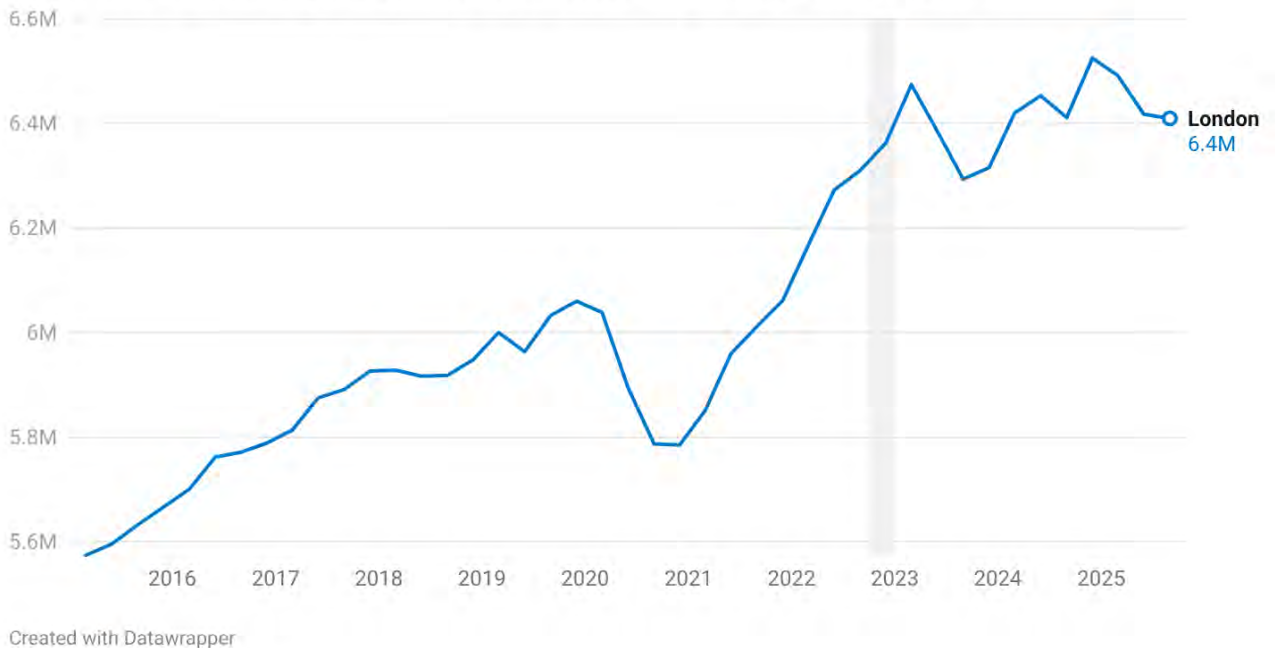
⁷ GLA Demography (2025) [GLA 2024-based population projections – research outputs](#)

⁸ See, eg, [Resolution Foundation \(2025\)](#). More specific factors include the fading of the post-pandemic rebound, higher interest rates, tax rises, business uncertainty, and sector-specific slowdowns. Technological change may also be affecting hiring patterns, but its overall impact remains unclear at present.

⁹ GLA Economics (2025) [London Labour Market Update: December 2025](#).

Figure 1: Workforce jobs in London remain high, but growth has stalled after a rapid post-pandemic recovery

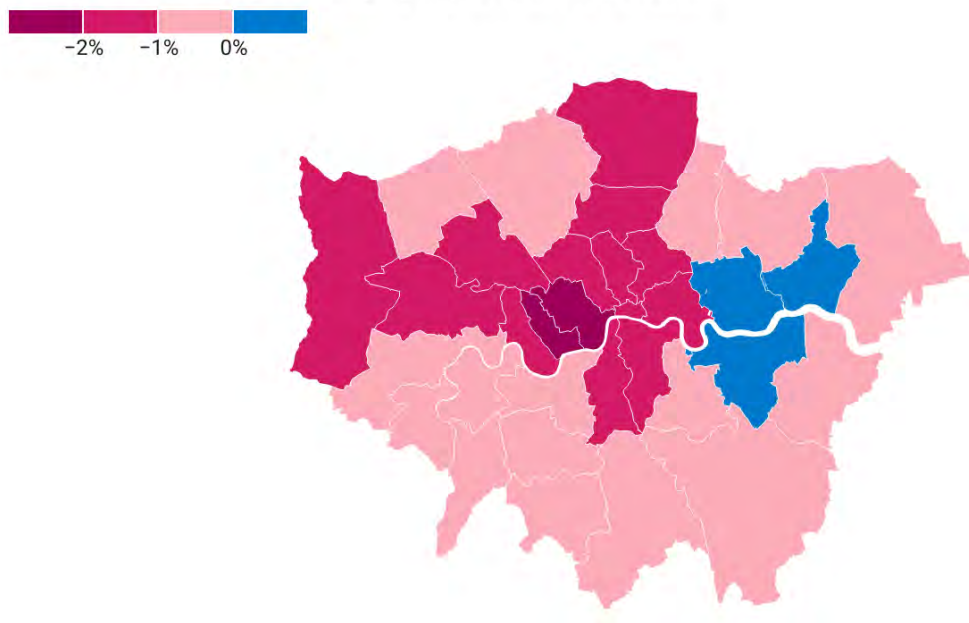
Total number of workforce jobs in London, 2015–2025 (latest data for September 2025)



Source: ONS Workforce Jobs (seasonally adjusted). Note: The margin of error for all jobs is +/- 1.6% for London and +/- 0.6% for the UK. Note: grey lines indicate the timing of previous LSIP data.

Figure 2: The number of residents on company payrolls has fallen in most London boroughs over the past year, especially in central London

Change in resident payrolled employees, Nov 2024 to Nov 2025



Map data: © Crown copyright and database right 2018 • Created with Datawrapper

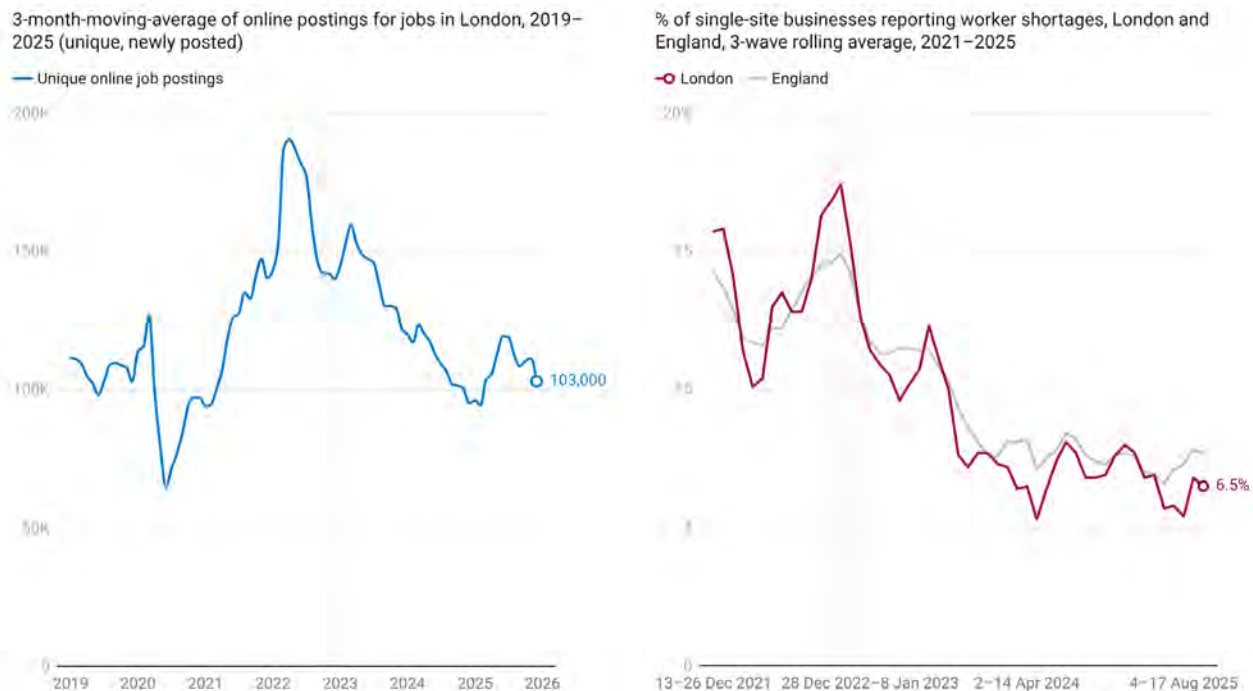
Source: HM Revenue and Customs - Pay As You Earn Real Time Information. Note: Estimates are based on where employees live.

The slowdown in jobs growth is largely driven by weaker hiring conditions. The volume of online job postings has fallen from its post-pandemic peak, and employer survey evidence shows a sharp decline in reported worker shortages (Figure 3). By 2024–25, only around 5–9% of single-site businesses reported worker shortages in both London and across England, well below levels seen in 2022.¹⁰

This indicates that the most acute, economy-wide recruitment pressures have eased.¹¹ However, this easing should be interpreted in the context of weaker hiring demand and slower overall jobs growth. Other evidence points to more persistent, skills-related recruitment challenges in specific roles and sectors (Chapter 4).

It is also worth noting that while there are signs that hiring has slowed more in some roles with higher exposure to generative AI, it is too early to draw firm conclusions about its overall impact on employment (Chapter 4).

Figure 3: Overall employer demand and reported worker shortages have eased in London since the post-pandemic peak



Source: GLA Economics analysis of Lightcast UK job postings / ONS BICS. Charts created with Datavrapper. Note: grey lines indicate the timing of previous LSIP data.

Changes in employment (jobs) by sector and geography

London's employment base remains dominated by service sectors, particularly professional and technical services, health and social care, education, and consumer-facing activities. This broad structure is unchanged from the previous LSIP evidence base.

Since the end of 2022, workforce jobs growth has slowed and become more uneven across both sectors and places. Total net jobs growth has largely been driven by health

¹⁰ ONS (2025) [Business insights and impact on the subnational UK economy](#)

¹¹ Nationally, recruitment difficulties are now considered close to normal levels for many roles. See, for example: Bank of England (2025) [Agents' summary of business conditions – November 2025](#)

and social care (+56,000 between December 2022 and September 2025), information and communication (+52,000), education (+45,000), financial services (+36,000), and public administration (+26,000).¹² In contrast, hospitality (-67,000), administrative and support services (-38,000), construction (-28,000), and transport and storage (-23,000) have seen job losses. Manufacturing employment has continued its longer-term decline.

Different data sources also point to some divergence in recent sectoral trends. Payroll data, based on where workers live rather than location of work, suggest that the number of employees has declined across a wider range of sectors [over the past year](#). This includes a marked recent decline in London residents working in information and communication.

Geographically, employment remains concentrated in central London, reflecting the location of major employment hubs. By place of work, employee jobs increased in most boroughs between 2019 and 2022, according to ONS BRES data. Between 2022 and 2024, jobs increased in only 15 boroughs and fell in 16, with growth stronger in central areas such as the City of London, Westminster, Camden and Tower Hamlets. Many outer London boroughs saw flat growth or small declines over this period ([Table 3](#)).

Sectoral recruitment and employment patterns are explored further in Chapters 4 and 5. Borough- and sector-level trends can also be explored using the [London Jobs Explorer](#).

Further analysis: The [London Jobs Explorer](#) is an interactive tool showing long-term trends in employee jobs by borough and sector up to 2024. It allows users to explore how employment has changed across London's boroughs (or sub-regional partnerships) and sectors over time.

Future outlook

Short-term pressures are expected to weigh on employment over the next two years, reflecting moderate economic growth and wider cost pressures. GLA Economics forecast total workforce jobs in London to fall slightly in 2025 and 2026, before growth resumes from 2027 onwards. By 2029, the total number of workforce jobs is expected to 177,000 (3%) higher than in 2024.¹³

Jobs growth is expected to be strongest in financial and business services and other service sectors. Transport and storage and construction are forecast to see weaker growth over this period. There is considerable uncertainty in the near term, and these projections remain sensitive to wider economic conditions.

Business structure

London's economy is characterised by a large number of small businesses. In March 2025, there were over 538,300 registered businesses in London, operating out of 596,600 individual sites.¹⁴

¹² ONS Workforce Jobs (total workforce jobs by industry).

¹³ GLA Economics (2026 update, forthcoming)

¹⁴ ONS Business Counts via Nomis

Around 87% of local business units in London employ fewer than 10 people, a higher share than in most other English regions.¹⁵ Yet half of private sector jobs are in large businesses. Around 2,000 businesses with 250 or more employees account for 49% of private sector employment.¹⁶ Micro businesses (those with 1-9 employees) account for a large share of businesses but a much smaller share (12%) of private sector employment.

This business structure provides context for how skills are developed and used in London. For example, smaller businesses, which dominate by number, often have more limited capacity to invest in formal training or engage with the skills system.

London also accounts for a large number of businesses showing high growth. There were 3,480 high-growth businesses in 2024, around 28% of the England total. This figure was up from 2,710 in 2022, with higher numbers in central London.¹⁷ This suggests that skills needs may change rapidly within parts of the business base.

Londoners' labour market outcomes

Outcomes for Londoners reflect wider changes in labour market conditions, though signals across indicators remain somewhat mixed (Figure 4). Survey-based measures are volatile, and ONS data issues mean short-term trends should be interpreted with caution.

The **employment** rate has fluctuated, with a moderate decline over the recent period. The LFS-based employment rate for Londoners aged 16–64 was 73.7% in October–December 2025, compared with 75.2% across England. While still reasonably high by historical standards, employment is below recent peaks on this measure and below the UK government's long-term ambition of 80%. Payroll employee data reinforce this picture, with the number of Londoners on company payrolls falling over the past year, reflecting weaker hiring and some potential job losses.

Unemployment has risen more clearly, and by more than in other parts of the country.¹⁸ The unemployment rate among London residents increased from 4.9% in early 2023 to 7.6% by October–December 2025, compared with 5.5% across England. Nearly 400,000 Londoners are now looking for work but cannot find a job. This places unemployment close to pandemic peaks, though still below levels seen after the financial crisis.

Wider commentary suggest that young Londoners are likely to be particularly exposed.¹⁹ While recent increases in unemployment and declines in payrolled employment have been broad based, the sharpest fall in employees has been among 18–24-year-olds living in London (–2.4% in the year to December 2025, compared with –0.6% UK-wide).²⁰ The unemployment rate for Londoners aged 16–24 reached 22.5% at the end of 2025, higher than for other age groups.²¹

¹⁵ In addition, 16% of employed Londoners were self-employed in the 12 months to June 2025, compared with 13% across England (ONS APS). The share of self-employment varies widely by sector, accounting for 21% of workforce jobs in construction, compared with 3% in finance and insurance (ONS Workforce Jobs).

¹⁶ Department for Business and Trade (2025) [Business population estimates 2025](#)

¹⁷ ONS (2025) [Business demography, UK](#). Note: high growth refers to businesses with 10 or more employees with an average growth in employment of greater than 20% per year between 2021 to 2024.

¹⁸ ONS (2026) [Labour market in the regions of the UK: January 2026](#)

¹⁹ Resolution Foundation (2025) [Labour Market Outlook Q4 2025](#)

²⁰ GLA Economics (2026) [Labour market update for London - January 2026](#)

²¹ ONS (2026) [X02 Regional labour market: estimates of unemployment by age](#) – not seasonally adjusted

Economic inactivity has fallen over the same period, from 22.9% to 20.7%, close to a record low for London. Around 1.3 million Londoners aged 16–64 were not participating in the workforce in August–October 2025, with roughly a third being students. Of those who are inactive, around 270,000 report that they want to work but face barriers such as long-term health conditions, caring responsibilities, or limited access to flexible work.²²

Figure 4: The fall in economic inactivity alongside rising unemployment suggests that more Londoners are in the labour market and actively looking for work

Headline labour market outcomes, London, 2018-2025 (latest data for Oct-Dec 2025)



Source: ONS LFS. Chart created with Datawrapper. Note: grey lines show the timing of previous LSIP data.

The profile of inactivity has not changed materially since 2022. Students account for 33% of economic inactivity among Londoners aged 16–64, followed by looking after family or home (22%) and long-term sickness (21%).²³ These patterns were highlighted in the previous LSIP and remain relevant, with recent detail set out in the ITS evidence base.

Overall, unemployment has risen because hiring has slowed at the same time as more Londoners are seeking work. The headline employment rate remains robust, though falling payroll employment over the past year raises concerns about weaker jobs growth and potential job losses, including for young Londoners. While surveys show increased adoption of AI, its overall impact on employment remains unclear (Chapter 4). Outcomes also continue to vary widely for different groups of Londoners and by sub-region (Table 2).

Further analysis: GLA Economics publishes [monthly labour market updates](#) on the London Datastore, with more detail on headline labour market trends. Monthly borough-level claimant count updates provide further detail at sub-London level.

²² According to ONS APS data, around 21% of economically inactive Londoners aged 16–64 do want a job.

²³ Source: ONS APS, 12 months to June 2025. Note: longer term, the profile of economic inactivity has shifted in the past decade, with an increase in long-term sickness and a decline in caring reasons.

Which Londoners face the greatest employment challenges?

[Evidence from the Inclusive Talent Strategy](#) (see chapter 3), consistent with findings in the previous LSIP evidence base, shows that employment outcomes remain unevenly distributed.

Disabled Londoners and people with long-term health conditions continue to face the [largest gaps](#), with an employment rate of around 59%, compared with 80% for non-disabled Londoners. Long-term sickness remains a key driver of economic inactivity.

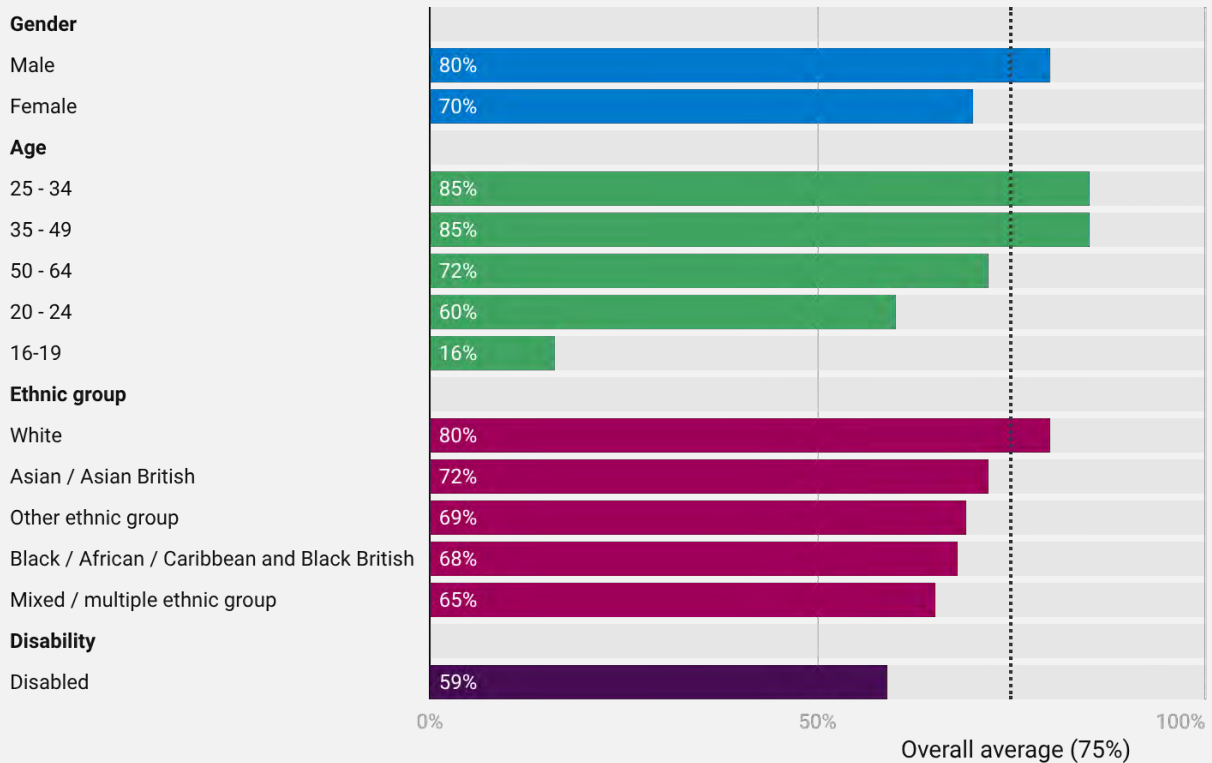
Employment gaps also persist for some ethnic minority groups. [GLA Economics analysis](#) shows that around 290,000 more racially minoritised Londoners would be in work if employment rates were equal across ethnic groups, a pattern largely unchanged since the previous LSIP.

Women, particularly those with [caring responsibilities](#), remain less likely to be in work or to progress. Young adults, Londoners without Level 2 qualifications, and residents in more deprived areas are also more likely to experience unemployment or inactivity. Around 156,300 young Londoners were [not in education, employment or training](#) at the end of 2024, a slightly higher rate than across England (15.2%, compared with 13.6%).

These persistent gaps reinforce the importance of skills, health and inclusion considerations within the LSIP refresh.

Figure 5: Employment rates vary widely across groups of Londoners

16-64 employment rate for select groups, London residents, 12 months to March 2025



Source: ONS APS. Note: low rates for 16–19 largely reflect participation in full-time education

Migration patterns

Migrant workers continue to play a major role in London's labour market. In December 2024, non-UK nationals accounted for 42% of payrolled employments held by people living in London, around double the England average and up from 40% at the end of 2022.²⁴

Since the last LSIP evidence base (which covered data to December 2022), the composition of London's migrant workforce has continued to change:

- EU employment has continued to fall. By December 2024, EU nationals living in London held 707,600 payrolled employments, down 133,500 (-16%) since 2019 and 56,800 (-7%) since December 2022.
- Non-EU employment has continued to grow. Non-EU nationals in London held around 1.3 million payrolled employments in December 2024, up 429,400 (+51%) since 2019 and 220,200 (+18%) since 2022, although growth slowed during 2024.

Migrant workers remain important in several priority sectors. In December 2024:

- Non-UK nationals accounted for 63% of resident hospitality employments²⁵, 54% in administrative and support services, and 47% in health and social care.
- Construction continues to rely heavily on EU workers, who accounted for 27% of resident payrolled employments, despite ongoing declines in their numbers.

More recent trends in visa applications reflect both weaker labour market conditions and tighter immigration rules mainly affecting care and lower-paid roles. At the UK level, Health and Care Worker visa applications fell sharply after mid-2023, declining from around 18,300 per month in August 2023 to around 900 applications by December 2025. Skilled Worker visa applications were more stable initially but declined following policy changes in 2024, falling to around 2,500 applications by December 2025.²⁶

Migration remains an important part of London's workforce, including for addressing hard-to-fill vacancies.²⁷ However, recent policy changes make it a less reliable source of labour for lower-paid roles, particularly in sectors like social care, hospitality and parts of construction. Analysis by the Migration Observatory suggests these sectors are more exposed to changes in visa policy²⁸, increasing the importance of skills and workforce development.

Further analysis: GLA Economics has published detailed analysis of [payrolled employment by nationality in London](#), covering long-term trends and sectoral patterns in more depth. This provides additional context for the summary findings set out here.

²⁴ Note: this data only covers jobs on company payrolls and is based on the employee's place of residence, not their place of work. Nationality is based on an individual's nationality when they first registered for a National Insurance number.

²⁵ The highest proportion in any sector-region pairing across the UK.

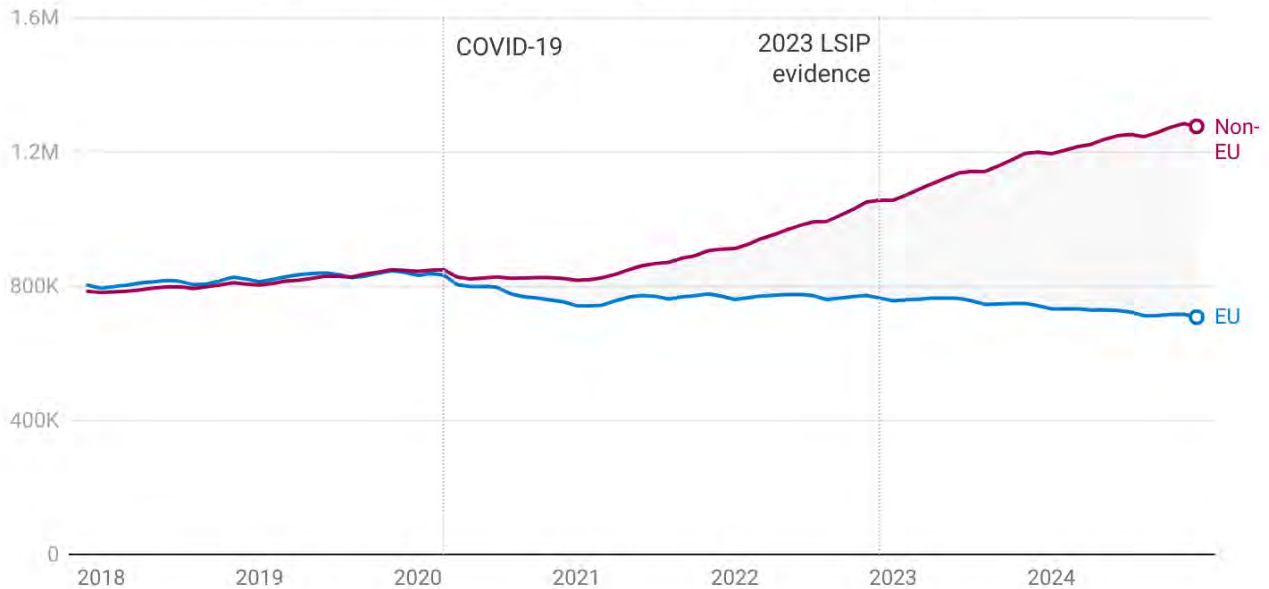
²⁶ Home Office (2026) [Monthly entry clearance visa applications, December 2025](#)

²⁷ Among London employers with hard-to-fill vacancies, 42% reported recruiting non-UK nationals already living in the UK, (21% across England), while 8% reported recruiting workers who moved or planned to move to the UK for the job (4% nationally). Source: DfE (2025) [Employer skills survey 2024: England results](#)

²⁸ For a discussion, see: GLA Economics (2025) [Payrolled employments by nationality – August 2025](#).

