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**London Local Skills
Improvement Plan (LSIP)
for 2026–2029**

MAYOR OF LONDON

The London LSIP – All Partners

This Local Skills Improvement Plan has been approved by the Secretary of State in accordance with the requirements of section 1 of the Skills and Post-16 Education Act 2022, and the relevant published statutory guidance. The London Local Skills Improvement Plan is funded by UK Government and led by BusinessLDN working jointly with the Mayor of London and Greater London Authority (GLA), London's sub-regional partnerships (SRPs) and partner Employer Representative Bodies (ERBs):

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Foreword - Muniya Barua, Deputy Chief Executive, BusinessLDN

As the UK's capital and a global city, London has a pivotal role to play in driving growth and spreading prosperity across the country. It accounts for a quarter of the national Gross Domestic Product (GDP) and is a significant net contributor to the public finances.

However, unlocking the capital's full potential will only be possible if businesses have access to the right skills and talent they need to grow. At a time when the jobs market is experiencing rapid change, better aligning training provision with employer demand is critical to fuel London's future success. That is the core purpose of this London Local Skills Improvement Plan (LSIP).

This latest iteration of the LSIP (the 2026 London LSIP) builds on the lessons and successes of the original plan, which was published in 2023. The 2026 London LSIP reflects both changes in the labour market since then and the role that generative artificial intelligence (AI) is likely to play in shaping this in the future.

BusinessLDN is proud to jointly work on the development of the LSIP with the Greater London Authority (GLA), and with the support of the Federation of Small Businesses London (FSB), London Chamber of Commerce and Industry (LCCI) and CBI London, as well as the capital's sub-regional partnerships: Central London Forward, Local London, South London Partnership, and West London Alliance (working with West London Business). The 2026 London LSIP acts as an overarching action plan for the capital, with specific actions captured that target the needs of each of the four sub-regions.

London's labour market is facing significant challenges. London's unemployment rate – at 7.6% – is the highest in the country, and youth unemployment stands at 18.8%, a nine-year high.¹ Job growth has slowed, having levelled off from 2023 onwards following a strong post-pandemic recovery. Hiring activity has also slowed, with the number of online job postings in London falling from a peak of around 195,000 in April 2022 to 91,900 in December 2025.

Of course, the London labour market does not exist in isolation; major national and global factors are influencing its dynamics. A key consideration for employers, providers, and governments alike is the rise of generative AI: our research shows that 60% of business leaders think advanced digital skills and capabilities are lacking in their organisation today. This has not, though, changed the demand for communication, management, and leadership skills identified previously, which remain essential. All the 2023 LSIP's priority sectors – creative, hospitality, the built environment, and health and social care – remain relevant, while two more sectors have been added to align with the priorities of the London Growth Plan: life sciences and financial and professional services.

By their nature, LSIPs are a multi-year change programme tackling longstanding and knotty challenges, and this means improvements will inevitably take time. Yet, the 2023 London LSIP has already begun to deliver demonstrable progress, including helping to secure a shift in the way employers and providers collaborate, which has supported an increase in the prevalence of employer co-designed curricula. This has delivered benefits, including providers reporting a stronger understanding of the skills challenges facing employers, more tailored courses and improved, immersive teaching spaces.

The 2023 LSIP also spurred new initiatives to address systemic barriers to labour market inclusion in London, for example the GLA's Early Connect programme which connected young Londoners to apprenticeships. The 2026 London LSIP builds on this work and responds to the Government's wider policy agenda, including its Modern Industrial Strategy and the Post-16 Education and Skills White Paper, as well as the Mayor's London Growth Plan (LGP) and Inclusive Talent Strategy (ITS). Armed with a refreshed evidence base, the LSIP offers an opportunity to further align skills supply and demand in the capital. To do so, it identifies six priority areas for action:

1. Strengthen transferable, digital & AI, and green skills
2. Build clear, inclusive pathways into priority sectors
3. Expand modular, stackable¹ and flexible training
4. Improve employer engagement (especially Small and Medium-sized Businesses (SMEs))
5. Increase access to work experience and employability support
6. Enhance strategic coordination and labour market insights

These themes build on the success of the 2023 London LSIP's by specifically centring on tackling cross-cutting skills gaps, focusing on the needs of London's priority sectors, creating work experience opportunities, and more clearly setting out the form of training that works best for businesses. Beyond this, the LSIP builds on the previous principles of co-design and continuous engagement, and it underpins this through better coordination. While the focus of the 2026 London LSIP has been adjusted to reflect the needs of the capital's businesses today, the central goal remains the same: to better match supply and demand so that businesses can access the talent needed to grow the economy and ensure the labour market works for all Londoners.

Finally, I would like to extend my personal thanks to everyone who has given so generously of their time. It is this commitment to working together across the capital that will be translated into real change as the 2026 London LSIP is delivered. I am grateful to the capital's sub-regional partnerships (SRPs) for sharing their detailed and localised insights, and to our Stakeholder Advisory Group for its continued good counsel. We now need to work together to ensure skills provision in London keeps pace with rapid change and, in doing so, supports growth in the capital and beyond.

¹ See Glossary (Annex D) for definitions of these terms.

Foreword – Deputy Mayor for Business and Growth, Howard Dawber (GLA)

London's strength has always been rooted in its people, whose talent, diversity and ambition continue to define our city.

We know that to unlock inclusive economic growth for our city, we need strong, sustained collaboration with industry. Since London's Local Skills Improvement Plan (LSIP) was first launched, it has:

- Strengthened London providers' alignment with employer needs, with 94% of providers now saying the LSIP is helping them meet employer skills requirements.
- Boosted investment that enables providers to respond to LSIP priorities, through the Local Skills Improvement Fund (LSIF) fund, with £19 million invested across London between 2023 and 2025.
- Improved alignment of existing programmes already delivering results, with 97% completion rates in digital skills training pilots.
- Established new partnerships that connect employers, providers and government through shared labour market intelligence systems.

The next phase of the LSIP builds on the success of the first, with City Hall working jointly with BusinessLDN to drive this work forward. It marks an important evolution and reaffirms our shared commitment to getting Londoners and businesses the skills they need to grow.

We've heard from industry experts, skills providers and learners themselves that London's skills system remains too fragmented, hindering progress and productivity. The need to create an accessible, joined-up skills and employment ecosystem is clear.

The LSIP is our roadmap to making this a reality for Londoners, ensuring we address the big challenges London faces. This includes tackling youth unemployment, health-related barriers and rising economic inactivity and skills gaps, in a way that is both strategically coordinated and responsive towards what London employers need.

The London LSIP plays a vital role in delivering the ambitions set out in the Inclusive Talent Strategy and the London Growth Plan launched last year by the Mayor of London and London Councils, supporting more Londoners into good work, reducing skills gaps in priority sectors, boosting participation in high-quality training, and improving access to opportunities for underrepresented groups.

Crucially, the LSIP contributes to our shared ambition of creating a more inclusive labour market, one where barriers to opportunity are broken down and talent is recognised and nurtured in every community.

At the same time, we are preparing London for a period of rapid economic change driven by advances in AI and automation. The newly established London AI and Jobs Taskforce will help us maximise the opportunities for growth and productivity, while addressing the risks to workers and communities. Alongside this, new accessible training opportunities, including free

AI skills provision for Londoners, will help ensure that everyone can share in the benefits of technological change.

City Hall and BusinessLDN are united in seeking to unleash London's prosperity and turbocharge the growth across our city that Londoners so desperately need. The London Growth Plan's priority sectors, including professional services, technology, creative industries and the experience economy, have a vital role to play in driving this forward. By working together, we can build a skills system that not only meets the needs of today's economy but equips Londoners for the opportunities of tomorrow.

I am excited to see the transformational impact of the new London LSIP, which will help to build a more inclusive, resilient and prosperous London for all.

Howard Dawber OBE

Deputy Mayor of London for Business and Growth

Executive Summary

This second London Local Skills Improvement Plan (the 2026 London LSIP) has been developed against the backdrop of a renewed focus on growth and the need to better align skills demand and supply to make that growth achievable. Ensuring Londoners and businesses have the right skills supports productivity, efficiency, innovation, and business expansion, while also boosting labour market activity, inclusion, and alleviating cost-of-living pressures by increasing employment. The 2026 London LSIP is a continuation and an evolution of its predecessor and aims to build on the early successes of the 2023 London LSIP while responding to the changing needs of the skills and employment landscape.²

The 2026 London LSIP and its actions will form a critical part of London's skills system, including creating a strong feedback loop with the GLA and London Councils' Inclusive Talent Strategy (ITS - more detail is provided in the **Introduction**). The London LSIP forms a plan for the whole of London, capturing the major shifts required across the city while also recognising variations across its sub-regions. As well as being an overarching action plan, the LSIP includes specific actions that target the needs of the four London sub-regions overseen by sub-regional partnerships: Central London Forward, Local London (East and Southeast), South London Partnership, and West London Alliance. With these combined inputs the 2026 London LSIP provides a clear, data-led view of what needs to happen now across the capital. It sets out six action themes, detailed on the next page, that our research and stakeholder engagement suggests will best shift the dial. A more detailed operational action plan can be found in Annex B.

The evidence base for the London LSIP (summarised in the **Strategic and Economic Context** section) draws on insights from the GLA's economics team, the SRPs, a wider consultation process (see **Annex C** for details), surveys of employers and skills providers, and wider data shared by key sector bodies and their representatives. While the pace of job growth has slowed since the immediate post-pandemic period, the challenges of matching skills to job needs have not gone away. For employers, the picture is one of reduced vacancies but remaining skills gaps, partly driven by demand for AI skills.

Beyond AI, gaps in transferable skills persist, including those related to communication, management, and leadership. A lack of skilled teachers to provide specialist training, highlighted as a challenge in the 2023 LSIP, also remains a concern. The **Cross-Sector Challenges** and **Sector Priorities** sections of this plan explore these issues in more detail. The London LSIP responds to cross-cutting skills gaps while sharpening the focus on those that have emerged since 2023. This includes bolstering advanced digital skills, including AI, and bringing in two additional sectors critical to the capital's growth (life sciences and financial and professional services), reflecting the priorities of the London Growth Plan (the Growth Plan) and the ITS. To address commonalities between sectors, the LSIP covers the themes of digital skills, green skills (aligning with the Government's decarbonisation and net zero priorities), and labour market inclusion, with a view to leading a coordinated and partnership-based approach to tackling the key skills challenges faced across the capital, including the urgent problem of rising NEET levels and youth unemployment.

² Please see [here](#) for the 2023 LSIP report and the accompanying LSIP progress reports, which track in more detail its successes and the changes resulting from them.

To ensure the specific skills needs of each sector are acknowledged and fully considered, the London LSIP considers each set of **sector priorities** in turn before bringing required actions together in the **action plan**. The differences matter, and the unique features of each sector need to be taken into account when designing the optimal routes to meeting skills needs.

Despite the progress made to date, London's labour market remains complex and highly fragmented, and there is still much more to do to simplify and unify the system. It is essential that the LSIP contributes to easing this complexity by continuing to invest in programmes that map services and facilitate the match between supply and demand for skills. For example,

Key 2023 LSIP legacy issues highlighted in our business survey include:

- While the 2023 LSIP's progress reports highlight improved mapping of provision and increased flexibility,ⁱⁱ **challenges in accessing training** persist due to a lack of communication, awareness of available provision, and – in some cases – a lack of local availability.
- **Difficulties navigating the fragmented and confusing skills system** despite the positive steps taken, such as sector-specific hubs connecting employers with providers.

With these needs in mind, the 2026 London LSIP puts forward a set of renewed actions (full details in Annex B), which centre on:

- Strengthening transferable, digital & AI, and green skills.
- Building clear, inclusive pathways into priority sectors.
- Expanding modular, stackable, and flexible training.
- Improving employer engagement, especially for Small and Medium-sized Businesses (SMEs).
- Increasing access to work experience and employability support.
- Enhancing strategic coordination and harnessing of labour market insights.

Crucially, the 2026 London LSIP does not exist in isolation; it provides an ongoing mechanism for connecting employers and providers to solve key challenges and seize the opportunities available to ensure that the capital's talent pipeline is fit for purpose. Yet it is embedded in a complex and fragmented system which is hard to navigate. It sits alongside other key local and national policy initiatives such as the London Growth Plan and Industrial Strategy which all must work together to improve and streamline the landscape. More detail on the plans feeding into and being shaped by the London LSIP can be found in [the Policy Context](#) section.

This coordination between strategies and organisations is further strengthened by recent legislative developments: under the English Devolution and Community Empowerment Bill, certain non-departmental public bodies will be required to 'have regard' to the shared priorities of Local Growth Plans. As shared priorities may be published through documents such as the LSIP, this provides a clear route for London's skills ambitions to be given formal consideration across the wider public sector.

Introduction

The Mayor's and London Councils' London Growth Plan (LGP) is an important part of setting out how London will help to deliver the UK's wider growth strategy.ⁱⁱⁱ Key to achieving its aims will be getting the right skills, education, and training in place for the sectors and people that will drive that growth. The 2026 London LSIP is designed to support this and work with wider strategies including the key Inclusive Talent Strategy (ITS) – London Government's 10-year vision to create a connected and responsive employment, careers and skills system – to turn ambition into reality.^{iv} The key audience for the 2026 London LSIP report is employers. It sets out the evidence gathered on their skills needs and demonstrates how this insight is shaping the London skills system. The report is also intended for providers, helping them align their curricula with employer needs, and for local government, informing commissioning and funding decisions.

Facing the dual macro skills challenges of adapting to AI and preparing for net zero, and against a backdrop of a weaker economy and rising unemployment, the purpose of the LSIP remains to improve the match between training provision and employer demand – boosting pay, productivity, and workforce inclusion across the capital; addressing skills gaps; and ensuring businesses have the skills they need to grow.

London faces two distinct challenges:

- Helping those furthest from the labour market, and those with significant barriers, to secure work and progress in employment.
- Ensuring London's employers can easily recruit, retain, and support the talent they need.

With those challenges in mind, the 2026 London LSIP's key aims are to:

- Support economic growth by addressing the skills needs of key growth sectors.
- Facilitate the active engagement of employers in the skills system and drive investment in skills training.
- Better align the supply of skills provision at all levels with employer demand.
- Provide and improve mechanisms for information sharing amongst Further Education (FE) and Higher Education (HE) providers.
- Continue to address systemic barriers to labour market inclusion.
- Inform how funding can be best leveraged to support skills priorities, in a challenging fiscal environment.

In 2023, the London LSIP began this process, recognising that improving the skills system would require a multi-phase programme addressing challenges across key London economic sectors. Initial successes of this programme so far include:

- Increased investment in new training facilities and LSIP priority area courses aligned with employer demand.
- Improved opportunities for employer-provider collaboration, including increasing use of employer co-design of courses.
- Growth of provider networks and collaboration between providers, resulting in improved information sharing on skills needs and better employer engagement.

- Increased awareness of existing skills programmes and best practice, driving better outcomes and increasing the scale of training provision.
- Enhanced intelligence on skills and labour market needs (through collaboration with other providers, LSIP forums, and LSIP communications).
- Targeted programmes to address systemic barriers affecting labour market inclusion.

The 2026 London LSIP reflects some changes to the approach from the LSIP report in 2023, which are outlined in detail (alongside our wider approach and methodology) in Annex C. One significant change is that the 2026 London LSIP is being developed through a joint working model between BusinessLDN and the Greater London Authority (GLA). This new governance arrangement creates a deeper focus on collaboration between employer representative bodies (ERBs), local strategic authorities, and education providers. It also offers a clear opportunity to ensure alignment of the LSIP with local strategic plans such as the LGP and ITS. In addition, while HE providers contributed to the creation of the first London LSIP, their involvement is more fully integrated in this second iteration, enabling a more holistic approach to meeting employer skills needs from education levels 1 to 8.

The administration of the LSIP has also evolved, with LSIPs better embedded with regional strategies such as local growth plans, and overseen by Skills England, as well as all relevant national strategies. These changes are aimed at making the skills system both more responsive and coordinated.

The 2026 London LSIP also considers the growing importance of two additional sectors – financial and professional services and life sciences – bringing the priority sectors into line with those in the growth plan. As a result, this LSIP focuses on six priority sectors, with additional consideration for the cross-cutting themes of digital skills, green skills, and labour market inclusion:

- Creative
- Hospitality
- The built environment
- Health and social care
- Life sciences
- Financial and professional services

As previously, vital contribution to this second London LSIP comes from the London boroughs via the sub-regional partnerships (SRPs), which have provided insights throughout this report into their own sub-region’s needs, challenges, and potential solutions.

The SRPs have also highlighted additional strategically important sectors for their regions in the sub-regional annexes, provided in Annexes G - J. These four sub-regional annexes contribute local analysis and actions. They do not operate as standalone LSIPs and form part of the single London LSIP.

Sub-region	Additional strategically important sector
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Central London	Visitor Economy
Local London	Logistics/Transport, Manufacturing
South London	Education, Visitor Economy
West London	Early Years, Food and Drink Manufacturing, Transport and Logistics, Retail



Overall, the approach to developing the 2026 London LSIP remains broadly consistent with its predecessor: it analyses key skills and occupation data to identify gaps in provision; it incorporates further insights into employer and provider needs; and it challenges through extensive stakeholder engagement. See Annex C for full details.

An important change this time is that the 2026 London LSIP will be part of a refreshed employment and skills system in the Capital that aims to put employers at the centre of driving inclusive growth. The 2026 London LSIP will work together with two other key London strategies – the **ITS**, created by the Mayor in collaboration with London Councils, and the **Get London Working plan** – with the governance of these plans integrated through a single forum: the Inclusive Talent Delivery Group ('the Delivery Group'). Supporting these plans are new Sector Talent Boards, convened by the Mayor, made up of industry representatives from the growth plan's priority sectors, as well as pan-London sector hubs and sub-regional hubs, delivered by the SRPs. The aim being to make the system more responsive to employer need, better at matching training supply to that need as it evolves and ultimately ensure the 2026 London LSIP action plan is delivered.

The London LSIP, like all LSIPs across England, is also embedded in the delivery of the national Modern Industrial Strategy,^v the Post-16 Education and Skills White Paper,^{vi} and the Clean Energy Jobs Plan.^{vii}

Strategic and Economic Context

Key takeaways:

- The 2026 London labour market has changed since 2023: job growth has levelled out, hiring activity has reduced, and unemployment has risen to higher than the England average.
- Economic inactivity has dropped, but the number of young people who are not in education, employment, or training (NEET) in London has increased by two percentage points since 2020.
- The share of businesses reporting that they have “few open job vacancies” has more than doubled, rising from 16% in 2023 to 40% in 2026 – an indicator of a loose labour market.
- However, skills gaps persist, with a shortage of candidates equipped with the right technical and advanced skills continuing to drive many of London’s recruitment challenges.
- The largest gap is in digital skills (including AI), cited by 45% of employers when asked why candidates were unsuitable.
- FE and HE providers reported improved engagement with employers since the 2023 LSIP, alongside the creation of new courses and the expansion of existing ones.

The Policy Context

The 2026 London LSIP is embedded in a complex system where it will coordinate with a network of key initiatives with an aim to improve how that system performs in meeting the skills needs of employers. The updated London LSIP action plan will function as a live document, and feed into London and national skills and growth strategies as it also builds in their learnings and priorities. Key strategies informing (and informed by) the LSIP include the London Growth Plan, the Get London Working (GLW) plan, and nationally Government strategies such as the Modern Industrial Strategy and the Post-16 Education and Skills White Paper.

The LSIP matches onto the Industrial Strategy through the alignment with the London Growth Plan, which reflects the Industrial Strategy 8 (IS8) sectors that are key to London’s economy. It supports the Industrial Strategy through its sector focus and its purpose to develop stronger partnerships between London government, business and education.

The London labour market

For the 2026 London LSIP, the GLA Economics team has created a comprehensive evidence base.³ This section summarises its key findings, which inform the later sections on skills needs and actionable priorities. At the time the 2023 London LSIP evidence base was compiled (late 2022, for publication in 2023), London was experiencing extremely high labour demand

³ Unless cited otherwise, all data points throughout the document are sourced from the GLA Economics evidence base.

following a strong post-pandemic recovery. The labour market was characterised by high vacancy rates, relatively low rates of unemployment, and robust growth in the number of payrolled employees.^{viii}

Since then, unemployment has increased across the nation. Job growth has slowed, with the number of workforce jobs in London levelling off from 2023 onwards. Similarly, strong growth in the number of payrolled employees in London post-pandemic levelled off in 2023 and fell over the past year, with the figure for December 2025 representing a 1.1% decline on the previous year.^{ix} Despite the slowdown since 2023, the overall number of payrolled employees has increased since the start of the pandemic (up by 194,000 from February 2020).^x

A reduction in labour demand is reflected in reduced hiring activity. The number of online job postings in London has fallen from a peak of around 195,000 in April 2022 to 91,900 in December 2025, and hiring activity remains markedly lower than in the period up to 2023.^{xi} Employer survey evidence reinforces this picture. According to the ONS Business Insights and Conditions Survey in August 2022, more than 18% of (single site) businesses surveyed reported a shortage of workers. By the time data collection for the 2026 London LSIP took place in October 2025, this had fallen to just above 5%.^{xii}

London has also seen a rise in unemployment, up from 4.9% in early 2023 to 7.6% by October to December 2025, compared with a rate of 5.5% across England.^{xiii} Youth unemployment, and NEETs more broadly, are a particular and urgent concern. The unemployment rate for 16–24-year-olds reached 22.5% at the end of 2025, higher than any other age group.^{xiv} Londoners aged 18–24 also saw the largest decline in payroll employees in the year to December 2025 – a fall of 2.4% compared with a 0.6% decline UK-wide.^{xv}

Whilst tackling youth unemployment is not directly within the scope of the 2026 London LSIP the needs of NEETs and unemployed youth have been taken into consideration throughout the LSIP process. The LSIP actions are designed, in part, to support employers in responding to the NEET challenge in the labour market. The relevant actions bring together all who have a role in tackling this issue, including business, education and government bodies. For example, making recruitment strategies more inclusive and improving management training would support employers to better manage entry level roles in the post pandemic era of lower basic skill levels, thereby benefiting young job seekers most at risk of becoming NEET.

The broad sector mix of London's labour market has remained largely unchanged since the 2023 LSIP. However, since 2022, the employment growth recorded in the capital has become increasingly concentrated across a range of service sectors: health and social care (+56,000), education (+45,000), information and communication (+52,000), financial services (+36,000), and public administration (+26,000). Taken together, these five sectors account for the majority of workforce job growth in London since 2022.

The London skills market

Education in London

- **London's population is highly educated**, with more than three in five (62%) working-age Londoners holding a Level 4 qualification or above. This is markedly more than in England as a whole, where less than half (47%) of people of working age hold a Level 4 qualification or higher.^{xvi} In total, more than three-quarters (76%) of state-funded

learners in London progress into Higher Education (HE) or training at the end of 16-to-18 study: the highest rate of any English region and above the England average (65%).^{xvii} Close to 550,000 students enrolled in London's HE sector in 2024/25.