Figure 6: There has been a continued shift from EU to non-EU workers over recent years

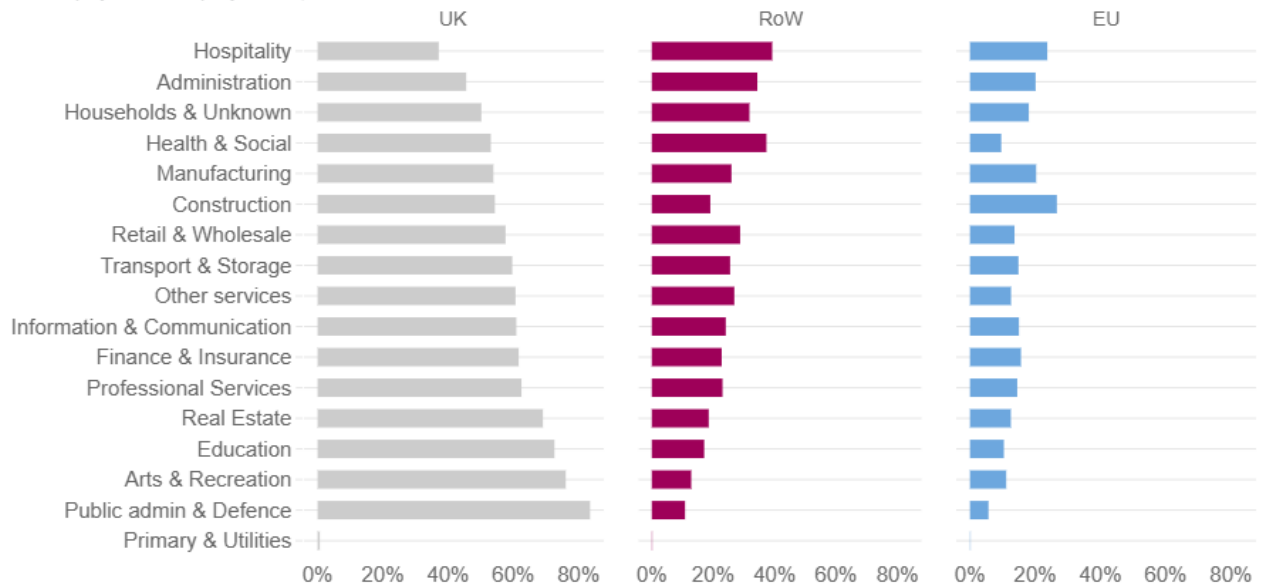
Resident payrolled employments in London by nationality (EU and Non-EU), 2018–2024



Source: HMRC, Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan. Chart created with Datawrapper. Note: estimates based on place of residence. Nationality refers to a person's nationality when they registered for a National Insurance number.

Figure 7: Several priority sectors remain highly reliant on migrant workers

Share of payrolled employments, December 2024



Source: HMRC, Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan. Chart created with Datawrapper. Note: estimates based on place of residence. Nationality refers to a person's nationality when they registered for a National Insurance number.

Variation by sub-regional partnership (SRP)

London's labour market varies across the capital. While London averages provide important context, they can mask differences in population, labour market conditions, and economic activity. [Table 2](#) and [Table 3](#) set out a snapshot of headline indicators at sub-regional partnership (SRP) level to illustrate these differences.

Table 2: SRPs at a glance – population and labour market indicators (place of residence)

Indicator	Central London Forward	Local London	South London Partnership	West London Alliance
Population and scale, mid-2024				
Total population	2,942,700	2,703,200	1,211,800	2,232,000
% aged 16–64	74%	66%	65%	67%
Labour market outcomes, Oct 2024–Sept 2025				
Employment rate (16–64)	75.4%	74.5%	76.7%	73.9%
Unemployment rate (16+)	5.1%	6.0%	4.8%	6.4%
Economic inactivity rate (16–64)	20.6%	20.7%	19.4%	20.9%
Claimant count, December 2025				
Claimant rate (% aged 16–64)	5.7%	5.8%	4.4%	5.5%
Change since Dec 2022 (percentage point)	0.9	1.1	0.7	0.9
Youth claimant rate (% aged 16–24)	4.7%	5.7%	4.6%	4.6%
Change since Dec 2022 (percentage point)	1.0	1.4	0.7	1.0

Source: GLA Economics analysis of ONS MYPE, APS, and Claimant count by sex and age (via Nomis). Table created with Datawrapper.

Note: Headline labour market outcomes are based on the Annual Population Survey and therefore differ from the LFS-based indicators presented earlier in the chapter. Claimant counts refer to people claiming unemployment-related benefits. Claimant rates are calculated as the claimant count as a share of mid-year population estimates.

Table 3: SRPs at a glance – jobs, businesses and earnings (place of work)

Indicator	Central London Forward	Local London	South London Partnership	West London Alliance
Employee jobs				
Number of employee jobs, 2024	3,522,000	835,000	426,000	960,000
Change since 2022 (%)	4%	2%	-5%	-1%
Change since 2019 (%)	14%	7%	-2%	1%
Businesses				
Number of registered businesses, 2025	292,700	118,800	60,400	124,700
Change since 2022 (%)	2%	-1%	-4%	-2%
Change since 2019 (%)	4%	3%	-5%	1%
Share of businesses with < 10 employees	84%	89%	89%	89%
Earnings				
Median annual pay (2025, gross, all employees)	£52,100	£32,300	£35,100	£36,500
Change since 2022 (%)	20%	14%	14%	31%
Change since 2019 (%)	28%	32%	26%	28%

Source: GLA Economics analysis of ONS BRES, Business counts and ASHE. Table created with Datawrapper.

Note: SRP-level earnings estimates weighted by employees.

Further analysis: to support the LSIP refresh, GLA Economics has published detailed sub-regional data on the [London Datastore](#). The materials include sector slide decks and workbooks covering jobs and business data, online job postings, job quality, and workforce indicators.

3. London's skills supply landscape

This chapter summarises the main routes through which skills enter and develop within London's labour market, and how participation has changed since the previous LSIP. It focuses on scale and relative participation. The key findings draw from the ITS evidence base, which provides further detail.

Skills supply includes:

- new entrants to the labour market, including school leavers and graduates
- the existing workforce, through training, progression and reskilling
- migration, both domestic and international.

These routes differ in the groups they reach and in how quickly they can respond to changes in demand. Evidence in Chapter 2 shows that overall labour demand has eased since 2022 and that migration patterns have shifted recently, including a reduction in work-related visas. This provides context for how education and training in London contribute to skills supply.

The ITS evidence base also highlights that participation and progression within these routes are shaped by wider structural factors, including health, disability, caring responsibilities and high living costs, which affect engagement with training and qualifications across London.

Summary of key points

- London has a highly qualified population. In 2024, 62% of Londoners aged 16–64 held a level 4 qualification or above, well above the England average of 47%. High rates of attainment continue to be supported by strong progression into higher levels of education after 16–18 study and a large higher education sector.
- Apprenticeship participation remains low relative to the England average. In 2024/25, London recorded 6.4 apprenticeship starts per 1,000 residents aged 16–64, compared with 9.6 across England. Participation in London is increasingly concentrated among learners aged 25 and over and higher-level apprenticeships.
- Further education and adult skills support intermediate skills and reskilling, though overall learner participation has fallen since the previous LSIP, alongside a shift towards higher-level courses and ongoing funding challenges.
- Employer spending on training has fallen despite ongoing participation and evidence of skills needs. Between 2022 and 2024, London employers reduced training spend by around £2.2 billion (18%), with spend per employee falling to £1,810. Adjusting for inflation, this is the lowest level of spend per employee record since records began in 2011.

Qualification attainment

London's population is increasingly highly qualified. In 2024, 62% of Londoners aged 16–64 had a level 4 qualification or higher (higher education or degree), equivalent to around 3.8 million people. This remains well above the England average of 47% and reflects continued growth since 2022.²⁹ A further 14% of Londoners had a level 3 qualification (A levels or equivalent) as their highest qualification.

Even with this improvement, and evidence of a relatively strong skills match (below), a sizeable minority of Londoners continue to have low or no qualifications.

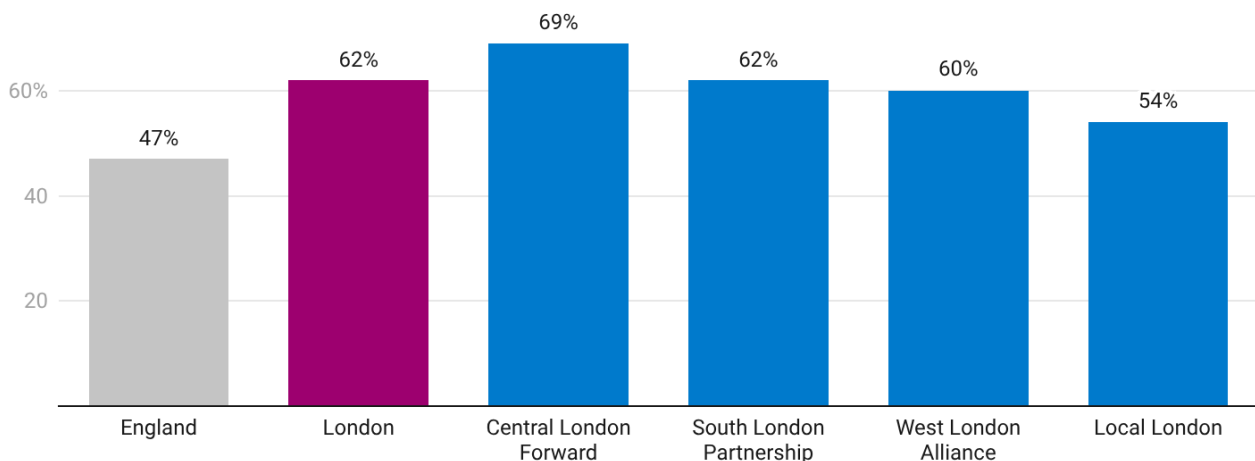
Excluding young adults who may still be completing initial education, around 457,000 Londoners aged 25–64 (7%) did not hold a level 2 qualification (equivalent to GCSEs at grades 9–4 or A–C) in 2024.³⁰ These gaps have clear labour market implications: only 49% of working-age Londoners whose highest qualification is below level 2 were in employment in 2024, compared with 87% of those qualified to level 4 or above.³¹

Lower-level attainment challenges also extend beyond formal qualifications. Around 1.4 million Londoners have essential skills needs in literacy, numeracy or digital proficiency.³²

Attainment varies within London too. Most London boroughs have higher-level attainment rates above the England average, but a small number fall below it, including Barking and Dagenham and Enfield in 2024.³³ These differences are persistent and align with wider patterns of disadvantage across the capital.

Figure 8: Higher-level qualification attainment is higher in London than England overall, but still varies across sub-regions

Residents aged 16–64 qualified to level 4 and above, %, 2024



Source: GLA Economics analysis of ONS APS. Chart created with Datawrapper.

²⁹ London's increase in higher-level qualification attainment between 2022 and 2024 was slightly larger than in England overall (up 2.8 percentage points in London, compared with 1.7 percentage points nationally).

³⁰ In absolute terms, London has the second-highest number of people with no or low qualifications of any English region, accounting for 14% of the working-age adults in this group across England.

³¹ GLA Economics analysis of ONS APS (all aged 16–64). This pattern is similar to the England average.

³² GLA (2025) [Inclusive Talent Strategy and Get London Working Plan Evidence Base](#)

³³ 46.7% in Barking & Dagenham and 45.1% in Enfield. Source: ONS APS.

Recent projections suggested that qualification attainment in London would continue to rise, in line with employer demand for – and wage returns to – higher-level skills.³⁴ The share of people in employment qualified to level 4 or above was expected to rise to 80% by 2035, up from around 68% in 2024.³⁵

Skill and qualification suitability

ONS analysis of Census 2021 data show that London has a relatively strong match between workers' qualifications and their jobs.

Around 60% of employed adults in London had qualifications that matched the average for their occupation in 2021, the highest share of any English region and well above the England average (51%).³⁶ At the same time, 19% of London's workforce (790,000 people) were overqualified for their occupation, just below the England average, while 21% (874,000) were underqualified – a lower share than in other regions.

Within London, the ONS analysis indicated that:

- qualification matching is highest in regulated professional roles (health, education, law) and lowest in elementary, caring, leisure and sales-related occupations
- qualifications matching tends to be higher in central London boroughs, while outer London has lower rates of matching and higher shares of underqualification.

While London performs well on qualification match at an aggregate level, the findings suggest that improving progression and making better use of existing skills remain important challenges alongside raising attainment.

Skills supply

School leavers and 16–18 pathways

London continues to perform strongly on academic progression. Nearly 76% of state-funded pupils progress into higher education or training at the end of 16 to 18 study, the highest rate of any English region and well above the England average (65%).³⁷

This aligns with London's provider landscape, including proximity to universities, and patterns of employer demand. For example, 31% of London employers reported that degree-level qualifications are critical or significant for candidates in 2024, a higher share than in other English regions.³⁸

However, progression gaps persist, particularly for disadvantaged young people.³⁹ Take-up of non-academic routes also remains low, with fewer young Londoners entering apprenticeships or employment after 16–18 than in other regions.⁴⁰

³⁴ Financial Times (2025) [Britain's graduates are being short-changed while America's are rich](#)

³⁵ DfE (2024) [Labour market and skills projections: 2020 to 2035](#) [regional projections]

³⁶ ONS (2024) [Qualification mismatch estimates in England and Wales: 2021](#)

³⁷ Only two London boroughs record progression rates below the England average in the latest period – Islington (64.3%) and Tower Hamlets (62.1%). Source: DfE (2025) [Progression to higher education or training, Academic year 2023/24](#) [custom table]

³⁸ DfE (2025) [Employer skills survey 2024: England results](#) [England region data tables]

³⁹ DfE (2025) [Progression to higher education or training, Academic year 2023/24](#) [custom table]

⁴⁰ DfE (2025) [16-18 destination measures](#) [custom table]

Higher education

London has a large higher education sector that produces a substantial volume of graduates each year. In total, almost 550,000 students were enrolled in 2024/25, up slightly from 544,000 in 2022/23. The subject mix has changed little since the previous LSIP, with continued concentration in business, social sciences, creative and digital subjects, and relatively fewer graduates in areas like engineering and education.⁴¹

London retains and attracts graduates, though with mixed outcomes across employment, earnings and job quality measures.⁴² Among graduates who are in sustained employment, those living in London have the highest median earnings in England, reflecting the capital's high-wage labour market and employer demand for higher level skills.

International students play a major role in London's higher education sector, particularly at postgraduate level, making future graduate supply sensitive to national visa policy.⁴³

Further education (FE) and adult skills

FE and adult skills provision remain supplies intermediate skills and supports reskilling in London. In 2024/25, 211,700 adult Londoners participated in GLA funded Adult Skills Fund (ASF) programmes, taking around 458,000 learning aims (courses). Participation rates are broadly similar to England overall, though lower among younger adults.⁴⁴

Both learner participation and total enrolments have fallen compared with previous years.⁴⁵ This reflects a shift towards enrolments at higher levels (level 3 and above) alongside ongoing cost pressures within the sector. These trends sit within a longer-term context of declining public funding for adult skills nationally, with spending falling by around a third in real terms since the early 2000s, with sharper declines in classroom-based learning.⁴⁶

Over half (53%) of courses enrolled in by Londoners half relate to Preparation for Life and Work. Other common subject areas included health, public services and care (7%), digital technology (6%) and business, administration and law (3%), reflecting the continued role of adult skills provision in supporting employability and entry-level progression.

Further analysis: the GLA Skills and Employment Insights team has published summary statistics on GLA-funded [further education and skills in London](#), covering a range of data on learner participation and enrolment for the full 2024/25 academic year. This includes further detail by subject studied as well as breakdowns by London borough

⁴¹ HESA (2026) [What do HE students study?](#)

⁴² London has the lowest share of first-degree graduates in sustained employment and/or further study of any English region, and graduates living in London report slightly lower job quality than those in other regions on some measures. See: DfE (2025) [LEO Graduate and Postgraduate Outcomes: tax year 2022-23](#).

⁴³ At UK level, sponsored study visa applications totalled around 426,300 in 2025, 5% higher than 2024 but 10% lower than in 2023, partly reflecting recent policy changes affecting student dependants (Home Office (2026) [Monthly entry clearance visa applications, December 2025](#)). Each year, approximately 200,000 international students study in the capital (HESA (2026) [Where do HE students come from?](#)).

⁴⁴ DfE (2026) [Further education and skills: academic year 2025/26](#) [custom table]

⁴⁵ Since 2022/23, adult learner participation has fallen by around 8% and total aims by around 6%.

⁴⁶ Declining from an inflation adjusted high of £6.3 billion in 2003/04 to £4.3 billion in 2023/24. For a discussion, see: GLA (2025) [Inclusive Talent Strategy and Get London Working Plan Evidence Base](#)

and sub-regional partnership. Further analysis of outcomes from GLA-funded adult skills training is available from analysis of the [London Learner Survey](#).

Between 2022 and 2025, functional adult numeracy skills were supported through the Multiply programme. GLA monitoring and evaluation highlighted improved engagement with adult numeracy among priority groups, with over 59,000 Londoners having enrolled onto courses, 24% of enrolments nationally.⁴⁷

Apprenticeships

Despite some growth, overall apprenticeship participation in London remains low relative to other parts of the country. In 2024/25, there were 40,400 apprenticeship starts among London residents, the highest level since the pandemic but still equivalent to only 6.4 starts per 1,000 residents aged 16–64, compared with 9.6 across England.⁴⁸

In London, participation has shifted strongly towards higher levels and learners aged 25 and over, more so than nationally, with lower proportions of starts among young adults and at entry level.⁴⁹ In 2024/25, higher level apprenticeships among learners aged 25 and over accounted for 36% of total starts, compared with 28% in 2022/23.⁵⁰ Apprenticeships are also concentrated in core subject areas, particularly business, administration and law, and health, public services and care, which together account for around 60% of starts.⁵¹

Policy reforms could affect this pattern. Reforms to replace the Apprenticeship Levy with the Growth and Skills Levy from 2026 could influence employer behaviour, while wider changes include adjustments to funding at level 7 and the introduction of foundation apprenticeships, intended to strengthen entry routes for younger learners.⁵²

Further analysis: the GLA has also published detailed London apprenticeship data on the [London Datastore](#), including trends by learner characteristics, level, and subject area. More detail on London apprenticeship trends by [industry](#) are also available.

Skills Bootcamps and short courses

Short courses such as Skills Bootcamps have expanded since the previous LSIP. In the 2023/24 financial year, the GLA supported around 4,000 Londoners through Skills Bootcamps, mainly in digital (46% of enrolments) and technical areas like construction (23%).⁵³

Around a third of learners secured a positive job outcome, with stronger results in construction, health and social care, and other technical courses.⁵⁴ However, employer

⁴⁷ GLA (2025) [London Multiply Programme](#)

⁴⁸ GLA (2025) [London Apprenticeship Full-Year Update 2024/25](#)

⁴⁹ For example, in 2024/25: 51% of apprenticeships starts were at level 4 or above, up from 44% in 2022/23; 60% of starts were among learners aged 25, up from 55% in 2022/23.

⁵⁰ DfE (2026) [Apprenticeships: Academic year 2024/25](#) [custom table]

⁵¹ GLA (2025) [London Apprenticeships Industry Update 2022/23](#)

⁵² House of Commons Library (2025) [Skills policy in England](#)

⁵³ GLA (2025) [Skills Bootcamps for Londoners](#)

⁵⁴ A job outcome is defined as an offer of a new job/apprenticeship, new role or additional responsibilities at existing employer for employer co-funded or obtaining a new contract for self-employed learners.

awareness of Bootcamps remains limited, which may constrain take-up despite frequent employer calls for more modular and flexible provision (see Chapter 5).⁵⁵

Note: looking ahead, the Lifelong Learning Entitlement (LLE) is a national reform intended to support more flexible adult learning through modular use of post-18 loan funding from 2026/27. If implemented as planned, the LLE could affect the mix and scale of short-course provision over time. In London, the introduction of the Integrated Settlement from 2026/27 also has the potential to shape skills supply, by giving the Mayor greater flexibility to align adult skills funding with local priorities.

Employer investment in training

Despite easing recruitment pressures, employer investment in training has weakened over recent years. Evidence points to a divergence between participation and spending.

The Employer Skills Survey 2024 shows that the share of London employers providing training has remained broadly stable, at around 60% in 2022 and 59% in 2024. APS data tell a similar story for participation among employees. In the year to December 2024, 18.8% of London employees aged 25–64 reported receiving job-related training in the last three months. This was slightly below the England average (19.6%) but broadly in line with London's 2022 level, suggesting relatively steady participation rates over time.

In contrast, employer spending on training has fallen. Total training spending in London declined by around £2.2 billion between 2022 and 2024 (-18% in 2024 prices). Adjusting for inflation, spending per employee fell to £1,810 in 2024, the lowest level since records began in 2011.⁵⁶

National evidence, supported by recent BusinessLDN/Survation survey findings, suggests that falling spending on training reflects a wide range of factors, including rising cost pressures and constraints on employers' capacity to plan and deliver training, rather than reduced demand for skills.⁵⁷ Delivery models and attitudes towards training have also evolved over time, potentially shifting more responsibility onto individuals.

Consistent with these trends, nearly half of London employers (47%) reported that they would have provided more training if they could have in 2024, compared with 42% nationally.⁵⁸ Over half of London employers (58%) also reported a need for upskilling in the next 12 months, including in relation to new technologies, equipment, or products and services.

⁵⁵ In 2024, only 16% of London employers reported being aware of Skills Bootcamps, and just 9% reported any knowledge of what they involve. Source: DfE (2025) [Employer skills survey 2024: England results](#)

⁵⁶ DfE (2025) [Employer Skills Survey](#) [custom table]

⁵⁷ Skills England (2025) [Skills England: Driving growth and widening opportunities](#). Note: findings are consistent with BusinessLDN/Survation survey evidence from London business leaders, which highlights time availability, cost of training, and difficulty find the right provision as key barriers to employer training.

⁵⁸ 47% of employment sites in London were not in a training 'equilibrium' in 2024 (ie had unmet training needs) compared with only 41% nationally. This was the second highest rate of any English region. Source: DfE (2025) [Employer skills survey 2024: England results](#) [England region data tables]

4. Skills demand and alignment

This chapter looks at how well the supply of skills in London aligns with employer demand. It draws on employer evidence on vacancies, skill shortages in recruitment, and skills gaps within the workforce. It uses the latest available survey and postings data to show how skills challenges have changed over recent years.

Building on key themes from the previous LSIP, it also considers how structural changes in the economy – including technological change and the transition to net zero – are shaping current and future skills needs.

Note: this chapter draws heavily on the Employer Skills Survey (ESS), a large, nationally representative survey of employers conducted since 2011. While the 2024 wave has a smaller London sample than previous surveys, it provides a consistent basis for assessing skills demand and mismatch over time and across regions. More timely BusinessLDN/Stratification survey evidence is used selectively to provide London-specific context, but the unweighted results are not directly comparable with the ESS.

Summary of key points

- By 2024, overall demand for workers in London had largely returned to pre-pandemic levels. Vacancy rates were close to longer-term averages, with more recent data suggesting a further slowdown in demand during 2025 (Chapter 2).
- Most vacancies in London are not reported as hard-to-fill. However, a significant minority (24% of vacancies) continued to be affected by skills shortages in 2024, indicating persistent mismatch in parts of London's labour market.
- Skills gaps within the existing workforce increased after 2019 and remained elevated in 2024, affecting around 6% of the workforce. This points to growing challenges around workforce capability, not recruitment alone.
- Digital change, the transition to net zero and demand for transferable skills continue to shape both the level and nature of skills demand across sectors.
- Since the last LSIP, advances in generative AI have significantly accelerated. London's concentration of higher-exposure roles suggests impacts on task content and skills requirements may be felt more strongly than elsewhere, with 46% of London jobs exposed to generative AI, compared with 38% UK-wide.

Labour demand

As set out in Chapter 2, labour demand in London rose sharply in the immediate post-pandemic period. This was reflected in increases in vacancies and skill-shortage vacancies in 2022, alongside widespread reports of worker shortages (Table 4).