- **Further Education plays a key role in supporting intermediate skills development**, providing adult skills, and reskilling opportunities in London.
- **However, overall learner participation in FE has fallen since 2023**, driven by a shift towards enrolments on higher-level courses (Level 3 and above) and ongoing funding challenges within the sector.^{xviii}

Apprenticeships in London

- **Londoner apprenticeship starts are at the highest level since the pandemic** (40,400 in 2024/25). However, this is still equivalent to only 6.4 starts per 1,000 residents aged 16–64, compared with 9.6 across England.^{xix}
- **London's apprenticeship growth has been driven most strongly by higher-level apprenticeships and among learners aged 25 and over**, accounting for more than a third (36%) of 2024/25 starts.^{xx}
- **The costs of HE and opportunities for practical experience in other routes are leading to increasing interest in workplace learning routes** from learners, according to interviews with FE providers.
- **High rates of Higher Education enrolment and attainment are partially offset by lower levels of apprenticeship starts and lower engagement in adult education** compared with other areas of the country.

Other skills challenges

- **London has a similar proportion of working-age people without formal qualifications to England as a whole**: 6% in London, and 7% in England.
- **London also faces challenges around English language skills**. According to the 2021 Census, London has the lowest percentage of people with English as their main language (78.4%) of any English region.^{xxi} Around 355,000 Londoners are estimated to have their labour market prospects constrained by a lack of English proficiency.

Skills markets

- **Recruitment pressures have eased since the 2023 LSIP** evidence base as vacancies and skills shortages have fallen back from their post-pandemic peak.
- **The “vacancy density” – the number of vacancies as a share of total employment – remains higher in London than nationally, and skills shortages persist**, with around a quarter (24%) of vacancies in London affected by skills shortages in 2024. While lower than in 2022 (32%), it remains higher than pre-pandemic levels (21%).
- This suggests that **skills shortages may have levelled out at a new, higher level** following the surge of hiring activity immediately after the pandemic. Some employers have suggested that skills mismatch is the biggest employer barrier, rather than labour supply.
- Since the last LSIP, advances in generative AI have also accelerated. **Forty-six per cent of jobs in London are exposed to generative AI, compared with 38% UK-wide**. New AI technologies are likely to have persistent effects on demand for skills in London, to a greater extent and sooner than expected at the time of the original LSIP in 2023. This is explored further in the Digital theme section of this report.

Skills shortages

- **Specific skills shortages are in line with those set out in the 2023 LSIP evidence base.**
- Of those companies reporting vacancies that are hard to fill because of skills shortages, **companies in London reported greater shortages in complex analytical skills, digital skills, and management skills.**
- **Employers facing skills shortages were more likely to identify a lack of softer transferable and people skills in London than elsewhere.** Evidence from job postings suggests demand for transferable skills is growing relative to 2022 levels, most strongly for “interpersonal communication”, “leadership”, and “problem solving”.

The specific skills needed in each sector are detailed later in this report.

Survey key finding

To better understand London’s skills needs, we conducted two surveys – the London Business Leader Survey covering more than 2,000 businesses, and a survey of 26 HE and FE providers across London. For the full picture provided by these surveys, see Annex A.

Key findings from the employer survey include confirmation of the pattern of a reducing labour demand and falling vacancies seen elsewhere in the data, alongside the continued challenges in finding the right skilled specialists and professionals. The responses suggest a shortage of candidates with suitable technical and advanced skills, and that this is a major contributor to recruitment challenges in London. Digital skills were seen as a particular driver of candidates being deemed unsuitable for roles. Despite the reduced vacancies, the perception of significant gaps in skills and capacity has increased fivefold. While basic yet essential digital skills are a key current need, employers looking to the future cited advanced digital skills as the most needed area of skills over the coming two to five years. Perhaps unsurprisingly, business leaders plan to increase investment in digital skills training over the next year.

The providers we surveyed (including independent training providers) were broadly positive. All the FE providers and most of the HE providers we engaged with had taken actions to meet the needs of the 2023 LSIP, including expanding and adding courses. We heard about the various successes of the original LSIP, including improved employer engagement and co-design and better alignment of skills provision with demand, as well as the expected challenges of delivering the 2026 London LSIP, which are set out in the next section.

Local skills needs

Key takeaways:

The overarching priorities that the 2026 London LSIP identifies for London are:

- **Advanced digital skills including AI** is the biggest priority for employers across London's priority sectors in the short to medium term, with transferable skills also crucial and the demand for green skills has grown since the 2023 LSIP. Embedding these cross-cutting skills in existing courses is considered to be a priority goal.
- **Lack of inclusive pathways** hinders many Londoners, particularly those from less advantaged backgrounds, from accessing jobs and progressing in London's priority sectors, and they need stronger support.
- **An accessible and modular training offer** is important to employers, with 49% being unable to release staff time for training, up from 42% in 2023, reflecting financial pressures on businesses and underscoring the need for tailored short courses.
- **Employer engagement remains a challenge** for providers and policy makers, understandable in a more challenging economy. Yet this is seen as essential to increasing targeted provision, alongside tackling funding constraints. **An enhanced work experience offer and quality employability support** would benefit the London labour market, helping young Londoners prepare for work, making it more likely that employers can successfully recruit the talent they need, and building closer relationships between business and educators.
- **London's skills system remains confusing** to all participants and there is strong demand for action that helps employers – and providers – to navigate the challenges and access effective training solutions. **Sector specific skills needs remain** at all levels and across the range of roles within London's priority sectors. The detail of these are set out in the sector profile sections, and it is important that London government, providers and employers work together to deliver employer friendly courses to meet this demand.

Extensive engagement, combined with analysis of quantitative data from the GLA evidence base, the London Business Leader Survey, provider surveys, and wider sources, underpins the analysis below of the key challenges, opportunities, and skills-system issues that can be tackled across the 2026 London LSIP's priority sectors and cross-cutting themes. All jobs data and stakeholder feedback is real time data, so can be understood to represent current demand. The demand for the skills identified in the following sections is expected to be sustained throughout the duration of the 2026 London LSIP.

Cross-sector challenges for employers

Engagement with employers through consultations, surveys, and interviews has indicated that fewer are struggling to fill vacancies compared with 2023. As noted above, professional/ highly skilled specialists continue to be the most challenging roles to fill, followed by technical and skilled support roles.^{xxii}

GLA Economics analysis of Lightcast job postings data has found that there are specific areas of unmet demand to be addressed. The analysis of Lightcast data has found that: ^{xxiii}

- **Digital skills** are highly in demand, with 45% of job adverts in London explicitly requesting digital skills (and 5% specifically requesting AI-related expertise).
- **Green skills roles** now account for 6% of job adverts in London, up from 4% in 2019, representing an expected uptick in demand.
- **Transferable skills** – including communication, management, and leadership – are in demand across sectors.

Despite fewer employers struggling to fill vacancies, skills-based recruitment challenges persist. Providers consulted through the LSIP process are also warning that post-pandemic learners entering the workforce require extra support from employers, including personal mental health support, flexible hours, and other measures. This is partly due to the lack of socialisation over the pandemic period, and the consequent challenges many new entrants now face with basic transferable and social skills.

It is clear from the evidence base and survey results that digital skills have seen a significant rise in both demand and importance. The importance of advanced digital skills was also evident when considering which skills or capabilities businesses said they lacked most in their current workforce (see Figure 1):

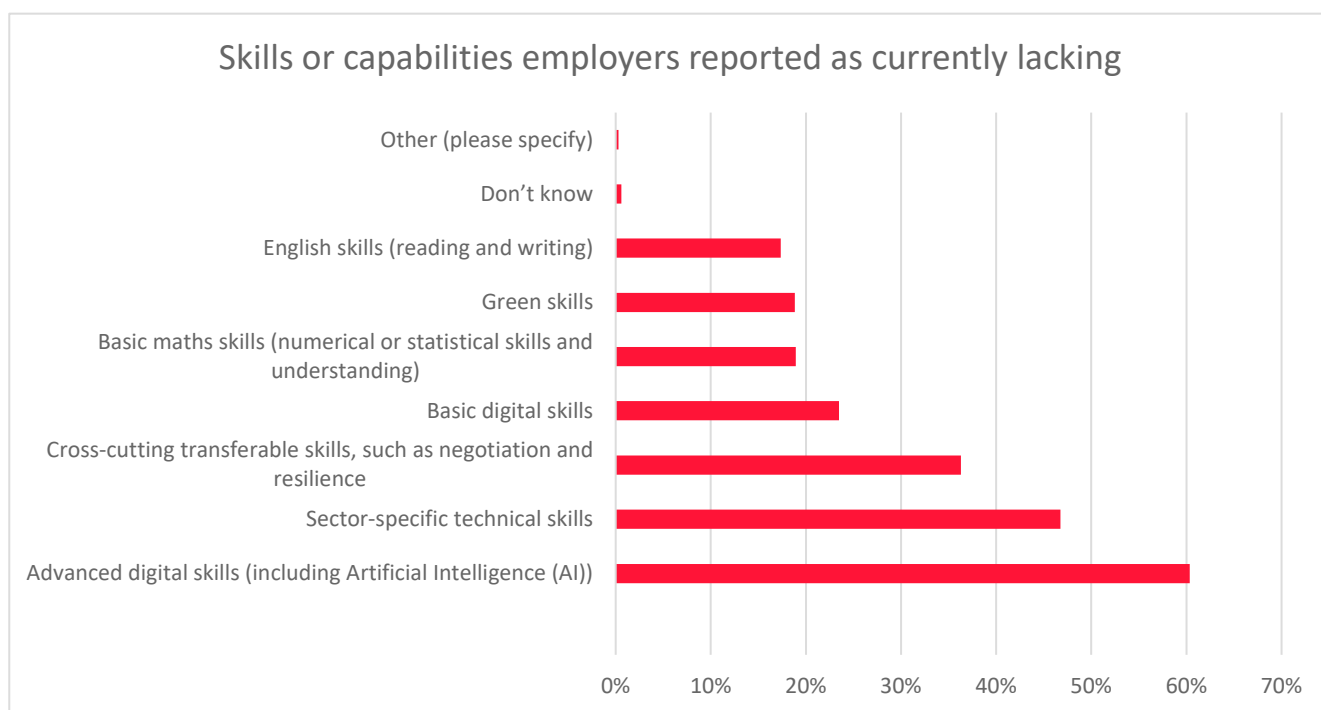


Figure 1: Skills and capabilities employers reported as lacking. Source: Survation Survey of employers for BusinessLDN

Advanced digital skills were highlighted as lacking by 60% of respondents, the highest reported skills gap. ^{xxiv} Other key cross-cutting areas emerging from wider engagement and the survey include the importance of transferable skills such as negotiation and resilience (cited by 36% of respondents in 2026, down from 42% in 2023), with basic digital skills (23% down from 33%), green skills (19% down from 21%) and maths skills (19% down from 23%) all identified

as lacking by a significant minority of businesses.^{xxv} It is worth noting that while the demand for green skills has grown significantly, the expected gap in supply for green skills is not yet evident in our data, although it was raised in discussions with employers. From the survey data, 78% noted the need for advanced digital skills in the next two to five years, whereas only 17% said the same for green skills.^{xxvi}

“I need to double my workforce in three years. And that will keep on going. And then all the skills that are needed around that expansion, it just goes exponential. So, it's a real risk if we don't really focus in on how we create these skills.” – Multinational technology employer

Our engagement and consultation for the 2026 London LSIP also identified some key emerging trends:

- An ageing population is pushing up demand for health and care – and in turn putting pressure on labour and skills supply in that sector.
- Changes in AI and digital skills are reshaping job content and demand.
- There are ongoing gaps in transferable skills, with a strong focus on the need for critical-thinking skills, communication, and leadership (even more important in the context of AI).
- Low employer confidence in the economy, in part due to high costs, is impacting investment in training and upskilling, despite intentions to increase training provision.
- The inevitable friction from skills systems changes, such as reform of the Apprenticeship Levy into a more flexible Growth and Skills Levy, could take some time to dissipate.
- Immigration rules are tightening access to overseas workers, especially in lower-paid roles.

Employers also continue to face barriers to providing all the training they would like to offer (see Figure 2), with time availability and the cost of training remaining the two most significant barriers. Both employers and providers suggested modular and flexible options as a solution, allowing training to be tailored and delivered at times and locations that work best for employers.

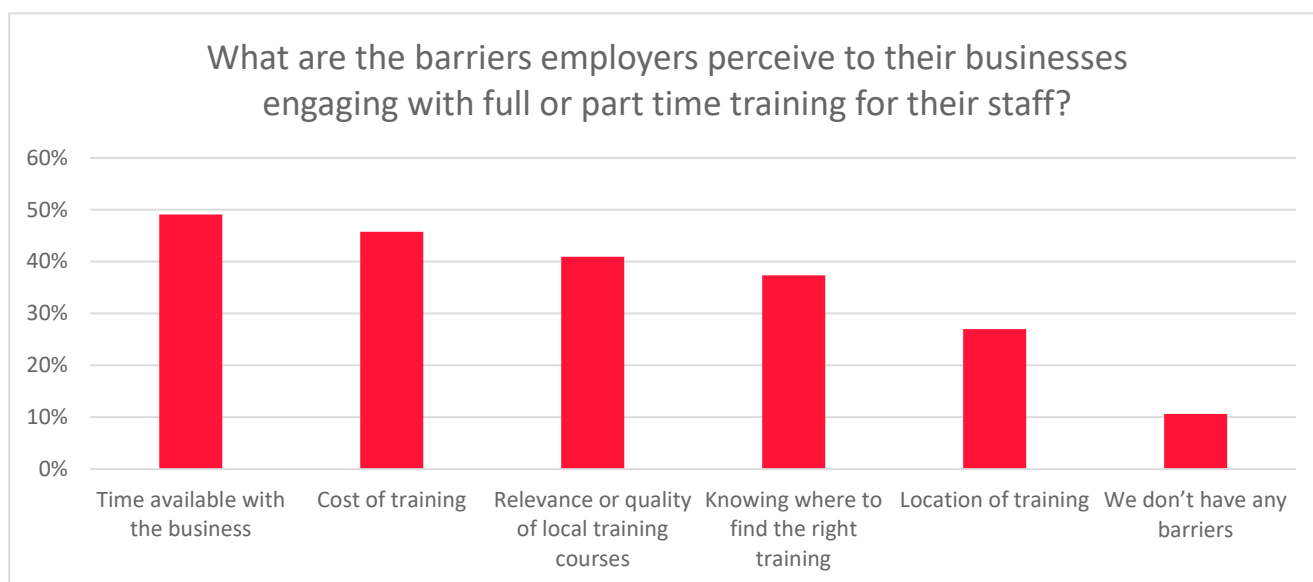


Figure 2: What are the barriers employers face when engaging with full- or part-time training for their staff? Source: Survation survey of employers for BusinessLDN

One ongoing challenge for employers is the need for increased flexibility of provision: employers need modular, stackable qualifications informed by industry best practice. This is especially relevant to digital skills and – to a lesser extent – green skills, which often sit adjacent to core role competencies and need to be flexibly integrated into other course material. In addition to these shifting pressures, many of the key challenges faced in the original 2023 LSIP remain relevant today. Despite the progress made to date, the complex and fragmented nature of London’s labour market means there is still more to do.

Key LSIP legacy issues highlighted in our business survey include:

- While the 2023 LSIP’s progress reports highlight improved mapping of provision and increased flexibility,^{xxvii} **challenges in accessing training** persist due to a lack of communication, awareness of available provision, and – in some cases – a lack of local availability.
- **Difficulties navigating the fragmented and confusing skills system** despite the positive steps taken, such as sector-specific hubs connecting employers with providers.
- **Perception and inclusion issues** for certain sectors (such as the built environment) continue to be a challenge for both employers and providers, but awareness and outreach campaigns have been increasingly designed to target the most affected groups.

Cross-sector challenges for providers

Despite the strides being made in better matching training to employer demand, providers still face several challenges (See Figure 3). The main barriers to provision identified in BusinessLDN’s survey of HE and FE providers included:

- Adequate employer engagement, despite the improvements in this area reported by HE and FE providers. Deepening engagement to help deliver curricula developed jointly by employers and providers will remain a core focus for the 2026 London LSIP. The extent of system change as a result of current policy reforms is having an impact, and providers surveyed said that **greater clarity on the detail of these reforms would help both them and employers as they seek to work together**.
- A **shortage of skilled teachers** to provide the training was also noted as a barrier, particularly in FE. This was flagged as an issue in the 2023 LSIP within the digital, built environment, and green skills areas, and is in part driven by salary differentials compared with the wider industry.
- **Low learner demand** was also cited as a key challenge and likely relates to the challenges of perception and working conditions that employers continue to deal with in sectors such as construction. Providers also noted **declining learner interest in sectors such as hospitality, childcare, and adult social care**, despite continued workforce shortages. This was reported by more HE providers than FE providers.
- Other major barriers cited were **insufficient funding and financial constraints**. Whilst changes to how skills are funded as a result of further devolution measures such as the single integrated funding settlement for London should increase flexibilities to support upskilling, clear communication and processes for accessing new funding will be essential.

What are providers' main barriers to improving and/or increasing provision?

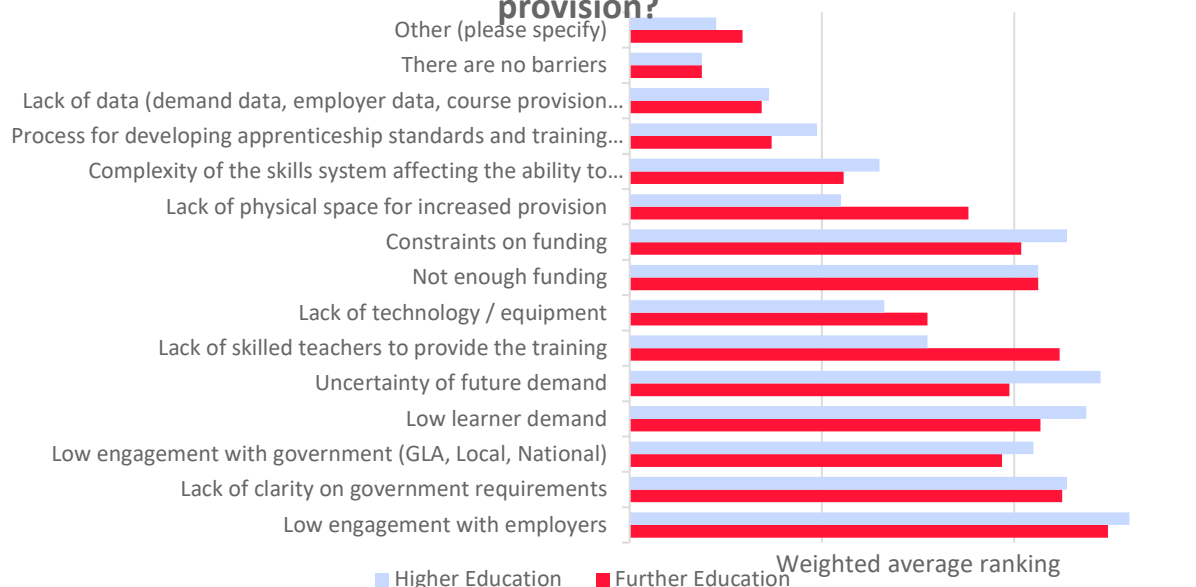


Figure 3: What are providers' main barriers to improving and/or increasing provision? Survey by BusinessLDN of FE and HE providers

From the outset, a key component of the LSIP has been the importance of improving collaboration and co-design. Throughout the delivery of the original 2023 LSIP, this was regarded as one of the biggest successes of the LSIP – creating a space and reasons to collaborate more effectively. Notwithstanding these successes, this cultural change will take time to embed. Among the barriers to effective collaboration (see Figure 4) cited by providers are:

- Lack of dedicated forums for discussion with employers.
- Concerns that employers are unable to clearly articulate skills needs.
- Low employer investment in collaboration.
- Lack of time for employers and providers to engage.

This marks a notable shift since 2023, where the focus was on structural challenges, such as the inflexibility of the apprenticeship system, T-levels not being fit for purpose, a lack of awareness on the part of learners, and insufficiently practical training. Now the challenge is around co-creating courses in practice.



Figure 4: Providers' biggest barriers to effective collaboration and co-design of provision with employers.
 Source: survey of providers by BusinessLDN.

Constrained funding levels in the Adult Skills Fund (ASF) combined with increased costs driven by addressing the significant growth in complex Special Educational Needs and Disabilities (SEND) and mental health needs of Londoners – exacerbated by the effects of the Covid pandemic - including the cohort of young people entering the workforce - means increasing pressures on skills programmes and hard choices need to be made on what to prioritise.

The need for improved AI skills has continued to be a prevalent theme, with providers specifically emphasising the need to understand industry-specific skills relating to green and/or AI skills, for increased provision of AI – and, to a lesser extent, green skills – and for more of these skillsets to be embedded into existing courses. Signposting which skills are required for different roles – and where they can be obtained when not included in the core course structure – is key to improving awareness and uptake of digital and green skills. For example, without effective signposting, plumbers may not be aware that many courses now offer modular heat pump training options, or marketing specialists may be unaware of the increasing importance of AI prompt engineering training courses, and where to find these.

“AI is also a toddler at the moment. So, by the time our students complete a degree, it is going to be a teenager and maybe an adult. So, universities and colleges are having to ensure that to meet the skills gaps we are very employer-informed and work very closely with employers.” – HE senior project leader

Providers also highlighted that baseline skills applicable across a range of roles within a sector need to be prioritised over role-specific training. For example, there has been an increase in manufacturer-specific installation courses, which have no regulation and are missing key basics that would support upskilling into other roles once in the job, or access to a wider variety of career options. While this is good for standardising the market, a disconnect has

developed with the provision of more general skills, leaving learners with skillsets that are less transferable and adaptable. Any specific courses offered to employers must therefore incorporate the basic core skills that underpin them, so they remain resilient to the sectoral evolution that will come with the growth of advanced digital skills.

Challenges with apprenticeships have been highlighted through our consultation with key stakeholders. Providers raised concerns about the low rate of placements or jobs post-qualification, while employers pointed to the lack of sector-specific skills included in course provision. The Government is aware of this challenge and is working on reforming the Apprenticeship Levy. Despite strong learner appetite for apprenticeships, engaging more employers to deliver these programmes is challenging, particularly where there is a two- or three-year time commitment required.

Skills themes

Transferable skills (including those relating to communication and leadership), digital skills, and green skills are covered in the sector deep dives that follow.

Digital skills

Of all the skills areas considered in the 2023 LSIP, digital skills have seen the most movement in terms of change and increase in demand over the last three years. Not only has AI become a critical tool in the way we work, but the need for essential digital skills has also only increased over time. As noted in the **Strategic and Economic Context** section, London's concentration of roles with a high exposure to AI suggests the impacts on skills requirements for AI will be felt more strongly here than elsewhere. The latest GLA estimates suggest that 570,000 people were employed in digital jobs in London in 2024 (which broadly aligns with the tech sector), equivalent to 10% of all employee jobs in the capital and 40% of total digital employment in England.