By 2024, this acute phase of labour market tightness had eased. Employer Skills Survey data show that vacancies in London fell by around a third between 2022 and 2024, from 289,000 to 194,000.⁵⁹ More recent indicators, reviewed in Chapter 2, suggest that recruitment activity continued to slow down into 2025.⁶⁰

Despite the easing, the density of vacancies (as a share of employment) remained higher in London than nationally in 2024.⁶¹ Both ESS employer vacancy *levels* and online job posting *volumes* also remain higher in London than in other English regions.

Table 4: Overall vacancies in London peaked in 2022 and were in line with the pre-pandemic context by 2024

Vacancy levels and incidence in London, 2011–2024

Year	Number of vacancies	Sites with at least one vacancy (%)	Vacancy density (% of employment)
2011	99K	17%	2.4%
2013	132K	18%	3.1%
2015	183K	23%	4.1%
2017	175K	21%	3.7%
2019	183K	18%	3.6%
2022	289K	24%	5.6%
2024	194K	17%	3.5%

Source: DfE Employer Skills Survey. Table created with Datawrapper. Note: vacancy density is defined as vacancies as a share of total employment.

Overall recruitment demand in London remains concentrated in professional and managerial occupations (Figure 9).⁶² While the broad occupational mix of online job postings has remained relatively stable since 2019, there have been shifts within professional and digital roles. Several occupations peaked in 2022 during the post-pandemic surge, before declining by 2025, in some cases to levels below their 2019 share.

⁵⁹ ESS 2024 data were collected between June 2024 and January 2025.

⁶⁰ Online postings for jobs in London were 34% below 2022 levels in 2025 but still 3% above 2019 levels.

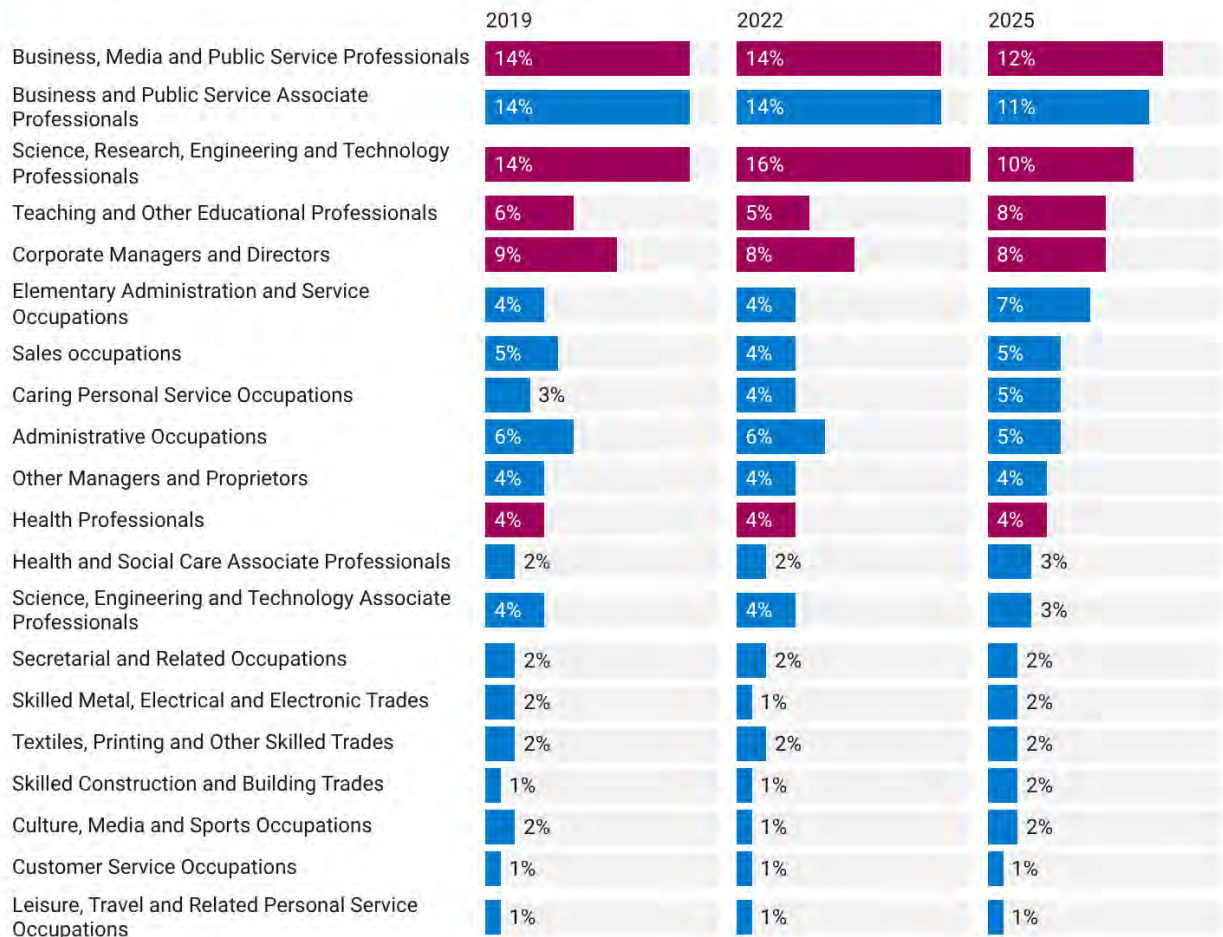
⁶¹ According to ESS data vacancy density stood at 3.5% of employment in London in 2024, close to its 2019 level and above the England average of 3.0%. However, the density of monthly online job postings to workforce jobs in London in September 2025 was closer to the England average (1.8% vs. 1.9%).

⁶² Education postings were comparatively resilient over this period, though this could partly reflect changes in employer posting behaviour.

Figure 9: Despite lower volumes, the occupational mix of online job postings in London has remained broadly stable

Percentage of online job postings by sub-major occupations in London, 2019, 2022, 2025

■ Degree-level occupations (ONS skill level 4) ■ Below degree-level occupations (ONS skill levels 1–3)



Source: Lightcast. Table created with Datawrapper. Note: data shown for top 20 (out of 26) 2-digit SOC roles, ranked by share of postings in 2025. **Level 4** roles tend to require degree-level qualifications.

Skill-shortage vacancies

As in the previous LSIP evidence base, only a minority of vacancies in London were reported as being hard to fill in 2024, with most employers experiencing no skills-shortage vacancies (SSVs).⁶³

Employer Skills Survey data show that trends in SSVs vacancies broadly mirror those for overall vacancies. Although the number of SSVs in London fell back to around 45,600 in 2024, this remained above pre-pandemic levels, indicating that skills-related recruitment difficulties persisted even as labour demand eased (Table 5).

Wider indicators from the ESS 2024 reinforce this picture of partial easing since 2022:

- The share of London sites reporting at least one SSV fell from 10% in 2022 to 6% in 2024 (compared with 5% in 2019).

⁶³ In 2024, 94% of sites reported no SSVs, and 76% of vacancies in London were not reported as SSVs.

- SSV density fell from 32% of all vacancies in 2022 to 24% in 2024 but remained above its pre-pandemic level (21% in 2019).
- England as a whole shows a similar profile, with SSV density easing from 36% in 2022 to 27% in 2024, still above the 2019 level (25%).

Table 5: Nearly a quarter of vacancies were reported as SSVs in 2024, indicating persistent skills mismatch even as overall recruitment eased

Selected skills-shortage vacancy (SSV) indicators, London, 2011–2024

Year	Number of SSVs	Sites with at least one SSV (%)	SSV density (% of vacancies)
2011	14K	4%	14%
2013	30K	5%	23%
2015	37K	6%	20%
2017	30K	5%	17%
2019	39K	5%	21%
2022	94K	10%	32%
2024	46K	6%	24%

Source: DfE Employer Skills Survey. Table created with Datawrapper. Note: SSV density is defined as the percentage of total vacancies considered hard to fill due to skills shortages.

Sector-level ESS data are not available for London for 2024. At the England level, SSV density remained relatively high in several priority sectors, including construction and parts of business services (Table 6). Health and social care and information and communications saw larger falls in SSVs after 2022, while education recorded the smallest reduction. Sector-specific trends are discussed further in Chapter 5.

At occupation level, SSVs in London remained more common in skilled trades and professional roles. This is consistent with previous ESS waves and recent survey evidence for the LSIP.^{64,65} Online job posting data reflect a similar pattern, with demand for skilled trades remaining relatively stable since the pandemic, and higher postings durations for certain trades and professional roles (eg teaching professionals, engineering professionals, construction and building trades).

While sub-regional SSV data are not available for 2024, evidence shows that skills shortages were reported across all parts of London in 2022 (Appendix 2). Combining national SSV densities with sub-regional employment shares can further indicate where recent pressures are more likely to translate into local challenges (Table 6).

⁶⁴ In 2024, SSV density in London stood at 56% for skilled trades occupations and 31% for professional occupations, compared with 12% in elementary occupations. While densities have fallen since 2022, shortages in skilled and professional roles remain more pronounced than in sales or elementary roles.

⁶⁵ The BusinessLDN/Survation survey of London-based business leaders also finds that roles which are hardest to recruit include professional/highly skilled specialists and technical and skilled support roles.

Table 6: Based on sector mix, exposure to skills-shortage vacancies is likely to vary across London's sub-regions

National skills-shortage vacancy density by selected sector (England) vs. sub-regional employee job shares, London, 2024

Sector (England SSV density, 2024)	Central London Forward	Local London	South London Partnership	West London Alliance
Construction (46%)	2%	7%	5%	5%
Education (37%)	6%	11%	10%	8%
Manufacturing (33%)	1%	4%	2%	4%
Arts and entertainment; other services (33%)	5%	5%	6%	4%
Business services (31%)	30%	19%	21%	21%
Wholesale and retail (26%)	8%	15%	15%	16%
Health and social care (21%)	9%	15%	15%	12%
Hospitality (21%)	8%	7%	7%	8%
Transport and storage (20%)	2%	6%	4%	10%
Information and communications (18%)	12%	3%	5%	7%
Financial services (17%)	12%	2%	2%	1%

Source: DfE Employer Skills Survey. Table created with Datawrapper. Note: table ranked by SSV density (England, 2024). Highlighted cells indicate the highest share of employee jobs by sector by sub-regional partnership. SSV density reflects the share of vacancies reported as hard to fill due to skills shortages.

Construction provides one example: 46% of vacancies were skills shortages nationally in 2024. In Local London, where 7% of jobs were in construction, the local impact is likely to be greater than in areas where the sector is smaller. In business services (31% SSV density nationally), Central London Forward's larger employment share (30%) suggests a different, but still significant, source of potential recruitment pressure.

Skills lacking in London's labour market

Skills shortages account for the vast majority of hard-to-fill vacancies reported by London employers.⁶⁶ In terms of the skills lacking, ESS 2024 data broadly reinforces the picture set out in the previous LSIP evidence base.

London employers with skills shortages most commonly report difficulties recruiting applicants with job-specific skills. However, London stands out for the prominence of

⁶⁶ 87% according to the ESS 2024. In 2024, employers were far more likely to cite challenges with the quality of applicants than their quantity (59% vs. 21%). Compared with England as a whole, hard-to-fill vacancies in London are more strongly associated with deficits in skills, experience and competition between employers, and less often linked to low interest in work or accessibility constraints.

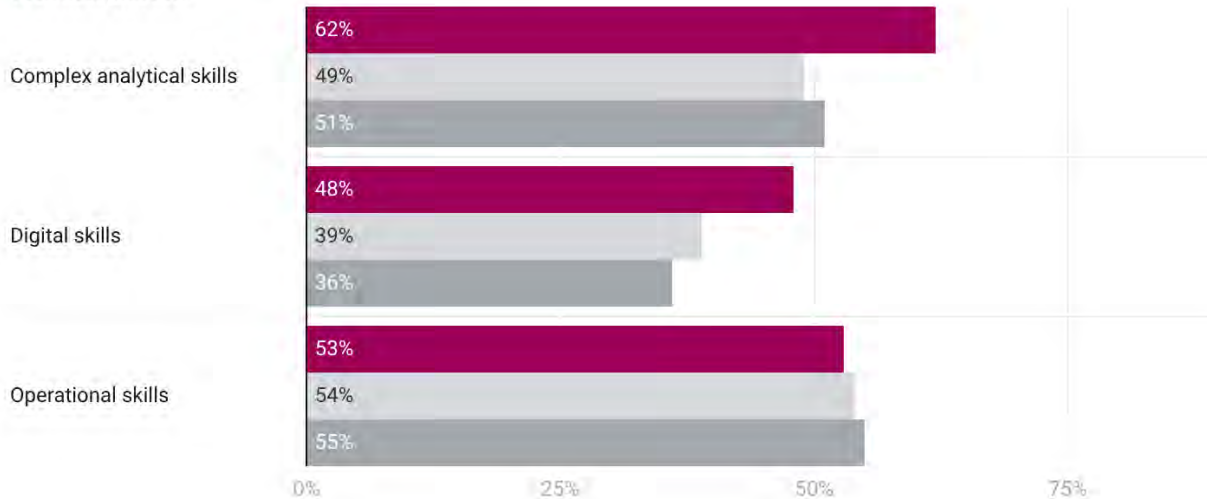
complex analytical skills, specialist digital skills, and transferable and people skills.⁶⁷ While the broad mix has not changed markedly since 2022, the share of SSVs linked to these capabilities has increased (Figure 10). Appendix 3 sets out more detail.

Figure 10: London employers with SSVs were in 2024 more likely than average to report shortages in complex analytical, digital and people skills

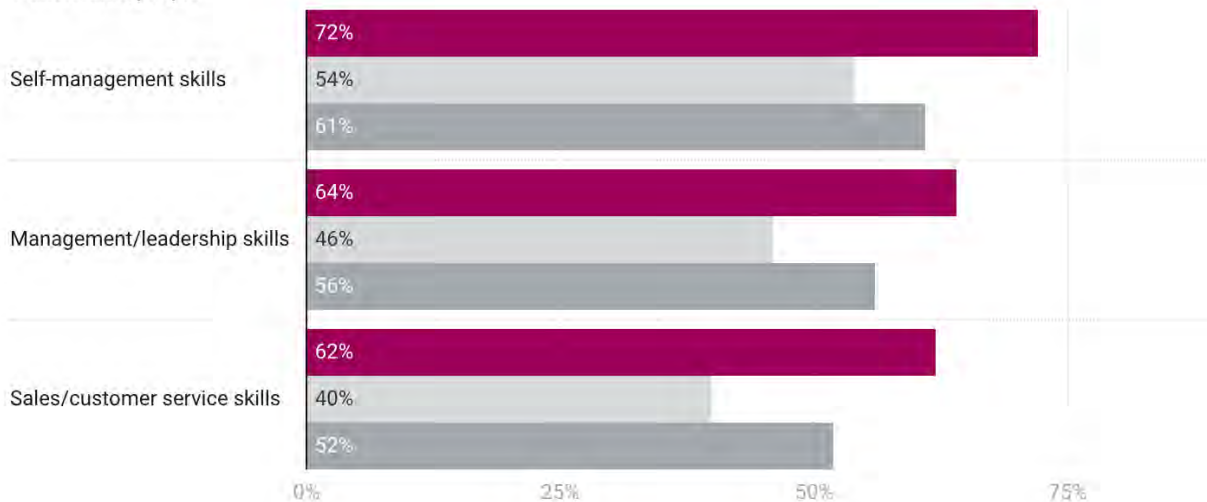
Selected skills found difficult to obtain from applicants, London and England, 2022 and 2024

■ London 2024 ■ England - 2024 ■ London - 2022

Technical/practical



Transferable/people



Source: DfE Employer Skills Survey. Chart created with Datawrapper. Note: prompted question asked to all establishments with SSVs – up to two occupations followed up.

Note: Employers can identify more than one skill as difficult to obtain for each skills-shortage vacancy. Higher reported shares therefore reflect the range and level of skills employers expect from applicants, as well as skills mismatch.

⁶⁷ While some variation is visible between the 2022 and 2024 surveys, these differences should be interpreted with caution due to smaller London sample sizes in 2024.

Complex analytical skills

When asked about the technical or practical skills found difficult to obtain from applicants, London employers with SSVs were particularly likely to report shortages linked to complex analytical skills. In 2024:

- 62% of London SSVs were caused, at least in part, by a lack of applicants with complex analytical skills, compared with 49% across England.
- Within this, reported shortages linked to creative and innovative thinking (65%) and solving complex, situation-specific problems (60%) were both well above the England average and higher than in 2022.
- Gaps linked to more complex numerical or statistical skills were also more common in London (31%).

Digital skills

In line with recent survey evidence for the LSIP, London employers with SSVs were also more likely than in other regions to report a lack of digital skills among applicants, particularly advanced digital skills, in the ESS.⁶⁸ In 2024:

- 48% of London SSVs were caused, at least in part, by a lack of applicants with digital skills, compared with 39% across England.
- Within this, shortages linked to advanced or specialist IT skills were more common in London (32% vs 25%); by contrast, basic computer literacy was equally likely to be linked to SSVs in London and across England (21%).
- Among London employers with difficulties finding applicants with digital skills, specialist software or hardware skills and basic Microsoft Office applications skills were most often lacking in 2024.

Very few employers explicitly identified AI-specific skills in 2024. However, as discussed below, evidence from online job postings suggests that demand for AI-related skills has risen rapidly in the past 18 months, particularly in professional/tech roles. This is further supported by recent survey evidence commissioned for the LSIP.⁶⁹

Transferable and people skills

In the ESS, employers with SSV were asked separately about 'softer', less tangible skills lacking among applicants. Compared with other regions, London employers were also more likely to identify shortages in transferable and people skills.⁷⁰ The main people and personal skills found difficult to obtain from applicants in London included:

- time management and prioritisation skills (64%)
- customer handling skills (57%)
- managing or motivating other staff (50%).

⁶⁸ BusinessLDN/Survation survey evidence also indicates that gaps in digital experience or skills, including AI skills, are a common reason applicants are not considered suitable for roles.

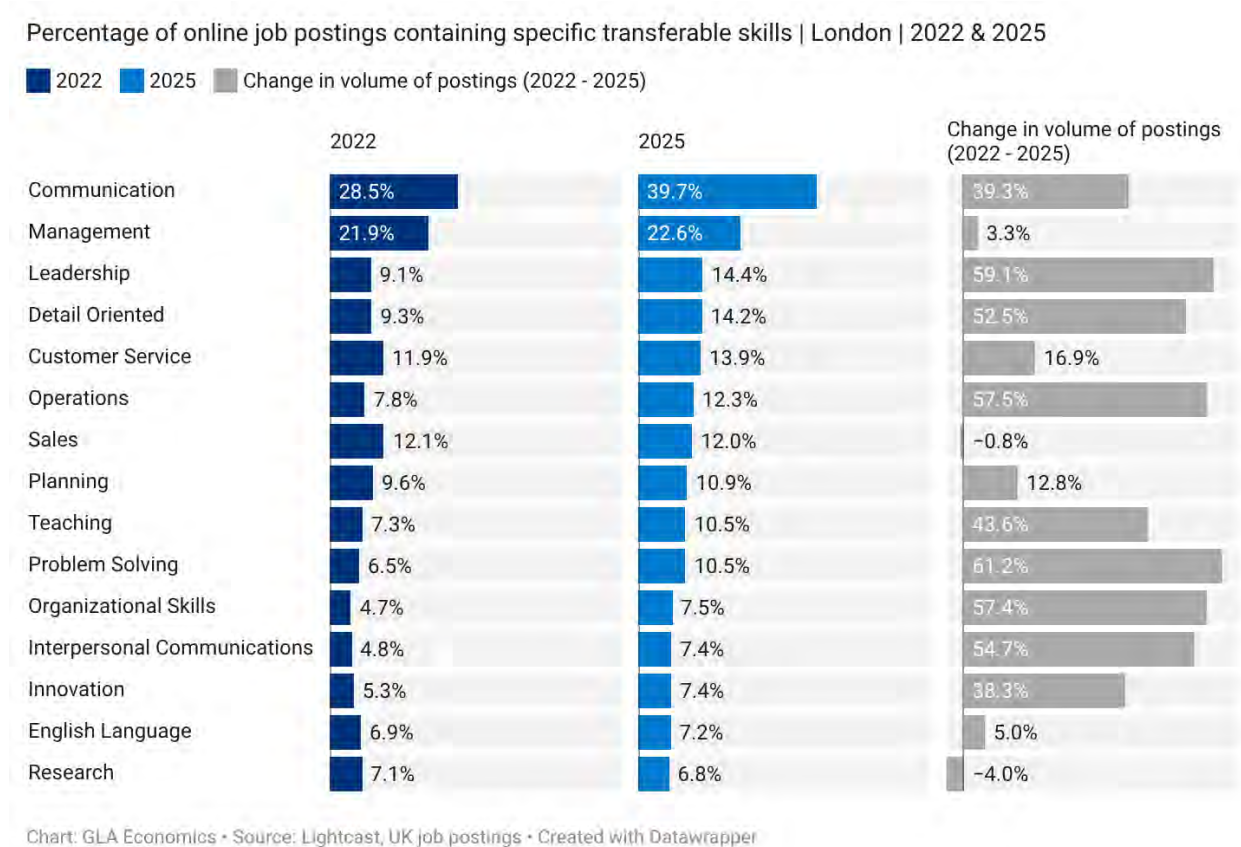
⁶⁹ In the BusinessLDN/Survation survey, 78% of London-based business leaders identified advanced digital skills, including AI, as a key skills need over the next two to five years. Note: the sample is weighted towards larger, digital-intensive employers and is not directly comparable with the ESS.

⁷⁰ Around 78% of skill-shortage vacancies in London were caused, at least in part, by a lack of people and personal skills, compared to only 70% nationally.

More general workplace skills, such as team working, were also widely reported, but were less distinctive to London than these customer and management capabilities.

Evidence for London's online job postings reflect a similar trend to the ESS, with employer demand for a wide range of transferable skills growing relative to their comparative 2022 level, with interpersonal communications, leadership and problem solving capabilities exhibiting the strongest growth (Figure 11).

Figure 11: In an increasingly digitalised economy, transferable and interpersonal skills continue to grow in importance



Skills gaps within the London workforce

In contrast to trends in vacancies, Employer Skills Survey 2024 data suggest that skills gaps in London increased after 2019 and remained elevated in 2024, pointing to more persistent workforce capability challenges. ESS data show that:

- The number of employees in London reported to have a skills gap rose from around 190,000 in 2019, to 297,000 in 2022, before reaching 310,000 in 2024 – an increase of over 60% between 2019 and 2024.
- The share of sites reporting at least one skills gap remained at 11% in 2024, rising to around a fifth in sectors like education and hospitality.
- Skills gap density stood at 5.6% of employment in 2024, up from 3.8% in 2019 and only slightly below the 2022 peak (5.8%). This was a higher skills gaps density than in any other English region (4.1% England-wide).

This finding is supported by survey evidence for the LSIP, which also highlights concerns among London employers about gaps in workforce skills and capabilities.⁷¹

Table 7: Even as recruitment pressures have eased, skills gaps within the London workforce remained elevated in 2024

Selected skills gap indicators, London, 2011–2024

Year	Employees with a skills gap	Sites with at least one skills gap (%)	Skills gap density (% of employment)
2011	234K	15%	5.7%
2013	239K	15%	5.6%
2015	223K	13%	5.0%
2017	160K	9%	3.4%
2019	190K	11%	3.8%
2022	297K	12%	5.8%
2024	310K	11%	5.6%

Source: DfE Employer Skills Survey. Table created with Datawrapper. Note: skills gap density is defined as the share of employees reported by employers as not fully proficient in their role.

Ongoing skills gaps are often transient and underline the importance of training and workforce development.⁷² The broad types of skills that need improving are similar to those lacking when employers encounter skills shortage vacancies (Table 8).

Table 8: Skills most in need of improvement among employees with skills gaps

Skills that need improving in occupations with skills gaps, London and England, 2024

	London 2024	England - 2024
Self-management skills	73%	68%
Sales / customer service skills	64%	49%
Complex analytical skills	56%	48%
Management / leadership skills	51%	49%
Operational skills	46%	52%
Digital skills	38%	37%

Source: DfE Employer Skills Survey. Table created with Datawrapper.

⁷¹ BusinessLDN/Stratification survey evidence indicates that 35% of London-based business leaders report some skills gaps in their existing workforce, with 15% reporting significant gaps; gaps were most commonly reported by employers in retail and wholesale trade.

⁷² 74% of skills gaps relate to employees being new to their role or still completing training (ESS 2024).

Again, London sector data from the ESS are not available for 2024. England-level evidence indicates that health and social care, hospitality, and wholesale and retail have continued to record relatively high and rising skills gap densities since 2019. This could reflect ongoing challenges linked to turnover and workforce development. Table 9 combines national skills gap density data by sector with sub-regional employee jobs shares.

Table 9: Nationally, skills gaps are relatively high in hospitality, retail and health and social care – sectors which are well represented across SRP areas

National skill gap density by selected sector (England) vs. sub-regional employee job shares, London, 2024

Sector (England skills gap density, 2024)	Central London Forward	Local London	South London Partnership	West London Alliance
Hotels and restaurants (6.1%)	8%	7%	7%	8%
Wholesale and retail (5.4%)	8%	15%	15%	16%
Primary sector and utilities (5.2%)	1%	1%	0%	1%
Health and social care (4.7%)	9%	15%	15%	12%
Arts, entertainment, recreation and other services (4.3%)	5%	5%	6%	4%
Manufacturing (4.1%)	1%	4%	2%	4%
Financial services (4.0%)	12%	2%	2%	1%
Construction (3.7%)	2%	7%	5%	5%
Business services (3.6%)	30%	19%	21%	21%
Transport and storage (2.9%)	2%	6%	4%	10%
Education (2.2%)	6%	11%	10%	8%
Information and communications (2.0%)	12%	3%	5%	7%

Source: DfE Employer Skills Survey. Table created with Datawrapper. Note: table ranked by skills gap density (England, 2024). Highlighted cells indicate the highest share of employee jobs by sector by sub-regional partnership.

Green jobs and skills

The previous LSIP evidence base highlighted the scale of London's net zero challenge and expected growth in green priority sectors, alongside early signs of skills pressure. The London Growth Plan has since reinforced the importance of green jobs and skills.

Note: The previous evidence base, alongside supporting evidence for the ITS, reflect a clear longer-term context for green jobs and skills in London, including:

- a commitment to reach net zero carbon by 2030, with a preferred Accelerated Green Pathway
- projections that employment in green priority sectors could reach around 500,000 by 2030, driven by green finance, homes and buildings, power, and low-carbon transport
- evidence that delivery would depend heavily on upskilling the existing workforce, including in skilled trades and professional roles
- employer calls for a wider range of modular qualifications to be delivered flexibly for employees.

The analysis in this update focuses on what has shifted since the last LSIP.

While challenging to define, recent estimates suggest that London's low carbon environmental goods and services (LCEGS) sector employed around 341,100 people in 2023/24.⁷³ This was almost 10% higher than the previous year. Carbon finance was the largest sub-sector, accounting for 29% of LCEGS employment in the capital.

LCEGS employment is concentrated in the Central London Forward area, with around 223,000 employees, compared with 50,800 in Local London, 41,900 in West London Alliance, and 25,400 in South London Partnership.

Online job postings provide a more timely picture of employer demand. Despite wider labour market cooling, demand for green roles has remained relatively strong:

- In total, London recorded 84,700 green online job postings across the 12 months to December 2025.⁷⁴
- Green-related roles accounted for 6.4% of online job postings in London in 2025, up from 4.1% in 2019 and around 5% in 2022.⁷⁵ In volume terms, this is equal to an average of around 7,000 postings a month in 2025, compared with 4,500 a month in 2019 and 9,400 a month in 2022 (Figure 12).
- While overall recruitment slowed through 2023 and 2024, green online job postings declined less sharply than total postings and have remained around 50% above pre-pandemic levels, indicating sustained underlying demand.⁷⁶

⁷³ kMatrix Data Services Ltd (2025) [London Low Carbon Market Snapshot 2025](#)

⁷⁴ For the purpose of this analysis, GLA Economics classify a job posting as 'green' if it contains either a technical green skill (such as retrofit expertise), a specialised green job title (such as carbon analysis or solar installer), or is part of a transition-critical occupation (such as electricians or plumbers).

⁷⁵ Following a sharp post-pandemic increase in recruitment activity in 2022 and early 2023, overall job postings in London have declined in line with a broader slowdown in the labour market.

⁷⁶ Total Lightcast online job postings fell by around 34% between 2022 and 2025, compared with around 14% for green postings.

Figure 12: While monthly green job postings have fallen from their late-2022 peak, their share of total postings has increased



Source: GLA Economics of Lightcast UK job postings. Chart created with Datawrapper. Note: data shown as three-month-moving average; includes all postings that explicitly include a green skill in their job description, have a green job title, or are part of a transition-critical occupation.

Analysis of Lightcast online job postings data also shows that:

- The share of job postings explicitly mentioning green skills such as energy efficiency, ESG standards, net zero strategy and renewable energy systems has nearly doubled since 2019 and has continued to rise since the last LSIP.⁷⁷
- Green-related demand remains weighted towards engineering and professional roles, including roles linked to sustainable finance.⁷⁸ This is consistent with LCEGS evidence and wider forecasts that green finance will be a major driver of green employment growth in London.⁷⁹
- Green skills are also evident across a wide range of occupations, including skilled trades and project managers, as well as specialist sustainability positions such as ecologists and carbon analysts (Figure 13). This suggests green expertise is becoming more embedded across the workforce, reinforcing the earlier LSIP emphasis on workforce development and upskilling.

At the same time, postings for many transition-critical roles, such as electricians and plumbers, remain above pre-pandemic levels, even though these roles are less likely to explicitly require green skills or expertise in job adverts.

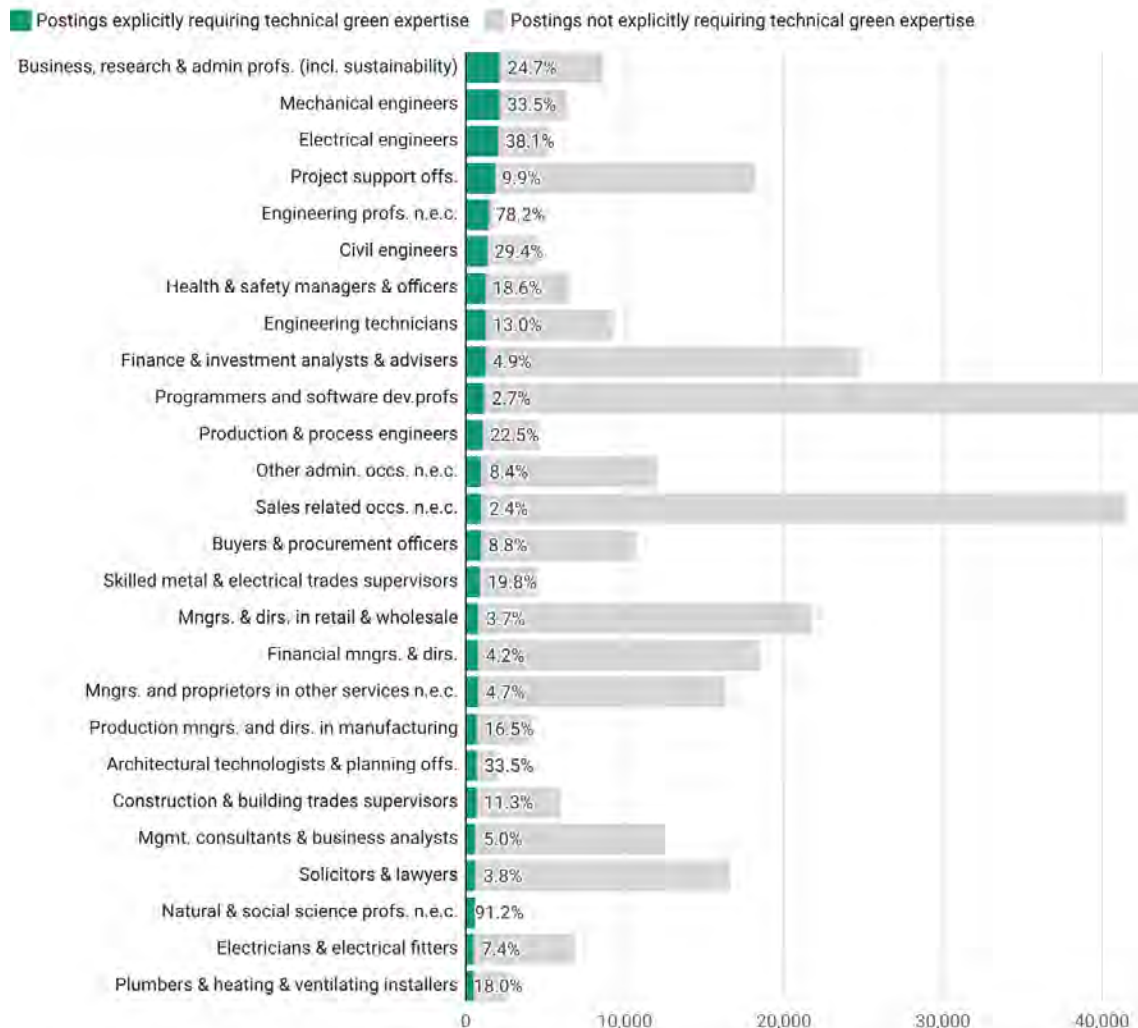
⁷⁷ The share of online job postings explicitly requiring green skills rose from 2.3% in 2019 to 4.1% by the end of 2025.

⁷⁸ 40% of the UK's total sustainable finance related online postings were advertised in London.

⁷⁹ According to WPI Economics (2022), the number of jobs in green finance in London could increase by 11% 2021 and 2030.

Figure 13: Green expertise is sought across a range of roles, but most concentrated among engineering, building trades, and environmental roles

Top 25 SOC occupations ranked by number of unique green job postings | London | Jan 2025 - Dec 2025



Note: X-axis is the number of unique job postings for a given occupation and the percentages indicate the share of an occupation's total classified as green.

Note: These green skills and job title definitions and statistics are experimental and subject to revision.

Chart: GLA Economics + Source: Lightcast UK job postings + Created with Datawrapper

Further analysis: GLA Economics has published more detailed London green jobs postings data on the [London Datastore](#).

Digital jobs and skills

Another core theme of the previous LSIP was the importance of digital skills to London's economy, both through the digital (ICT) sector itself and through the widespread use of digital technologies across other sectors. The London Growth Plan and the UK Industrial Strategy reiterate this, highlighting digital capabilities as critical to productivity, innovation and the transformation of both foundational sectors and priority sectors such as professional services, creative industries, health and life sciences.

Recent advances in artificial intelligence are reinforcing this position. AI is accelerating digital change across a wide range of roles and sectors, increasing the importance of digital skills for both new entrants and the existing workforce (see next section).

Sector size and recent trends

Digital activity is concentrated within a defined ICT sector, but also overlaps strongly with other priority sectors, notably creative industries and professional services.⁸⁰ Core activities include computer programming and software development, IT consultancy and support services, digital media, and parts of broadcasting and content production.

There were around 570,000 employee jobs in London's digital sector in 2024, 40% of the England total.⁸¹ While the sector experienced a slowdown in hiring activity after the post-pandemic peak – reflected in reduced vacancies and high-profile redundancies in parts of the tech industry – digital employment has grown strongly over the longer term, with employee numbers around 43% higher than in 2015.⁸² This longer-run growth, combined with continued demand for digital expertise across the economy, suggests that digital skills remain an important part of London's labour market.

Recruitment pressures

England-level Employer Skills Survey data for 2024 point to a marked easing of recruitment pressures in digital roles compared with 2022. Vacancy volumes have fallen, and both skills-shortage vacancy rates and reported skills gaps are lower than at the post-pandemic peak, in some cases below pre-pandemic levels.⁸³ The decline has been particularly pronounced for IT professionals, a trend that is also evident in online job postings data since 2022 (Figure 15).

This easing should be interpreted in context. Digitally focused occupations continue to account for large absolute volumes of job postings, and recruitment demand remains high relative to many other occupational groups. In 2025, there were still over 42,000 online postings for programmers and software development jobs in London, more than for any other occupation, alongside substantial demand for IT business analysts and systems designers, data analysts, and cyber security professionals.

⁸⁰ The digital sector here is defined according to the [DSIT definition](#) of the sector

⁸¹ This is equivalent to 10% of all employee jobs in the capital. Source: GLA Economics analysis of ONS BRES via Nomis.

⁸² Online recruitment activity for digital-related occupations shows a decline of 62% between the 2022 peak and 2025, a much sharper reduction than seen in many other sectors of the economy.

⁸³ For example, ICT skills shortage vacancy density across England declined from 43% in 2022 to 18% in 2024 (compared to 23% in 2019). Source: DfE (2025) Employer Skills Survey.

Moreover, while demand for digital skills remains strongest in digital and IT occupations, online job posting analysis suggests that digital capability is increasingly required across a range of jobs in London, albeit to varying degrees. Figure 14 uses broad 3-digit occupational groups to illustrate this overall trend, showing rising demand for digital capability across a wide range of roles as employers adopt new technologies and integrate data-driven ways of working.

Figure 14: Digital skills are fundamental to IT-related roles but growing in importance across many occupational groups, particularly professional roles

London | Top 25 largest SOC 3-digit occupational groups

Digital skill prevalence (share of job postings explicitly requiring digital skills)

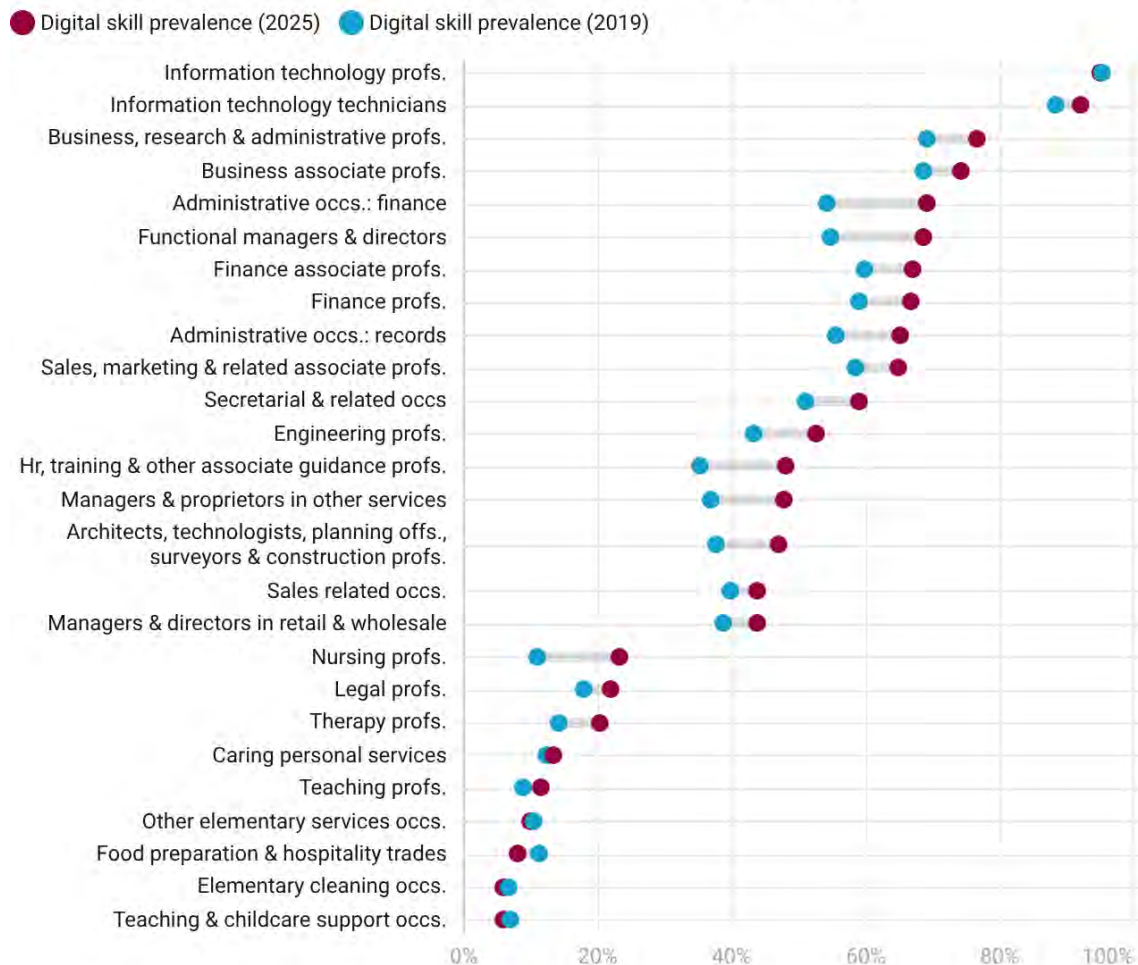


Chart: GLA Economics • Source: Lightcast job postings • Created with Datawrapper

Among the most frequently sought after advanced digital skills are a range of coding languages, machine learning, and data analysis. Alongside this, more general digital skills – such as proficiency with the Microsoft Office Suite, administration applications, and basic IT literacy – are now expected across most roles. Compared with 2022/23, demand for AI-related skills and tools have seen the most dramatic increase in employer demand (discussed further in the next section).

Figure 15: Demand for digital occupations in London has declined more than for other occupational groups since 2022, but has stabilised recently

London | Online job postings for digital occupations
Relative levels (100 = 2019 average) | Jan 2019 - Dec 2025

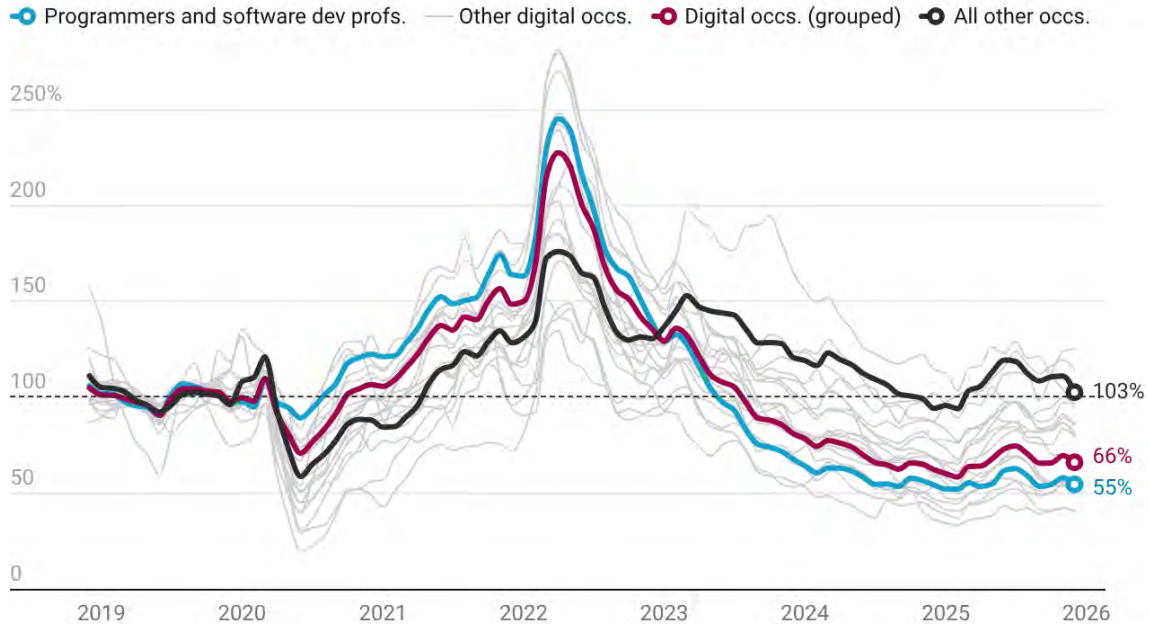
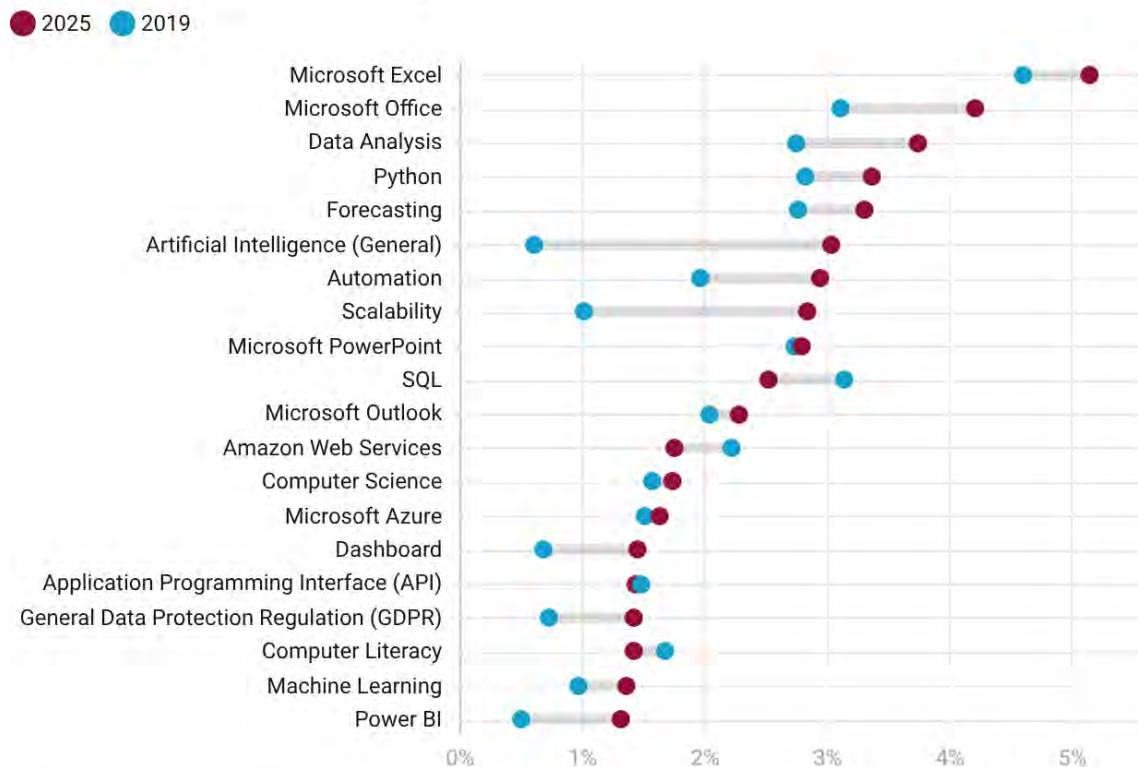


Chart: GLA Economics • Source: Lightcast UK job postings • Created with Datawrapper

Figure 16: Specific digital skill needs continue to evolve across the workforce

London | Top 20 most in demand digital skills | Jan 2025 - Dec 2025



Note: Analysis of skills explicitly sought in online job postings. Some digital skills are likely to be implicitly inferred for a role or considered foundational. These digital skill definitions and statistics are experimental and subject to revision.

Chart: GLA Economics • Source: Lightcast job postings • Created with Datawrapper

Artificial intelligence

Since the previous LSIP, and the emergence of tools like ChatGPT, artificial intelligence (AI) has moved rapidly from a marginal technology to one that many employers and individuals are actively testing or adopting. This section updates the LSIP evidence base with recent data on business adoption of generative AI, employer demand signals from job postings, and new GLA Economics analysis of occupational exposure.

AI adoption by employers

Recent survey evidence shows AI adoption is increasing steadily, albeit from a low base. ONS Business Insights and Conditions Survey (BICS) data for December 2025 show 25% of UK businesses using at least one form of AI, up from 10% at the end of 2023.⁸⁴ Around 61% businesses report not using AI, while 11% say they are unsure.⁸⁵

Use of AI technologies is focused on a core set of applications, mainly text generation using large language models, data processing using machine learning, and visual content creation. Reported take-up varies widely by sector. Use is highest in information and communication, education and professional services (49–42% of all businesses), and much lower in construction, hospitality, and health and social care, where over 80% of businesses report no use. Adoption also remains lower among smaller businesses.

In workforce terms, BICS data suggest AI use in the UK is currently more closely associated with training than with hiring or job reduction. Among UK businesses with 10 or more employees that use AI:

- 38% report training or retraining existing staff
- 6% report recruiting new staff with AI-related skills
- 7% report a reduction in headcount, while over half report no change.

This is consistent with wider GLA Economics analysis, which shows that while hiring demand has softened in some roles more exposed to generative AI, this does not appear to be the only driver of the recent slowdown in London's labour market.

At this stage, the overall impacts of AI on labour market outcomes remain uncertain and difficult to isolate from other pressures affecting employment and hiring (Chapter 2).

Demand signals from online job postings

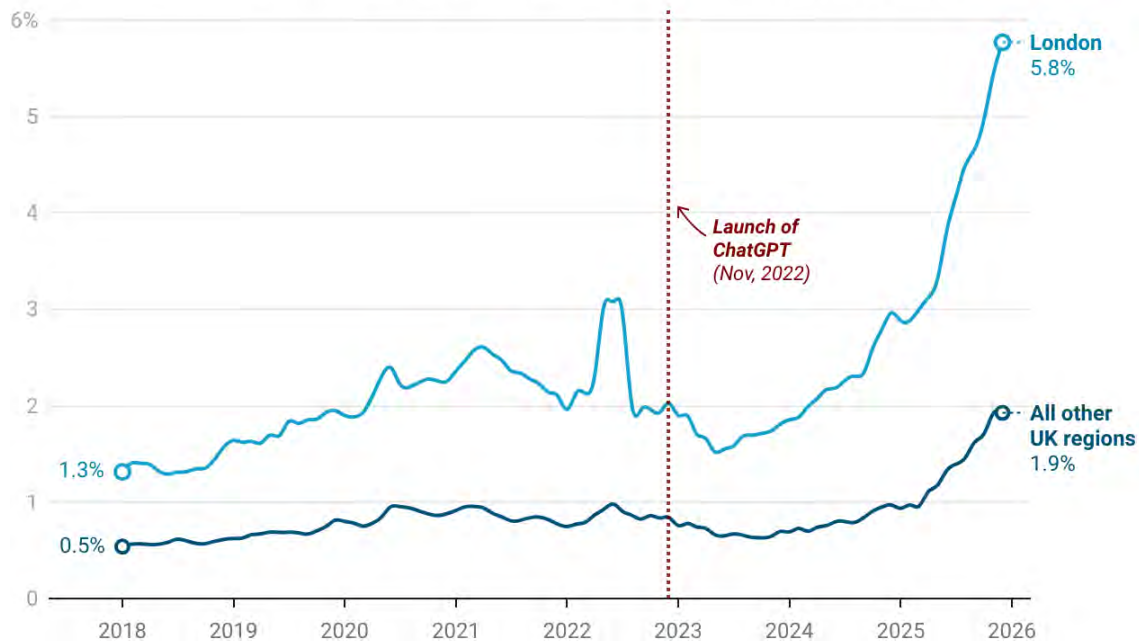
Overall recruitment activity has cooled since 2022, but demand for AI-related skills has risen in line with adoption. By late 2025, 5.8% of online job postings in London explicitly mentioned AI-related skills, up from 2% at the end of 2022 and 3% at the start of the year (Figure 17). This growth is visible across the UK, but is by far the strongest in London. This reflects London's concentration of professional, digital and knowledge-intensive roles, and its status as a major international centre for AI and innovation.