It is important to note that digital and AI skills mean different things to different sectors, and their use – and demand – varies significantly across roles. AI skills are defined as any set of skills required to make use of large language models (LLMs), whereas digital skills are defined as all skills reliant on the use of information and communications technology (or other software applications). Industry-specific AI skills are covered later in the sector skills needs sections of this report. Ongoing work will be required to update these definitions as the relevant technologies develop. The list below draws out the top five digital roles currently facing shortages and demand pressure in the capital. These are important, not only to the technology sector but also to a wide range of sectors across London (including the priority sectors identified for the 2026 London LSIP). This is evident by data analyst roles in London in 2025 alone, which account for more than 40,000 unique job postings. These also rank top of GLA Economic's analysis of indicative demand pressure and shortages in the digital sector. Here, roles have significant transferability into the creative, life sciences, and financial and professional services sectors.

Key roles in demand include:

- Data analysts,
- Cyber security professionals,
- Telecom and related network installers,
- IT operations technicians,

- Actuaries, economists and statisticians.

Given the pace of change in digital and AI skills, it is hard to pinpoint skills needs in this area over the medium term.

London employers with skills-shortage vacancies were also more likely than those in other regions to report a lack of digital skills among applicants, particularly advanced digital skills. Among the most frequently sought-after advanced digital skills are a range of coding languages, machine learning, and data analysis. 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 2025. The data suggests AI capability is increasingly being treated as an additional requirement within existing roles rather than a stand-alone specialist skill. Digital and AI skills such as prompt engineering are now foundational, yet they are not consistently embedded within training or workforce development. As AI reshapes entry-level roles, recruitment processes, and routine tasks, these gaps risk widening inequality, reducing workforce resilience, and weakening talent pipelines.

Providers flagged that, while digitally competent young people can often use AI apps such as ChatGPT and are proficient on app-based smartphones, many still struggle to use basic software such as Microsoft Office products or tap into more workplace-specific digital skills. Furthermore, while younger people do not struggle to access AI tools, they are the cohort regarded as most likely to struggle with assessing and critiquing AI results – insights from employers we engaged with suggested improved transferable skills, including critical thinking, are key to addressing this. This echoes the findings of wider work on digital inclusion, which shows that, while access is less of a challenge for younger people, their vulnerability to scams and false information is high. More broadly, providers reported a need for upskilling in AI tools for a business context, calling for learners to be trained in how to interact with, evaluate, and sense-check AI for use in the workplace. While increased support and training for those key advanced digital skills will be critical over the coming LSIP cycle, it will be equally important not to lose sight of the basics.

“The main things we are finding that employers are saying, we want students that know how to use the AI tools. We don’t want a student that can’t critically analyse. So those skills are important – being able to analyse what AI does for you. It’s not a magic wand. It doesn’t just produce your work for you. It’s an aid and it should help you. And a lot of the universities and colleges are all learning how to develop and embed that now and recognising that AI in hospitality is different to AI in engineering.” – HE Senior Project Leader

The positive news is that nearly 90% of FE providers already have a focus on digital skills in their overarching strategy, and more than half said they have already increased provision of digital skills. Organisations across London have been working to build up these skillsets throughout the last LSIP cycle, including through Central London Forward's Local Skills Implementation Fund (LSIF) projects, which worked with the Bridge Partnership to increase provision and equipment for improving digital skills in central London.

Green Skills

Continuing a theme from the original LSIP, difficulties in defining green skills – and in employers’ understanding of these skills – exacerbate the challenges of meeting demand for this evolving skill set.

“I think people still do not really know what green skills means, and that is the difficulty. It is difficult to be quite tangible around that in the context of your discipline. So, what does that mean if you are working in fashion or working in plumbing or engineering? It is very different.” – Higher Education Director of Business Engagement

However, key sectors are seeing growing demand for specific green skills, including retrofit, energy efficiency, and electrification within construction and property projects, and we expect this demand to increase in the medium term. 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, almost 10% higher than the previous year.^{xxviii} Despite wider market cooling, demand for green jobs has remained relatively strong, and in 2025, green-related roles accounted for around 6.4% of all online job postings in London, up from 4.1% in 2019 and around 5% at the time of the first London LSIP in 2023. While overall recruitment slowed through 2023 to 2024, green online job postings declined less sharply and have remained around 50% above pre-pandemic levels, indicating sustained underlying demand. The occupations in 2025 with the highest demand for green skills are outlined in Annex A, but these cover a wide range of occupations, including skilled trades and project managers, as well as specialist sustainability positions such as ecologists and carbon analysts.^{xxix}

The key challenge for green skills continues to be the shortage of teaching expertise needed to deliver this training, alongside uncertainty about future demand from both employers and learners. Without confidence in government support for green initiatives, many employers remain reluctant to invest in training, though this may be somewhat eased by the recent publication of the Government’s Warm Homes Plan.^{xxx} However, obligations to reduce carbon emissions and energy use set out in the Net Zero Strategy are not going away, so demand is expected to rise as activity ramps up to meet these requirements.^{xxxi}

The Clean Energy Jobs Plans notes that the clean energy workforce in London will need to triple in size by 2030, with this increase needing to come primarily from skilled construction and building trades and skilled metal, electrical, and electronic trades.^{xxxii} Clean energy and electrification is one key growth area highlighted through our consultation with immediate applications for innovation, from major regeneration projects with high net-zero ambitions to the drive towards sustainable aviation at Heathrow and other London airports. Where there is demand, securing suitable trainers with the right expertise has been an ongoing challenge since the first LSIP was developed. This is particularly the case for heat pump and heat network roles, but it also affects the wider built environment sector as well as the life sciences sector. New apprenticeships, such as the Level 3 low-carbon heating technician, provide routes into clean energy jobs, but there is lower employer awareness around the opportunities these apprenticeships can bring. Another challenge raised in consultation with key stakeholders was the stop-start nature of green funding over recent years, which has made it difficult for providers to forecast what skills and courses are needed to meet market demand.

With housing accounting for 32% of London’s emissions, more than two million homes must be upgraded by 2030.^{xxxiii} However, while retrofit skills must be a priority if London is to meet

climate targets and unlock economic growth, retrofit activity remains slow, and the skills pipeline is not growing in line with expectations in the absence of demand pressure. Although interest in construction among young people is rising, sustained school engagement is essential to highlight emerging careers in retrofit, biodiversity, digital construction, and design. SMEs, which deliver most retrofit work, understand the need to upskill but struggle with time constraints and difficulty accessing staff with the right competencies. SMEs want short, modular, intensive training that minimises lost income, supports the adoption of new technologies, and improves productivity and retention. Traditional apprenticeships are often too long, costly, and prone to dropout for construction SMEs. On the other hand, employer associations representing the electrical engineering sector are clear about the need and value of apprenticeships for building depth of expertise.

Looking ahead, by 2050, four sectors – green finance, power, homes and buildings, and low-carbon transport – will provide nearly 9 in 10 (88%) of the total number of green jobs in London.^{xxxiv} Embedding the skills to support these sectors across FE, HE, and adult retraining is vital. Overall, green-related demand remains weighted towards higher-skilled professional roles, including a strong concentration in strategic roles and sustainable finance. Recent growth in postings has been driven mainly by more frequent references to green skills within job adverts, rather than by new green job titles, similar to digital. The share of London postings mentioning skills such as energy efficiency, Environmental, Social, and Governance (ESG) standards, net-zero strategy, and renewable energy systems has more than doubled since 2019.

Labour market inclusion

As the 2023 LSIP outlined in detail, London – due to the scale of its population and diversity – has a unique set of challenges to address when it comes to labour market inclusion. The labour market does not work for all Londoners, with some demographics struggling more than others to access opportunities, including Black and minority ethnic workers and disabled people. The GLA evidence base for the ITS indicates that pan-London and sector-specific differences persist beneath headline employment figures. Employment rates for mixed/multiple ethnic group Londoners (65%), Black Londoners (68%), and Asian Londoners (72%) are significantly lower than for white Londoners (80%).^{xxxv} Londoners from ethnic minority backgrounds are particularly under-represented in the creative and life sciences sectors.

It is important not to understate the importance of ESOL (English for Speakers of Other Languages) provision in London to enable and support access to training and employment opportunities. With demand for ESOL provision currently exceeding supply, this could be further exacerbated following recent national changes to the Adult Skills Fund, which has reduced funding levels in London.

People with disabilities and long-term health conditions remain significantly under-represented in the capital's workforce and continue to face barriers in securing and sustaining employment. Three in five (59%) working-age people with disabilities in London are in employment, compared with four in five (80%) people without disabilities.^{xxxvi} Neurodivergent applicants continue to experience slow Access to Work support, and interview-heavy recruitment processes disadvantage those with limited work history or specific learning needs.^{xxxvii} These challenges are especially prevalent in several LSIP priority sectors, where low pay, rigid

recruitment practices, and limited workplace adjustments currently restrict diversity and retention. In addition, SMEs often lack the time, tools, and confidence to recruit inclusively.

Access is limited by structural barriers, including transport costs, the cost of – and access to – childcare (which impacts parents' and carers' ability to work), the rising cost of living, and post-pandemic work preferences, particularly in sectors where physical presence is essential. Supported Internships remain under-utilised due to low employer awareness, limited placements, misconceptions about SEND, anxiety among young people, and concerns about losing benefits. While larger employers and education institutions are making progress on equality, diversity, and inclusion (see employer survey section for more detail on the former), SMEs continue to need targeted support, including more inclusive HR practices, flexible and modular learning pathways, and prioritised work trials for those unable to access traditional routes.

London's workforce in many growth sectors has yet to reflect the city's diversity.^{xxxviii} Tackling these barriers is critical to widening participation across the sub-regions, supporting economically inactive residents into work, and strengthening inclusive workforce pipelines across priority sectors. In addition, it remains vital to ensure that the skills system is linked to Government-backed initiatives such as Connect to Work.

Many of the challenges raised in 2023 continue to pose challenges for inclusivity:

- The cost-of-living crisis means **travel, housing, and childcare continue to be a barrier to increasing participation.**
- **Digital poverty** remains a blocker to both awareness of – and participation in – training.
- **Rigid funding models** continue to be raised as an issue and, as skills funding has grown more complicated and challenged in recent years, this is expected to continue to act as a drag on inclusive provision.
- **Targeted community outreach** was reported to be effective during the 2023 LSIP cycle and will continue to be a key tool to improving inclusivity.

Beyond the headline challenges facing London's NEETs (noted in the **Strategic and Economic Context** section), anecdotal evidence shared during the London LSIP consultation process suggests that the pandemic-related disruption to education has left some of the current entry-level workforce cohort lacking in key transferable skills – a challenge for employers with new recruits. Transferable skills are increasingly being incorporated into FE and HE training to address this, but there will be a cohort of young workers for whom this will need to be addressed in the workplace as well as through higher education, and short training courses will play a key role in tackling this barrier to inclusion.

Sector priorities

To ensure the 2026 London LSIP addresses the most pressing and important skills needs for London's growth, it focuses on priority sectors identified in local and regional government plans for London. The Mayor's 2025 LGP identifies the sectors where London has a global competitive advantage that will drive the UK's future growth and productivity.^{xxxix} These include two sectors from the previous LSIP: hospitality and creative sectors. The other two sectors from the previous LSIP – the built environment and health and social care – are also recognised as key priorities to drive growth. These key sectors have also been chosen to align with the Industrial Strategy sectors, ensuring that the LSIP's work to match skills need to skills

supply supports the Government's opportunity and growth missions that the Industrial Strategy underpins. In addition, given their importance to London's changing economy and the additional growth drivers identified in Mayoral plans, including the ITS, we have included a focus on the financial and professional services and life sciences sectors.

Within each of the sectors that follow, we have included a short table that pulls out the top five occupations where analysis by GLA Economics has indicated where shortages and demand pressures are most acute. This analysis is based on estimates of projected job growth, job posting density, duration of a job posting and advertised salary changes. We also highlight sector skills demand as based on job posting data, and the skills challenges and opportunities raised by the employers we engaged.

The built environment

Overview:

Construction and engineering face ongoing constraints within the skills pipeline that present a major challenge to current and future workforce demand. The construction sector is set to enter a period of sustained growth and, with more than 377,000 new homes targeted in the LGP, urgent action is required to develop the industry's talent pipeline. Nationally, by 2029, construction output is forecast to increase by £5 billion from 2024, which will require a workforce of more than 400,000 – 20,000 more than we have in 2026.^{xi}

Demand is high across almost every major occupation within the built environment sector, particularly scaffolders, bricklayers, carpenters, and joiners. More widely, the UK's 10-year Infrastructure Strategy includes more than £725 billion in planned investment, and energy-efficiency roles are projected to become the largest area of employment in the green economy by 2050.^{xii}

As listed below from GLA Economics' analysis of indicative demand pressure and shortages in the construction sector shows that these pressures are most acute on inspection roles and certain skilled trades (electricians and plumbers). Amongst skilled trades, these highlighted roles have long been recognised, in London and nationally, as being strategically important and marked by substantial unmet demand. Employers have also mentioned the need for roles key to tall building construction, such as groundworks, scaffolders, and site managers, as well as highlighting that the sector is much broader than just skilled trades roles.

“The problem is the construction sector can often be looked at too narrow. It's very much about the trades and the traditional stuff but it's a lot bigger sector than that, where you've got roles that span across sectors and industries with things like finance and HR. So, thinking about construction within that context is really important.” – construction industry employer

Key roles in demand include:

- Inspectors of standards and regulations,
- Electricians and electrical fitters,
- Chartered surveyors,
- Electrical and electronics technicians,
- Plumbers and heating and ventilation engineers.

In terms of skills, analysis of job postings in 2025 highlights that the top three technical, transferable, and digital skills within build environment job postings were:

- **Technical skills:** project management (13%), construction (11%), and plumbing (10%).
- **Transferable skills:** communication (31%), management (18%), and problem-solving (12%).
- **Digital skills:** specialist design tools – such as AutoCAD (4%) and Autodesk Revit (3%) – and basic Microsoft Office software skills (3%).

Based on our research, we expect the sector's current skills needs to remain relevant into the medium term (three years). In contrast, AI skills needs, below, are rapidly evolving and we expect demand to alter over the medium term. We will be monitoring these developments carefully over the course of the 2026 LSIP.

Given that each sector has its own specific AI skills needs, exposure, barriers, and priorities, these are split out for each:

AI in the built environment sector

AI skills needs: AI adoption is at an early stage, with use cases emerging mainly in areas such as sustainability and retrofit design, surveying, and project management rather than on-site delivery.

AI exposure: Exposure to generative AI remains limited in most construction roles, particularly in site-based and manual occupations.

Barriers to AI: Key barriers include limited access to continuing professional development, digital exclusion among parts of the workforce, and constrained capacity and awareness among SMEs.

Training priorities: Modular, flexible-learning formats that integrate AI tools into real-world construction contexts.

Skills systems issues:

- **FE colleges face persistent shortages of construction teachers and assessors,** restricting growth in both traditional and green skills provision. Recruiting skilled tradespeople into FE teaching remains challenging due to constrained pay, higher workloads, and limited awareness of teaching as a career route for those leaving the industry, despite the best efforts of construction skills providers to attract the best talent. These constraints sit in stark contrast to the national push for accelerated construction and retrofit delivery.
- **Employers find the training offer hard to navigate, and providers require support to understand and align with the technical requirements of the sector;** for example, engagement in West London has highlighted opaque job descriptions, courses without attached Construction Skills Certificate Scheme “cards”, meaning that candidates are not site-ready, and a lack of provision for the specialist skills required for tall building construction.

- **Providers have shared that they would like investment to build FE workforce capacity and capability**, ensuring providers can deliver industry-relevant training. Providers and employers alike are keen for support to develop a business case that strengthens social value within procurement and section 106 planning agreements, ensuring more consistent requirements and improved delivery of employment and skills outcomes across London.
- **Across the capital, interest among young people in construction and engineering is rising** but must be sustained through stronger school engagement that highlights new opportunities in retrofit, biodiversity, creative design, and digital innovation.

Actionable priorities:

- SMEs, which make up supply chains and deliver most construction and retrofit activity, recognise the urgent need to upskill for emerging technologies such as low-carbon heat, digital construction, and retrofit. However, they struggle to release staff for lengthy training programmes and report difficulty finding workers with the right competencies. Employers consistently request shorter, modular, intensive training that reduces downtime and enables access to new supply chains.
- Working to increase participation from employers through industry placements and other FE capacity boosting activity, particularly focusing on flexible, faster apprenticeship models that support retention and productivity. Government funding is beginning to shift towards new apprenticeship models and £100 million allocated nationally to support industry placements for construction learners.^{xlii}
- The built environment sector is seeking to diversify its predominantly white male workforce, but employers, and particularly SMEs, need clearer pathways, coordinated engagement with education providers, and support to navigate skills programmes.
- Funding has been identified by the GLA for a construction pilot to test innovative approaches that improve access for new entrants and upskilling existing employees in response to calls from employers. Employers are also requesting flexible funding for short courses and bootcamps to support rapid upskilling and enable adults to transition into priority jobs.

Sub-regional spotlight: Local London highlighted the role of initiatives such as the Construction Industry Labour Force Steering Group (CILFSG), which brings together Local London, STC Group, construction employers, training providers, and developers from a cluster of three boroughs to map the local workforce, identify skills gaps, and address barriers to sector growth, including financial and workforce development challenges. The group also works to strengthen local employment opportunities and create a more coherent and efficient construction value chain, helping to shape future sub-regional workforce planning and support sustainable sector growth.

Creative

Overview:

The creative sector is recognised in the LGP as a driver of London's global soft power, international competitiveness, and export growth.^{xliii} Creative industries are a large and growing employer in London, accounting for around 617,000 employee jobs in 2024 – exceeding their pre-pandemic level by around 17%. London also accounts for nearly half

(44%) of creative industries employment in England. Employment in the creative sector has increased by around 6% between 2022 and 2024, faster than the London average of 2%, with recent growth driven mainly by computer programming and consultancy, and advertising agencies.

Small and micro businesses are a key feature of the creative industry in London; in 2025, around 92% of businesses employed fewer than 10 workers, and around 29% of jobs in the sector are self-employed. It is also a comparatively young sector, with only 22% of workers aged 50 or over in 2024. Diversity remains a challenge, with women accounting for 37% of jobs (compared with a London average of 45%) and only around 27% of workers coming from ethnic minority backgrounds. This lack of diversity limits the talent pipeline in the sector and the variety of perspectives and insights the sector can reach.

Despite this significant growth and demand, Department for Digital, Culture, Media & Sport (DCMS) analysis of the 2022 Employer Skills Survey found that skills gaps and skills shortage vacancies were less common in the creative industries than across the economy.^{xliv} However, perception amongst creative stakeholders during the GLA's ITS consultation process indicated a sector with significant challenges in recruiting the right person, suggesting there may be a disconnect between recruitment sentiment and what the data is capturing. Where shortages occurred, they were concentrated in higher-level occupations and linked to a shortage of specialist, creative, and digital skills. More recent data also suggests recruitment pressures have eased further since 2022, though certain hotspots of demand remain. Engagement with employers also highlights demand for trades such as carpentry and plastering to support the creative industries. Employer engagement also points to demand for skills in specialist tools used in VFX, gaming, animation, film, and TV, alongside leadership and management capability. It was highlighted that well-rounded skillsets are important and need to combine technical expertise with adaptability, creative and critical thinking, and proactive learning. UK-level analysis suggests that many hard-to-fill vacancies in the creative industries are linked to skills gaps arising from the adoption of new technologies.

Looking at the list of key roles below, GLA Economics' analysis of indicative demand pressure and shortages in the creative sector shows that most of the top five roles are focused on specific crafts associated with the film and theatre industries. It should be noted, however, that many of these roles had a limited number of job postings in 2025 and that data for the screen industry is unreliable due to strikes and production shutdowns. When looking more widely at job posting volumes alone, key digital roles such as programmers and software developers rise to the top (see Annex A).

Key roles in demand include:

- Tailors and dressmakers,
- Beauticians and related occupations,
- Authors, writers and translators,
- Musicians,
- Clothing, fashion and accessories designers⁴,

⁴ The Creative Talent Board suggests that within this role there is a specific demand for practical manufacturing skills such as garment tech, pattern cutting and textiles. Fashion designers see, in places, an oversupply from universities.

- Carpenters and joiners.

In terms of skills, analysis of job postings in 2025 highlights that the top three technical, transferable, and digital skills within creative job postings were:

- **Technical skills:** marketing (37%), project management (14%), and social media (11%).
- **Transferable skills:** communication (48%), sales (23%), and attention to detail (20%).
- **Digital skills:** general Microsoft Office software (5%) and specialist creative and design tools, such as Adobe Photoshop (6%), Adobe Creative Suite (4%), and Figma (4%).

Based on our research, we expect the sector's current skills needs to remain relevant into the medium term (three years). In contrast, AI skills needs, below, are rapidly evolving and we expect demand to alter over the medium term. We will be monitoring these developments carefully over the course of the 2026 LSIP.

AI could have a significant impact on the shape of the creative sector in the coming years, particularly impacting smaller businesses with limited resources for training.

AI in the creative sector

AI skills needs: Generative AI tools are being adopted quickly across the sector, including for content creation, campaign planning, and digital storytelling.

AI exposure: Exposure is significant in a range of creative roles, including web designers, media professionals, and several IT-related roles, as well as authors, writers, and translators.

Barriers to AI: Skills England research highlights concerns that many are using AI tools without structured training or critical thinking, increasing risks around quality, originality, and reputational standards.

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

Skills systems issues:

- A lack of awareness about funding, government programmes, and support schemes further limits uptake, with many small businesses reporting difficulty navigating application processes. Addressing these challenges is essential to ensure London's creative economy can continue to innovate, attract talent, and compete globally.
- Learners are being instructed on theory and technical knowledge, but not the transferable skills that lead to success within the creative industry's job market (from digital competencies and effective work behaviours to proficiency as a freelancer).
- FE courses, while strong on theory, can lag behind the industry in teaching current, specific technical and software skills (for example, the latest game engines, AI tools, post-production software).
- Graduates often lack the entrepreneurial, self-promotion, networking, and basic business skills needed to thrive in a predominantly freelance and SME-based sector.

Actionable priorities:

- Digitisation and AI are expected to have a significant impact across the creative industries, with exposure particularly high for web designers, media professionals, and several IT-related roles.
- SMEs, freelancers, and start-ups face persistent barriers to training and collaboration, including limited access to affordable spaces, specialist tools, and structured networking opportunities. Freelancers in particular struggle to finance continuous learning, underscoring the need for flexible, modular, and stackable provision through initiatives such as the Lifelong Learning Entitlement.

Sub-regional spotlight: Creative sectors, particularly screen and media industries, are critical in West London as the heart of the UK's film industry. Ninety-six percent of creative businesses in West London are micro businesses, but the local sector also includes anchor institutions such as Sky, other larger studios, and the supply chain. The creative sector is also important for Local London; the area's economic output from arts, entertainment, and recreation industries grew by 124% since 2010, and the Excel London, Queen Elizabeth Olympic Park, and Royal Docks areas boast a world-famous visitor economy. Fashion design and manufacturing in the Thames Estuary have grown more than twice as fast as the rest of the country, and screen industries have grown at more than double the UK average, creating approximately 50,000 jobs, and potentially making the Thames Estuary Production Corridor the UK's largest concentration of creative production.

Health and social care

Overview:

As one of London's largest employers, the combined health and social care sector is central to public service delivery and wider economic participation. In 2024, it accounted for around 623,000 employee jobs in the capital, 404,000 in health and 219,000 in social care. London accounts for one in six of all health and social care jobs in England, and the sector is well represented across the SRPs, ranging from 6% of employee jobs in Central London Forward to 15% for Local London, and is the second largest employment sector in West London and South London Partnership. The Government is also planning for the future with its Fit for the Future: 10-Year Health Plan for England.^{xlv}

Getting the right skills in place is not only key to productivity and employment in London, but also to the wider provision of the nation's public health services and care. While recruitment difficulties have eased since the post-pandemic peak in 2022, pressures remain a feature of health and social care in London. At the beginning of 2025, NHS trusts in London said they had 20,800 vacancies, equivalent to a vacancy rate of 8% compared with 7% nationally. Vacancies were most pronounced in community and mental health services.^{xlvi} Given these challenges, NHS recruitment freezes could exacerbate existing skills retention and recruitment challenges.

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.^{xlvii} This decline was partly driven by higher international recruitment in 2023/24, with changes to immigration rules in 2024/25 leading to a sharp reduction in international recruitment, particularly into lower-paid care roles, thereby increasing

future recruitment challenges.^{xlviii} The workforce in social care is predominantly female, highly diverse, and ageing, with more than a quarter of them aged 55+, posing future succession risks. While nearly half of staff hold relevant qualifications and most engage with Care Certificate Standards, a large proportion of registered managers are nearing retirement. Demand is projected to rise sharply, requiring approximately 307,000 posts by 2040 to meet the needs of London's growing older population.^{xlix}

Recruitment and retention challenges persist across social care and key clinical and non-clinical roles such as GPs, nurses, pharmacists, and paramedics. These challenges are often compounded by low pay, limited progression opportunities, and declining interest from new entrants and career changers. During the ITS consultation period, employers also cited their inability to backfill posts as an additional barrier to recruitment in the sector. There is also a perception challenge, with roles perceived as low-skilled and poorly paid, despite growing complexity. In London, 25% of recruits are international, masking retention issues and complicating workforce planning. The sector has long depended on overseas workers, but recent immigration and visa changes will accelerate the need to build strong domestic talent pipelines.

“We need nurses that stay and we also need nurses that we’re moving to a community nursing model ... So, we set up a course of community nursing it was very specifically trying to fill a very specific skills gap in the local area through providing a course ... We’ve now got over 200 on that course a year. And now we’re doing children’s nursing and mental health nursing all through this work, working directly with the hospital, looking at what the gaps are.” – HE Director of Engagement

The 2024 Employer Skills Survey shows that, at the England level, skills shortage vacancies accounted for 21% of all vacancies in the sector, down from a peak of 42% in 2022, but still close to the all-sectors average of 24%. Skills gaps in the existing workforce are above average at 4.7%.¹ While these are national estimates, as London-specific estimates are not available, past surveys suggest that national patterns are broadly indicative for London.

GLA Economics’ analysis of indicative demand pressure and shortages in the health and social care sector (see list below) paints a picture of shortage and demand pressures concentrated in specialist healthcare roles.

Key roles in demand include:

- Speech and language therapists,
- Specialist medical practitioners,
- Medical radiographers,
- Medical and dental technicians,
- Care workers and home carers.

In terms of skills, analysis of job postings in 2025 highlights that the top three technical, transferable, and digital skills within health and social care job postings were:

- **Technical skills:** auditing (13%), mental health (13%), and nursing (10%).

- **Transferable skills:** communication (34%), management (27%), and leadership (16%).
- **Digital skills:** Microsoft Office software (between 1-3% of job postings), clinical management systems (1%), and patient management software (0.6%).

Significant skills gaps also persist in interpersonal, communication, wellbeing, and inclusion-related skills. Looking to the future, an ageing population with increasingly complex health needs, changes in service models and technology adoption are expected to be the biggest forces shaping demand for skills. 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.

During our health and social care consultation event, stakeholders suggested that soft transferable skills such as compassion were regarded as highly valued. The shift towards preventative care in neighbourhood settings is also increasing the need for multi-skilled care workers who can deal with complex cases. Consultation event attendees said care workers need to be trained in more clinical skills – for example, insulin training – and that a greater link between health and social care worker training is required. They noted that there is a demand for management training and succession planning due to the ageing workforce. It is also important to prepare for future demand, particularly in social care. Recent Skills England analysis projects that around 168,000 additional adult social care jobs will be needed nationally between 2025 and 2030, including around 90,000 care workers and home carers, and 12,000 senior care workers.^{li} The shift towards community-based care will be essential to managing this increased demand against the backdrop of tighter immigration laws and pressure on recruitment.

Based on our research, we expect the sector's current skills needs to remain relevant into the medium term (three years). In contrast, AI skills needs, below, are rapidly evolving and we expect demand to alter over the medium term. We will be monitoring these developments carefully over the course of the 2026 LSIP.

In the health and social care sector, AI has limited exposure but growing use cases:

AI in the health and social care sector

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

AI exposure: 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 that the sector has clearer emerging AI use cases than many others, especially in diagnostics, triage, and administrative support.

Barriers to AI: Weak digital infrastructure, systemic compatibility issues, limited training, and digital exclusion.

Training priorities: Role-specific support for inclusive adoption, ethical oversight, and evaluation across different roles and settings.

Skills system issues:

- Standardised competencies across health and care programmes are increasingly necessary to reflect the evolving model of neighbourhood care, rising digital literacy expectations, and growing requirements for AI-ready skills.
- Consultation with employers in the sector suggested that key changes could be made to improve the match between supply and demand of skills. Bootcamp funding models (payment-by-results) were said to disadvantage smaller providers and specialist training organisations, and there was a call to reform funding models to address this.
- In addition, the need for modular and flexible learning to accommodate the challenges of training in the health and social care context was key; employers called for short courses, blended delivery, and contextualised training to accommodate operational constraints. The importance of continuous consultation between employers and providers was also emphasised to ensure initiatives meet real needs rather than imposing generic solutions.
- Providers stated that they are eager to co-design curricula and strengthen pipelines from education into vacancies. However, this process does not always result in increased uptake, due to limited engagement from employers in the face of constrained funding for skills improvement.

Actionable priorities:

- Employers called for greater use of the Care Workforce Pathway for succession planning, recruitment, and retention in the Social Care sector to combat perception and recruitment challenges.
- Employers and providers are innovative solutions to the challenge of providing up-to-date training. This includes more flexible use of the Growth and Skills Levy to create stepping-stone qualifications. While employers are committed to developing vocational and technical pathways, including apprenticeships, the ability to backfill roles and fund training remains a major constraint.
- There is a need to increase awareness of career options in the sector, widening the pool of applicants and aiding labour market inclusion.

Sub-regional spotlight: The North West London Health & Social Care Skills Academy (skills hub) and its work with West London HE/FE has been nationally recognised. This deep collaboration has enabled curriculum design and capital investment into training/simulation suites in colleges informed by the employer voice. With NHS recruitment currently frozen, the academy has shifted its focus to opportunities in social care, promoting entry routes and career progression pathways.

Hospitality

Overview:

Hospitality and the experience economy⁵ play a vital role in attracting tourists to London, as well as providing experiences for people who live and work in the city. London was the third most-visited city in the world in 2025,^{lii} with tourism contributing more than £40 billion to London's GDP in 2025.^{liii} Overseas visitors spent £17.3 billion in London in 2024: 75% more than in the rest of England combined.^{liv} However, skills shortages are prominent in the sector, particularly in basic skills such as communication and leadership. The sector struggles with the perception and – in some areas – reality of poor working conditions and a lack of career progression opportunities, making it harder to attract good staff.

While hospitality is a large employer in London, it is facing significant short-term pressures. These are partly linked to operating and labour costs, and mid-term pressures centred on adapting to a more digital world and consumers' changing behaviours and tastes – not least cutting back on discretionary spending in the experience economy due to the ongoing cost-of-living crisis.^{lv} Accounting for 447,000 employee jobs in London in 2024, equivalent to 21% of England's hospitality employment, jobs in the sector have fallen by 7% since 2022, a larger decline than in other LSIP priority sectors and nationally. This masks divergent trends across the sector, with employment in accommodation services increasing by around 14% between 2022 and 2024, while employment in food and beverage services fell by around 11% (though remaining above pre-pandemic levels).

While the right skills remain challenging to find in some segments, recruitment pressures in hospitality have eased since the post-pandemic peak in 2023. However, skills gaps within the existing workforce remain pronounced, with limited capacity and/or funding to address them in the sector. Hospitality had the highest incidence of skills gaps of any sector in 2022, and this remained the case in 2024.^{lvi} The hospitality sector is often an entry point into the labour market, and its workforce diversity reflects this, with 34% of workers aged under 30, compared with just 21% of workers across London as a whole. The sector is also relatively ethnically diverse, with around 49% of job holders from ethnic minority backgrounds, compared with 38% for other sectors 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.

Recruitment and retention issues persist at both entry and managerial levels, driven by perceptions of long hours and unstable work patterns linked to gig economy models, as well as competition for skilled staff. Employers consulted called for greater promotion of the industry from the school level upwards, with clearer career pathways identified. The sector is very accessible for those with minimal qualifications and students with special needs. At the same time, the sector acknowledges significant opportunities: AI and digitalisation can enhance, not replace, human roles, but only if the workforce is equipped with the digital confidence, management capability, and emotional intelligence required to thrive in a rapidly changing environment. Without strategic investment in skills, progression routes, and employer-led

⁵ Experience economy = the sale of unique and memorable experiences to domestic customers and tourists.

training solutions, the sector risks continued instability, reduced competitiveness, and the loss of experienced workers to better-resourced industries. Targeted skills support is therefore essential to strengthen workforce capability, rebuild the talent pipeline, and enable the sector to contribute fully to local economic growth.

“We try to communicate that there is a career in hospitality, there are opportunities to grow and advance and we will train you, and if you have the knowledge, skills, attitudes, and behaviours, we will support you ... At entry level we are fine, but as you move up into supervisor and management roles, it is a smaller pool because the experience has either left the sector or it has not backfilled quickly enough.” – Hospitality employer

GLA Economics’ analysis of indicative demand pressure and shortages in the hospitality sector highlights acute shortages (shown in list below) in roles essential to hotel functioning – notably, housekeepers and housekeeping managers – as well as bar and coffee shop staff. These are also roles with high numbers of job postings within the sector.

Key roles in demand include:

- Housekeepers and related occupations,
- Cleaning and housekeeping managers,
- Bar staff,
- Coffee shop workers,
- Waiters and waitresses.

A review of online job postings in 2025 highlighted demand for skills such as:

- **Technical skills:** restaurant operations (18%), food safety and sanitation (14%), and cooking (8%).
- **Transferable skills:** communication (31%), customer service (27%), and attention to detail (16%). Employers in consultation events also noted language skills, critical thinking, collaboration and planning and organising as key.
- More limited **demand for digital skills**, including general office software (between 1% and 3% of job postings) and Salesforce (0.3%).
- **Interpersonal skills**, reflecting the customer-facing nature of the sector.

The food-based nature of the most demanded technical skills reflects the high number of job postings in restaurant-based roles (See Annex A).

Based on our research, we expect the sector’s current skills needs to remain relevant into the medium term (three years). In contrast, AI skills needs, below, are rapidly evolving and we expect demand to alter over the medium term. We will be monitoring these developments carefully over the course of the 2026 LSIP.

Hospitality is at the very early stages of AI adoption, with low exposure and fewer current use cases:

AI in the hospitality sector

AI skills needs: Only a small share of hospitality job postings explicitly reference digital skills, with even fewer specifying advanced technologies such as AI.

AI exposure: Low exposure to AI compared with other sectors – Department for Education (DfE) and GLA Economics research suggests that it is among the least-exposed sectors to generative AI.

Barriers to AI: Lower digital capability and a lack of clear use cases may constrain adoption, even for basic AI-enabled tools.

Training priorities: Basic training on how to critically use generic AI tools to form a baseline for future adoption.

Skills systems issues:

- Hospitality employers reported a lack of meaningful relationships between education providers and employers, and a desire for provision to be more aligned with the sector's evolving needs to avoid declining enrolments in hospitality courses and qualifications that are no longer as relevant.
- There is demand for short, accessible courses to support rapid upskilling without requiring considerable time off the job.
- Hospitality training providers suggest that qualifications need to be updated to be fit for purpose. Sustainability is not integrated into many existing course structures, and training providers are trying to digitise their approach, with mixed results.
- As with many of the sectors that are key to the London LSIP, most hospitality businesses are SMEs, making up 95% of the market, which makes funding and finding the time for training more challenging.
- Widening gaps in digital literacy, sustainability awareness and leadership skills are a risk given these skills are key to smoothing the adoption of new technologies, particularly AI.

Actionable priorities:

- Limited availability of targeted training, apprenticeships, and funded upskilling opportunities exacerbates these gaps, especially for SMEs that lack the HR capacity to navigate a complex skills system. The UK Hospitality Skills Passport is seen as a “game changer” for standardising entry into the industry.
- The consultation identified a need for a workforce development vision, including progression pathways, key transferable skills, and a talent pipeline from schools.

Sub-regional spotlight: Hospitality is well represented across London's sub-regions, accounting for 7–8% of employee jobs in each SRP area. Four of the top five skills requested by employers were classed as transferable skills. Given the sector's limited exposure to AI, entry-level roles are not forecast to reduce, so the necessary transferable skills must be developed. Looking to the future, design skills, project management, and communication skills will be key for supporting this industry in Central London.

Life sciences

Overview:

London is the region with the third-greatest share of life science employment in the UK, with 11% of UK life science jobs, and is adjacent to the two regions with the greatest share, the South East (23%) and the East of England (14%). However, despite its prominence, it remains a small sector in terms of overall employment, accounting for less than 1% of London's total employment.

Life sciences is a highly skilled sector: more than two-thirds (66.9%) of life sciences employees in the UK have a degree, compared with around two in five of the UK's working age population more generally. The UK life sciences workforce is also young, with the majority less than 44 years old (26.1% are aged 25–24, while 29.1% are 35–44). It is generally less ethnically diverse, with 86.0% of employees being white, and nearly three in five (59.1%) are male. Strong existing life science employment ecosystems, in and near London, alongside world-class education institutions and universities, provide real growth potential for the sector in the city, but enabling Londoners to access the opportunities will be key.

Given that life sciences is a highly regulated sector, work experience age restrictions for 16–18-year-olds can limit stepping stones for FE students seeking to work in it. For example, there are barriers to accessing the popular degree apprenticeships for clinical trials because recruits must be at least 19 years old to sign employers' non-disclosure agreements. Developing entry-level routes should be encouraged: laboratory workers were cited by stakeholders at the consultation event as a good example of where this could happen if ways to relax regulations were identified. Graduates can also lack industry-ready skills when joining a new role – such as regulatory understanding and lab skills – and can therefore require significant training to get job-ready, exacerbating the challenge for entry-level roles. Given the high regulatory bar, it remains challenging to offer work-based learning to address this, meaning there are a limited number of employers able and willing to host students, and even fewer offering internships/placements in laboratories.

GLA Economics' analysis of indicative demand pressure and shortages in the life sciences sector (see list below) reveals that specialist technical and science roles are where shortages are most acute. Looking at the volume of job postings alone, sales accounts and business development manager roles feature at the top, suggesting that there is also demand for fewer sector-specific occupational skills, such as project management, data management, operations and sales roles.

Key roles in demand include:

- Chemical and related process operatives,

- Physical scientists,
- Biological scientists,
- Research and development (R&D) managers,
- Natural and social sciences professional n.e.c.

Analysis of online job postings in 2025 highlights the following skills areas as being most prominent within life sciences roles:

- **Technical skills:** project management (14%), clinical trial research expertise (14%), biology (13%).
- **Transferable skills:** research practices (40%), communication (36%), management (26%).
- **Digital skills:** Programming languages – such as Python (6%) and R (4%) – as well as a range of Microsoft Office packages (between 1% and 4%).

It should be noted that, compared with 2022, digital skills appear more frequently in sector postings, reflecting the growing integration of advanced data and AI tools in scientific research.^{lvii}

Based on our research, we expect the sector's current skills needs to remain relevant into the medium term (three years). In contrast, AI skills needs, below, are rapidly evolving and we expect demand to alter over the medium term. We will be monitoring these developments carefully over the course of the 2026 LSIP.

Most life sciences roles have some AI exposure, and there is a growing demand for specialist and basic AI competencies.

AI in the life sciences sector

AI skills needs: Increasing use of AI to support drug discovery, diagnostics, and production processes in pharmaceutical and biotech settings. Alongside these specialist skills, non-technical capabilities are also key, such as interpretation and application of AI outputs, and understanding of the limitations and risks of the technology.

AI exposure: The sector faces a mixed exposure to current generative AI capabilities, with most roles assessed as having a low-to-moderate exposure.

Barriers to AI: Provision is often designed around degree qualifications, which are poorly suited to upskilling existing technicians and mid-career professionals. Integration of digital and AI tools into applied life sciences training remains limited.

Training priorities: Specialist generative-AI tools skills and basic AI competencies. There is a need for modular/flexible training to upskill the existing workforce.

Skills systems issues:

- School, FE, and community-level engagement may be required to increase visibility of the sector, and career and sector awareness programmes need to be reviewed.
- Providers need timely and relevant advice on roles and career pathways, including which qualifications will be required for progression, with consideration of emerging workforce trends in the sector.
- Graduates can lack industry-ready skills (for example, commercial and regulatory understanding, and laboratory skills) and can require significant training to become job-ready. This includes a specific need for entrepreneurship training. There is also a careers gap for apprentices, whether it be finding placements or jobs post-qualification, or a lack of sector-specific skills.
- Biomedical sciences were highlighted as having a particular gap, where school leavers lack laboratory-specific experience and, although they are academically qualified, they are insufficiently experienced to gain full value from their apprenticeship.
- The industry also highlights a mismatch between the skills taught at school and in HE versus the more practical skills that are required for employment in the sector.

Actionable priorities:

- Specific schemes or incentives may be needed to ensure SMEs can provide adequate internship and apprenticeship pathways. The potential breadth of opportunities in conversion routes for established professionals was also emphasised: for example, people with digital skills moving into life sciences roles.

Sub-regional spotlight: Life sciences is a priority in South London. The London Cancer Hub is already a world-leading cancer research and treatment centre and is set to expand and deliver one million square feet of new, state-of-the-art laboratory space. It is expected to create 3,000 new jobs, the majority in high-skilled R&D and life-sciences-related manufacturing. This expansion forms part of the wider London Cancer Hub district, and, once the district is fully realised, is expected to support around 13,000 jobs in total and contribute an estimated £1.2 billion in GVA to the UK economy.

Financial, business, and professional services

Overview:

Financial, business, 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.

London has long been recognised as a major national and global hub for financial and professional services – almost half (47%) of financial service employment in England is in the capital. Together, financial and professional services are London's largest employment sectors, accounting for more than a quarter (28%) of all employee jobs in 2024. Compared with some of the other priority sectors, employment in financial and professional services is often characterised by high pay and qualification levels. Eighty-one per cent of financial services

workers and 78% of professional services workers hold degree-level qualifications, compared with 62% across London's labour market.

Despite being London's largest employment sector, financial and professional services employment growth was only around 2% between 2022 and 2024, below the average of around 4% across London's priority sectors. These sectors face especially acute recruitment pressures in key analytical and advisory roles, as well as for data analysts, economists, and statisticians. In part, this reflects the fact that these roles – and the sector more widely – have a relatively high share of non-UK-born workers, increasing exposure to changes in international labour supply and immigration policy.

The list below shows GLA Economics' analysis of indicative demand pressure and shortages in the financial, business, and professional services sector. It highlights that these pressures are most acute in tax and insurance roles. This demand pressure for tax roles may speak to significant recent changes within the UK's tax system. Entry-level analyst and adviser roles are in shortage, and these roles also saw significant job postings in 2025.

Key roles in demand include:

- Taxation experts,
- Insurance underwriters,
- Chartered surveyors,
- Estimators, valuers and assessors,
- Finance and finance investment analysts and advisers.

Analysis of online job postings in 2025 highlights demand for:

- **Technical skills:** general finance (36%), accounting (27%), and auditing (19%).
- **Transferable skills:** communication (43%), management (35%), and attention to detail (24%).
- **Digital skills:** general Microsoft Office software – particularly Excel (12%) – and specialist programming languages, such as Python (7%) and SQL (6%).

Based on our research, we expect the sector's current skills needs to remain relevant into the medium term (three years). In contrast, AI skills needs, below, are rapidly evolving and we expect demand to alter over the medium term. We will be monitoring these developments carefully over the course of the 2026 LSIP.

Within Central London, the growth of the sector is being driven in part by the growth of green finance, with low-carbon environmental goods and services (LCEGS) data showing that carbon finance saw 27% growth in sales, 26% growth in employee numbers, and 17% growth in the number of companies.^{lviii} Central London Forward highlighted that appropriate skills are required to further develop this sector, most notably focusing on ESG investing skills.

The Financial Services Skills Commission has established a Future Skills Framework, which is regularly updated to reflect the needs of employers. The Framework currently highlights the need for seven technical skills – Digital Literacy, Data Analytics and Insight, Software Development, User Experience, Machine Learning/AI, Agile and Cyber Security – and six transferable skills – Creative Thinking, Coaching, Empathy, Adaptability, Relationship Management and Teamwork.^{lix} The Commission’s most recent engagement with employers has found that skills demand continues to outstrip supply, and is especially acute for data analysis and insights, machine learning/AI, digital literacy, and coaching.^{lx}

AI in the financial and professional services sector

AI skills needs: AI is already being applied in the sector for fraud monitoring, compliance, recruitment, and legal reviews.

AI exposure: AI is expected to have a substantial impact across financial and professional services. 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.

Barriers to AI: Limited access to continuing professional development remains a constraint, particularly for smaller businesses.

Training priorities: Reported skills gaps relate to governance, ethics, and interpreting AI outputs.