⁸⁴ Unweighted regional results are less robust but suggest higher reported AI use in London (44% of all businesses). Source: ONS (2025) [Business insights and impact on the UK economy \(wave 146\)](#)

⁸⁵ An unweighted BusinessLDN/Stratvision survey of London-based business leaders found even higher reported AI use (75%), partly reflecting the survey's focus on larger and IT-intensive employers.

Figure 17: Demand for AI-related expertise has grown rapidly in the last 12-18 months

Share of online postings that explicitly contain AI expertise | Jan 2018 - Dec 2025 | ITL 1 regions



Note: 3-month moving average of online job postings

Chart: GLA Economics • Source: Lightcast UK job postings • Created with Datawrapper

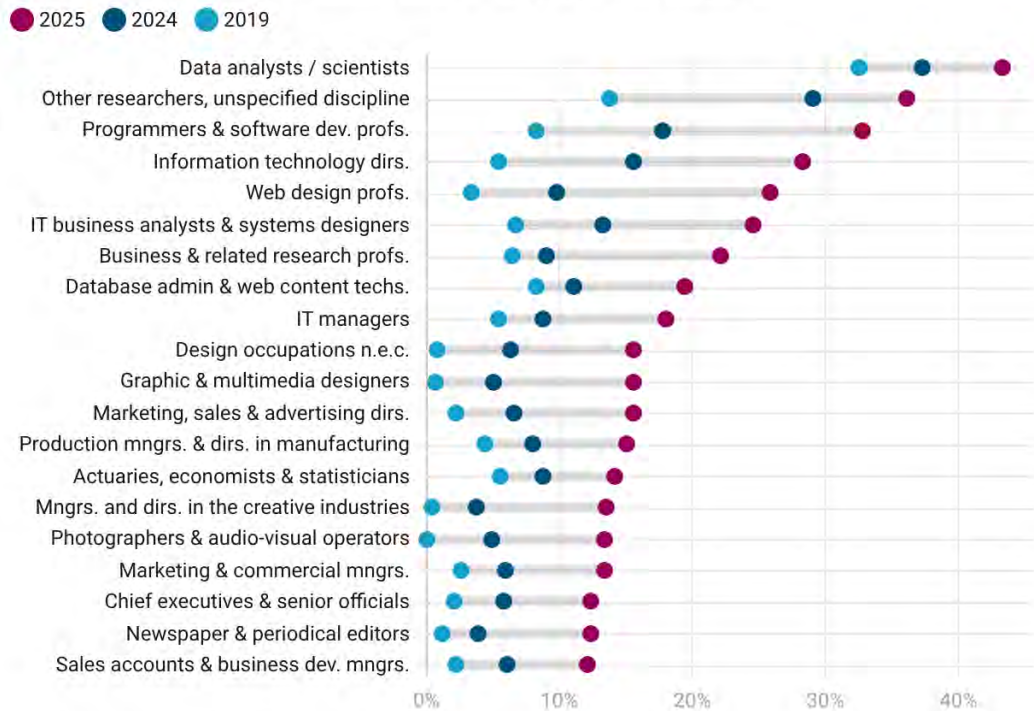
Explicit AI skill requirements remain most common in the data, software and research roles (Figure 18). However, references are also increasing in marketing, management and other professional occupations. According to Lightcast, the most frequently cited specialised AI skills in London job postings in October–December 2025 were ‘Artificial Intelligence (general)’ and ‘machine learning’, followed by ‘Generative AI’. More specific technical capabilities – including MLOps, AI infrastructure, deep learning frameworks and prompt engineering – appear at much lower but growing levels (Figure 19).

Overall, the evidence suggests that AI capability is increasingly being added to existing roles rather than appearing solely in new, specialist job titles. Wider research also indicates that AI adoption tends to increase demand for transferable skills, including judgement, communication and problem-solving, alongside technical capability.⁸⁶

⁸⁶ Brown, R. (2025) [Human-centric artificial intelligence, professional services and higher education](#). University of London

Figure 18: AI skills are growing in importance across a broad range of roles

Occupations with the highest share of postings explicitly requiring AI expertise
London | SOC 4-digit occupations | 3-month average (October-December)



Note: Includes occupations with 100 or more online job postings explicitly featuring AI expertise in 3-month period.

Chart: GLA Economics • Source: Lightcast job postings • Created with Datawrapper

Figure 19: Demand for AI skills is led by machine learning and general AI

London | Top 20 specialised AI skills | 3-month average (Oct - Dec)

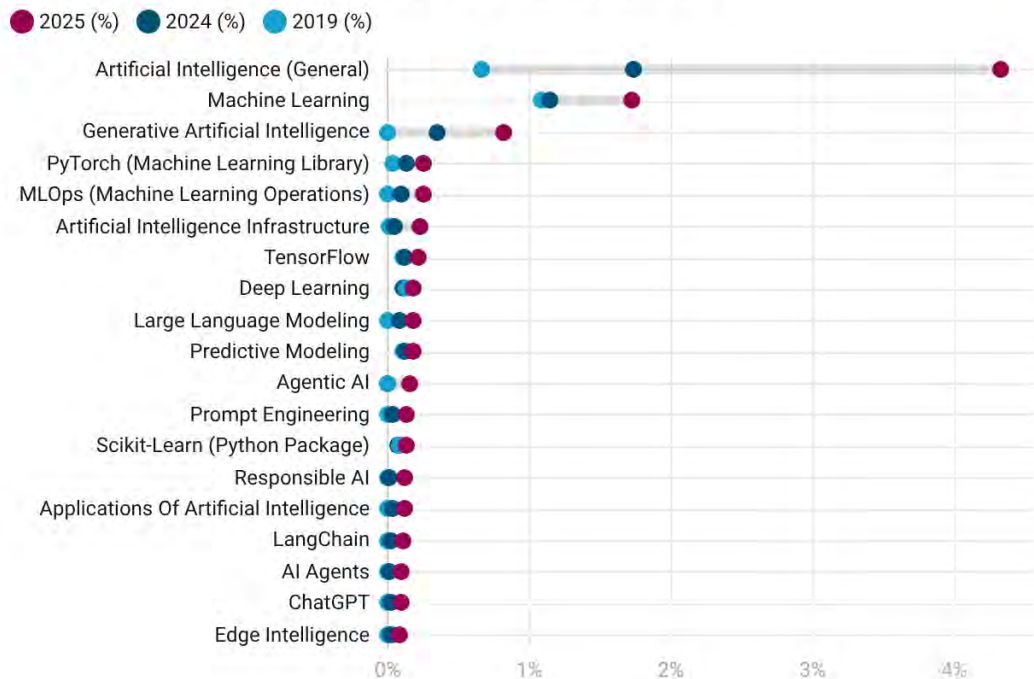
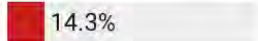
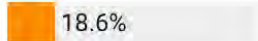
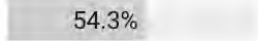


Chart: GLA Economics • Source: Lightcast job postings • Created with Datawrapper

Table 10: Around 46% of London jobs are exposed to Generative AI to some degree, with potential impacts depending on an occupation's task mix

London | 2022-2024 employment estimates

Gradient	What this means in practice	Share of London employment	Estimated jobs	Example occupations
High exposure (level 4)	Most tasks closely overlap with current GenAI capabilities, with little variation across tasks. A large share of day-to-day work could be affected	 6.0%	313,000	Administrative professionals, bookkeepers
Significant exposure (level 3)	Many tasks overlap with GenAI capabilities, but exposure varies across tasks. Some parts of the role are highly exposed, others less so	 14.3%	748,000	Software developers, financial analysts
Moderate exposure (level 2)	A mix of exposed and non-exposed tasks. AI is likely to affect specific tasks rather than the role as a whole	 18.6%	972,000	IT system designers, business development managers
Low exposure (level 1)	Overall exposure is low, but a some tasks may be affected by AI tools	 6.7%	351,000	Sales roles, legal associates
Limited exposure	Most tasks have little overlap with current GenAI capabilities, so near-term task change is likely to be less significant	 54.3%	2,836,000	Care workers, construction trades

Note: exposure reflects the degree to which current job tasks overlap with existing GenAI capabilities. It does not indicate job losses or gained.

Table: GLA Economics adaptation of ILO (2025) approach • Source: ONS Annual Population Survey - Pooled Annual (2022-2024) • Created with Datawrapper

Exposure of London's workforce to generative AI

Occupational exposure analysis provides context on where AI is most likely to affect jobs, even where this is not yet visible in employment trends.

New GLA Economics research applies a recent task-based methodology developed by the International Labour Organisation (ILO, 2025).⁸⁷ Table 10 and Figure 21 show that:

- at least 46% of jobs in London are in roles exposed to generative AI based on a recent assessment of capabilities, compared with 38% across the UK as a whole
- 20% of London jobs fall into the two highest exposure groups, where a large share of core tasks overlap with current generative AI capabilities.

As Figure 20 shows, this higher exposure is reflected in the finance, ICT and professional services sectors, where tasks such as document handling, analysis, coding and client communication overlap strongly with current AI capabilities.

Lower exposure to generative AI is more common in sectors such as social care, construction, and hospitality, where work remains more people- or context-dependent.⁸⁸ Even in these sectors, some back-office and customer-facing roles show moderate to high exposure, suggesting that while impacts will be uneven, they are unlikely to be confined to a small number of industries. More sector-specific insights are included in Chapter 5.

It should be noted that AI exposure scores are not forecasts of job loss. Rather, they show where job tasks are more technically automatable, and therefore where roles are more likely to change through task redesign, augmentation or new skill requirements. While higher exposure can imply greater automation risk, it can also indicate stronger potential for productivity gains or job creation from AI.

There is, for example, no consistent relationship between recent changes in resident payroll employment in London and sectoral exposure to generative AI.⁸⁹

Employment outcomes will depend on a range of factors, including the pace of adoption, user proficiency with AI tools, clarity of business use cases, and levels of trust in AI-generated outputs, alongside wider data security and regulatory considerations.⁹⁰

⁸⁷ [Generative AI and Jobs: A Refined Global Index of Occupational Exposure \(Gmyrek et al, 2025\) – ILO.](#)

⁸⁸ The education sector stands out for its low exposure, but relatively high reported take-up of AI tools.

⁸⁹ Sectors with higher shares of jobs exposed to generative AI did not see consistently weaker payroll employee trends over the year to October 2025. For example, resident payroll employee numbers in finance and insurance increased despite high exposure, while information and communication fell; similarly, low-exposure sectors such as construction and hospitality have also seen declines in payrolled employees.

⁹⁰ UK-level ONS BICS data (15–28 December 2025) suggest that practical constraints to AI adoption are currently more common than regulatory or cost barriers. Around 7.5% of businesses cited limited AI skills or knowledge, 7.0% reported no clear use case, and 5.7% raised concerns about trust in AI products.

Figure 20: The finance, information and professional services sectors have the highest shares of jobs exposed to generative AI in London

Distribution of GenAI exposure levels across industries
 London | 2022-2024 employment estimates | Selected SIC industries

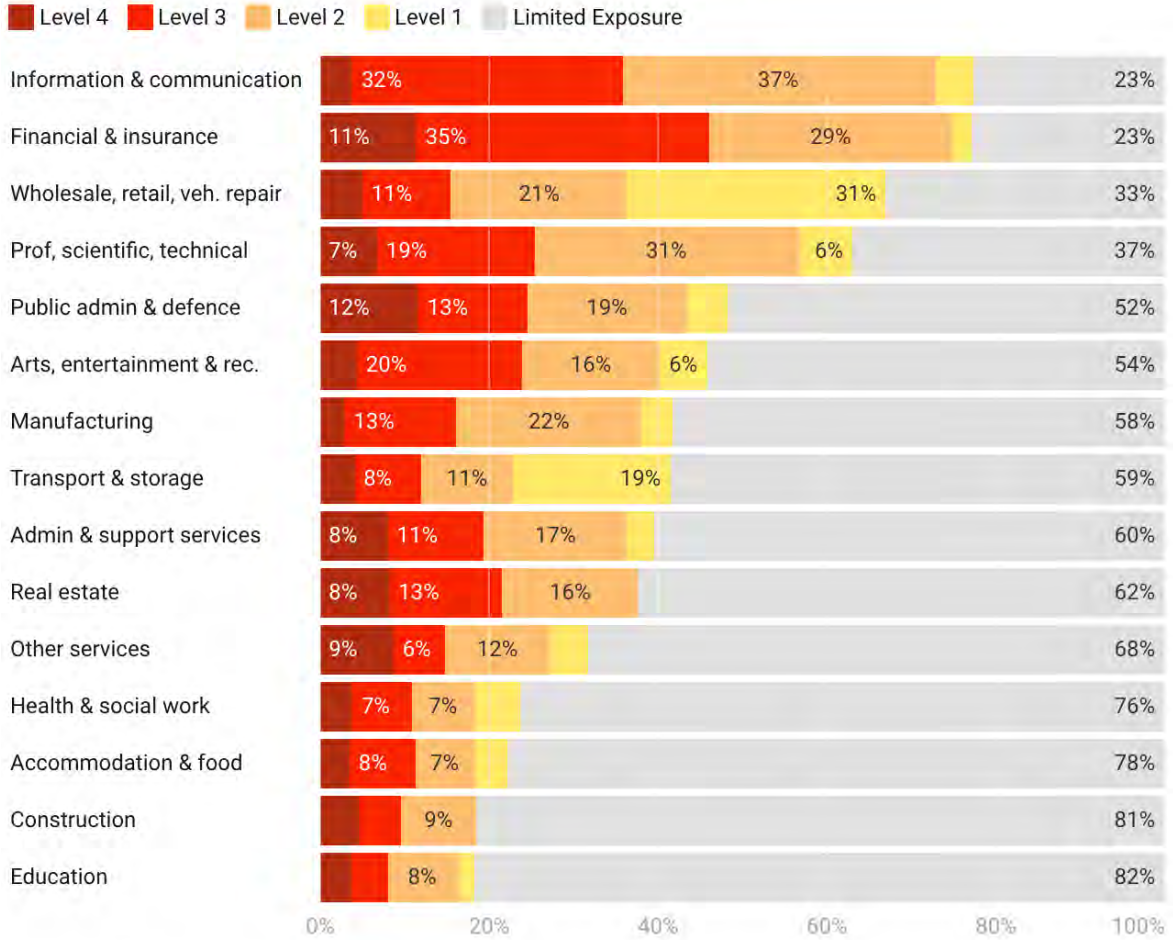


Chart: GLA Economics adaptation of ILO (2025) approach • Source: ONS - Annual Population Survey - Pooled Annual (2022-2024)
 • Created with Datawrapper

Figure 21: Reflecting its industry mix, London has a higher share of jobs exposed to generative AI than in any other English region

GenAI exposure | 2022-2024 employment estimates | ITL 1 regions

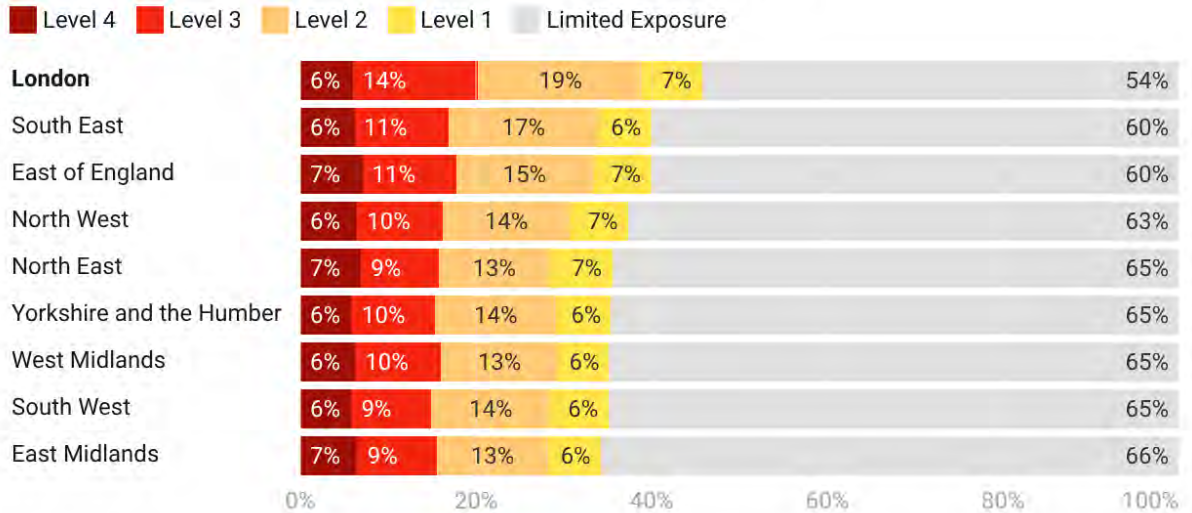


Chart: GLA Economics adaption of ILO (2025) approach • Source: ONS Annual Population Survey - Pooled Annual (2022-2024) • Created with Datawrapper

Who is most exposed in London?

Generative AI exposure varies across Londoners, but differences are generally modest and follow clear patterns linked to job type.

All SRP areas show above-average exposure compared with the UK, with 42–49% of jobs in each area in roles facing AI exposure.⁹¹ This reflects the broad spread of professional, administrative and service roles across the capital. In absolute terms, however, Central London Forward accounts for the largest number of exposed roles.

Variation is more evident by age and education. Jobs held by workers with higher level qualifications are most likely to involve tasks that overlap with current AI capabilities. Around 51% of jobs held by workers with degree-level qualifications are exposed, compared with 31% of jobs held by those workers with no or 'other' qualifications. At the same time, higher-qualified roles tend to involve a wider mix of tasks and expertise, which suggests a greater likelihood of task change rather than direct displacement.

Younger workers are also more likely to be in highly exposed roles. Around 52% of London jobs held by 16–29-year-olds are in roles exposed to GenAI (including 25% in the two highest exposure groups), compared with only 39% among those aged 50 and over. This partly reflects younger workers greater likelihood – as digital natives – to work in newer, digitally focused roles that typically have higher exposure. It may also indicate that AI-related task change may be particularly relevant at earlier career stages, where roles often include routine analytical or administrative tasks alongside learning and progression.

Polling of adult Londoners at the end of 2025 shows that:

⁹¹ GLA Economics analysis of ILO (2025) task exposure methodology using ONS Annual Population Survey, pooled 2022–2024. Share of jobs in gradients 1–4: South London Partnership 49%; Central London Forward 48%, Local London 43%; and West London Alliance 42% (compared with London overall 46%).

- Over half (56%) of London workers expect AI to impact their job within 12 months, rising to 76% among those in professional or higher managerial roles.
- Despite some concerns about its impact on jobs, 64% of working Londoners report using generative AI for work, with 10% saying they use it every day.
- Nearly half (46%) of Londoners who are currently in work or are looking for work say that they are confident they have the skills needed to use AI in their jobs, compared to 26% who are not confident.⁹²
- Women, Londoners aged 50 to 64, and Londoners from black or mixed/other ethnic backgrounds are more likely to report that they are *not* confident in using generative AI in their work.⁹³

Further analysis: A [GLA Economics](#) report explores the demand for AI-related skills in London and occupational exposure in more detail. Given the rapid development and growing use of generative AI, continued monitoring of key labour market indicators will be important to identify emerging trends and to help distinguish potential AI-related effects from wider labour market developments.

⁹² 25% of respondents said they either don't know or the question was not applicable to their role.

⁹³ GLA Opinion Research, [AI for Londoners Polling-November 2025](#). Note: this online survey was carried out by YouGov for the GLA between 21 October and 27 November 2025, with a response of 1,058 London residents aged 18+. The figures have been weighted to be representative of all London adults.

5. Skills needs and opportunities in London's priority sectors

This chapter examines skills needs and supply across selected London priority sectors:

- Construction and the built environment
- Creative industries
- Finance and professional services
- Health and social care
- Hospitality
- Life sciences

The analysis considers current and emerging demand, recruitment pressures, training routes and supply trends. It draws on labour market data and wider evidence to identify where pressures are more pronounced and where future risks may arise, including those linked to workforce demographics and technological change.

Appendix 5 summarises the key data sources used in these sector write-ups, which in some cases differ from those used in earlier chapters. **Tables 11 to 13** present selected data points at a glance. Life sciences is not included in these tables due to limitations related to data availability and definitions.

The write-ups focus on sector-level patterns and implications. More detailed occupation-level analysis is provided in a supplementary workbook, which supports a deeper (data-led) assessment of specific roles within a wider range of priority sectors.

Summary of key points

- Skills needs vary widely across and within priority sectors, reflecting differences in workforce scale, recruitment pressures and training pathways.
- In several sectors – including construction and health and social care – easing vacancy levels coexist with persistent skills shortages or gaps within the existing workforce, pointing to ongoing skills challenges alongside recruitment.
- Demographic change, reliance on non-UK-born workers and exposure to digital technologies are also likely to impact future skills needs for many priority occupations.

Wider resources:

More detailed sector data, including sub-regional data, can be found on the London Datastore [here](#).

Interactive outputs with more detailed insights for some priority sectors are also available on the London Datastore [here](#), and slide decks [here](#).

Occupation-level analysis is provided in a supplementary workbook published alongside this chapter. The workbook identifies key occupations linked to priority sectors and assesses them across workforce scale, demand pressures, future risks and policy alignment, using London-level data where available.

Table 11: Priority sectors at a glance – jobs, businesses and pay

Jobs and business profile by selected sector, London

	Construction	Creative industries	Financial services	Health and social care	Hospitality	Professional services	London average
Employee jobs							
Number of employee jobs, 2024	202,000	615,000	445,000	623,000	447,000	1,153,000	5,743,000
Change since 2022	7%	6%	14%	7%	-7%	-1%	2%
Change since 2019	2%	17%	15%	18%	5%	18%	9%
Businesses							
Number of registered businesses, 2025	63,900	94,300	18,000	28,000	37,900	148,200	596,600
Change since 2022	1%	-1%	4%	11%	5%	-4%	0%
Change since 2019	11%	-9%	0%	16%	14%	-11%	2%
Share of businesses with <10 employees	96%	92%	83%	72%	69%	90%	87%
Employee earnings							
Median annual pay, 2024 (gross, all employees)	£46,300	£48,200	£80,600	£35,600	£22,200	£52,400	£41,600
Change since 2022	13%	10%	11%	15%	7%	8%	13%
Change since 2019	16%	12%	11%	29%	11%	22%	23%
Projections							
Annual growth, 2025-2035 (NFER)	1.4%	---	0.1%	0.2%	2%	0.6%	0.5%

Created with Datawrapper

Source: ONS BRES, 2024, via Nomis; Business Counts (local units), 2025, via Nomis; [ASHE](#) (2024, 2022, 2019 – place of work); DCMS (2025) [Economic Estimates: Earnings 2024 for DCMS Sectors](#); Department for Education (2025) [Labour market and skills projections: 2020 to 2035](#).

Table 12: Priority sectors at a glance – education and skills

Qualifications and skills indicators by selected sector, London

	Construction	Creative industries	Financial services	Health and social care	Hospitality	Professional services	London-average
Qualification shares (2022–2024)							
Degree or equivalent	38%	81%	81%	65%	28%	78%	62%
Higher education	5%	4%	2%	7%	8%	4%	5%
GCE, A level or equivalent	22%	9%	9%	11%	22%	9%	14%
GCSE grades A*-C or equivalent	14%	3%	5%	8%	17%	4%	9%
No qualification	5%	1%	1%	2%	10%	1%	3%
Other qualifications	17%	2%	2%	7%	16%	5%	7%
Skills challenges (2024, England)							
Skills shortage vacancy density	46%	---	17%	21%	21%	31%	27%
Workforce skill gap density	4%	---	4%	5%	6%	4%	4%
AI exposure (2022–2024)							
Proportion of jobs exposed to genAI	19%	---	78%	23%	23%	63%	46%

Created with Datawrapper

Source: ONS Annual Population Survey, pooled 2022–2024 (place of work); DfE (2025) [Employer Skills Survey 2024](#); GLA Economics analysis of ILO (2025) AI exposure.

Note: '---' estimate unavailable; ESS 2024 estimates are England-level for sectors and for the London average.