Skills systems issues:

- HE remains the primary skills pipeline into the sector, with a 15% growth in HE qualifications related to finance and professional services between 2022 and 2023 and 2023 and 2024.
- These sectors are also where London sees the largest number of apprenticeship starts and achievements, with especially strong growth in law and legal services, business management, and accounting and finance.^{lxi}
- FE plays a smaller, supporting role for these sectors – mostly in supporting entry routes, such as administrative and secretarial roles.
- AI is expected to have a substantial impact across financial and professional services. Skills England’s employer engagement survey highlights rising demand for AI, with implications for data analysis and cybersecurity capability, alongside transferable skills that support effective use of new AI tools.^{lxii, lxiii}

“A local accountancy firm told us that AI is replacing entry-level roles, and that young people are arriving unprepared for work. As a result, when they come in at a higher level, they are often missing the wider skills they would previously have developed earlier in their careers.” – FE Executive Director

Actionable priorities:

- GLA Economics' analysis suggests that, between 2022 and 2024, 78% of financial services roles and 63% of professional services roles were exposed to generative AI – the highest of any of the priority sectors. This means the sector is the most likely to experience AI-related job losses as roles are replaced. The LSIP employer survey found that amongst financial services employers, 80% of them believe their organisation will need more digital and AI skills over the next two to five years, and 39% believe they will need more transferable skills.
- As the City of London Corporation has highlighted, it is critical that financial and professional services employers prioritise upskilling their workforces in areas that have significant overlap with AI usage.^{lxiv} The Financial Services Skills Commission has argued that AI is already widely adopted across the sector and only a small minority of workers need specialist AI expertise. For most workers, the priority skills gap is stronger AI literacy and judgment skills. The Commission suggests that financial services employers will get the most value from AI by investing in training, manager guidance, and practical use cases so that AI can improve productivity, customer outcomes, and internal mobility rather than simply automate tasks.^{lxv}

Sub-regional spotlight: The sector is vital for central London, with financial services accounting for 12% of employee jobs and a quarter (25%) of professional services in the sub-region. Data from the Central London Careers Hub shows that, among young people undertaking GCSEs and post-16 studies, finance was the career they were most interested in, informing their educational pathway choices. Given the visibility and history of the sector in these central London areas, it is critical that pathways into finance continue to exist for local young people and that these embed advanced digital skills such as AI.

Agreed changes/actions needed

Through consultation with employers and providers, and extensive analytical and data work carried out to understand the skills needs and challenges facing London's priority sectors, key action themes have emerged. Ultimately, the purpose of these actions is to ensure employers can access the skills and talent they need, and that Londoners – whether transitioning from education to employment, from unemployment into work, or seeking to progress within work – have the skills they need to secure the jobs available. Addressing these themes is key to optimising the match between skills supply and demand in London, and to ensuring that London can deliver on the growth opportunities in the sectors identified. From these themes, we have derived concrete actions to deliver the change that London's skill system needs, as detailed in the 2026 London LSIP action plan set out in Annex B. This action plan will feed into and influence the GLA's commissioning and delivery of training in the Capital over the next three years, through its interaction with the London Growth Plan, Inclusive Talent Strategy, Get London Working Plan and the Sector Talent Boards put in place to deliver these plans. In turn, the work of the GLA and these Boards will influence the LSIP, meaning the London LSIP action plan will remain a live document over the period. Progress and impact will be regularly monitored jointly between BusinessLDN and the GLA, and the plan updated as needed.

As well as feeding into the work of the GLA, the action plan is designed to influence and support providers – FE and HE – to respond to the LSIP. Naturally, it also seeks to support employers and the London labour market. In the plan, success measures are set out for each

action as well as the specific monitoring arrangements necessary to deliver progress and impact.

Key action themes

The key action themes below take account of the barriers raised by employers throughout the consultation process and the challenges that providers have identified. These actions reflect evidence gathered throughout the London LSIP development process and align with the work of the ITS and sector boards. The key themes chosen are derived from both priorities, reflecting the needs of the core pan-London LSIP sectors and the priorities in each of the four SRPs. They build on the successes of the 2023 LSIP and take forward longer-term actions identified there that are yet to be completed.

The actions identified are designed to address the overarching skills priorities identified in this report and have been grouped into six key themes capturing the most important challenges and opportunities in the coming LSIP period. The actions typically apply to all the priority sectors, but where there is a specific sector relevance, this has been identified. Example target outcomes – or success measures - for each theme have been provided:

1. **Strengthen transferable, digital & AI, and green skills** – In response to employer demand for increased provision and capability in digital, AI and transferable skills this action theme will focus on enhancing provision in these areas across all priority sectors. It will also support individuals entering or transitioning within the workforce to develop stronger skills sets. Specific activities include a commitment to ensuring all Londoners have access to basic AI training, as well as support for scaling up of transferable skills provision across London. **Target outcomes include:** improved basic and transferable skills, strengthening employer talent pipelines, supporting young and adult NEETs into work, supporting net zero goals, and building the foundation for improved advanced digital skills.
2. **Build clear, inclusive pathways into and across priority sectors** – improving signposting for and developing pathways into key sectors responds to the clear need identified in the research; without them, career prospects for many Londoners are held back. Example activities include creating portable ‘CVs for skills’, better targeting training, standardising and certifying training requirements in key roles through skills passports and the development of ESOL courses tailored to key sectors. There will be an initial focus on the hospitality, creative and health and social care sectors. **Target outcomes include:** Reduced fragmentation in the skills market via a one-stop-shop model of support and clearer sector career campaigns with greater visibility. Improved inclusivity in education, skills and job outcomes. Clearer pathways and therefore improved matching of demand and supply.
3. **Expand modular, stackable, and flexible training** - The theme responds to the needs of time and resource-poor employers who require accessible, modular training, identified as a key skills priority across all sectors. Example activities include employer/provider co-design of ‘flex-units’ to enable rapid tailoring of courses to employer needs, particularly in the Life Sciences and Creative Industries sectors, with a focus on entrepreneurial skills and freelance competencies. It also includes the expansion of foundation apprenticeships and modular apprenticeship units, especially in the built environment, green and digital sectors. **Target outcomes include:** Increased in-work training. Increased employer engagement in the skills market. Courses more able to provide rapid response to evolving employer skills needs.

4. **Strengthen employer engagement (especially SMEs)** – This theme aims to enable providers and policy makers to streamline and better target provision to meet employer needs. These engagement requirements cut across all priority sectors and are vital to improving alignment between skills provision and industry demand. Tailored activities include strengthening employer engagement through the Mayor’s Sector Talent Boards and LSIP forums for all priority sectors, as well as introducing an industry-education exchange model commencing in the Built Environment and Creative sectors. . **Target outcomes include:** Better skills market alignment to employers, and dissemination of digital and AI skills provision with industry standard curriculum content. Clearer pathways for London employers to navigate and engage with providers.
5. **Increase access to work experience and employability support** – this is vital to tackle the overarching priority of limited and hard to access work experience opportunities alongside constrained employability support. Activities will include improving inclusion in the skills system and labour market for individuals already in-work, young people in education considering career options and those looking to enter the workplace. This will be delivered through structured support programmes, such as increasing employer sign-up to the Mayor’s Good Work Standard and developing a London-wide work experience programme, building on the work of Careers Hubs and JCP. **Target outcomes include:** Increase in the number of London employers offering work experience opportunities for young people, greater sign up and engagement with the Mayor’s Good Work Standard and improved inclusivity outcomes in employment.
6. **Enhance strategic coordination and labour market insights** – This action addresses the overarching priority of London’s skills system being perceived as complex and difficult to navigate. By improving coordination across the skills and employment landscape; it will enable, stakeholders to engage more effectively, supporting them to better understand and meet the skills priorities necessary for London to thrive. Example activities include equipping work coaches and careers advisers with up-to-date industry knowledge of career opportunities across London’s priority sectors, with an initial pilot programme focussing on Life Sciences, Creative and Health and Social Care sectors.. **Target outcomes include:** Better skills market information. Increased job seeker interest in priority sectors driven by coordinated promotional and messaging activity. Improved match between skills supply and demand because of better informed career coaches, leading to a reduction in skills gaps and greater success in job vacancy uptake.

Delivering the action plan

The aim of these actions is to strengthen, streamline, and amplify the existing skills system, building on the good work that has already been done, especially as part of the original LSIP and the ITS. Important work is already being done on skills in London across many different key organisations with which BusinessLDN has partnered throughout this process, including the GLA, London Councils, SRPs, and London Careers Hubs.

Building on that work will be key to meeting the skills needs laid out in the previous section. Priorities of the action plan remain very much in line with the 2023 LSIP plans, with the addition of a focus on how key sectors can respond to the AI revolution. Key overarching success measures and benefits of the action plan are expected to be as follows:

- Delivering net zero and environmental objectives

- Keeping London competitive
- Improving labour market inclusion
- Futureproofing London's infrastructure
- Ensuring the skills system adapts to the changes demanded by AI

The successes and the future of the LSIP

Realising the full potential of the London skills system is essential to achieving ambitious national and regional growth plans. That is the core purpose of the 2026 London LSIP, which builds on the aims and successes of the 2023 LSIP while responding to the changing needs of the capital's businesses and this push for growth. It reflects the role generative AI is likely to play and takes account of the changing labour market conditions shaping the context within which the plan sits.

BusinessLDN is proud to work jointly on the development of the 2026 London LSIP with the GLA and – with the support of key London partners and the capital's SRPs – has created the London LSIP as an overarching action plan for the capital, with specific actions targeting the needs of each of the four sub-regions.

The 2023 London LSIP provided valuable data on the priority skills needs of London's employers, started to secure improvements to the way employers and providers collaborate on training, and spurred new initiatives to address systemic barriers to labour market inclusion in London. The 2026 London LSIP builds on this work and responds to the Government's wider policy agenda with the six priority action themes identified to address key skills needs. While the focus has been adjusted to reflect the needs of the capital's businesses today, the central goal remains the same: to better match supply and demand to ensure businesses can access the talent needed to grow the economy, and to ensure the labour market works for all Londoners.

Annex A: Further/explanatory information on skills needs

Lightcast occupational analysis

Below, we provide a summary of the occupations that are highly concentrated in, or specific to, the priority sectors, as well as cross-cutting digital skills roles. These summary tables provide:

1. The SOC code and name of the occupation.
2. The number of unique job postings in 2025.
3. The Job posting average change between 2023 and 2025.
4. The projected growth in the occupation to 2030, based on historic trends.
5. The typical and minimum education level for the role.
6. An assessment by GLA Economics of shortage and demand pressures in the occupation on a 1–5 scale, based on analysis of five metrics: projected job growth to 2030; job posting density; year-on-year change in job posting density; duration of a job posting; and year-on-year change in advertised salaries. This is based on Lightcast job postings data and modelled annual employment estimates, and the latest ONS Annual Population Survey (APS) three-year pooled dataset (2022–2024).
7. An assessment by GLA Economics of the occupation’s policy alignment on a scale of 0–3 based on whether the occupation is present in the previous London LSIP, Skills England’s occupational priority list, and the UK Government’s skilled worker visa temporary shortage list.

Occupations with high demand for green skills are also included. However, using SOC codes to define green occupations is difficult and means it is not possible to capture the above detail for green roles and skills. Instead, GLA Economics’ analysis captures only the percentage share of green job postings in 2025, based on the number of postings that include a technical green skill or a technical green job title in line with Lightcast’s Green Taxonomy.

The occupation tables are organised highest to lowest by number of job postings in 2025.

This data underpins our identification of priority skills needs in the LSIP, showing the key occupations which face pressures from demand, shortage, and policy driven perspectives.

The built environment

SOC code⁶	Name	Number of unique job postings 2025 (>100)	JP-Job average annual change (2023–2025)	Job growth projected to 2030	Typical education Level	Minimum expected education level	Shortage and demand pressure indicators (1–5)⁷	Policy alignment (0–3)⁸
3113	Engineering technicians	9,360	-15%	5%	Level 3 NVQ; A-Levels	Level 3	3.4	2
5241	Electricians and electrical fitters	6,860	7%	6%	Level 3 NVQ; A-Levels	Level 3	4.0	3
2453	Quantity surveyors	6,720	-22%	5%	Honours, bachelor's degree	Level 6 and above	3.2	1
3582	Health and safety managers and officers	6,530	-12%	5%	Honours, bachelor's degree	Level 3	3.6	0
2122	Mechanical engineers	6,350	-20%	5%	Honours, bachelor's degree	Level 4/5	3.4	2
5330	Construction and building trades supervisors	5,940	-17%	6%	Level 3 NVQ; A-Levels	Level 3	3.6	2
2454	Chartered surveyors	5,450	-11%	4%	Honours, bachelor's degree	Level 6 and above	3.8	1

⁶ A common classification of occupational information developed by the Office for National Statistics. See Glossary (Annex A) for more details.

⁷ GLA Economics' assessment of shortage and demand pressures in the occupation on a 1–5 scale is based on analysis of five metrics: projected job growth to 2030, job posting density, year-on-year change in job posting density, duration of a job posting, and year-on-year change in advertised salaries. This is based on Lightcast job postings data and modelled annual employment estimates and the latest ONSAPS three-year pooled dataset (2022–2024).

⁸ GLA Economics' assessment of each occupation's policy alignment on a scale of 0–3 (with 3 being the highest) is based on whether the occupation is present in the previous LSIP, Skills England's occupational priority list, and the UK Government's skilled worker visa temporary shortage list.

2123	Electrical engineers	5,270	-11%	2%	Honours, bachelor's degree	Level 4/5	3.2	2
2121	Civil engineers	4,490	-21%	3%	Honours, bachelor's degree	Level 4/5	2.8	2
5250	Skilled metal, electrical, and electronic trades supervisors	4,480	-12%	3%	Level 3 NVQ; A-Levels	Level 3	3.4	1
9129	Elementary construction occupations n.e.c.	4,190	-5%	5%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	3.4	0
5316	Carpenters and joiners	3,680	-3%	4%	Level 3 NVQ; A-Levels	Level 2	3.4	2
5319	Construction and building trades n.e.c.	3,410	-10%	5%	Level 3 NVQ; A-Levels	Level 2	2.8	2
5315	Plumbers and heating and ventilation engineers	2,710	-11%	7%	Level 3 NVQ; A-Levels	Level 2	3.6	3
3120	CAD, drawing and architectural technicians	2,270	-20%	3%	Level 3 NVQ; A-Levels	Level 3	2.6	2
2452	Chartered architectural technologists, planning officers and consultants	2,050	-19%	3%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 6 and above	3.0	1
3581	Inspectors of standards and regulations	1,730	0%	5%	Honours, bachelor's degree	Level 2	4.2	1

5323	Painters and decorators	1,610	2%	3%	Level 3 NVQ; A-Levels	Level 2	2.4	2
2455	Construction project managers and related professionals	1,390	-12%	4%	Honours, bachelor's degree	Level 6 and above	3.2	2
5322	Floorers and wall tilers	1,320	-3%	2%	Level 3 NVQ; A-Levels	Level 2	3.6	2
2451	Architects	1,250	-24%	2%	Honours, bachelor's degree	Level 6 and above	2.6	2
2127	Engineering project managers and project engineers	1,180	-16%	6%	Honours, bachelor's degree	Level 6 and above	3.2	1
1122	Production managers and directors in construction	1,030	-28%	5%	Level 3 NVQ; A-Levels	Level 3	2.8	2
5313	Bricklayers and stonemasons	1,020	60%	4%	Level 3 NVQ; A-Levels	Level 2	2.6	1
3112	Electrical and electronics technicians	800	-12%	5%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 3	3.8	2
5314	Roofers, roof tilers and slaters	750	-5%	6%	Level 3 NVQ; A-Levels	Level 2	3.6	1
5213	Welding trades	510	-7%	4%	Level 3 NVQ; A-Levels	Level 2	3.4	2
8151	Scaffolders, staggers, and riggers	320	5%	4%	Level 2 NVQ; GCSE at	Level 2	2.4	2

					grades A*-C			
3114	Building and civil engineering technicians	220	-17%	3%	Level 3 NVQ; A-Levels	Level 3	2.2	2
5246	Electrical services, maintenance mechanics and repairers	210	-22%	6%	Level 3 NVQ; A-Levels	Level 2	3.0	0
5317	Glaziers, window fabricators, and fitters	200	-8%	1%	Level 2 NVQ; GCSE at grades A*-C	Level 2	2.6	1
8229	Mobile machine drivers and operatives n.e.c.	190	16%	3%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	2.0	0

Creative

SOC code	Name	Number of unique job postings 2025 (>100)	JP-Job average annual change (2023–2025)	Job growth projected to 2030	Typical education Level	Minimum expected education level	Shortage and demand pressure indicators (1–5)	Policy alignment (0–3)
3554	Advertising and marketing associate professional	15,910	-17%	6%	Honours, bachelor's degree	Level 3	2.4	2
1133	Public relations and communications directors	9,610	-16%	6%	Honours, bachelor's degree	Level 6 and above	2.8	0
2432	Marketing and commercial managers	6,610	-17%	6%	Honours, bachelor's degree	Level 4/5	2.6	1

3412	Authors, writers, and translators	3,880	-12%	6%	Honours, bachelor's degree	Level 3	3.8	2
3416	Arts officers, producers, and directors	3,720	-8%	6%	Honours, bachelor's degree	Level 2	2.2	2
3557	Events managers and organisers	3,700	-16%	6%	Honours, bachelor's degree	Level 3	2.6	0
5316	Carpenters and joiners	3,680	-3%	4%	Level 3 NVQ; A-Levels	Level 2	3.4	2
2142	Graphic and multimedia designers	2,740	-17%	7%	Honours, bachelor's degree	Level 4/5	2.2	1
2491	Newspaper, periodical, and broadcast editors	2,140	-17%	4%	Honours, bachelor's degree	Level 6 and above	1.6	1
1255	Managers and directors in the creative industries	2,030	-5%	5%	Level 3 NVQ; A-Levels	Level 3	2.2	1
6222	Beauticians and related occupations	1,680	-2%	8%	Level 3 NVQ; A-Levels	Level 2	4.0	0
3417	Photographers, audio-visual and broadcasting equipment operators	1,550	-4%	6%	Level 3 NVQ; A-Levels	Level 3	2.8	3
2493	Public relations professional	1,400	-16%	7%	Honours, bachelor's degree	Level 3	1.8	1
6221	Hairdressers and barbers	1,380	-2%	8%	Level 3 NVQ; A-Levels	Level 2	3.8	0

3429	Design occupations n.e.c.	1,350	-19%	5%	Level 3 NVQ; A-Levels	Level 3	2.0	1
2451	Architects	1,250	-24%	2%	Honours, bachelor's degree	Level 6 and above	2.6	2
3421	Interior designers	1,100	-20%	2%	Honours, bachelor's degree	Level 4/5	2.4	1
3413	Actors, entertainers, and presenters	840	-47%	7%	Level 3 NVQ; A-Levels	Below level 2	1.8	1
2472	Archivists, conservators, and curators	820	-8%	8%	Honours, bachelor's degree	Level 6 and above	2.8	1
3422	Clothing, fashion, and accessories designers	730	0%	6%	Honours, bachelor's degree	Level 3	3.6	1
3411	Artists	690	-12%	7%	Level 4 NVQ; Intermediate, DipHE, DipFE	Below level 2	2.6	1
2471	Librarians	680	-15%	7%	Honours, bachelor's degree	Level 6 and above	2.6	0
2492	Newspaper and periodical broadcast journalists and reporters	610	-17%	4%	Honours, bachelor's degree	Level 4/5	2.0	2
2494	Advertising accounts managers and creative directors	470	-12%	7%	Honours, bachelor's degree	Level 3	2.2	1

5413	Tailors and dressmakers	350	-1%	6%	Level 3 NVQ; A-Levels	Level 2	4.0	0
8151	Scaffolders, stagers, and riggers	320	5%	4%	Level 2 NVQ; GCSE at grades A*-C	Level 2	2.4	2
3415	Musicians	220	-1%	9%	Level 3 NVQ; A-Levels	Below level 2	3.6	1

Health and social care

SOC code	Name	Number of unique job postings 2025 (>100)	JP-Job average annual change (2023–2025)	Job growth projected to 2030	Typical education Level	Minimum expected education level	Shortage and demand pressure indicators (1–5)	Policy alignment (0–3)
3232	Early education and childcare practitioners	12,730	10%	2%	Level 2 NVQ; GCSE at grades A*-C	Level 3	3.8	0
6135	Care workers and home carers	11,730	-6%	6%	Level 2 NVQ; GCSE at grades A*-C	Level 2	3.6	2
2461	Social workers	10,920	-16%	6%	Honours, bachelor's degree	Level 6 and above	3.6	1
1231	Healthcare practice managers	10,520	-14%	6%	Level 3 NVQ; A-Levels	Level 3	3.2	0
2237	Other registered nursing professionals	8,270	-33%	6%	Honours, bachelor's degree	Level 6 and above	2.6	2

2212	Specialist medical practitioners	7,840	-2%	6%	Honours, bachelor's degree	Level 6 and above	4.0	1
6111	Early education and childcare assistants	7,070	-1%	3%	Level 2 NVQ; GCSE at grades A*-C	Level 2	4.0	0
3219	Health associate professionals n.e.c.	6,160	-14%	7%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 3	3.4	0
3213	Medical and dental technicians	4,530	-11%	5%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 3	3.8	1
1171	Health services and public health managers and directors	4,530	-16%	7%	Honours, Bachelor's degree	Level 4/5	3.2	0
6116	Nannies and au pairs	4,520	-25%	5%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	2.8	0
2229	Therapy professionals n.e.c.	4,320	-12%	7%	Honours, bachelor's degree	Level 6 and above	3.4	1
2222	Occupational therapists	4,100	-13%	6%	Honours, bachelor's degree	Level 6 and above	3.6	1
3221	Youth and community workers	3,160	-15%	5%	Honours, bachelor's degree	Level 3	3.0	0
2233	Registered specialist nurses	3,050	-23%	6%	Honours, bachelor's degree	Level 6 and above	2.8	2

6131	Nursing auxiliaries and assistants	2,570	-11%	6%	Level 3 NVQ; A-Levels	Level 2	2.6	1
2223	Speech and language therapists	2,560	6%	5%	Honours, bachelor's degree	Level 6 and above	4.6	1
2251	Pharmacists	2,400	-21%	6%	Honours, bachelor's degree	Level 6 and above	3.2	1
2221	Physiotherapists	2,390	-15%	7%	Honours, bachelor's degree	Level 6 and above	2.8	1
2234	Registered nurse practitioners	2,300	-18%	6%	Honours, bachelor's degree	Level 6 and above	3.0	2
2259	Other health professionals n.e.c.	2,180	-24%	6%	Honours, bachelor's degree	Level 6 and above	2.4	1
2226	Other psychologists	2,170	-16%	6%	Honours, bachelor's degree	Level 6 and above	3.0	1
1232	Residential, day, and domiciliary care managers and proprietors	1,990	-15%	5%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 3	3.0	1
4211	Medical secretaries	1,920	-9%	6%	Level 3 NVQ; A-Levels	Level 2	2.4	0
2211	Generalist medical practitioners	1,750	-22%	6%	Honours, bachelor's degree	Level 6 and above	2.2	1
3212	Pharmaceutical technicians	1,380	-11%	4%	Level 3 NVQ; A-Levels	Level 3	2.4	1
6136	Senior care workers	1,280	-9%	5%	Level 3 NVQ; A-Levels	Level 3	2.6	2

2113	Biochemists and biomedical scientists	1,020	-26%	7%	Honours, bachelor's degree	Level 6 and above	2.4	1
2232	Registered community nurses	930	-32%	6%	Honours, bachelor's degree	Level 6 and above	3.0	2
6133	Dental nurses	900	-20%	4%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 3	2.0	1
2231	Midwifery nurses	890	-18%	6%	Honours, bachelor's degree	Level 6 and above	2.8	2
2236	Registered children's nurses	890	-21%	6%	Honours, bachelor's degree	Level 6 and above	2.8	2
3224	Counsellors	880	-18%	6%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 4/5	2.6	0
2225	Clinical psychologists	820	-21%	6%	Honours, bachelor's degree	Level 6 and above	3.6	1
3111	Laboratory technicians	790	-11%	6%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 3	3.0	2
1172	Social services managers and directors	700	-6%	4%	Honours, bachelor's degree	Level 4/5	3.2	1
2235	Registered mental health nurses	650	-34%	6%	Honours, bachelor's degree	Level 6 and above	2.2	2