Table 13: Priority sectors at a glance – workforce inclusion

Demographic profile by selected sector, London, 2024

	Construction	Creative industries	Financial services	Health and social care	Hospitality	Professional Services	London average
Age							
16-29	18%	21%	20%	16%	34%	21%	21%
30-49	57%	58%	61%	51%	47%	57%	52%
50 and above	26%	22%	19%	33%	20%	22%	27%
Gender							
Male	84%	63%	65%	28%	60%	55%	55%
Female	16%	37%	35%	73%	40%	45%	45%
Ethnic background							
Asian	10%	15%	24%	20%	24%	15%	18%
Black/African/Caribbean	7%	4%	6%	21%	12%	5%	11%
Multiple/Mixed/Other	9%	8%	9%	10%	14%	9%	9%
White	74%	73%	62%	50%	51%	70%	63%
Disability status							
Equality Act Disabled	11%	13%	9%	16%	16%	13%	14%
Country of birth							
Non-UK	45%	38%	47%	48%	59%	41%	43%

Created with Datawrapper

Source: ONS Annual Population Survey, pooled 2022–2024 (place of work)

Construction and the built environment (back to [priority sector overview](#))

The construction and built environment sector include a wide range of general and specialised activities related to buildings and civil engineering works, covering new build, repair, renovation and infrastructure. For the purposes of this evidence, the analysis focuses on activities defined by SIC codes 41–43.⁹⁴

The sector was identified as a priority in London's 2023 LSIP and referenced in the 2025 London Growth Plan, reflecting its role in housing delivery, infrastructure investment and decarbonisation.

Sector size and recent trends

Construction remains an important part of London's economy, with 202,000 employee jobs in 2024, representing roughly 4% of the London total and 15% of the sector nationally. The wider built environment sector (which includes activities in, for example, real estate and professional services) accounts for around 11% of employment.⁹⁵

Core construction employee jobs increased by 7% between 2022 and 2024. As shown in Chapter 2, total workforce jobs in construction were still below 2019 levels in late 2025. This reflects a longer-term decline in self-employment (since 2017), alongside slower growth in employee jobs over the past year.

Within the sector, employee jobs in building construction have seen the strongest growth between 2022 and 2024, with civil engineering facing tighter conditions. The sector's footprint varies significantly by sub-region, from 2% of employee jobs in the Central London Forward area to around 7% in Local London.⁹⁶

High levels of self-employment and sub-contracting are challenges for skills supply and workforce development. In 2025, 96% of construction businesses in London employed fewer than 10 workers. Despite recent falls, 25% of jobs are still self-employed, compared with 10% across the London economy.⁹⁷

Workforce profile and inclusion

On key measures, the construction and built environment workforce is less diverse than the London average. In 2024 younger workers were under-represented⁹⁸, while women accounted for only 16% of jobs and 26% of workers were from ethnic minority backgrounds, compared with 45% and 38% London-wide respectively.

Around 46% of construction jobs were held by workers born outside the UK, slightly above the London average of 43%. As highlighted in Chapter 2, changes to visa requirements

⁹⁴ SIC codes 41–43 covers construction of buildings, civil engineering and specialised construction activities. For a wider discussion of definitions, see: NLA (2025) [The built environment sector](#).

⁹⁵ NLA (2025) [The built environment sector](#)

⁹⁶ Compared with 5% in both the South London Partnership and West London Alliance SRP areas.

⁹⁷ GLA Economics analysis of ONS WFJ for London for March-Sep 2025.

⁹⁸ In 2025, around 18% of construction workers were aged 16–29, compared with 21% across London and down from 22% in 2015.

increase the risk of international recruitment challenges. Nationally, the number of Skilled Worker visas granted to construction trades has fallen sharply.⁹⁹

The qualification profile also differs from the London average. Despite growth over recent years, only 38% of job holders had degree-level qualifications in 2024, compared with 62% across London. Skilled trades account for a large share of construction employment, where vocational routes into skilled roles are common.

Job quality indicators are mixed. While some workers report good progression opportunities and lower exposure to low pay (with median employee pay close to the London average), 28% report unsatisfactory working hours and just over half are in permanent roles. These factors can shape the sector's appeal to younger workers.

Recruitment pressures

Vacancy levels have eased since 2022. In England, construction vacancies fell by around 21% between 2022 and 2024, to around 45,700. In London, the share of sites reporting at least one vacancy also declined, as have online job postings.

However, reports of skills-shortage vacancies remain high. In 2024, 46% of construction vacancies in England were skills-shortage vacancies – the highest share of any sector. Although lower than the 2022 peak, this remains above 2019 levels. In London, skills-shortage vacancy rates in construction have also been consistently above average over time, pointing to long-standing supply constraints. Skills gaps among existing staff are closer to the cross-sector average and have declined since 2022.¹⁰⁰

London online job postings in 2025 show higher levels of employer demand for the following construction and built environment roles:

⁹⁹ From 1,119 in Q3 2023 to 100 in Q3 2025 (for SOC groups 531, 532, and 533). This follows increases to the minimum salary threshold for long-term work visas from April 2024. See Home Office (2025) [Sponsored work entry clearance visas by occupation and industry \(SOC 2020\), year ending September 2025](#).

¹⁰⁰ Earlier London data reflect a similar pattern in construction, with comparatively high rates of skills-shortage vacancies across previous ESS waves. See: DfE (2025) [Employer Skills Survey, Core indicators](#)

Code	Occupation	Job postings (2025)	Minimum expected education level	Indicative evidence of recruitment pressure (relative)
3113	Engineering Technicians*	9,400	Level 3	High
5241	Electricians and Electrical Fitters*	6,900	Level 3	High
2453	Quantity Surveyors*	6,700	Level 6 and above	Medium
3582	Health and Safety Managers and Officers	6,500	Level 3	High
2122	Mechanical Engineers*	6,400	Level 4/5	High
5330	Construction and Building Trades Supervisors*	5,900	Level 3	High
2454	Chartered Surveyors*	5,500	Level 6 and above	High
2123	Electrical Engineers*	5,300	Level 4/5	Medium
2121	Civil Engineers*	4,500	Level 4/5	Medium
5250	Skilled Metal, Electrical and Electronic Trades Supervisors*	4,500	Level 3	High
9129	Elementary Construction Occupations nec.	4,200	Below level 2	High
5316	Carpenters and Joiners*	3,700	Level 2	High
5319	Construction and Building Trades nec.*	3,400	Level 2	Medium
5315	Plumbers and Heating and Ventilating Engineers*	2,700	Level 2	High
3120	CAD, Drawing and Architectural Technicians*	2,300	Level 3	Lower

* indicates occupations also identified in Skills England analysis

Source: GLA Economics analysis of Lightcast. Table created with Datawrapper. Note: recruitment pressure ratings are indicative and based on analysis of online postings trends and patterns and wider labour market data. They provide a relative comparison across occupations rather than a precise measure of shortages.

Analysis of online job postings suggests that many of these roles face higher recruitment pressure than most other roles in London.¹⁰¹ Several also have high shares of non-UK-born workers and older age profiles, which may add to replacement demands.

Many of the roles shown are also identified as priority occupations by Skills England or highlighted in CITB workforce analysis.¹⁰² A number align closely with occupations highlighted in the government's Clean Energy Jobs Plan.¹⁰³

¹⁰¹ In terms of trends, engineering technicians and quantity surveyors continue to account for the largest volumes of postings, while there has been an increase for electricians and electrical fitters.

¹⁰² CITB (2025) [Construction Workforce Outlook](#)

¹⁰³ For example, engineering technicians, electricians and electrical fitters, mechanical engineers, plumbers and heating engineers, carpenters and joiners, construction and building trades. See: Department for Energy Security and Net Zero (2025) [Clean Energy Jobs Plan](#)

Future outlook

GLA Economics forecasts indicate short-term pressures in the sector. However, longer-term projections suggest a return to growth. Previous NFER forecasts suggested employment growth of around 1.4% per year in London between 2025 and 2035, equal to around 49,000 additional jobs.¹⁰⁴ The CITB projects output growth of around 2.2% per year between 2024 and 2029, alongside a workforce increase of around 20,000 workers.¹⁰⁵

These projections reflect expected demand linked to housing, infrastructure and retrofit activity, though they do not incorporate specific (London) housebuilding targets. The CITB analysis also indicates ongoing replacement demand associated with workforce ageing, with an extra 8,460 additional workers needed per year once leavers are taken into account. Growth is projected across site operatives, skilled trades, supervisory and professional roles, including surveyors and civil engineers.

The Clean Energy Jobs Plan highlights construction and building trades, and skilled metal, electrical and electronic trades, as among those facing the strongest growth in direct job demand in London.¹⁰⁶ Meeting this demand is likely to require both recruitment into existing roles and upskilling of the current workforce.

Skills demand

Analysis of Lightcast online job postings, while less comprehensive for construction¹⁰⁷, highlights the following areas of skills demand across occupations in 2025:

- Technical skills: project management, construction and plumbing
- Transferable skills: communication, management and problem solving
- Digital skills: office software and specialist design tools (eg AutoCAD)¹⁰⁸

GLA employer engagement highlights demand for green skills, modular construction techniques and knowledge of building safety regulations in London, alongside management roles that combine practical experience with academic knowledge.

Digitisation and AI

Exposure to generative AI remains limited in most construction roles, particularly in site-based and manual occupations. Skills England research suggests that AI adoption in the sector is at an early stage, with use cases emerging mainly in areas like sustainability and retrofit design, surveying, and project management rather than on-site delivery.¹⁰⁹

Wider GLA employer engagement highlights the growing relevance of modern methods of construction and modular building techniques, although uptake remains uneven.

¹⁰⁴ NFER (2023) [The Skills Imperative 2035](#)

¹⁰⁵ CITB (2025) [Construction Workforce Outlook](#)

¹⁰⁶ With demand for demand for 20,000-25,000 direct clean energy jobs in London in 2030. See: Department for Energy Security and Net Zero (2025) [Clean Energy Jobs Plan](#)

¹⁰⁷ Note, however, online postings data are less comprehensive than for other sectors. Many roles are not advertised online, while in others, requirements are often implied by job titles rather than set out explicitly.

¹⁰⁸ For more granular insights on skills demand, which are typically highly role-specific, see GLA Economics (2025) Labour Market Analysis of London's Priority Sectors – [Construction sector](#)

¹⁰⁹ Skills England (2025) [AI skills for the UK workforce: sectoral overview](#)

Key barriers include limited access to continuing professional development, digital exclusion among parts of the workforce, and constrained capacity and awareness among smaller businesses. Training priorities include modular, flexible learning formats that integrate digital and AI tools into real-world construction contexts.

Training supply

In 2023/24, London recorded around 12,900 higher-education qualifications in construction-related subjects, mainly in architecture, civil engineering, and electrical and electronic engineering.¹¹⁰ While London continues to have a higher share of architecture and planning qualifiers than the England average, construction-related subjects now make up a smaller share of overall HE output than in previous years.¹¹¹

Further education remains a key route into the construction and built environment sector. In 2024/25, Londoners aged 19+ enrolled on around 16,000 construction-related FE courses, an increase of 16% since 2022/23.¹¹² However, structural challenges persist. Teacher supply remains a constraint, with vacancy rates for construction FE teachers in London standing at 9% at the end of 2023/24 (5% across sectors).¹¹³ Low course completion rates have also been identified as a potential issue.¹¹⁴

Construction apprenticeships have expanded, but overall volumes remain modest. In 2024/25, there were fewer than 800 achievements in construction. Compared with 2022/23, achievement numbers were stable for architecture and increased in building and construction. This growth is alongside a shift towards higher-level apprenticeships, with the share of higher-level achievements rising from under 1% in 2018/19 to 32% in 2023/24.¹¹⁵

Alongside existing provision, the government's [construction skills package](#) commits £600 million to train up to 60,000 additional skilled construction workers.

Key implications

London's construction and built environment sector has seen moderate recent employment and pay growth alongside persistently high skills-shortage vacancies. A fragmented workforce, lower diversity than the London average, and reliance on migrant labour contribute to ongoing supply constraints. Despite short-term pressures, future demands linked to housing, infrastructure and retrofit activity are likely to sustain pressure on skills supply. Employers have called for flexible training models and clearer progression routes into skilled roles.¹¹⁶

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¹¹⁰ HESA, [Table 51 - HE qualifiers by HE provider and subject of study 2014/15 to 2023/24](#) | HESA, 2025

¹¹¹ Skills England's England-wide pathway evidence also highlights architecture, building and planning as a higher education subject area with a high share of recent leavers entering national priority occupations.

¹¹² At the national level, Skills England estimates that Construction, Planning and the Built Environment has one of the highest further education subject-area shares of learners entering national priority occupations.

¹¹³ DfE (2025) [Further Education Workforce Statistics, 2023/24](#)

¹¹⁴ Skills England (2025) [Sector skills needs assessments: construction](#)

¹¹⁵ GLA Economics (2025) [Labour Market Analysis of London's Priority Sectors: Construction](#)

¹¹⁶ Employer engagement highlights calls for more flexible, modular training models – for example, in areas such as bricklaying and plumbing – alongside better access to site credentials for college leavers to support transitions into on-site roles. See, eg, Skills England (2025) [Sector skills needs assessments: construction](#)

Creative industries (back to [priority sector overview](#))

Creative industries include activities that produce cultural and creative output, spanning advertising and marketing; architecture; crafts; design (product, graphic and fashion); film, TV, video, radio and photography; IT, software and computer services; publishing; museums, galleries and libraries; and music and the performing and visual arts.¹¹⁷

The sector is a priority for London. It was identified in London's LSIP and recognised in the 2025 London Growth Plan as a driver of London's global soft power, international competitiveness and export growth.

Sector size and recent trends

The creative industries sector is a large and growing employer in London. The sector accounted for around 617,000 employee jobs in 2024, exceeding its pre-pandemic level by around 17%. Employment has increased by around 6% between 2022 and 2024, faster than the London average of 2%. Recent growth has been driven mainly by computer programming and consultancy, and advertising agencies.

London accounts for nearly half (44%) of creative industries employment in England.

Employment is unevenly distributed across the capital. Creative industries account for around 14% of employee jobs in the Central London Forward area, 8% in the West London Alliance, 6% in the South London Partnership and 3% in Local London. This reflects the clustering of creative activity around central business districts, cultural institutions and specialist hubs, including concentrations of computing and advertising in central London boroughs and film and TV activity in west London.

In 2025, there were 94,300 registered creative industries businesses in London. Around 92% employed fewer than 10 workers, and around 29% of jobs in the sector are self-employed.¹¹⁸ This structure supports flexibility but can limit capacity for structured skills investment, with parts of the sector relying on informal recruitment and on-the-job learning.

Workforce profile and inclusion

The creative industries workforce differs from the London average in several respects. The sector has a younger age profile, with only 22% of workers aged 50 or over in 2024 (27% across London). Women account for 37% of jobs, below the London average of 45%, and only around 27% of workers are from ethnic minority backgrounds. Limited participation by these groups may constrain the available recruitment pool in parts of the sector.

Qualification levels are very high, with 81% of workers holding degree-level qualifications, reflecting the sector's concentration of graduate-level and professional roles. Workers born outside the UK also play an important role, particularly in ICT and architecture.¹¹⁹

¹¹⁷ Based on established DCMS definition. Employment is even higher in the wider creative economy, which also includes creative jobs in other sectors.

¹¹⁸ DCMS (2025) [Economic Estimates: Employment January 2024 to December 2024 for DCMS Sectors](#)

¹¹⁹ Around 38% of jobs were held by non-UK workers in 2024, just below the London average of 43%. For sub-sector detail, see: GLA Economics (2023) [London's Creative Industries – Sector deep dive](#)

Overall job quality in the creative industries is mixed relative to other priority sectors. Creative roles tend to perform well on pay, though growth has been moderate recently.¹²⁰ Workers are also more likely than average to report opportunities for progression. However, job security and working patterns can be challenges. Only around 69% of creative workers are in permanent jobs, below the cross-sector average of around 78%, and reports of unsatisfactory hours and unpaid overtime are higher than average.

Skills England research highlights that these risks are more pronounced for freelancers and workers in micro-businesses, where income volatility, limited access to employment protections and weaker progression routes can undermine job quality.¹²¹

Recruitment pressures

Previous DCMS analysis based on the 2022 Employer Skills Survey found that skills gaps and skill-shortage vacancies were less common in the creative industries than across the economy as a whole. Where shortages did occur, they were more concentrated in higher-level occupations and linked to shortage of specialist, creative and digital skills.¹²²

More recent England-level ESS data suggest that recruitment pressures have eased since 2022, with lower vacancy volumes and a smaller share of vacancies linked to skills shortages across many creative-related occupations, particularly IT professionals. Pressures remain uneven, however, with more persistent challenges for some professional roles.¹²³ GLA engagement with employers also highlights demand for trades such as carpentry and plastering to support the creative industries.

London online job postings in 2025 show higher levels of employer demand for the following creative industries roles, including several digital-focused roles (**highlighted**):

¹²⁰ With only around 4% of workers in low-paid roles, compared with about 12% on average across other sectors based on ONS APS estimates.

¹²¹ Skills England (2025) [Sectoral Overview: Creative Industries](#)

¹²² DCMS (2025) [Skills gaps and shortages in the creative industries: Employer perceptions and actions, UK, 2022 - research report](#)

¹²³ See, for example, [Vacancy measures by selected DCMS occupational groups \(SOC2020\)](#).

Code	Occupation	Job postings (2025)	Minimum expected education level	Indicative evidence of recruitment pressure (relative)
2134	Programmers and Software Development Professionals*	42,600	Level 4/5	Medium
2133	IT Business Analysts, Architects and Systems Designers*	16,600	Level 4/5	High
3554	Advertising and Marketing Associate Professionals*	15,900	Level 3	Lower
1133	Public Relations and Communications Directors	9,600	Level 6 and above	Medium
3133	Database Administrators and Web Content Technicians	8,800	Level 3	Medium
2432	Marketing and Commercial Managers*	6,600	Level 4/5	Lower
2141	Web Design Professionals*	4,400	Level 4/5	Medium
3412	Authors, Writers and Translators*	3,900	Level 3	High
3416	Arts Officers, Producers and Directors*	3,700	Level 2	Lower
3557	Events Managers and Organisers	3,700	Level 3	Lower
5316	Carpenters and Joiners*	3,700	Level 2	High
2142	Graphic and Multimedia Designers*	2,700	Level 4/5	Lower

* indicates occupations also identified in Skills England analysis

Source: GLA Economics analysis of Lightcast. Table created with Datawrapper. Note: recruitment pressure ratings are indicative and based on analysis of online postings trends and patterns and wider labour market data. They provide a relative comparison across occupations rather than a precise measure of shortages. This summary table excludes selected general occupations, namely SOC codes 3544 and 2433.

Overall, the evidence points to relatively strong underlying demand alongside easing recruitment pressures in several key roles. This is most evident for programmers and software development professionals, where vacancy volumes remain high but recruitment pressure has fallen following exceptionally high demand post-pandemic. Similar patterns are visible in advertising-related occupations.

GLA Economics analysis also indicates that many high-demand creative and digital roles have moderate to high exposure to generative AI, particularly in software development, data and analytical roles, and some content-related occupations (eg authors and translators). Easing recruitment pressures in parts of the sector could reflect changing task requirements and early employer trials of AI, alongside broader softening in demand.

Future outlook

Earlier NFER projections suggested employment growth in creative-linked sectors broadly in line with, or slightly above, the London average between 2025 and 2035, driven by

information technology and professional services, with more modest growth in media and faster but smaller-scale growth in arts and entertainment.¹²⁴

More recent national analysis by Skills England identifies the creative industries as one of the fastest-growing priority sectors to 2030, with employment projected to grow by around 2.6% a year, equivalent to 366,000 additional jobs England-wide.¹²⁵ Given London's large share of creative industries employment, these trends imply continued medium-term growth in demand for creative and digital skills.

Skills in demand

Analysis of online job postings in 2025 highlights demand for:

- technical skills: marketing, project management and social media
- transferable skills: communication, sales and attention to detail
- digital skills: general office software and specialist creative and design tools (such as Adobe Creative Suite)

GLA employer engagement also points to demand for specialist tools¹²⁶ used in VFX, gaming, animation, and film and TV, alongside leadership and management capability. Employers emphasise the importance of rounded skill sets that combine technical expertise with adaptability, creative and critical thinking, and proactive learning.

UK-level analysis by the Creative Industries Policy and Evidence Centre finds that many hard-to-fill vacancies in the creative industries are linked to skills gaps arising from the adoption of new technologies.¹²⁷

Digitisation and AI

Digitisation and AI are expected to have a significant impact across the creative industries. Exposure is particularly high in a range of creative roles, including web designers, media professionals, and several IT-related roles. Wider evidence suggests that generative AI tools are being adopted quickly across the sector, including for content creation, campaign planning and digital storytelling.¹²⁸

Adoption is widespread among freelancers and small businesses, which make up a large share of the creative workforce. Skills England research highlights concerns that many are using these tools without structured training, increasing risks around quality, originality and reputational standards.¹²⁹

Training priorities include clearer training pathways, practical AI guidance, and better support on copyright and responsible use, particularly for freelancers and micro-businesses.

¹²⁴ NFER London employment projections indicated average annual growth of around 0.5% across London between 2025 and 2035. Creative industries overlap mainly with information technology (0.9% per year), professional services (0.6%), media (0.2%) and arts and entertainment (1.0%).

¹²⁵ Skills England (2025) [Assessment of priority skills to 2030](#)

¹²⁶ For example, Houdini and Unreal Engine software.

¹²⁷ Creative Industries Policy and Evidence Centre (2025) [Skills Mismatches in the UK's Creative Industries](#)

¹²⁸ Skills England (2025) [AI skills for the UK workforce: sectoral overview](#)

¹²⁹ Skills England (2025) [Sectoral Overview: Creative Industries](#)

Training supply

Training supply shows mixed trends across routes. Higher education provision remains substantial but has contracted slightly. In 2023/24, London recorded around 20,100 HE qualifications in creative industries-related subjects, a fall of around 4% compared with the previous year.¹³⁰

Adult further education provision in creative-related subjects has fallen slightly. In 2024/25, London recorded around 62,500 creative-related enrolments across 19+ Education and Training, down 5% since 2022/23, with falls concentrated in crafts, creative arts and design, and performing arts. Enrolments in media and communications and marketing and sales increased over the same period.

By contrast, apprenticeships have expanded from a low base. In 2024/25, there were around 175 Londoners achieving apprenticeships in arts, media and publishing, a 12% increase since 2022/23. Growth has been stronger in crafts and creative arts and design.

Key implications

The creative industries remain a major economic strength for London, with strong underlying demand for skilled workers. Recruitment pressures have eased overall but remain uneven across occupations. There is potential for skills gaps linked to technological change, particularly the adoption of generative AI.

The sector's reliance on freelancers and micro-businesses highlights the importance of flexible, applied training approaches, including support for established crafts skills as well as digital, creative and professional skills.

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¹³⁰ Subjects include design, creative and performing arts, music, and film and photography.

Finance and professional services (back to [priority sector overview](#))

Financial and professional services include two related but distinct sectors:

- finance and insurance services
- legal, accounting and related professional services provided to businesses, public bodies and individuals.

These activities typically require significant levels of training and specialised knowledge. They are characterised by high pay and high qualifications levels, and strong links to international markets.

Finance and professional services were identified in the 2025 London Growth Plan as a central pillar of London's economy and future growth. London is a major global centre for these activities and associated technologies, supporting productivity, exports and international competitiveness.

Sector size and recent trends

Financial and professional services (combined) is London's largest employment sector. In 2024, it accounted for around 1.6 million employee jobs, or 28% of all employee jobs. Around 445,000 jobs were in financial services and 1.1 million in professional services.

Employment in the combined sector grew by around 2% between 2022 and 2024, below the average across London's priority sectors (around 4%). This reflects diverging trends. Financial services employment grew strongly over the period (+14%), while professional services employment declined slightly (-1.5%).

London plays a major national role, accounting for 47% of financial services employment in England and 28% of professional services employment.

The sector's footprint varies across London. In the Central London Forward area, financial services account for 12% of employee jobs and professional services 25%, the highest shares by SRP area. By contrast, financial services employment is lowest in the West London Alliance (1%), while professional services employment is lowest in Local London (10%). Many workers commute to fill jobs from other parts of London and beyond.

In 2025, London had 18,000 registered financial services businesses and approximately 148,000 professional services businesses. While most businesses are small, employment patterns differ across subsectors.¹³¹ Financial services employment is concentrated in large businesses, whereas most professional services employment is in SMEs.¹³²

Workforce profile and inclusion

The sector has a relatively young workforce. Only 19% of workers in financial services and 21% in professional services are aged 50 or over, compared with 27% across London.

¹³¹ In 2025, 83% of financial services businesses and 90% of professional services businesses in London employed fewer than 10 workers. Source: ONS UK Business Counts.

¹³² 75% of private sector employment in finance and insurance is large businesses (250 or more employees), compared to only 39% for professional services. Source: Department for Business and Trade (2025) [Business population estimates 2025](#)

Women account for only 35% of jobs in financial services, well below the London average (46%), while professional services are closer to the average. Skills England research highlights risks of widening gender imbalances and difficulties retaining workers aged over 55 in financial services.¹³³

In line with other sectors, international workers play an important role.¹³⁴ Qualification levels are also very high. Around 81% of financial services workers and 78% of professional services workers hold degree-level qualifications, compared with 62% across London.