2253	Dental practitioners	610	-1%	11%	Honours, bachelor's degree	Level 6 and above	2.8	1
2252	Optometrists	510	-22%	2%	Honours, bachelor's degree	Level 6 and above	2.4	0
2224	Psychotherapists and cognitive behaviour therapists	440	-8%	7%	Honours, bachelor's degree	Level 6 and above	3.4	1
3222	Child and early years officers	300	-2%	4%	Honours, bachelor's degree	Level 3	2.4	0
6134	Houseparents and residential wardens	300	-18%	6%	Level 3 NVQ; A-Levels	Below level 2	2.0	0
2254	Medical radiographers	270	-1%	6%	Honours, bachelor's degree	Level 6 and above	3.8	2
2255	Paramedics	250	-31%	6%	Level 3 NVQ; A-Levels	Level 6 and above	2.2	2
6117	Playworkers	240	2%	4%	Level 2 NVQ; GCSE at grades A*-C	Level 2	2.8	0
9262	Hospital porters	160	-23%	5%	Level 1 NVQ; GCSE at grades D-G	Below level 2	2.4	0
6132	Ambulance staff (excluding paramedics)	150	-24%	7%	Level 3 NVQ; A-Levels	Level 2	3.4	0
6114	Childminders	100	-34%	4%	Level 2 NVQ; GCSE at	Below level 2	1.2	0

					grades A*-C			
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Hospitality

SOC codec	Name	Number of unique job postings 2025 (>100)	JP-Job average annual change (2023–2025)	Job growth projected to 2030	Typical education Level	Minimum expected education level	Shortage and demand pressure indicators (1–5)	Policy alignment (0–3)
5434	Chefs	14,540	-21%	2%	Level 2 NVQ; GCSE at grades A*-C	Level 2	2.2	1
9263	Kitchen and catering assistants	12,680	9%	2%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	3.0	0
9264	Waiters and waitresses	10,590	6%	1%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	3.2	1
9265	Bar staff	9,580	10%	-3%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	3.6	1
4216	Receptionists	8,380	-14%	5%	Level 2 NVQ; GCSE at grades A*-C	Level 2	2.4	0
9266	Coffee shop workers	8,160	16%	2%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	3.4	1
6231	Housekeepers and related occupations	5,930	3%	4%	Level 2 NVQ; GCSE at	Below level 2	3.8	0

					grades A*-C			
9269	Other elementary services occupations n.e.c.	5,900	-5%	5%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	3.2	0
9261	Bar and catering supervisors	4,510	3%	2%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	3.2	1
1222	Restaurant and catering establishment managers and proprietors	3,800	-11%	3%	Level 3 NVQ; A-Levels	Level 3	3.0	0
3557	Events managers and organisers	3,700	-16%	6%	Honours, bachelor's degree	Level 3	2.6	0
5436	Catering and bar managers	3,410	-16%	2%	Level 2 NVQ; GCSE at grades A*-C	Level 2	2.6	0
7220	Customer service supervisors	1,760	-13%	6%	Level 3 NVQ; A-Levels	Level 3	3.2	0
6240	Cleaning and housekeeping managers and supervisors	1,490	2%	3%	Level 2 NVQ; GCSE at grades A*-C	Below level 2	3.8	0
5435	Cooks	1,310	-4%	3%	Level 2 NVQ; GCSE at grades A*-C	Level 2	3.0	0
1221	Hotel and accommodation managers	1,150	-14%	2%	Level 3 NVQ; A-Levels	Level 3	2.2	0

	and proprietors							
9267	Leisure and theme park attendants	590	1%	7%	Level 1 NVQ; GCSE at grades D-G	Below level 2	3.6	0

Life sciences

SOC code	Name	Number of unique job postings 2025 (>100)	JP-Job average annual change (2023–2025)	Job growth projected to 2030	Typical education Level	Minimum expected education level	Shortage and demand pressure indicators (1–5)	Policy alignment (0–3)
3556	Sales accounts and business development managers	15,770	-14%	6%	Honours, bachelor's degree	Level 4/5	3.2	1
2433	Actuaries, economists and statisticians	4,700	-13%	7%	Honours, bachelor's degree	Level 4/5	3.4	1
1121	Production managers and directors in manufacturing	4,260	-10%	4%	Honours, bachelor's degree	Level 3	2.8	1
2161	Research and development (R&D) managers	2,300	-14%	7%	Honours, bachelor's degree	Level 6 and above	3.4	1
3115	Quality assurance technicians	1,870	-14%	6%	Level 3 NVQ; A-Levels	Level 3	3.4	1
2482	Quality assurance and regulatory professionals	1,870	-14%	7%	Honours, bachelor's degree	Level 4/5	2.4	1

3212	Pharmaceutical technicians	1,380	-11%	4%	Level 3 NVQ; A-Levels	Level 3	2.4	1
2112	Biological scientists	1,120	-11%	6%	Honours, bachelor's degree	Level 6 and above	3.4	1
2113	Biochemists and biomedical scientists	1,020	-26%	7%	Honours, bachelor's degree	Level 6 and above	2.4	1
3111	Laboratory technicians	790	-11%	6%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 3	3.0	2
2119	Natural and social sciences professionals n.e.c.	600	-8%	7%	Honours, bachelor's degree	Level 4/5	3.4	1
2114	Physical scientists	580	-3%	5%	Honours, bachelor's degree	Level 6 and above	3.6	1
2152	Environment professionals	400	5%	5%	Honours, bachelor's degree	Level 4/5	3.2	2
2151	Conservation professionals	250	-12%	7%	Honours, bachelor's degree	Level 4/5	3.2	1
8113	Chemical and related process operatives	200	3%	9%	Level 2 NVQ; GCSE at grades A*-C	Level 2	4.0	1
2111	Chemical scientists	180	-27%	6%	Honours, bachelor's degree	Level 6 and above	2.4	1

Financial, business and professional services

SOC codec	Name	Number of unique job postings 2025 (>100)	JP-Job average annual change (2023– 2025)	Job growth projecte d to 2030	Typical educatio n Level	Minimum expected educatio n level	Shortage and demand pressure indicator s (1–5)	Policy alignmen t (0–3)
2422	Finance and investment analysts and advisers	24,800	-11%	8%	Honours, bachelor's degree	Level 4/5	3.6	1
1131	Financial managers and directors	18,480	-8%	7%	Honours, bachelor's degree	Level 4/5	3.2	1
3543	Project support officers	18,140	-18%	7%	Level 3 NVQ; A-Levels	Level 3	3.2	1
2421	Chartered and certified accountants	17,880	-21%	7%	Honours, bachelor's degree	Level 6 and above	3.2	1
3571	Human resources and Industrial relations officers	16,720	-20%	6%	Honours, bachelor's degree	Level 3	2.6	2
2412	Solicitors and lawyers	16,630	-13%	6%	Honours, bachelor's degree	Level 6 and above	3.0	1
3554	Advertising and marketing associate professionals	15,910	-17%	6%	Honours, bachelor's degree	Level 3	2.4	2
3556	Sales accounts and business development managers	15,770	-14%	6%	Honours, bachelor's degree	Level 4/5	3.2	1
4122	Book-keepers, payroll managers and wages clerks	13,880	-24%	6%	Level 2 NVQ; GCSE at grades A*-C	Level 2	2.6	2

2431	Management consultants and business analysts	12,540	-12%	5%	Honours, bachelor's degree	Level 4/5	3.0	1
1136	Human resources managers and directors	11,410	-12%	6%	Honours, bachelor's degree	Level 3	2.6	1
3544	Data analysts	11,020	-11%	7%	Level 3 NVQ; A-Levels	Level 3	3.6	3
3551	Buyers and procurement officers	10,680	-20%	4%	Level 3 NVQ; A-Levels	Level 3	3.2	0
3534	Financial accounts managers	10,230	-10%	7%	Honours, bachelor's degree	Level 3	3.6	0
1132	Marketing and sales directors	10,050	3%	7%	Honours, bachelor's degree	Level 6 and above	2.8	1
1133	Public relations and communications directors	9,610	-16%	6%	Honours, bachelor's degree	Level 6 and above	2.8	0
2439	Business, research and administrative n.e.c.	8,660	-21%	6%	Honours, bachelor's degree	Level 4/5	2.8	1
2423	Taxation experts	7,870	-1%	6%	Honours, bachelor's degree	Level 4/5	4.4	0
2453	Quantity surveyors	6,720	-22%	5%	Honours, bachelor's degree	Level 6 and above	3.2	1
2432	Marketing and commercial managers	6,610	-17%	6%	Honours, bachelor's degree	Level 4/5	2.6	1
4136	Human resources	6,210	-23%	6%	Level 2 NVQ; GCSE at	Level 2	2.4	0

	administrative occupations				grades A*-C			
3555	Estate agents and auctioneers	6,140	2%	5%	Level 3 NVQ; A-Levels	Level 2	3.6	1
2440	Business and financial project management professionals	5,760	-17%	6%	Honours, bachelor's degree	Level 6 and above	2.2	1
2454	Chartered surveyors	5,450	-11%	4%	Honours, bachelor's degree	Level 6 and above	3.8	1
3533	Financial and accounting technicians	4,780	-16%	6%	Level 3 NVQ; A-Levels	Level 3	3.0	2
3552	Business sales executives	4,710	5%	4%	Level 3 NVQ; A-Levels	Level 3	3.2	1
2433	Actuaries, economists and statisticians	4,700	-13%	7%	Honours, bachelor's degree	Level 4/5	3.4	1
1134	Purchasing managers and directors	4,560	-13%	6%	Honours, bachelor's degree	Level 4/5	3.4	0
4141	Office managers	4,510	-19%	6%	Level 3 NVQ; A-Levels	Level 2	3.0	0
3520	Legal associate professionals	4,360	-9%	5%	Honours, bachelor's degree	Level 3	2.8	2
4143	Customer service managers	4,070	-9%	6%	Level 3 NVQ; A-Levels	Level 2	3.2	0
4124	Finance officers	3,820	-16%	4%	Certificate	Level 2	3.2	0
3557	Events managers and organisers	3,700	-16%	6%	Honours, bachelor's degree	Level 3	2.6	0

1111	Chief executives and senior officials	3,540	2%	7%	Honours, bachelor's degree	Level 6 and above	3.2	0
3532	Insurance underwriters	3,300	-3%	9%	Level 3 NVQ; A-Levels	Level 3	4.4	2
4121	Credit controllers	3,150	-20%	5%	Level 2 NVQ; GCSE at grades A*-C	Level 2	3.0	1
2434	Business and related research professionals	3,120	-17%	7%	Honours, bachelor's degree	Level 6 and above	3.0	1
3541	Estimators, valuers and assessors	2,270	-9%	6%	Level 3 NVQ; A-Levels	Level 3	3.8	1
2452	Chartered architectural technologists, planning officers and consultants	2,050	-19%	3%	Level 4 NVQ; Intermediate, DipHE, DipFE	Level 6 and above	3.0	1
2482	Quality assurance and regulatory professionals	1,870	-14%	7%	Honours, bachelor's degree	Level 4/5	2.4	1
2419	Legal professionals n.e.c.	1,450	-6%	6%	Honours, bachelor's degree	Level 6 and above	3.8	0
2493	Public relations professionals	1,400	-16%	7%	Honours, bachelor's degree	Level 3	1.8	1
3560	Public services associate professionals	1,180	-25%	6%	Level 3 NVQ; A-Levels	Level 3	2.2	0

3542	Importers and exporters	850	-15%	5%	Level 3 NVQ; A-Levels	Level 3	2.6	0
4132	Pensions and insurance clerks and assistants	810	-22%	8%	Level 2 NVQ; GCSE at grades A*-C	Level 2	2.4	2
3531	Brokers	800	-19%	8%	Honours, bachelor's degree	Level 3	2.6	1
4123	Bank and Post Office clerks	710	-2%	5%	Level 2 NVQ; GCSE at grades A*-C	Level 2	3.0	0
2494	Advertising accounts managers and creative directors	470	-12%	7%	Honours, bachelor's degree	Level 3	2.2	1
4129	Financial administrative occupations n.e.c.	440	-18%	6%	Level 2 NVQ; GCSE at grades A*-C	Level 2	3.2	1
2152	Environment professionals	400	5%	5%	Honours, bachelor's degree	Level 4/5	3.2	2
3549	Business associate professionals n.e.c.	350	-19%	7%	Level 3 NVQ; A-Levels	Level 3	2.0	1
2151	Conservation professionals	250	-12%	7%	Honours, bachelor's degree	Level 4/5	3.2	1

Digital skills

SOC codec	Name	Number of unique job postings 2025 (>100)	JP-Job average annual change (2023– 2025)	Job growth projecte d to 2030	Typical educatio n Level	Minimum expected educatio n level	Shortage and demand pressure indicators (1–5)	Policy alignment (0–3)
2134	Programmers and software development professionals	42,560	-21%	8%	Honours, bachelor' s degree	Level 4/5	3.0	2
2133	IT business analysts, architects and systems designers	16,600	-16%	7%	Honours, bachelor' s degree	Level 4/5	3.4	1
3544	Data analysts	11,020	-11%	7%	Level 3 NVQ; A- Levels	Level 3	3.6	3
3133	Database administrator s and web content technicians	8,810	-18%	7%	Level 3 NVQ; A- Levels	Level 3	2.8	2
2135	Cyber security professionals	6,980	-15%	7%	Honours, bachelor' s degree	Level 4/5	3.6	1
2132	IT managers	6,060	-13%	7%	Honours, bachelor' s degree	Level 4/5	3.2	1
2137	IT network professionals	5,500	-24%	7%	Honours, bachelor' s degree	Level 4/5	3.4	0
2433	Actuaries, economists and statisticians	4,700	-13%	7%	Honours, bachelor' s degree	Level 4/5	3.4	1
2141	Web design professionals	4,390	-19%	7%	Honours, bachelor' s degree	Level 4/5	3.2	2

3131	IT operations technicians	4,080	-23%	7%	Level 3 NVQ; A-Levels	Level 3	3.4	2
1137	Information technology directors	4,060	-14%	8%	Honours, bachelor's degree	Level 4/5	2.8	1
3132	IT user support technician	3,820	-36%	7%	Level 3 NVQ; A-Levels	Level 3	2.6	3
3416	Arts officers, producers and directors	3,720	-8%	6%	Honours, bachelor's degree	Level 2	2.2	2
2142	Graphic and multimedia designers	2,740	-17%	7%	Honours, bachelor's degree	Level 4/5	2.2	1
5242	Telecommunications and related network installers and repairers	2,420	-22%	7%	Level 3 NVQ; A-Levels	Level 3	3.6	2
3120	CAD, drawing and architectural technicians	2,270	-20%	3%	Level 3 NVQ; A-Levels	Level 3	2.6	2
2491	Newspaper, periodical and broadcast editors	2,140	-17%	4%	Honours, bachelor's degree	Level 6 and above	1.6	1
2131	IT project managers	1,900	-23%	7%	Honours, bachelor's degree	Level 6 and above	2.6	1
3417	Photographers, audio-visual and broadcasting equipment operators	1,550	-4%	6%	Level 3 NVQ; A-Levels	Level 3	2.8	3
2136	IT quality and testing professionals	1,290	-23%	7%	Honours, bachelor's degree	Level 4/5	2.4	1

2124	Electronics engineers	850	-26%	5%	Honours, bachelor's degree	Level 4/5	2.6	1
2492	Newspaper and periodical broadcast journalists and reporters	610	-17%	4%	Honours, bachelor's degree	Level 4/5	2.0	2
5244	Computer systems and equipment installers and servicers	330	-28%	6%	Level 3 NVQ; A-Levels	Level 3	2.4	2
4152	Data entry administrators	320	-31%	5%	Level 2 NVQ; GCSE at grades A*-C	Level 2	1.6	0
3573	Information technology trainers	180	-20%	5%	Honours, bachelor's degree	Level 4/5	2.4	1

Green skills

SOC code	Name	Number of unique job postings 2025	Number of unique job postings 2025 (with a green skill or job title)	Green share of job postings 2025 (%)
2119	Natural and social sciences professionals n.e.c.	616	563	91.4
2129	Engineering professionals n.e.c.	1850	1445	78.1
2123	Electrical engineers	5373	2048	38.1
2122	Mechanical engineers	6447	2156	33.4
2452	Chartered architectural technologists, planning officers and consultants	2067	691	33.4
2121	Civil engineers	4783	1419	29.7
2439	Business, research and administrative professionals n.e.c.	8771	2172	24.8
2125	Production and process engineers	4965	1122	22.6
5250	Skilled metal, electrical and electronic trades supervisors	4581	914	20.0
3582	Health and safety managers and officers	6594	1208	18.3
5315	Plumbers & heating and ventilation installers and repairers	2741	499	18.2
1121	Production managers and directors in manufacturing	4351	720	16.5
3113	Engineering technicians	9612	1248	13.0

5330	Construction and building trades supervisors	6111	679	11.1
3543	Project support officers	18797	1884	10.0
3551	Buyers and procurement officers	10760	960	8.9
4159	Other administrative occupations n.e.c.	12252	1026	8.4
5241	Electricians and electrical fitters	6919	512	7.4
2431	Management consultants and business analysts	12669	639	5.0
2422	Finance and investment analysts and advisers	25024	1219	4.9
1259	Managers and proprietors in other services n.e.c.	16563	781	4.7
1131	Financial managers and directors	18612	779	4.2
2412	Solicitors and lawyers	16789	640	3.8
1150	Managers and directors in retail and wholesale	22484	812	3.6
2134	Programmers and software development professionals	42931	1164	2.7
7129	Sales-related occupations n.e.c.	41921	999	2.4

Key survey findings

Employer survey key findings

The London Business Leader Survey⁹ reflects a pattern of reducing labour demand and a reduction in vacancies, seen in other data sources. Only 11% of businesses surveyed in 2026 said they had “many open job vacancies”, down from 24% in 2024. The proportion of businesses reporting that they had “few open job vacancies” more than doubled, from 16% in 2023 to 40% in 2026. However, the proportion of businesses with no vacancies at all has fallen from 21% in 2023 to 17% in 2026. In general, fewer businesses are struggling to fill vacancies than during the period immediately following the pandemic. In 2023, 65% of respondents said that they were struggling to fill at least some of their vacancies. By 2026, this had fallen to 32% of respondents.

Of business leaders who had open vacancies and said that they were struggling to fill some vacancies, 40% said that the hardest roles to fill were “professional/highly skilled specialists”. According to the survey, 28% said that “technical and skilled support roles” were the hardest to fill. Against that backdrop, almost half (49%) of these business leaders stated that the biggest driver of recruitment challenges was a “low number of suitable applicants with required skills”.

Table 9: London Business Leader Survey, Q4 – What do you feel is the biggest driver of recruitment challenges in your business?

	Percentage of respondents
Low number of suitable applicants with required skills	49%
Too much competition from other employers	20%
Lack of flexibility/hybrid working on offer	16%
Job entails shift work/unsociable hours	8%
Not enough interest in the roles	7%
Other/Don't know	-

Note: Respondents are business leaders who reported having open vacancies and struggling to fill some of their open vacancies. Unweighted total: 540.

Taken together, these findings suggest that a shortage of candidates with suitable technical and advanced skills is a major contributor to recruitment challenges in London. When asked why applicants were not suitable for roles, almost half (45%) of business leaders cited a lack of digital skills.

⁹ Since 2022, BusinessLDN has commissioned Survation to conduct the London Business Leader Survey – an annual online survey of business leaders and HR managers on the LSIP and the wider workforce, skills, and recruitment landscape in London. The 2026 survey was conducted between 25 November 2025 and 15 January 2026, with a sample of 2,043 businesses. This is the fourth iteration of the surveys, having previously been conducted in late 2022, early 2024, and early 2025.

Table 10: London Business Leader Survey, Q5 – What is the reason that applicants are not suitable for the role?

What is the reason that applicants are not suitable for the role?	Percentage of respondents
Lack of experience or skills in digital (including AI)	45%
Lack of work experience	19%
Low number of applicants with required attitude, motivation, or personality	19%
Lack of qualifications	17%
Other/Don't know	-

Note: Respondents are business leaders who reported having open vacancies, struggling to fill some of their open vacancies, and said they had a low number of suitable applicants. Unweighted total: 264.

The London Business Leader Survey also investigated potential hiring retrenchment. A fifth of business leaders said that they were expecting to reduce the number of staff they employed in the next six to 12 months, compared with 76% who were not expecting to reduce their number of staff and 4% who were unsure. Of those business leaders who were expecting to reduce the number of staff they employed, a quarter cited cost-cutting efforts. Almost half of respondents cited AI, either that AI was reducing their need for entry-level staff (24%) or that it was reducing their need for mid-career staff (23%).

The proportion of business leaders identifying “significant gaps in skills and capacity” has increased fivefold, from 3% in 2023 to 15% in 2026. The proportion of business leaders who felt that their existing workforce has the skills and capability to meet business needs has fallen from 66% in 2023 to 50% in 2026. This shift in perception seems to be driven by views of AI: 60% of business leaders said that their business lacks “advanced digital skills (including AI)” (this option was not included in previous surveys). The proportion of business leaders who responded that they lacked skills has fallen on every other metric between 2023 and 2026: for example, 58% said they lacked “sector-specific technical skills” in 2023, falling to 47% in 2026.

While business leaders in London are less confident about the existing skills of their workforce, they are increasingly confident about their understanding of their future skill needs. Ninety-six per cent of business leaders said they were either “very” or “quite” confident in their understanding of their skill needs over the next two to five years, up from 91% in 2023. Unsurprisingly, respondents cited “advanced digital skills”, with almost four in five (78%) respondents saying that this is the skill area that they will need most over the next two to five years. The only other skill area to have increased in prominence over this period is “transferable skills, such as negotiation and resilience”. All other skill areas, including “sector-specific technical skills” and “basic digital skills”, reduced in prominence between 2023 and 2026. This suggests that the digital skills in demand are, increasingly, both more advanced (including skills related to AI) and more relevant across a wider range of roles. Accordingly, business leaders increasingly plan to increase investment in training. In 2026, 81% of business leaders plan to increase investment in training over the next year, up from 69% in 2023. The proportion saying that they will keep their training investment the same has fallen from 25% to 13% over the same period.

The proportion of respondents who said that their business “reflects the diversity of our communities” rose from 50% in 2023 to 57% in 2026. The proportion of companies using “diverse talent identification and training” to recruit diverse candidates has increased markedly, from 30% in 2023 to 54% in 2026. Fifty-one percent of businesses said they used “specialist recruiters or recruitment events” in 2026, up from 40% in 2023. The proportion of businesses taking no steps to hire diverse candidates has fallen, from 12% in 2023 to only 4% in 2026. Nonetheless, the reported use of some specific techniques, such as the use of blind CVs and diverse shortlists, has fallen in the more recent survey.