Job quality is strong on pay and progression but weaker on working patterns.¹³⁵ Unpaid overtime is relatively common (reported by 26% of workers in financial services and 31% in professional services, the highest shares across priority sectors), and dissatisfaction with working hours is above average, raising risks for retention and wellbeing.

Recruitment pressures

Recruitment pressures appear to have eased since 2022. England-wide Employer Skills Survey data for 2024 show around 21,200 vacancies in financial services and 169,700 in business services, down by 41% and 34% respectively since 2022. In London, the share of employers reporting at least one vacancy has also declined.

Skills-shortage vacancies remain structurally low in financial services and closer to the all-sector average in business services. In 2024, SSVs accounted for 17% of financial services vacancies (the lowest of any sector) and 31% of business services vacancies. While this represents easing since 2022, rates in business services remain above pre-pandemic levels, pointing to persistent skills constraints in parts of the sector.

Skills gaps within the existing workforce have fallen sharply since 2022 and were broadly in line with the all-sector average. As England and London trends tend to move closely together, similar patterns are likely in the capital, with pressures concentrated in specialist professional roles.

London online job postings in 2025 show higher levels of employer demand for the following finance and professional roles:

¹³³ Skills England (2025) [Sector skills needs assessments: Financial services](#)

¹³⁴ Around 47% of financial services jobs and 41% of professional services jobs are held by workers born outside the UK, compared with 43% across London.

¹³⁵ Exposure to low pay is very low (around 4% in financial services and 7% in professional services), and workers are more likely than average to report progression opportunities.

Code	Occupation	Job postings (2025)	Minimum expected education level	Indicative evidence of recruitment pressure (relative)
2422	Finance and Investment Analysts and Advisers*	24,800	Level 4/5	High
1131	Financial Managers and Directors*	18,500	Level 4/5	Medium
3543	Project Support Officers*	18,100	Level 3	Medium
2421	Chartered and Certified Accountants*	17,900	Level 6 and above	Medium
3571	Human Resources and Industrial Relations Officers*	16,700	Level 3	Lower
2412	Solicitors and Lawyers*	16,600	Level 6 and above	Medium
3554	Advertising and Marketing Associate Professionals*	15,900	Level 3	Lower
3556	Sales Accounts and Business Development Managers*	15,800	Level 4/5	Medium
4122	Book-keepers, Payroll Managers and Wages Clerks*	13,900	Level 2	Lower
2431	Management Consultants and Business Analysts*	12,500	Level 4/5	Medium

* indicates occupations also identified in Skills England analysis

Source: GLA Economics analysis of Lightcast. Table created with Datawrapper. Note: recruitment pressure ratings are indicative and based on analysis of online postings trends and patterns and wider labour market data. They provide a relative comparison across occupations rather than a precise measure of shortages.

There is strong alignment with national priorities. GLA Economics analysis suggests that recruitment pressure is relatively high for analytical and advisory roles, as well as for data analysts and economists and statisticians (see detailed workbook).

Several of these roles have a relatively high share of non-UK-born workers, increasing exposure to changes in international labour supply. However, risks are partly mitigated by high skill requirements and salaries, which support continued access to global talent. Exposure to AI-driven task change is highest in administrative roles, such as book-keepers, payroll managers and wages clerks.

Future outlook

Previous NFER projections pointed to stronger growth in professional services and slower growth in financial services relative to the London average. Employment was forecast to grow by around 0.6% per year in professional services and 0.1% per year in financial services between 2025 and 2035, compared with an all-sector average of around 0.5%.¹³⁶

¹³⁶ This implied broadly stable employment shares for professional services and a slight decline in the share of financial services employment over time. Despite this, the large scale of these sectors means absolute job growth remains significant. NFER projections imply around 53,000 additional jobs in professional services and financial services over the period, with professional services continuing to be a major source of employment growth in London.

These estimates are broadly consistent with more recent Skills England national sector growth projections, though they may understate potential growth in parts of financial services.¹³⁷

Skills in demand

Employer demand increasingly emphasises transferable and digital capabilities. Analysis of online job postings in 2025 highlights continued demand for:

- technical skills: finance, accounting and marketing
- transferable skills: communication, management and attention to detail
- digital skills: general office software and specialist programming languages (such as Python)

Compared with 2022, communication skills feature more prominently, demand for management skills is broadly stable, and emphasis has shifted away from sales towards accuracy and detail-oriented work. Skills England's employer engagement highlights rising demand for data, AI and cyber capability, alongside transferable skills that support effective use of new tools.^{138,139}

Digitisation and AI

Indeed, digitisation and AI are expected to have a substantial impact across financial and professional services. GLA Economics analysis suggests that professional roles in finance, law and business services are among the most exposed to AI, particularly where tasks involve clerical processing, analysis and routine cognitive work.

National evidence suggests AI is already being applied in finance and professional services for fraud monitoring, compliance, recruitment and legal reviews. Reported skills gaps relate to governance, ethics and interpreting AI outputs, while limited access to continuing professional development remains a potential constraint, particularly for smaller professional services businesses.¹⁴⁰

Training supply

Higher education remains the primary skills pipeline, reflecting the sector's overall qualifications profile. In 2023/24, London recorded around 72,000 higher-education qualifications related to financial and professional services, concentrated in law, business and management studies. Achievement volumes increased by around 15% compared with 2022/23, driven largely by strong growth in management studies.

Adult education and training provision in financial and professional services related subjects decreased between 2022/23 and 2024/25. In 2024/25, Londoners recorded around 17,000 enrolments linked to the sector, down from 22,800 in 2022/23. Most provision focused on administration, accounting and business management. Marketing

¹³⁷ At England level, professional and business services and financial services are projected to record workforce growth of around 0.6% and 1% a year respectively between 2025-2030. See: Skills England (2025) [Assessment of priority skills to 2030](#)

¹³⁸ Skills England (2025) [Sector skills needs assessments: Professional and Business services](#)

¹³⁹ Skills England (2025) [Sector skills needs assessments: Financial services](#)

¹⁴⁰ Skills England (2025) [AI skills for the UK workforce: sectoral overview](#)

and sales was the only subject area to see growth over the past three academic years, while enrolments in administration fell sharply.

By contrast, apprenticeship achievements have expanded. In 2024/25, there were around 7,100 apprenticeship achievements in business, administration and law, supporting the financial and professional services sector. This remains the most common area for apprenticeship achievements and starts among Londoners. Growth has been strongest in law and legal services, business management, and accounting and finance.¹⁴¹

Key implications

Finance and professional services remain central to London's economy, though recent employment growth has been uneven. Recruitment pressures have eased overall, but persist in specialist analytical, advisory and data-related roles.

The workforce is highly qualified and internationally mobile, supporting access to global talent, while apprenticeships play a growing but still limited role in widening entry routes. Digitisation and AI currently appear to be changing skill requirements more than employment levels, increasing demand for digital, data, cyber and governance capability and exposing some administrative roles to task change.

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¹⁴¹ In financial services, common apprenticeship aim titles include data analysis, data technician, and insurance-related aims. In professional services, accountancy or taxation professional is the aim with the largest share (43%) of apprenticeships. See: GLA (2025) [London Apprenticeships Industry Update 2022/23](#)

Health and social care (back to [priority sector overview](#))

Health and social care cover health services, largely delivered by the NHS across primary, community and hospital settings, and care services delivered mainly by independent providers supporting adults in homes, community settings and care homes.

The sector was identified as a priority in the 2023 London LSIP and its importance was highlighted in the 2025 London Growth Plan. It is one of London's largest employers and is central to public service delivery and wider economic participation.

Sector size and recent trends

In 2024, health and social care accounted for around 623,000 employee jobs in London, including 404,000 in health and 219,000 in social care. Employment increased between 2022 and 2024, with faster growth in social care.¹⁴² More timely workforce jobs data suggest growth slowed during 2025, while NHS productivity has emerged as a key post-pandemic challenge.

London accounts for one in six of all health and social care jobs in England. The sector is well-represented across each of the capital's sub-regions, accounting for between 9% (Central London Forward) and 15% (Local London) of employee jobs.¹⁴³

In 2025, employment was spread across 28,100 registered businesses in the capital. This figure reflects the structure of the sector, including a high proportion of small or micro-sized providers in social care. There were 261,000 people working in the NHS London region in October 2025, 17% of the England total.¹⁴⁴

Workforce profile and inclusion

London's health and social care workforce has several notable features.

In 2024, around 33% of workers were aged 50 or over, and women accounted for around 72% of employment. The sector is relatively diverse, with almost half of workers from ethnic minority backgrounds and around 47% born outside the UK, compared with 43% London-wide. Reliance on older workers and migrant labour points to potential pressures as retirement patterns and migration rules change.

Qualification levels are high overall, though higher in health than in social care.¹⁴⁵ Skills for Care data show that around 49% of direct care staff in London held a relevant adult social care qualification in 2024/25, slightly above the national average (46%).¹⁴⁶

Job quality varies within the sector. Health roles tend to offer clearer progression pathways and more stable contracts, while social care shows higher use of zero-hours contracts and

¹⁴² Between 2022 and 2024, employee jobs increased by 7% overall. Growth was stronger in social care (11%) than in health (5%).

¹⁴³ 14% in the South London Partnership area and 12% for West London Alliance.

¹⁴⁴ NHS Digital (2026) [NHS Workforce Statistics - October 2025](#)

¹⁴⁵ 66% of workers held a degree or equivalent level of qualification in 2024, compared with 64% London-wide. However, this ranged from about 72% in health to around 59% in care.

¹⁴⁶ Skills for Care (2025) [Regional summary reports \(London\)](#)

more limited progression.¹⁴⁷ Pay and conditions remain key drivers of turnover, particularly in adult social care.¹⁴⁸

Recruitment pressures

Recruitment difficulties have eased since the post-pandemic peak in 2022, even more than for other sectors, but pressures remain a feature of health and social care in London.

At the start of 2025, London NHS Trusts reported 20,800 vacancies, equivalent to a vacancy rate of 8%, compared with 7% nationally. Vacancies were most pronounced in community and mental health services.¹⁴⁹ NHS recruitment freezes could impact on the sector's recruitment in some areas.

In adult social care, the number of vacancies in London was estimated at 22,000 in 2023/24, falling to 19,000 in 2024/25.¹⁵⁰ Vacancy rates declined over this period, partly due to higher international recruitment in 2023/24. Changes to immigration rules over 2024–25 have since led to a sharp reduction in international recruitment, particularly into lower-paid care roles, increasing future recruitment risks.¹⁵¹

Employer Skills Survey 2024 shows that, at the England level, skills-shortage vacancies accounted for 21% of all vacancies in the sector, down from peak of 42% in 2022, but still close to London's all-sector average of 24%. Skills gaps in the existing workforce also remain above average (4.7%). London-specific sector estimates are not available, but past surveys suggest that national patterns are broadly indicative for London.

London online job postings in 2025 show higher levels of employer demand for the following health & social care roles (excluding early years):

¹⁴⁷ Policy initiatives, such as improving recognition of prior learning, are being explored in the sector to support the movement of skilled workers between the health and care sectors. Skills England (2025) [Sector skills needs assessments: Health and Adult Social Care](#)

¹⁴⁸ DHSC (2025) [Adult social care workforce survey](#): April 2025 report

¹⁴⁹ Vacancy rates between September 2024 and September 2025 were highest for art/music/drama therapy (30%), prosthetics and orthotics (18%), podiatry (17%), occupational therapy (12%), and mental health nursing (11%). Source: NHS Vacancy Statistics (2025) [England, April 2015 - March 2025, Experimental Statistics](#)

¹⁵⁰ Skills for Care (2025) [Regional summary reports \(London\)](#)

¹⁵¹ National data show a marked fall in international care recruits since 2023. In Q1 2025, 13% of UK skilled worker visas (1,600) were for care workers, down from a high of 55% (34,100) in Q3 2023. For a discussion, see: Migration Observatory (2025) [Work visas and migrant workers in the UK](#)

Code	Occupation	Job postings (2025)	Minimum expected education level	Indicative evidence of recruitment pressure (relative)
6135	Care Workers and Home Carers*	11,700	Level 2	High
2461	Social Workers*	10,900	Level 6 and above	High
1231	Health Care Practice Managers	10,500	Level 3	Medium
2237	Other Registered Nursing Professionals*	8,300	Level 6 and above	Lower
2212	Specialist Medical Practitioners*	7,800	Level 6 and above	High
3219	Health Associate Professionals nec	6,200	Level 3	High
1171	Health Services and Public Health Managers and Directors	4,500	Level 4/5	Medium
3213	Medical and Dental Technicians*	4,500	Level 3	High
2229	Therapy Professionals nec*	4,300	Level 6 and above	High
2222	Occupational Therapists*	4,100	Level 6 and above	High
2233	Registered Specialist Nurses*	3,100	Level 6 and above	Medium
6131	Nursing Auxiliaries and Assistants	2,600	Level 2	Lower
2223	Speech and Language Therapists*	2,600	Level 6 and above	High
2251	Pharmacists*	2,400	Level 6 and above	Medium
2221	Physiotherapists*	2,400	Level 6 and above	Medium

* indicates occupations also identified in Skills England analysis

Source: GLA Economics analysis of Lightcast. Table created with Datawrapper. Note: recruitment pressure ratings are indicative and based on analysis of online postings trends and patterns and wider labour market data. They provide a relative comparison across occupations rather than a precise measure of shortages.

GLA Economics analysis suggests that many key occupations face relatively high recruitment pressure compared with other roles in London, particularly speech and language therapist. Several are also identified as priority occupations by Skills England. In roles such as care workers and home carers, social workers, specialist medical practitioners, and medical and dental technicians, recruitment pressure overlaps with higher reliance on non-UK-born workers and older age profiles, increasing the risk of future workforce challenges.

Future outlook

Population ageing, more complex health needs, changes in service models, and technology adoption are expected to shape demand.^{152,153} Key themes include:

- growth in community-based and person-centred care
- increased demand for mental health roles
- continued pressure in progression and retention, particularly in social care

Skills England analysis projects around 168,000 additional adult social care jobs nationally between 2025 and 2030, including 90,000 care workers and home carers and 12,000 senior care workers.¹⁵⁴ Longer-term Skills for Care estimates suggest that adult social care posts in London may need to rise by around 73,000 by 2040 to meet demand.¹⁵⁵

The shift towards community-based care is likely to affect the mix of roles and skills required, with greater emphasis on practical and community-focused provision.

Skills in demand

Lightcast online job postings in 2025 highlight strong employer demand for:

- technical skills: auditing, mental health, and nursing
- transferable skills: communication, management and leadership
- digital skills: office software and clinical management systems

The NHS 10-year health plan reflects the growing importance of digital skills and capabilities across the workforce, alongside management and leadership capacity to support service redesign and new models of care.¹⁵⁶

Employer evidence also highlights the importance of understanding patient pathways and how primary, secondary and community care interact. In social care, empathy and values-based practice are increasingly important as needs become more complex, particularly in relation to mental health.

Digitisation and AI

Most roles in health and social care currently have limited exposure to generative AI, and evidence of business take-up remains low. However, Skills England research suggests the sector has clearer emerging AI use cases than many others, particularly in areas such as diagnostics, triage and administrative support.¹⁵⁷

¹⁵² Population ageing is likely to increase demand for health and care workers. While London has a younger population than the UK average, its median age (35.7 years) has risen since 2011. More complex health needs, including mental health conditions, are also affecting people's ability to engage in work and daily life. See, for example: NHS (2023) [Mental Health of children and young people in England](#); Department for Work and Pensions (2024) [Keep Britain Working: the Mayfield review: final report](#)

¹⁵³ NHS England (2025) [Fit for the Future: 10 Year Health Plan for England](#)

¹⁵⁴ Skills England (2025) [Assessment of priority skills to 2030](#)

¹⁵⁵ Skills for Care, [A workforce strategy for Adult Social Care in England](#), July 2025

¹⁵⁶ NHS England (2025) [Fit for the Future: 10 Year Health Plan for England](#)

¹⁵⁷ Skills England (2025) [AI skills for the UK workforce: sectoral overview](#)

AI tools are expected to support productivity through automation, remote monitoring and predictive analytics, creating growing skills needs in clinical, administrative and ethical use.

Barriers include weak digital infrastructure, system compatibility issues, limited training and digital exclusion. Training priorities include role-specific support for inclusive adoption, ethical oversight and evaluation across different roles and settings.

Training supply

Higher education remains central to supplying the workforce. In 2022/23, London recorded around 36,500 HE qualification achievements linked to health and social care, mainly in medicine, psychology, nursing and biomedical science. Overall volumes have increased modestly since 2022/23.

Further education is another important entry route.¹⁵⁸ In 2024/25, adult Londoners enrolled on 31,000 health and social care related courses. Enrolments have decreased by 26% since 2022/23, likely due to an increase in uptake following the pandemic. However, there has also been a shift towards higher-level delivery. Enrolments at Level 2 and below are down 25% compared to 2022/23, while enrolments at Level 3 have increased by 23%.

In 2024/25, there were around 4,400 apprenticeship achievements in health and social care, a 37% increase since 2022/23, driven by growth in medicine and dentistry and child development and wellbeing. At the same time, employer engagement suggests that the apprenticeship system can be complex and resource-intensive to administer, particularly for smaller social care providers.¹⁵⁹

For adult social care, the introduction of a national Care Workforce Pathway provides a clearer framework for skills development and progression across key roles.¹⁶⁰

Key implications

Health and social care in London continues to face workforce pressures, despite some easing in recruitment difficulties since 2022. The workforce has a higher share of female workers, older workers and people born outside the UK, while progression remains more limited in social care. Several key roles face relatively high recruitment pressure.

Demand is expected to rise as the population ages, health needs become more complex and service models change. Training continues to support supply, particularly for professional roles, but challenges around recruitment, retention and progression persist. The evidence points to sustained demand across a wide range of roles, with growing importance of transferable, digital and values-based skills.

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¹⁵⁸ National evidence suggests that around 35% of learners entering priority occupations in health and social care do so via FE pathways. Skills England (2025) [Assessment of priority skills to 2030](#)

¹⁵⁹ Skills England (2025) [Sector skills needs assessments: Health and Adult Social Care](#)

¹⁶⁰ Department of Health and Social Care and Skills for Care (2025) [Care workforce pathway for adult social care: overview](#)

Hospitality (back to [priority sector overview](#))

The hospitality sector is made up of accommodation services, including hotels and other short-stay provision and food and drink services, including restaurants, cafés, pubs, bars and catering, many of which are small businesses.¹⁶¹

Hospitality was identified as a priority sector in London's 2023 LSIP and recognised in the 2025 London Growth Plan as part of the capital's 'experience economy', reflecting its role in tourism, leisure and visitor spending.

Sector size and recent trends

Hospitality is a large employer in London but is facing significant short-term pressures, partly linked to operating and labour costs. The sector accounted for 447,000 employee jobs in 2024, equal to 21% of hospitality employment in England. This includes 82,000 jobs in accommodation services and 365,000 in food and beverage activities.

Employee jobs in hospitality have fallen by 7% since 2022, a larger decline than in other LSIP priority sectors and nationally. This masks divergent trends within the sector. Employment in accommodation services increased by around 14% between 2022 and 2024, while employment in food and beverage services fell by around 11%, though remained above pre-pandemic levels.

Hospitality remains well represented across London's sub-regions, accounting for between 7% and 8% of employee jobs in each SRP area, reflecting its close link to local high streets, town centres and visitor activity.

In 2025, there were 37,900 registered hospitality businesses in London. Around 69% employed fewer than 10 workers, with accommodation businesses tending to be larger than those in food and beverage services.

Workforce profile and inclusion

The hospitality workforce in London differs markedly from the London average. In 2024, 34% of workers were aged 16–29, compared with 21% across London as a whole, reflecting the sector's role as an entry point to the labour market. The sector is ethnically diverse, with around 49% of job holders from ethnic minority backgrounds, compared with 38% across London.

Reliance on migrant labour is particularly high: 59% of all hospitality jobs are held by workers born outside the UK, compared with 43% across the London economy.

Formal qualification levels are lower than average. In 2024, only 28% of hospitality workers held degree-level qualifications, compared with 62% across London, reflecting the sector's concentration in elementary and customer service roles.

Job quality indicators are generally weaker than in other priority sectors. Exposure to low pay is high, progression opportunities are more limited, contracts are less secure and unsatisfactory working hours are more common. Trust for London analysis shows that

¹⁶¹ Wider hospitality sector definitions can include activities linked to, eg, leisure parks, bowling alleys and wider visitor attractions. However, these are not included in the analysis here.

hospitality has the highest share of employee jobs paying below the London Living Wage, with close to half of roles below the benchmark.¹⁶²

Recruitment pressures

Recruitment pressures in hospitality have eased since the post-pandemic peak. In London, the share of sites reporting at least one vacancy has declined from 36% to 28% from 2022 to 2024, alongside a fall in online job postings.¹⁶³

Skills-shortage vacancies have also eased. At England-level, SSVs accounted for 21% of hospitality vacancies nationally, down from 2022 levels and broadly in line with pre-pandemic rates. However, SSVs remain particularly high for food preparation and hospitality trades, such as chefs.¹⁶⁴ Skills gaps within the existing workforce also remain pronounced. Hospitality recorded the highest incidence of skills gaps of any sector in 2022, and this remained the case in 2024.

London online job postings in 2025 show higher levels of employer demand for the following hospitality roles, despite easing overall recruitment pressure:¹⁶⁵

Code	Occupation	Job postings (2025)	Minimum expected education level	Indicative evidence of recruitment pressure (relative)
5434	Chefs	14,500	Level 2	Lower
9263	Kitchen and Catering Assistants	12,700	Below level 2	Medium
9264	Waiters and Waitresses	10,600	Below level 2	Medium
9265	Bar Staff	9,600	Below level 2	High
4216	Receptionists	8,400	Level 2	Lower
9266	Coffee Shop Workers	8,200	Below level 2	High
6231	Housekeepers and Related Occupations	5,900	Below level 2	High
9269	Other Elementary Services Occupations n.e.c.	5,900	Below level 2	Medium
9261	Bar and Catering Supervisors	4,500	Below level 2	Medium
1222	Restaurant and Catering Managers	3,800	Level 3	Medium

* indicates occupations also identified in Skills England analysis

Source: GLA Economics. Table created with Datawrapper. Note: recruitment pressure ratings are indicative and based on analysis of job postings trends and patterns and wider labour market data. They provide a relative comparison across occupations in London rather than a precise measure of shortages.

¹⁶² Trust for London (2025) [Low-paid jobs in London](#)

¹⁶³ Nationally, ESS data also show a 51% drop in hospitality vacancies over this period (2022 to 2024).

¹⁶⁴ ESS 2024, [vacancy measures by occupational group](#) (3-digit SOC2020).

¹⁶⁵ In terms of trends, postings for roles such as receptionists and events managers have fallen most sharply from their 2022 peaks. There has also been increased posting activity linked to hotels, leisure, tourism and events, reflecting recovery in visitor and business travel.

GLA Economics analysis highlights some limited evidence of recruitment pressures. However, workers born outside the UK play an important role in several occupations, including chefs and catering assistants. Nationally, the number of Skilled Worker visas granted for food preparation and hospitality trades has fallen sharply in recent years, raising the risk of future recruitment challenges.¹⁶⁶

Future outlook

Previous long-term projections suggested strong growth in hospitality employment. NFER forecasts published prior to recent downturns projected employment growth of around 1.6% per year in London between 2025 and 2035, equivalent to around 78,000 additional jobs. This would have made hospitality one of the largest contributors to net job creation.

These projections were underpinned by assumptions around population growth and London's position as a global tourism destination. Recent employment trends point to a weaker near-term position, but longer-term demand remains linked to visitor spending, leisure activity and population growth.

Skills demand

Analysis of online job postings in 2025 highlights demand for:

- technical skills: restaurant operations, food safety and sanitation, and cooking
- transferable skills: communication, customer service and attention to detail
- more limited demand for digital skills: general office software and Salesforce

Interpersonal skills feature heavily across hospitality occupations, reflecting the customer-facing nature of the sector. Compared with 2022, transferable skills appear more prominent in postings, while references to management skills are less common.

Digitisation and AI

Hospitality has relatively low exposure to digitisation and AI compared with other sectors. Department for Education and GLA Economics research suggests it is among the least exposed sectors to generative AI. Consistent with this, only a small share of hospitality job postings explicitly reference digital skills, reflecting the importance of in-person service delivery and non-routine tasks.¹⁶⁷ Lower digital capability and a lack of clear uses cases may constrain adoption, even for basic AI-enabled tools.

Training supply

Higher education provision is concentrated in tourism and hospitality management and food science. In 2023/24, around 2,500 higher education qualifications related to hospitality were achieved in London, with over 70% in tourism, transport and travel.¹⁶⁸

¹⁶⁶ From a recent peak of 3,337 in Q2 2024 to 400 in Q3 2025. This follows increases to the minimum salary threshold for long-term work visas from April 2024. See Home Office (2025) [Sponsored work entry clearance visas by occupation and industry \(SOC 2020\), year ending September 2025](#).

¹⁶⁷ Previous GLA Economics research shows that only 16% of hospitality job postings reference at least one digital skill, compared with 46% across all London occupations.

¹⁶⁸ HESA, [Table 51 - HE qualifiers by HE provider and subject of study 2014/15 to 2023/24 | HESA, 2025](#)

Further education supports the development of introductory hospitality skills, including event planning, culinary skills and food safety. In 2024/25, there were around 5,300 adult enrolments in hospitality-related FE courses, up 29% since 2022/23. This is likely to understate total skills supply, as many transferable skills used in hospitality – such as customer service or door supervision – are delivered through other subject areas.

Apprenticeships are often used for chef and hospitality management pathways. In 2024/25, there were close to 700 hospitality apprenticeship achievements in London, up sharply since 2022/23 but from a low base.

Employer-led initiatives, including the UK Hospitality Skills Passport and DWP Sector-based Work Academy Programmes, aim to support entry routes and common standards. Recent policy changes include the expansion of foundation apprenticeships to the hospitality sector.¹⁶⁹

Analytical implications

Hospitality in London has experienced a sharper employment contraction than most other priority sectors, particularly in food and beverage services. The workforce is younger and more reliant on migrant labour than the London average, and job quality indicators are weaker, particularly in relation to pay and progression.

Despite easing vacancy pressures, skills gaps within the existing workforce remain significant. Changes to the immigration system may also increase the risk of future recruitment constraints for key hospitality occupations.

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¹⁶⁹ See: [50,000 more young people to benefit from apprenticeships as Government unveils new skills reforms to get Britain working](#) - GOV.UK

Life sciences (back to [priority sector overview](#))

The life sciences sector includes the manufacture of pharmaceuticals and associated specialist equipment, alongside research and development activities in biotechnology and related fields.

Life sciences is identified as an important growth sector in both the UK Industrial Strategy and the London Growth Plan (as part of the frontier economy), reflecting its potential to support economic growth through innovation and the development of high-value products and services. To reflect these strategic priorities, life sciences has been included as a priority sector in the 2026 refresh of London's LSIP.

Sector size and recent trends

Life sciences forms part of London's wider frontier innovation sector and remains a relatively small but high-value employer. On a narrow definition, the sector accounted for around 10,000 employee jobs in 2024, equivalent to roughly 0.2% of London's total employment, following strong growth over the past decade.

Broader definitions used by organisations such as the Office for Life Sciences include additional research and development activities, particularly 'Other R&D on natural sciences and engineering'. These produce higher estimates, closer to 57,000 jobs in 2023/24. Just over half of this employment is in small and medium-sized enterprises.^{170,171}

In absolute terms, life sciences employment is concentrated in central London, including Westminster, the City of London and Camden. There are also established clusters in west London.¹⁷² London forms part of the UK's 'Golden Triangle' for life sciences, alongside Oxford and Cambridge, which together account for around half of national life sciences employment.¹⁷³

Workforce profile and inclusion

The life science workforce in London is younger and slightly more ethnically diverse than the London average. ONS estimates suggest that around 30% of workers are aged under 30, compared with 21% across London, while only 20% are aged 50 or over. Men and women account for similar shares of employment in the sector, and around 40% of workers are from ethnic minority backgrounds, compared with 38% across London.

International workers play an important role in the sector. Around 46% of all life sciences jobs in London were held by workers born outside the UK, slightly above the London average of 43%. The sector competes internationally for talent.

A highly qualified workforce is a defining feature of the sector, both in London and nationally. Over 80% of workers in London's life sciences sector held degree-level

¹⁷⁰ Note, however, the SIC system does not adequately cover the Life Sciences sector.

¹⁷¹ OLS (2025) [Bioscience and health technology sector statistics 2023 to 2024](#)

¹⁷² Employment in life sciences companies is estimated at 10,000 to 12,000 in Westminster, the City of London and Camden and at 3,000 to 4,000 in Kingston upon Thames, Hillingdon, and Hammersmith and Fulham. Source: OLS (2025) [Bioscience and health technology sector statistics 2023 to 2024](#)

¹⁷³ OLS (2025) [Life Sciences 2035: Developing the Skills for Future Growth](#). Also see innovation cluster mapping [here](#).

qualifications or above in 2024, compared with 62% across London. The sector's knowledge-intensive nature is associated with high formal skills requirements, which may limit how quickly skills supply can respond to short-term changes in demand.

Recruitment pressures

Life sciences employers require a mix of scientific expertise and professional services roles, including business development and regulatory functions. London online job postings in 2025 show higher levels of employer demand for the following life sciences roles:

Code	Occupation	Job postings (2025)	Minimum expected education level	Indicative evidence of recruitment pressure (relative)
2433	Actuaries, Economists and Statisticians*	4,700	Level 4/5	High
3213	Medical and Dental Technicians*	4,500	Level 3	High
1121	Production Managers and Directors in Manufacturing*	4,300	Level 3	Medium
2161	Research and Development Managers*	2,300	Level 6 and above	High
3115	Quality Assurance Technicians	1,900	Level 3	High
2482	Quality Assurance and Regulatory Professionals*	1,900	Level 4/5	Lower
3212	Pharmaceutical Technicians*	1,400	Level 3	Lower
2112	Biological Scientists*	1,100	Level 6 and above	High
2113	Biochemists and Biomedical Scientists*	1,000	Level 6 and above	Lower
3111	Laboratory Technicians*	800	Level 3	Medium

* indicates occupations also identified in Skills England analysis

Source: GLA Economics analysis of Lightcast. Table created with Datawrapper. Note: recruitment pressure ratings are indicative and based on analysis of online postings trends and patterns and wider labour market data. They provide a relative comparison across occupations rather than a precise measure of shortages. Excludes SOC 3356 (sales and business dev. managers), which is identified in finance and professional.

There is strong alignment with national priorities, while GLA Economics analysis suggests that recruitment pressures are mixed across a range of key occupations, relative to other roles in London. Wider research suggests there is also strong demand for digital roles in the life sciences sector.¹⁷⁴

From a medium-term perspective, several occupations, particularly specialist scientific roles, have high shares of non-UK-born workers. Exposure to generative AI varies across the sector but is generally low to moderate, suggesting greater potential for task augmentation than large-scale displacement.

¹⁷⁴ OLS (2025) [Life Sciences 2035: Developing the Skills for Future Growth](#)

Future outlook

Longer-term projections point to continued growth in life sciences employment. Analysis by the Futures Group suggests that employment could grow by around 2.2% a year at the UK level over the coming decade, alongside substantial replacement demand as workers leave the sector.¹⁷⁵ Skills England analysis points to even faster trend-based growth to 2030, with employment increasing by around 6.0% a year at the England level, reflecting recent trends in the sector.¹⁷⁶

Skills demand

Skills needs vary by occupation, reflecting the sector's specialist nature. Analysis of online job postings in 2025 highlights demand for the following skill areas across a range of life sciences roles:

- technical skills: project management, clinical-trial research expertise, pharmaceuticals, a range of specialist scientific knowledge
- transferable skills: research practices, communication, innovation, problem-solving
- digital skills: data analysis, programming languages, artificial intelligence tools

Skills needs across the sector continue to evolve. Compared with 2022, digital skills appear more frequently in postings, reflecting the growing integration of advanced data and AI tools in scientific research. Employers are also placing greater emphasis on transferable skills, suggesting that a combination of technical expertise and broader workplace skills is increasingly important.

Employer engagement through Skills England highlights similar priority skill needs in advanced science, digital and AI, and core transferable skills.¹⁷⁷

Digitisation and AI

Life science roles generally have a mixed exposure to current generative AI capabilities, with most assessed as having low to moderate exposure. This suggests potential for productivity gains through task augmentation rather than widespread displacement.

This aligns with Skills England evidence indicating increasing use of AI to support drug discovery, diagnostics and production processes in pharmaceutical and biotech settings. Alongside specialist AI skills, employers are also seeking non-technical capabilities, such as the ability to interpret AI outputs, apply them in decision-making, and understand their limitations and risks.¹⁷⁸ This is particularly relevant for London, given the capital's concentration of AI- and data-intensive life sciences activity.¹⁷⁹

Despite growing awareness of these requirements, employer engagements reveal persistent skills mismatches and workforce gaps. Skills England analysis finds that existing

¹⁷⁵ OLS (2025) [Life Sciences 2035: Developing the Skills for Future Growth](#)

¹⁷⁶ Skills England (2025) [Assessment of priority skills to 2030](#)

¹⁷⁷ The Skills England needs assessment for life sciences identifies priority areas including specialist scientific and research skills; innovation and emerging technologies (including advanced digital and AI); regulatory and quality assurance capabilities; and transferable skills such as communication, leadership and entrepreneurship. Source: Skills England (2025) [Sector skills needs assessments: Life Sciences](#)

¹⁷⁸ Skills England (2025) [AI skills for the UK workforce: sectoral overview](#)

¹⁷⁹ London and Partners (2024) [London #1 in Europe for Life Sciences](#)

provision is often designed around long-form degree qualifications, which are poorly suited to upskilling existing technicians and mid-career professionals, and that integration of digital and AI tools into applied life sciences training remains limited.

Training supply

Higher education is the main source of skills supply for London's life sciences sector, reflecting its highly specialised and technical nature.

In 2023/24, London recorded around 13,400 higher-education qualifications in life sciences-related subjects, mainly in biomedical sciences, molecular biology and biochemistry, and chemistry. Provision at higher levels has increased steadily over time, nearly doubling compared with 2014/15.

Further education and apprenticeship routes exist, particularly for laboratory and technician roles at Level 3, but currently account for a relatively small share of the sector's overall talent pipeline, given the advanced qualification requirements of many roles. Degree and master's level apprenticeships are also viewed positively by employers.¹⁸⁰

Nationally, employers have highlighted a skills gap between graduate training and workplace readiness including in innovation and entrepreneurship as well as experience with novel technologies used by specialist businesses.¹⁸¹

Key implications

Life sciences remains a small but high-value employer in London, with strong long-term growth potential linked to innovation, biopharma activity and the wider frontier economy. Employment growth over the past decade has been rapid, though the sector's scale remains limited and is likely understated by standard SIC definitions.

The workforce is highly qualified and internationally mobile, supporting innovation but also creating risks around skills responsiveness and future supply. High formal qualification requirements and reliance on overseas talent may constrain the sector's ability to adjust quickly to short-term demand or replacement needs.

Skills demand is increasingly shaped by the integration of digital and AI tools alongside specialist scientific expertise. While higher education remains central to skills supply, evidence points to gaps in workplace readiness and mid-career upskilling, highlighting the potential value of more modular training routes to complement existing provision.¹⁸²

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¹⁸⁰ Skills England (2025) [Sector skills needs assessments: Life Sciences](#)

¹⁸¹ Skills England (2025) [Sector skills needs assessments: Life Sciences](#)

¹⁸² Skills England (2025) [Sector skills needs assessments: Life Sciences](#)

6. Additional data and research

Monthly Labour Market Analysis (ongoing, latest December 2025)

Regular analysis of London's labour market covering the latest developments. The latest releases include a review of headline labour-market data for London; and a breakdown of claimant count data for London boroughs and sub-regional partnership areas.

Labour Market Analysis of London's Priority Sectors (ongoing, latest March 2025)

Detailed labour market analysis related to the priority sectors identified in the Local Skills Improvement Plan (2023). Each report explores a different economic sector in detail by bringing together data from a wide range of sources.

Green Job Postings Analysis (ongoing, latest July 2025)

This analysis explores online job postings data from Lightcast as a partial indicator of the demand for green jobs and skills in London.

Analysis of London's Apprenticeships (ongoing, latest December 2025)

Full-year final data on apprenticeships in London for the 2024-25 academic year (August 2024 to July 2025). This update also reviews trends in apprenticeships starts and achievements over recent years, as well as profiles of apprentices and their employers.

GLA Adult Skills Fund (ongoing, latest December 2025)

The GLA ASF data publication provides information on adult (aged 19+) GLA-funded Further Education, comprising Adult Skills Core, Tailored Learning and Free Courses for Jobs (excluding apprenticeships, traineeships, advanced learner loans, the offender learning and skills service, and education and training services funded by the Education and Skills Funding Agency).

Skills Bootcamps for Londoners (ongoing, latest Wave 4, April 2023 to March 2024)

The Skills Bootcamp for Londoners data is a summary of provider-reported Skills Bootcamps starts, completions and outcomes from courses funded by the Greater London Authority.

London Learner Survey (ongoing, latest 2023-2024)

The LLS surveys learners who have participated in GLA-funded ASF learning aims during the academic year. The survey focuses on seven outcomes, which can be divided into economic and social outcomes, as approved by the Mayor of London in the Skills Roadmap. The economic outcomes are progression into employment, progression within work and progression into further learning. Meanwhile, the social outcomes are improved health and wellbeing, improved social integration, improved self-efficacy and participation in volunteering.

State of London (ongoing, latest June 2025)

The report aims to provide the most comprehensive and up-to-date picture of London's economic and social realities. It covers 11 areas including skills and economy.

London Jobs explorer (ongoing, updated as data becomes available)

This dashboard shows how London's jobs have changed over time, with experimental estimates of employee jobs by sector for each borough from 1971 to 2024. It allows users to track long-term changes in the capital's economy and compare how sectors have grown or declined across different parts of London. Data available at borough and Sub-regional partnership level.

Economic Fairness indicators, labour market (ongoing, updated as data becomes available).

Present indicators related to pay gaps (gender, ethnicity and disability pay gaps) and fair employment (employees earning below the LLW and insecure employment).

7. Glossary

Term	Definition
Adult Skills Fund (ASF)	Funds education and training for adults aged 19 and over, including basic English, maths, digital skills and community learning. Responsibility for the AEB in London was devolved to the Mayor in 2019/20.
Apprenticeships	Paid jobs that include at least 20% off-the-job training (such as classroom learning) and lead to a nationally recognised qualification. Levels are classed as intermediate (level 2), advanced (level 3) and higher (level 4+), including degree-level apprenticeships.
Community Learning	Non-formal and accredited learning for adults, usually at level 2 or below. Delivered by local authorities, colleges and charities, it covers areas such as English, maths, digital skills, ESOL, employability and well-being.
Degree-level skills	Qualifications at level 6 or above, including undergraduate degrees (level 6), postgraduate degrees (level 7) and PhDs (level 8).
Employment/jobs	Employment refers to the number of people in work. Jobs counts may be higher, as one person can hold more than one job. Data can be based on where people live or where they work.
Free Courses for Jobs (FCFJ) scheme	Provides adults with access to a free level 3 qualification (advanced technical certificate or diploma). Eligible groups include those without a level 3 qualification, people earning below the National Living Wage, and unemployed adults.
Higher-level skills	Generally used to refer to qualifications at level 4 or above, including higher technical, professional and university qualifications. An overview of qualifications levels can be found here.

Multiply	Free numeracy training for adults aged 19 and over who do not have a GCSE in maths at grade C (or equivalent). Aims to build confidence with numbers and is delivered by employers, schools and community organisations.
Skills Bootcamps	Short training programmes (up to 16 weeks) providing in-demand skills at levels 3 to 5, with a guaranteed interview. Open to adults in or out of work, they cover key sectors such as green industries and construction (including some level 2 provision).
Skill levels	A way of classifying how much training or experience is needed to do a job. Occupational classifications partly reflect skill levels.
SOC groups	The Standard Occupational Classification (SOC) groups jobs into categories based on the skills, qualifications and training typically required. The report uses SOC 2010 and SOC 2020 depending on data availability. For more information on these groups, see here.
Sub-regional partnership (SRPs)	Groups of London boroughs that work together on strategy, research and programme delivery. London has four SRPs: West London Alliance, South London Partnership, Central London Forward and Local London.
T-levels	Two-year technical courses launched in 2020, equivalent in size to three A Levels. Developed with employers and providers to prepare young people for skilled work, apprenticeships or further study.

8. Appendices and technical notes

Appendix 1: List of local authorities by sub-regional partnership (SRP) area

London authority	SRP area 
Camden	Central London Forward
City of London	Central London Forward
Hackney	Central London Forward
Haringey	Central London Forward
Islington	Central London Forward
Kensington and Chelsea	Central London Forward
Lambeth	Central London Forward
Lewisham	Central London Forward
Southwark	Central London Forward
Tower Hamlets	Central London Forward
Wandsworth	Central London Forward
Westminster	Central London Forward
Barking and Dagenham	Local London
Bexley	Local London
Bromley	Local London
Enfield	Local London
Greenwich	Local London
Havering	Local London
Newham	Local London
Redbridge	Local London
Waltham Forest	Local London
Croydon	South London Partnership
Kingston upon Thames	South London Partnership
Merton	South London Partnership
Richmond upon Thames	South London Partnership
Sutton	South London Partnership
Barnet	West London Alliance
Brent	West London Alliance
Ealing	West London Alliance
Hammersmith and Fulham	West London Alliance
Harrow	West London Alliance
Hillingdon	West London Alliance
Hounslow	West London Alliance

Appendix 2: Skills challenges by Sub-Regional Partnership area, 2022

Skills deficiency summary by London SRP, 2022 (employer base)

	Central London Forward	Local London	South London Partnership	West London Alliance
Total establishments (employers)	142K	69K	45K	66K
Have any skills gap	13%	12%	12%	11%
Have skill-shortage vacancy	11%	9%	9%	11%
Either skills gap or skill-shortage vacancy	20%	19%	19%	18%
Both skills gap and skill-shortage vacancy	3%	3%	2%	3%

Summary of vacancy situation by London SRP, 2022

	Central London Forward	Local London	South London Partnership	West London Alliance
Total number of vacancies	157K	49K	28K	55K
Total number hard-to-fill	68K	27K	14K	31K
% hard-to-fill	43%	55%	50%	57%
Total number skills shortage	48K	17K	8K	21K
% skills shortage	31%	34%	27%	39%

Skills gaps summary by London SRP, 2022

	Central London Forward	Local London	South London Partnership	West London Alliance
Total number of staff (ESS estimate)	3M	844K	665K	957K
Total number of staff not fully proficient	168K	40K	20K	69K
% of staff not fully proficient	6%	5%	3%	7%

Source: DfE Employer Skills Survey 2022. Tables created with Datawrapper.

Appendix 3: Breakdown of skills found difficult to obtain in London, 2022 vs 2024

Skills shortage vacancies

Technical/practical skills found difficult to obtain from applicants, London, 2022 and 2024

	2022	2024	Direction of change
Creative and innovative thinking	49%	65%	↑ higher
Specialist skills or knowledge needed to perform the role	68%	64%	↓ slightly
Solving complex problems requiring situation-specific solutions	41%	60%	↑ higher
Knowledge of products and services	45%	41%	↓ slightly
Basic numerical skills and understanding	27%	40%	↑ higher
Knowledge of how the organisation works	41%	39%	↓ slightly
Reading and understanding instructions, guidelines or reports	34%	37%	↑ slightly
Writing instructions, guidelines or reports	34%	37%	↑ slightly
Advanced or specialist IT skills	22%	32%	↑ higher
More complex numerical or statistical skills	27%	31%	↑ slightly
Adapting to new equipment or materials	23%	26%	↑ slightly
Manual dexterity	15%	22%	↑ higher
Computer literacy / basic IT skills	26%	21%	↓ slightly
Communicating in a foreign language	27%	12%	↓ lower
Complex analytical skills (grouped)	51%	62%	↑ higher
Operational skills (grouped)	55%	53%	↓ slightly
Digital skills (grouped)	36%	48%	↑ higher
Basic skills (grouped)	40%	50%	↑ higher

Selected soft/people skills found difficult to obtain from applicants, London, 2022 and 2024

	ESS 2022	ESS 2024	Direction of change
Ability to manage own time and prioritise tasks	54%	64%	↑ higher
Customer handling skills	48%	57%	↑ higher
Managing own or others' emotions	41%	52%	↑ higher
Managing or motivating other staff	40%	50%	↑ higher
Team working	40%	34%	↓ slightly
Making speeches or presentations	23%	33%	↑ higher
Persuading or influencing others	38%	30%	↓ lower
Sales skills	33%	27%	↓ lower
Self-management skills (grouped)	63%	72%	↑ higher
Management and leadership skills (grouped)	58%	64%	↑ higher
Sales and customer skills (grouped)	54%	62%	↑ higher

Appendix 4: Digital sector online jobs postings

Code	Occupation	Job postings (2025)	Minimum expected education level	Indicative evidence of recruitment pressure (relative)
2134	Programmers and Software Development Professionals*	42,600	Level 4/5	Medium
2133	IT Business Analysts, Architects and Systems Designers*	16,600	Level 4/5	High
3544	Data Analysts*	11,000	Level 3	High
2135	Cyber Security Professionals*	7,000	Level 4/5	High
2132	IT Managers*	6,100	Level 4/5	Medium
2433	Actuaries, Economists and Statisticians*	4,700	Level 4/5	High
1137	Information Technology Directors*	4,100	Level 4/5	Medium
3132	IT User Support Technicians*	3,800	Level 3	Lower
2142	Graphic and Multimedia Designers*	2,700	Level 4/5	Lower
3417	Photographers, Audio-visual and Broadcasting Equipment Operators*	1,600	Level 3	Medium

** indicates occupations also identified in Skills England analysis*

Created with Datawrapper

Source: GLA Economics analysis of Lightcast. Table created with Datawrapper.

Note: recruitment pressure ratings are indicative and based on analysis of online postings trends and patterns and wider labour market data. They provide a relative comparison across occupations rather than a precise measure of shortages.

Appendix 5: Key data sources used in priority sector analysis

Indicator/section	Primary data source	Geography and latest time period	Used for	Key notes and limitations
Sector size and trends – employee jobs	ONS Business Register and Employment Survey (BRES)	London, 2024	Sector size, structure and recent employment change	Employee jobs only; differs from Workforce Jobs (WFJ) estimates used in Chapter 2
Sector size and trends – business counts	ONS UK Business Counts	London, 2025	Number and size of businesses by sector	Based on registered local units; excludes informal and unregistered activity
Workforce profile and job quality	ONS Annual Population Survey (APS), pooled	London, 2022–2024	Age, gender, ethnicity, qualifications, job quality indicators	Survey data; pooled to improve robustness; nationality estimates differ from RTI/PAYE data
Vacancies and skills shortages	Employer Skills Survey (ESS)	London and England, 2022–2024	Vacancy levels, skill-shortage vacancies and skills gaps	England-level data used as a proxy for London sector trends in 2024
Recruitment demand	Lightcast online job postings	London, 2025	Volume and composition of current employer demand by occupation and skill	Online postings only; coverage varies by sector and occupation
Future employment outlook	National Foundation for Educational Research (NFER)	London, 2025–2035	Medium- and longer-term employment projections	Projections based on historic trends, first produced in 2021
Skills supply – higher education	Higher Education Statistics Agency (HESA)	London delivery region, 2023/24	Volume and trends in HE qualifications	Qualifications awarded, not entrants
Skills supply – further education	Department for Education (DfE)	London learner postcode, 2024/25	FE (19+) education and training enrolments (incl. tailored and community learning)	Includes tailored learning mapped using experimental GLA methods
Skills supply – apprenticeships	Department for Education (DfE)	London learner postcode, 2024/25	Apprenticeship achievements (19+)	Achievements lag starts; small numbers in some sectors

Created with Datawrapper

[Return to Chapter 5: Skills needs and opportunities in London's priority sectors](#)

Appendix 6: Priority sectors at a glance – employee jobs by SRP

Share of employee jobs by selected priority sector, % of SRP total, 2024

Construction



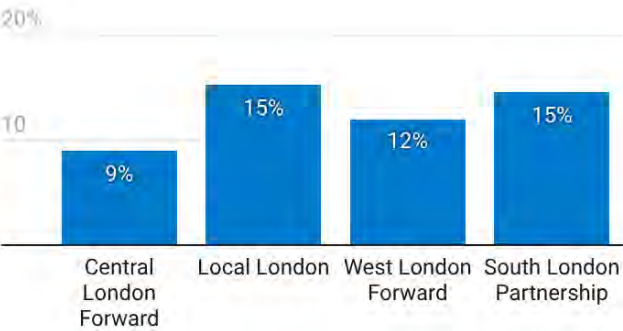
Creative industries



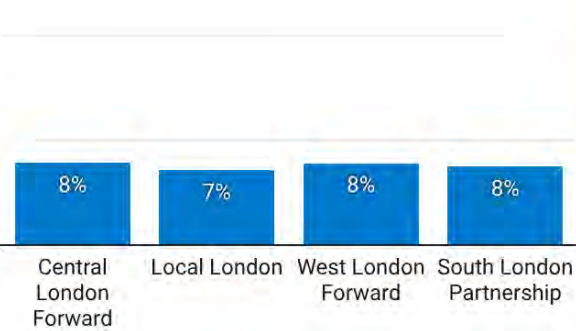
Finance and insurance



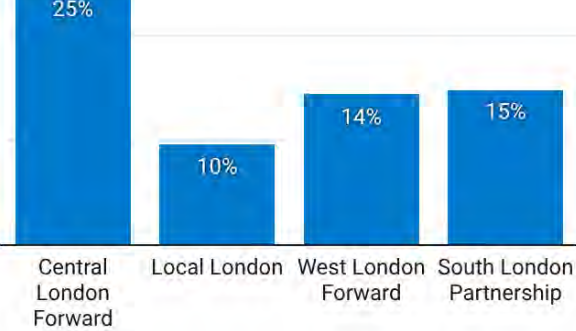
Health and social care



Hospitality



Professionals services



Created with Datawrapper

Source: ONS BRES, 2024

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