Provider survey key findings

Providers’ engagement with the LSIP process has been key to the success of the 2023 LSIP so far, and their insights and involvement will continue to be essential to delivering the skills London needs for growth. To support the development of the 2026 London LSIP, we surveyed FE and HE providers, including independent training providers, to understand their views on the current skills landscape and where the London LSIP can continue to improve the match between supply and demand in London. This is a lower survey sample than the London Business Leader Surveys and reflects the experiences of 17 FE providers and nine HE providers.

While the feedback of both FE and HE providers on the LSIP was broadly positive, it is notable that FE providers had been engaged from the outset, while the involvement of HE providers had only been formally recognised recently by Skills England.

FE providers are contributing to the delivery of the LSIP in a variety of ways; all of those we surveyed said they were engaging in partnerships with employers to support co-design of provision, work placements or careers advice, and the vast majority have introduced new courses. More than half had also stepped up their marketing and made capital investment into equipment aligned with LSIP priorities. HE providers saw a similar pattern of contribution to the LSIP, albeit with slightly lower proportions: 86% said they had partnerships with employers, and 57% have created new courses. However, many more HE providers who stated that they had partnerships with third-party organisations to deliver the LSIP, indicative of the different approach to delivery across the two groups.^{lxvi}

FE providers highlighted benefits around: improved employer engagement (75% of respondents), expansion of existing courses (62.5%), the creation of new courses (56%), and increased learner numbers (50%). HE providers, meanwhile, saw the creation of new courses (57%), improved employer engagement (57%), expansion of existing courses (43%), and new learner facilities (43%) as the biggest successes of the LSIP to date. A minority across HE and FE also felt that the first London LSIP helped people from disadvantaged backgrounds find training and employment opportunities.

All FE providers surveyed agreed that the LSIP is having a positive impact on meeting employers’ skills needs and getting more Londoners into jobs. However, 33% of HE providers disagreed, noting the impact on their sector was still limited due to their lack of involvement at the outset of the 2023 LSIP and the constraints they faced in securing employer engagement. The challenge of having a clear single access point for skills provision for potential learners was also highlighted.

The 2023 LSIP highlighted the need for increased provision of key cross-sector training, and three years later, providers responding to the 2026 London LSIP engagement process were still reporting growing provision in these areas. Nearly 70% of the FE providers we spoke to had either increased or greatly increased their provision of transferable skills training over the last year. Meanwhile, 43% of HE providers said provision of transferable skills has been increased or greatly increased. More widely:

- 56% of FE providers also said they had increased or greatly increased essential digital skills provision.
- Nearly 70% of FE providers had increased or greatly increased provision of AI training over the last year.
- HE providers showed the largest growth in digital provision, with around 70% increasing or greatly increasing provision of essential digital skills, and all saying they had increased AI provision.
- FE providers also added carbon literacy or green skills provision to an average of 28 existing training courses over the past year (36 for HE providers).

Some key aims of the LSIP in 2023 have also seen significant successes: more than 90% of FE providers and nearly 90% of HE providers said they had seen improvement or significant improvement in employer-provider co-design of training provision in our 2026 survey. Moreover, nearly 70% of FE and more than 80% of HE providers had increased the flexibility of training provision.

Annex B: Planned actions

The action plan categories are defined by the time we believe they will take to implement, based on their complexity, the resource needed, and the extent to which they require system change:

- **Short term (1–2 years)** – the action is achievable within the existing system.
- **Medium term (2–4 years)** – the action is achievable within the existing system, but requires more resource allocated to it for it to be achieved.
- **Long term (4+ years)** – the action requires system change to be achieved.

For each activity included in the action plan, a lead organisation has been identified (highlighted in bold), with supporting partners also listed. For activities 3.1 and 3.2, where training providers have been identified as the lead organisation, specific institutions and or representative bodies will be agreed and assigned lead status as the 2026 LSIP moves into the delivery phase. Engagement with relevant providers has already commenced.

London LSIP Action Plan				
Activity	Lead Organisation and supporting partners	Timescale	Expected outcomes and outputs	Monitoring and Measurement
Action 1: Strengthen Transferable, Digital, AI and Green Skills				
1.1 Enable Londoners to have work ready transferable skills that are responsive to changes required by advances in AI, tech and in achieving carbon neutral emissions. Driven by partnerships between businesses, providers and London government.	GLA , training providers, HE, ERBs/employers	Medium-term	More consistent and embedded delivery in post-16 training and education, including that funded by the London Adult Skills Fund (ASF) and across different providers including universities. Increased progression into roles and pathways aligned to priority sectors and skills needs, and improved learner capabilities in transferable, digital, AI and sustainability skills	ASF course data and HE data/feedback, demonstrating a clear phased pathway to meeting this action objective, moving from embedding these critical skills in extracurricular/pastoral support and materials to fully embedding as a core part of courses. Increased number of partnerships. Increasing number of learners with these skills sets.
1.2 Support and drive the Mayor's commitment for all Londoners to have access to basic AI training.	GLA , ERBs, providers	Medium-term	Londoners from all backgrounds develop a foundation of AI skills that support them into work or to change jobs, building resilience in a changing labour market.	Effective partnerships between business, providers and London government including via the Mayor's AI Taskforce, as demonstrated by GLA data including employers engaged, training take up and profile of take up to ensure inclusion.

1.3 Support the scale-up of transferable skills learning tools in London, such as the Skills Builder Universal Framework to provide a route for business and education to consistently define and develop key transferable skills.	BusinessLDN lead with ERBs, training providers, GLA	Long-term	Adoption of transferable skills learning tools e.g. Skills Builder Universal Framework by employers and providers leading to more learners and existing employers developing the essential transferrable skills.	Measurement of take up of these learning tools by employers and providers including HE. Number of learners/employees benefitting.
1.4 Deliver a London approach to scale retrofit, aligning with skills needs and which supports work at the national level. This should link to the national Warm Homes Plan and Clean Energy Jobs Plan.	South Bank Colleges lead as London Technical Excellence College for Clean Energy and New City College lead as London Technical Excellence College for Construction (CTECs), Warmer Homes London, GLA, boroughs, providers including universities	Medium-term	Data shows growth in take-up of key green skills courses and the availability and filling of green jobs	GLA and provider/ university data, reviewed regularly throughout the period. Clear impact demonstrated by CTECs
1.5 Identify employers' low carbon skills and knowledge priorities in LSIP priority sectors building on the findings of the LSIP report, with relevant input from Sector Talent Boards.	BusinessLDN lead with ERB's, Sector Talent Boards, London's Technical Excellence Colleges, GLA	Medium-term	More granular data showing LSIP priority sectors' green skills and knowledge priorities in London's training offer. This deeper dive insight informs provider curriculums and supports learner outcomes aligning to green roles across the sectors.	GLA and provider/university data, reviewed regularly.

1.6 Build SME capacity to effectively manage and retain apprentices to improve work and progression outcomes. This includes supporting the forthcoming randomised controlled trial (RCT) of Workwhile's DevelopMentor programme, which seeks to address leadership and management skills gaps within SMEs.	Workwhile, GLA, SRPs, sector talent boards, sector hubs, sub-regional hubs, providers	Short-term (trial running Sept 2026 to May 2027)	SME leadership and management of apprentices is improved, apprentice retention and progression is improved	Results from the RCT of DevelopMentor, the line management training programme specifically designed for people in SMEs line managing young apprentices.
Action 2: Build Clear, Inclusive Pathways into and across Priority Sectors				
2.1 Develop a teaching framework for ESOL, with clear, accessible pathways through the system by aligning bridging courses, informal learning, and accredited provision. Work with the Sector Talent Boards to develop contextual ESOL courses for key sectors – e.g. ESOL for hospitality; health and social care and construction.	GLA, Sector Talent Boards, providers	Medium-term	Practical ESOL provision tailored for specific sector needs supporting more people to enter the workforce	Plan developed and implemented for named sectors over the LSIP period, with take-up and impact data expected towards the end of the period
2.2 Promote employment and skills training for London's priority sectors, to support talent pipelines and workforce retraining. Achieve this through improved coordination between key sectoral initiatives and campaigns designed to improve the attractiveness of the London LSIP priority sectors to Londoners of all ages and backgrounds. Utilise employer champions to engage young people in addressing stereotypes of what careers options and pathways are available. With initial focus on Creative, Health and Social Care, Hospitality and Built Environment Sectors.	GLA, London Careers Hubs, Sector Talent Boards, SRPs, and ERBs, trade associations, providers	Short- to medium-term	Coordinated campaigning and messaging between relevant bodies with higher employer engagement in activity, including with the Mayor's Good Work Standard (GWS). Demonstrable increase in engagement and awareness of the priority sectors with young Londoners, their parents and adult job seekers, leading to an increase in talent pipelines.	Data from GWS applications. School/college parent engagement analysis/ sector skills gap and vacancy data. Sector bodies and employers engaged.

2.3 Create a unified all ages London Careers offer, by aligning the work of the new Jobs and Careers Service (JCS) with existing sub regional career hubs activity. This will support the JCS's one-stop-shop model bringing together job, training and careers support, facilitated by the merger of Job Centre Plus and the National Careers Service.	GLA, DWP (London Team), London Careers Hubs, SRPs, boroughs	Short- to medium-term	Supports job seekers into the key roles and to develop the priority skills identified in the LSIP. Helps to remove the reliance on informal careers networks, particularly within the creative sector. Supports job seekers including those transitioning from education to work to target the skills and jobs in London's priority sectors where there is strong demand.	GLA/DWP data on number of people supported with employment, training, and careers advice
2.4 Support a transition to a skills-led recruitment approach across London's priority sectors by promoting employer best practice in moving away from qualification-based hiring. This will be delivered through working with exemplar employers in the priority sectors, to act as champions, and the provision of digital toolkits to employers.	BusinessLDN, ERBs	Medium- to long-term	Progression of adoption in skills-led recruitment practices across London employers, leading to more diverse talent pipelines	Data analysis of employer data e.g. derived from ERB surveys and interviews
2.5 Strengthen employer recognition and acceptance of skills passports as a trusted signal of transferable and sector-specific skills, work readiness and progression potential.	GLA, Training Providers, ERBs, Sector Bodies	Medium term	London job seekers and job switchers have a clearer portable record of their transferable skills, competencies, qualifications, and training, aiding job matching and supporting inclusive talent pipelines. Demonstrated by an increase in number of people completing aligned certified training that can be captured by skills passports.	Take up of skills passports and number of employers recognising them as a valid record of skills knowledge.

Action 3: Expand Modular, Stackable and Flexible Training				
3.1 Promotion and expansion of shorter and modular training opportunities, including foundation apprenticeship, apprenticeship units and provision aligned with the Lifelong Learning Entitlement (LLE) while maintaining course quality, that can be developed at pace to better meet evolving employer and employee skills needs on a timely basis, in priority sectors.	Training providers including HE, Employers, GLA, ERBs	Short- to medium-term	System and funding barriers to the introduction of shorter and more modular training reduced or removed, leading to increased awareness and take up of the availability of modular training options from London education institutions. Employer skills needs increasingly met through modular course options.	Increase in provision of short modular courses - GLA and provider data including on employer take-up
3.2 Boost delivery of employer-provider co-designed training responding to the needs of small businesses in priority sectors, such as entrepreneurial skills for life sciences start-and scale-ups (e.g. PULSE ¹⁰ ^{lxvii} , developed by the BioIndustry Association and the Francis Crick Institute) and tailored provision for freelancers in the creative industries.	Training providers including HE, employers, ERBs	Medium-term	Number of employers meaningfully engaged in co-design of training provision. Training increased in priority sectors especially Creative and Life Sciences as a result of curriculum expansion.	Increased availability of courses and accompanying completion rates Increased level of relevant business-friendly training in priority sectors.
3.3 Implement a pilot of the Electrotechnical Training and Careers Alliance (ETCA) ¹¹ in the Local London sub region. ^{lxviii} Explore how best to apply lessons from pilot to scale the approach across London, supported by the Construction and Built Environment Talent Board.	ECA, SRPs, employers, providers, GLA and BusinessLDN	Medium term	The ECTA will create a stronger partnership between employers, providers and London government which will help strengthen local electrotechnical skills development and careers provision. The Electrical	Introduction of ETCA in Local London SRP region within 12 months with roll out across another SRP regions within 24 months

¹⁰ PULSE is a three-day leadership and entrepreneurship training programme developed by the BIA and the Francis Crick Institute. The programme is for aspiring entrepreneurs and new CEOs looking for advanced practical advice, support and feedback from leading entrepreneurs, renowned professionals and CEOs.

¹¹ The ETCA defines local arrangements where ECA members in an area work together to clarify what their priorities are for improving the quantity and/or quality of electrotechnical skills outcomes and establish partnerships with relevant stakeholders (including providers) to agree a plan to deliver them.

			Contractors Association (ECA) to work with Local London, GLA and its members to implement and monitor impact of the ETCA pilot.	
Action 4: Strengthen Employer Engagement				
4.1 Strengthen employer-educator co-design of digital and AI skills provision by embedding industry-standard curricula and certifications across FE and HE. This will be supported by an expanded remit for the Mayor's AI Taskforce to drive system-wide alignment, coordination, and delivery.	GLA with Capital City College Group lead training provider as London's Digital and Technology Excellence College, BusinessLDN/ ERBs, providers including HE	Medium-term	Digital and AI skills provision more closely aligned to employer need as a result of an increased number of employer-educator partnerships driving co-designed provision. This will allow providers to more quickly respond to changes in ever evolving digital skills requirements, including deepening their understanding of AI's role across sectors and in particular professional and financial services. BusinessLDN's AI steering group will help inform this approach and the work of the Mayor's AI Taskforce, focusing on AI from a business perspective and forecast sector needs. GLA is exploring how to weave indicators on digital across all activity.	Number of employers engaged, number of partnerships and demonstratable impact on curricula. Employer and provider surveys, GLA data demonstrating increases in the volume of co-designed provision

4.2 Ensure teaching and curriculum content keeps pace with rapidly evolving employer skills needs by developing and piloting an industry - education exchange model, co-designed by employers and educators to identify innovative routes for bringing more employers into education and vice versa. The pilot will be supported through LSIP communications showcasing business/educator partnerships that are excelling in workforce exchanges and co-design of quality training programmes to promote exemplary practice and strengthen alignment between education provision and future workforce needs	GLA, training providers, sector bodies, and ERBs	Short- to medium-term	Introduction of a pilot industry-education exchange model to be rolled out across priority sector training provision resulting in increased business engagement. Goes some way to tackling FE staff shortages, helping provision to keep pace with industry practices and need. Increased promotion and awareness of successful partnership programmes incentivise an increase in number of partnerships. GLA work has commenced on Construction and Creative, with plans to explore joint working for Health and Social Care and Hospitality	GLA / BusinessLDN to scope out pilot and work with providers to implement. Data analysis on the impact of the pilot exchange model
4.3 Drive effective engagement of key industries through the Mayor's Sector Talent Boards and LSIP forums to offer clear, connected points of access for business to actively shape London's skills offer.	GLA, BusinessLDN and ERBs	Medium-term	London's skills system is meaningfully employer-led as a result of Sector Talent Boards and the LSIP, supported by quality engagement with all priority sectors through these two forums and aligned groups, such as the Financial Services Skills Commission. A clear two-way line of communication is established between the LSIP and the Sector Talent Boards to ensure relevance within the LSIP action plan.	GLA measured outputs from Sector Talent Boards including number of employers engaged. Level of engagement across priority sectors.
Action 5: Increase Access to Work Experience & Employability Support				

5.1 Support more employers to sign-up to the Mayor's Good Work Standard (GWS) and Living Wage accreditations. The GWS includes supporting employees training and development needs including rights to request time off for study, access to accredited qualifications, training for managers to support development of their direct reports, and pathways for staff to progress into higher-paid roles.	GLA, SRPs, and ERBs	Short- to medium-term	Increased promotion strategies by all bodies – higher employer engagement with the GWS and increase in number of employers signed up to the GWS leading to an increase in the number of good work opportunities.	Data on number of employers signed up to the GWS
5.2 Build a fresh work experience programme, joined up with the work of the Careers Hubs and JCP, that enables the GLA to act as a strategic convening body for the increase and development of work placement opportunities for young Londoners. Stage one will be to support the development of work experience offers in line with the new Equalex Framework¹² ^{lxix} through the sub-regional careers hubs. Stage two will be to research and identify opportunities for removing structural barriers currently impeding employers from providing work experience opportunities for young people, working with national government. Stage three will be to identify a brokerage mechanism to help place young Londoners into placements.	GLA, London Careers Hubs, JCP, BusinessLDN, and providers	Medium- to long-term	An increase in the number of London based employers providing valuable work experience placements will help young Londoners transition from education to work and contribute to tackling the rise in youth unemployment.	GLA and sub regional careers hub data, including Future Skills Questionnaire, Gatsby Benchmark and Employer Standards data. Design and testing of model. Solutions for removing structural barriers identified and discussed with national government.
Action 6: Enhance Strategic Coordination and Labour Market Insights				

¹² The Equalex Framework defines learning outcomes and objectives and allows educators to embed meaningful workplace experiences within a progressive whole school careers programme.

6.1 Equip work coaches and career advisers within Job Centres and training providers with up-to-date knowledge on careers and training opportunities in priority sectors, using Sector Talent Boards and hubs to coordinate the engagement of expert employers. Pilot programmes could focus on Life Sciences, Creative and the Health and Social Care sectors.	DWP with GLA, Sub regional career hubs, training providers including HE, Sector Talent Boards	Long-term	Stronger awareness of up-to-date knowledge will enable better advice and guidance for new job seekers and career changers	DWP data on work coach and career adviser interactions with expert employers, and data on job seeker interactions and job outcomes
6.2 Improve the accessibility of the London skills system through building on current interventions including Grow London Local and the Sector Talent Boards to ensure employers, educators and learners can navigate and access training programmes, available support and connect to the main actors.	GLA, Sector Talent Boards, London & Partners, ERBs	Ongoing	Removing barriers to accessing and navigating the London skills system will build trust and engagement, boost employer-provider partnerships, resulting in better training and job outcomes. Ensuring the regional and national systems work well together is a critical part of this	Feedback from main actors in the system - employers, providers, learners, London government
6.3 Maximise the impact of Section 106 agreements across London, improving the quantity and quality of jobs and skills outcomes. This to be driven by effective collaboration and contributions from all stakeholders and align with LSIP priorities, local authority strategies, and major construction and infrastructure projects.	Boroughs supported by London Councils, providers and employers/ERBs, Construction & Built Environment Talent Board	Long-term	Increased cross borough co-ordination to secure apprenticeship placements for the full duration of the programme. This will help to tackle the tension between short term contracts in the built environment and the need to provide longer term training programmes	Data collection from boroughs on Apprenticeship completions as part of Section 106 contracts Insights from the Construction & Built Environment Talent Board, which explored barriers and enablers to industry contribution, will help inform this work.

Annex C: Background and method

Focus and objectives of the LSIP

The London LSIP (the 2023 LSIP) set out a roadmap to getting more Londoners into jobs, aiming to better match training provision with employer demand. The 2023 LSIP was compiled between August 2022 and August 2023, with BusinessLDN and partners identifying London employers' priority skills needs via a data deep dive and a comprehensive consultation process. The roadmap outlined what needs to change in the provision of employer training and in London government support to help the city's diverse population into better, higher-paying jobs. Since August 2023, the focus has been on delivering these actions, with progress tracked through annual progress reports in 2024 and 2025.

The 2026 London LSIP will build on the successes of the 2023 LSIP, furthering previous aims of the LSIP where challenges remain and working to better match training provision with employer demand across the capital. The London LSIP was launched in June 2026 and the action plan covers the period between 2026 and 2029.

Alignment with the LSIP Guidance

In the development of the 2026 London LSIP, the Skills England statutory guidance was followed closely, step by step, as the following sections in this annex demonstrates. Employers were engaged – through events, surveys, bilateral meetings, and invitations to contribute to the draft report - beyond the BusinessLDN membership, as were a full range of education and training providers and their representatives, including FE colleges, sixth form colleges, universities (HE), Independent Training Providers, and local authority adult skills services.

BusinessLDN acts as the lead employer representative body in developing the LSIP operating in a joint working model with the GLA. To ensure deep and broad engagement with London's business (SMEs and large employers) and education sectors, beyond the membership of BusinessLDN, we work in partnership alongside other Employer Representative Bodies (ERBs): the Federation of Small Businesses London (FSB London), the London Chamber of Commerce and Industry (LCCI), and CBI London. BusinessLDN also works closely with trade associations, sector bodies, training providers, unions, and all levels of London government – including boroughs, sub-regional partnerships (SRPs), and of course the GLA – as well as national government and a stakeholder advisory group. London has four SRPs which are functional geographic groupings of London's boroughs:

- West London Alliance (West London)
- South London Partnership (South-West London)
- Central London Forward (Central London)
- Local London (South-East and North-East London)

To capture differences across the capital, the SRPs produced their own sub-regional priorities to supplement the pan-London LSIP.

Alignment with regional and national plans

It is important to note that the 2026 London LSIP action plan is embedded within a detailed and extensive network of key initiatives which will coordinate with and support the plan as it develops. It will function as a live document, and feed into London and national skills and growth strategies as it also builds in their learnings and priorities. Key strategies informing (and informed by) the LSIP include the London Growth Plan, the Get London Working (GLW) plan, and nationally Government strategies such as the Modern Industrial Strategy and the Post-16 Education and Skills White Paper.

Throughout the evidence gathering and drafting of the 2026 London LSIP, it was carefully considered how each priority and action aligns with national and local government plans. This includes, for example, incorporating a cross-cutting green skills priority focus, which meant we were able to align the 2026 London LSIP with the net zero goals of national and London government, including the Clean Energy Plan and the Mayor's net zero 2030 target. Likewise, the cross-cutting inclusion priority focus allowed the 2026 London LSIP to align with the GLA's Inclusive Talent Strategy (ITS) to ensure equality of opportunity remains at the heart of its delivery. This means ensuring that key inclusivity aims and programmes are considered, supported and that the principles of inclusivity are built into both the LSIP assessment of needs, priorities and design of the key actions.

The 2023 London LSIP started a process – built on by the 2026 London LSIP – which supports:

- Development of stronger relationships between educators and employers so that information skills needs can be shared and acted on quickly and efficiently.
- Increased awareness of existing skills programmes and good practice to drive better outcomes and expand the scale of training provision.
- Identification of systemic barriers affecting labour market inclusion, employers, and providers, and the actions needed to overcome them.

Development of the London LSIP report: BusinessLDN's report author partner on the LSIP has been WPI Economics since 2023 and we worked together again on the 2026 London LSIP. All key partners in the London LSIP were invited to contribute to and edit the 2026 London LSIP report at regular intervals from inception right through to the final edits. The GLA was informed throughout of the expected content and layout of all LSIP reports and annexes and invited to contribute to and edit the London LSIP report at regular intervals.

In line with the joint working arrangements set out in a MOU agreed between BusinessLDN and the GLA (refer to governance section below), , the following organisations were formally consulted on the draft LSIP:

- ITDG
- Interim Sector Talent Boards for Creative, Construction and Lifesciences
- Sector and Theme policy leads in the GLA Skills Team
- The Mayor of London's Office

- The LSIP Stakeholder Advisory Group (which comprises representatives from business, colleges, universities, ITPs, SRPs, GLA, London Councils)

In addition to engaging in the pan-London engagement events and surveys, the SRPs scheduled and ran their own regional stakeholder engagement events and surveys which BusinessLDN, the GLA and the partner ERBs (LCCI, FSB and CBI) promoted to their membership networks. This engagement is detailed in their individual annexes.

At regular intervals (on average, once a month), all partners (including the ERBs and LSIP Stakeholder Advisory Group) were invited to review and contribute to the draft, including drawing insights from their own stakeholder events.

The final draft saw a combined effort from all SRPs, the GLA, partner ERBs, the London LSIP Stakeholder Advisory Group and BusinessLDN jointly review and edit the report in parallel.

Finally, the GLA were given another opportunity to read the draft report through in detail to ensure they were happy with the direction of travel before submission of the substantive draft to Skills England.

Approach to the Evidence Base and Stakeholder Engagement

For the 2026 London LSIP, we have built on and strengthened our approach to report development. This reflects the structural changes introduced through the GLA taking on a joint working role alongside BusinessLDN, providing strategic direction from both regional government and an ERB. The London LSIP also builds on the unique and valuable insights of the SRPs to create one unified plan for London.

In developing this new London LSIP, a robust approach to both building a strong underpinning evidence base and stakeholder engagement has been demonstrated. WPI Economics have analysed the following key datasets:

- The **2023 London LSIP (published June 2023)**, to provide a baseline for analysis.
- **The London Growth Plan (LGP) and Inclusive Talent Strategy (ITS)**, to ensure alignment across London's strategic outlook on skills. Given the short developing timelines, we have worked smartly to also leverage sector data and consultation materials recently collected by the GLA as part of their ITS consultation period.
- **GLA Economics' evidence base**, bringing together a quantitative analysis of jobs, skills, and employment data from a range of datasets (see Annex E).
- **BusinessLDN consultation events with employers, FE, HE and ITP providers, and other key stakeholders in London** across the main priority sectors and cross-cutting skills themes. Insights were also gathered from regular consultation with the LSIP Stakeholder Advisory Group.
- **A survey of 2,000 employers in London**, for business insights on the workforce, skills, and recruitment landscape.
- **A survey of HE/FE providers in London**, to understand provider views on the current skills landscape and provision.

- **Ten interviews with providers and employers** to plug gaps in consultation events and survey responses.
- **SRP insights**, bringing together a core narrative from each of their regional areas to supplement the pan-London picture. SRPs contributed significant local knowledge and expertise, extensively engaged with thousands of stakeholders and partners to inform the LSIP and test priorities, and worked collaboratively to produce this document. (see Annex L).
- **Skills England data and reports**, to provide additional strategic insights at a regional and national level.
- **Third-party data and reports**, to provide insights from key stakeholders and complement key findings.

The report and action plan was developed in consultation with the GLA and SRPs, bringing together their insights and findings alongside key priority actions across pan- and sub-regional London and leveraging AI to create six key overarching action themes. The actions have been identified through our engagement with key stakeholders across interviews, public consultation and the engagement efforts of the SRPs. These actions aim to address the challenges that we identified during the stakeholder engagement on the 2026 London LSIP and are detailed in the main body of this report.

London LSIP geography

BusinessLDN was required to deliver a core pan-London LSIP report and four sub-regional LSIP annex reports, aligned with the geographic footprint of the four SRPs. The four sub-regional LSIP annexe reports are: Central London Forward (Annex G), Local London (Annex H), South London Partnership (Annex I), and West London Alliance/West London Business (Annex J). The key needs of the SRPs have been included within the narrative of this report.

These four sub-regional annexes give additional depth and detail into the priority employer skills needs for the LSIP and set out the commonalities and differences between London's sub-regions. This two-tier approach to the LSIP is unique to London, taking into account the scale of the city and its complexities.

BusinessLDN, joint working with the GLA, maintained full control of the production and delivery of these annex reports and alignment with the pan-London report. BusinessLDN commissioned the four sub-regional reports, project-managed the work, and approved and endorsed the final versions of the reports.

London's priority sectors

The LSIP outlines the challenges and changes needed across the London labour market. The key themes and priority sectors that BusinessLDN and its partners have identified focus efforts where they will make the most impact.

In the 2023 LSIP, this focused on four priority sectors (construction, creative, health and social care, and hospitality) and four cross-cutting themes (digital skills, green skills, transferable skills, and labour market inclusion) aligned with Mayoral priorities set out in the GLA Skills Roadmap. In the 2026 London LSIP, the sectors have been updated to align with

the mayoral priority sectors identified in the LGP. As a result, financial and professional services and life sciences have been included as new sector priorities. Health and social care and the built environment sectors remain, given their importance as foundational sectors to London. These sectors in turn align with the Government's Industrial Strategy 8+2 sectors, and indeed the 2026 London LSIP's commitment to strengthening employer-educator-government partnerships to address skills needs and drive growth also aligns with the underlying ethos of the Industrial Strategy.

Governance

Central Governance Structure for delivering the LSIP

London has a different business model for the LSIP compared to many other ERBs. Due to the very large geographical area the LSIP covers and an often-wide disparity in skills needs from region to region, we have always endeavoured to bring together representatives from a wide range of geographical locations and a variety of businesses to provide advice and guidance for the London LSIP.

The London LSIP is led by BusinessLDN as the designated Employer Representative Body (ERB) working with the four London sub-regional partnerships (SRPs). These are: Central London Forward (CLF), Local London (LL), South London Partnership (SLP) and West London Business (WLB).

In addition to the SRPs, three other employer bodies (London Chambers of Commerce (LCCI), Confederation of British Industry (CBI) and the Federation of Small Businesses (FSB)) are kept informed of progress on the LSIP and regularly invited to contribute and support events.

A strategic oversight board comprised of representatives from employers, training providers and skills bodies was convened to regularly contribute and offer guidance for the LSIP as it develops. This group is known as the London LSIP Stakeholder Advisory Group. Representatives from the SRPs and partner ERBs and the Greater London Authority (GLA) have always been part of this group.

The English Devolution White Paper (December 2024) confirmed that strategic authorities would, pending necessary changes to legislation, take on joint ownership of LSIPs alongside the designated Employer Representative Body (ERB), although currently, the overall responsibility for developing an LSIP for a specified area remains with the designated ERB. In London this means the Greater London Authority (GLA) and BusinessLDN respectively. Joint working, in line with LSIP statutory guidance, between BusinessLDN and the GLA to deliver the next phase of the London LSIP began on 1 October 2025.

As part of the joint-working model, BusinessLDN and the GLA agreed a joint Memorandum of Understanding (MOU), which had two principle aims. Firstly, to put in place clear governance arrangements to support the way in which both organisations would work together to produce the LSIP. And secondly, to ensure alignment between the LSIP and the GLA's skills work, particularly as the GLA transitioned to a new employer-led committee structure. This new GLA structure introduced an 'Inclusive Talent Delivery Group' (ITDG) and the MOU incorporated the London LSIP Stakeholder Advisory Group as a subgroup of the ITDG, with a

business Chair nominated by BusinessLDN, and GLA and London Councils senior officers as co-Deputy Chairs. This reflects the joint working arrangements ensuring the ITDG and the LSIP retains strong business leadership.

The ITDG, which will oversee the work of the LSIP for the GLA alongside the GLA's own Inclusive Talent Strategy and Get London Working plan, will act as a strategic and operational group of the London Growth Mission, reporting into the London Growth Mission Board - which is responsible for overseeing delivery of the London Growth Plan. In addition, the GLA has established Sector Talent Boards, employer-led and representing London's priority sectors as identified in the London Growth Plan. This work will be supported by pan-London and sub-regional hubs to co-ordinate activity. This arrangement ensures deep LSIP alignment with the Growth Mission governance and the requirement of the LSIP to respond to key sector priorities set out in the local growth plan, both on a pan-London and sub-regional basis.

This structure will create simplified and joined-up governance arrangements across London's skills and employment ecosystem and aligns LSIP delivery with the Mayor's priorities and commissioning power. It will also simplify engagement for employers and other key stakeholders, reducing the risk of duplication across multiple similar boards.

Production of the London LSIP Report & SRP Annexes

BusinessLDN is required to deliver a core pan-London LSIP report and four sub regional LSIP annexe reports, aligned to the geographic footprint of the four sub regional partnerships (SRPs). The four sub regional LSIP annex reports are: Central London Forward (Annex D), Local London (Annex E), South London Partnership (Annex F) and West London Alliance / West London Business (Annex G).

The SRPs followed a report development approach which mirrored BusinessLDN's including extensive engagement with stakeholders and the use of qualitative and quantitative data to inform their priorities (refer to the SRP Annexes D-G for further detail). BusinessLDN reviewed, edited, and endorsed all the SRP's annexes before they were submitted.

These four sub-regional annex reports were designed to give additional depth and detail into the priority employer skills needs for the LSIP while setting out the commonalities and differences between London's sub regions.

BusinessLDN maintained full control of the production and delivery of these annex reports and alignment with the pan-London report. Where appropriate, additional guidance was given by BusinessLDN on the structure, layout and content expected within the SRP annexes.

BusinessLDN commissioned the four sub regional reports, project managed the development and structure of the annexes by the sub-regional partners and approved the final versions of the reports. This was achieved through a central internal governance structure which included BusinessLDN:

- Putting in place formal Service Level Agreements (SLAs) with each SRP before the project commenced.
- Approving SRP project plans and budgets

- Approving monthly SRP financial claims
- Having SRP representatives on the Stakeholder Advisory Group
- Holding monthly project meetings with the SRPs for the length of the project, to oversee progress on the sub-regional annexes.
- Holding monthly individual bilateral project meetings with the SRPs over and above the regular meetings.

Partner Contributions to the London LSIP Report:

From the very early stages of the 2026 report, all key representatives from the SRPs, ERBs and the GLA were invited to provide feedback and contribute content to the draft London LSIP, resulting in cohesive contributions from priority sectors all around London. The objective was to integrate the sub regional contributions fully into the London LSIP, to ensure a consolidated and clear single LSIP report reflecting the skills needs of all parts of London.

This approach sought to reduce narrative duplication and ensure a well-formed and aligned narrative.

Development of the SRP Annexes:

Alongside the London LSIP report, the SRPs developed their individual annexes to reflect additional information on any specific regional skills needs not captured within the priority London sectors endorsed by the Mayor. By developing the four sub regional annex reports and the London LSIP report in tandem, the annexes represent any additional sub-regional skills requirements without duplicating too much content from the London LSIP report itself.

The SRP annexes were developed in partnership with BusinessLDN:

- Meeting and presenting to the SRP Boards and attending SRP Skills Board meetings when appropriate and as required.
- Commissioning the GLA Economics team to produce sub-regional specific data evidence bases alongside the London LSIP (pan-London) evidence base. This enabled the SRPs to identify and investigate any commonalities and differences between the regional and pan-London skills needs.
- All SRPs having the opportunity to attend DfE LSIP webinars for ERBs and added to the LSIP mailing list to ensure they had full visibility of the project requirements as they developed.
- Jointly running and presenting at the March provider (and employer) briefing and consultation events. SRPs contributed their own slide decks under guidance from BusinessLDN.
- Both SRPs and BusinessLDN sharing report drafts regularly for comments and edits.

- Final draft SRP reports were submitted to BusinessLDN in advance of the core Pan-London LSIP report being finalised to ensure that there was as much alignment as possible in the final LSIP reports and the data analysis.
- Integrating relevant sub-regional narrative and data points into the London LSIP as much as possible

Monitoring and Measurement:

As the next phase commences, BusinessLDN, the SRPs and the GLA will discuss the setting of appropriate KPIs to support monitoring activity and delivery of the activities and actions set out in Annex B. These KPIs will be kept under review and adjusted as needed over the three-year LSIP period.

The objective will be to follow the statutory guidance to ensure the LSIP Action Plan (as set out in Annex B) acts as a live document, both informing the work of the GLA and its employer-led structure and in turn being informed by it.

BusinessLDN and the GLA will implement a mechanism to monitor implementation and impact, building on the LSIP1 process, and it is expected that new actions will be added to the plan over the course of the three-year LSIP period, and existing actions will be updated in line with relevant changes to the external environment.

Annex D: Glossary

Term	Definition
Access to Work	Access to Work is a government programme aimed at supporting disabled people to take up or remain in work. The support someone receives depends on their circumstances, and through Access to Work, someone can apply for: • a grant to help pay for practical support • support with managing mental health at work • money to pay for communication support at job interviews Access to Work will not pay for reasonable adjustments but will advise employers if changes should be made as part of reasonable adjustments.
Adult Skills Fund (ASF)	The Adult Skills Fund (ASF), previously known as the Adult Education Budget (AEB) until August 2024, funds education and training for adults aged 19 and above. The qualifications funded through the ASF include basic English and maths skills, basic digital skills, and adult community learning. These courses are delivered by a range of different providers. Responsibility for the ASF/AEB in London was devolved to the Mayor of London in the 2019/2020 academic year.
Advanced Digital Skills	Specialist and technical digital capabilities needed to create, design, adapt, manage or improve digital technologies, systems tools, and data beyond basic usage. This primarily involves skills in the following seven clusters of related skills: software and programming; computer programming and networking support; data analysis; digital design; CRM; digital marketing; and machining and manufacturing technology. This can include skills such as coding, cyber-security, generative AI, cloud systems, and data engineering. However, it should be noted that these skills are continuously evolving in response to technological developments and, as such, defining them is difficult. For more details, see here.

Apprenticeships	Apprenticeships are paid jobs which include at least 20% off-the-job training (such as classroom learning) and lead to a nationally recognised qualification. Apprenticeship levels are classified as: Intermediate (Level 2), Advanced (Level 3), and Higher (Level 4+).
Care Workforce Pathway	Developed by the Department of Health & Social Care in partnership with Skills for Care, the Pathway sets out universal and defined career structures for the social care sector. The Pathway details the knowledge, skills, values and behaviours required to deliver high-quality, personalised care and support. Launched in January 2024 and expanded in April 2025, the Pathway covers eight categories: new to care, care or support worker, enhanced care worker, personal assistant, supervisor or leader, practice leader, deputy manager and registered manager. More details can be found here.
Connect to Work	Connect to Work is a free, voluntary, UK Government-funded programme providing one-to-one support for people with health conditions, disabilities, or other barriers to finding and maintaining employment. It offers up to 12 months of personalised coaching, including job searches, interview preparation, and workplace support.
The Construction Skills Certification Scheme (CSCS)	The CSCS is a UK-wide scheme that provides construction workers with cards that serve as official proof they hold the appropriate training, qualifications and health and safety knowledge for their jobs. While not legally mandatory, most employers require CSCS cards for site access, ensuring safety and competence standards. Various cards are available based on role and experience, including Red (Apprentice), Green (Labourer), Blue (Skilled Worker), Gold (Supervisory/Advanced Craft) and Black (Manager). For more detail see here.
Degree apprenticeship	Degree apprenticeships are primarily targeted at 18- to 19-year-old school leavers as an alternative route to gaining a degree, especially those who are unsure about university due to high tuition fees and student debt. However, they are also suitable for mature students.
Degree-level skills	Qualifications at Level 6 or above. Includes undergraduate degrees (Level 6), postgraduate degrees (Level 7), as well as Level 8 qualifications such as PhDs.

Digital poverty	The inability to interact with the online world fully when, where, and how an individual needs to. Mostly used to refer to those who live without, or with very minimal, access to the internet and to the digital technologies capable of connecting to it.
Economically inactive	People not in employment who have not been seeking work within the last four weeks and/or are unable to start work within the next two weeks.
Employer Representative Bodies	Referred to as ERBs, Employer Representative Bodies are the business representative organisations in London. They include: • BusinessLDN – designated lead ERB for the Greater London LSIP • Confederation of British Industry (CBI) • Federation of Small Businesses (FSB) • London Chamber of Commerce and Industry (LCCI)
Employment / jobs	Employment and jobs numbers can be estimated from several different sources (see here for reference). The number of people in work is not the same as the number of jobs. This is because a person can have more than one job. There is also a distinction to be made between workplace and residence-based measures. Numbers which are based on place of work will include (for example) jobs held by residents and commuters.
Environmental, Social, and Governance (ESG) standards	ESG is a set of standards measuring a business's impact on society, the environment, and how transparent and accountable its corporate governance is. The standards measure how businesses integrate their environmental, social, and governance practices into operations, as well as their business model, its impact, and its sustainability. • The environmental aspect focuses on how the business minimises its impact on the environment. It covers the business's products or services, the supply chain, and operations. • The social aspect focuses on how a business impacts wider society and workplace culture. Equality and fairness are core to social and ethical business practices. This includes a positive contribution to fairness in society, investing in fair and equal opportunities, and conditions for employees, people working in the supply chain, and local communities. • Governance refers to the processes of decision-making, reporting, and the logistics of running a business. It also looks at the business's ethical behaviour and its transparency with stakeholders about its activities. Governance is linked to

	the environmental and social aspects of ESG by focusing on the transparency and decision-making that underpin them.
Essential / Basic Digital Skills	Outlined by Future Dot Now, the Essential Digital Skills Framework is the range of skills people need to safely benefit from, participate in and contribute to the digital world of today and tomorrow in life and at work. For more information on the Essential Skills Framework, see here.
Free Courses for Jobs (FCFJ) schemes	This provides access to a Level 3, A-Level equivalent qualification (advanced technical certificate or diploma) for free. Those eligible for the scheme include adults aged 19 or older without a Level 3 qualification, those who already have a Level 3 qualification or higher but earn below the National Living Wage annually, and people aged 19 years or older who already have a Level 3 qualification or higher but are unemployed.
Get London Working (GLW) plan	<u>The GLW plan</u> is London's formal response to the Get Britain Working White Paper. The Plan was developed through a partnership between the GLA, London Councils, Jobcentre Plus (JCP), London NHS partnerships, and the sub-regional partnerships (SRPs). The plan is designed to support the Government's target of an 80% employment rate. A key element of the plan is London's Get Britain Working Trailblazers, which will inform the design and implementation of a new Jobs and Careers Service in London and the delivery of a London Youth Guarantee.
Green skills	The skills that are needed to support the transition to carbon net zero, environmental goals, and a sustainable society. This includes roles such as electricians, carpenters and joiners and insulation installers delivering retrofit and energy efficient new build, along with green-specific ones like low carbon heating and heat network maintenance technicians.
Growth and Skills Levy	This has replaced the Apprenticeship Levy from April 2026, designed to support workforce development through flexible training and apprenticeships. The Growth and Skills Levy has greater flexibility, allowing funds to be used for shorter non-apprenticeship training alongside traditional apprenticeships. The Levy is payable by all employers with an annual pay bill of more than £3 million, at a rate of 0.5% of their total pay bill. It is collected through the Pay As You Earn (PAYE) process alongside other employment taxes.

	While the Levy is only payable by employers with an annual pay bill above £3 million, the money raised also funds training for non-Levy paying employers.
Higher-level skills	Generally used to refer to qualifications at Level 4 or above (this is often a university degree, but it also includes higher-level technical qualifications and HEHE qualifications below degree level).
Inclusive Talent Strategy (ITS)	Published in October 2025, the <u>ITS</u> is a key action of the London Growth Plan developed by the Mayor and London Councils. The ITS sets out how London will grow its skilled workforce, get more Londoners into high-quality jobs, and make it easier for employers to get the talent they need. The ITS sets out a plan for an increasingly employer-led and integrated skills and employment system to deliver this.
Labour shortages	A lack of candidates for a specific job in a specific labour market.
Lifelong Learning Entitlement (LLE)	The LLE will enable individuals to learn, upskill, and retrain across their working lives, replacing the current post-18 student finance system. From September 2026, learners will be able to apply for LLE funding for courses and modules that start from January 2027 onwards. From its launch, the LLE loan will be available for: • full courses at Levels 4 to 6, such as degrees, technical qualifications, and designated distance-learning and online courses; • modules of high-value technical courses at Levels 4 and 5, and modules from full Level 6 qualifications that align with priority skills needs and the Government's Modern Industrial Strategy. Under the LLE, eligible learners will be able to access: • a tuition fee loan, with new learners able to access up to the full entitlement of £38,140 over their lives – equal to four years of study based on 2025-26 academic year fee rates; • a maintenance loan to cover living costs for courses with in-person attendance.
London Growth Plan (LGP)	Published in February 2025, the <u>London Growth Plan</u> (LGP) – developed by the Mayor of London and London Councils – is a 10-year strategy designed to boost productivity in London, with the aim of increasing the size of London's economy by £107 billion by 2035 and creating more than 150,000 jobs by 2028.

	The Plan sets out further investment in key priorities such as housing, infrastructure, skills, and transport, and it will collectively drive the productivity and growth needed to achieve the Plan's outcomes. The Growth Mission Board oversees the delivery of the LGP and includes representatives from public and private sectors including businesses, universities, and colleges.
London Talent Pathways	<u>London Talent Pathways</u> sets out new funding opportunities for registered training providers to apply for a funding agreement for two academic years (2026–2028), with the GLA to deliver ASF and FCFJ skills provision. There is a possibility that the funding will be extended for an additional academic year.
Modular and stackable qualifications	Modular and stackable qualifications are educational frameworks that break down long-term programmes into smaller, independent units ("modular"). These units can be taken individually to gain specific skills and subsequently combined with other modules or certificates ("stacked") to build towards a larger, comprehensive qualification.
Qualification levels (1-8)	There are nine qualification levels in England, Wales and Northern Ireland. These are: • Entry level, including entry-level Skills for Life; • Level 1, including GCSE lower grades; • Level 2, including GCSE higher grades and intermediate apprenticeships; • Level 3, including A-Levels, T-levels & advanced apprenticeships; • Level 4, including higher apprenticeships and higher national certificates; • Level 5, including foundation degrees and higher national diplomas; • Level 6, including degree apprenticeships and graduate diplomas; • Level 7, including master's degree and postgraduate diplomas; and • Level 8, including PhDs.
Section 106 Agreements	Legal agreements between local planning authorities in England, Wales and Northern Ireland and developers; these are linked to planning permissions for development sites and can also be known as planning obligations. Employers are often asked to commit to a local labour agreement whereby a proportion of the total workforce on the development site in question must be recruited solely within the local council area. In London, council areas are the boroughs.

Sector Talent Boards and Hubs	Sector Talent Boards and Hubs are designed to support businesses to access the skilled workforce they need while opening pathways into sustainable, well-paid work for Londoners. They are a key part of delivering the ITS and are convened by the Mayor. They comprise three core components: • Sector Talent Boards: Strategic convenors and delivery partners that bring together employers, industry bodies, and workforce experts to identify skills gaps, shape training priorities, and tackle sector-specific challenges. They will champion inclusive access, share best practice, and ensure training reflects real-time industry needs. • Pan-London Sector Hubs: These hubs will support the Sector Talent Boards, coordinate delivery, and serve as a central entry point for employers, particularly larger businesses seeking to engage with, co-design, and co-invest in the talent system. • Sub-regional hubs: These are focused on engaging SMEs and employers with location-specific needs, connecting them to local talent pipelines, training, and support. More details can be found here.
Skill gaps	The proportion of the workforce that employers consider to be lacking full proficiency in the skills that are required to perform their role.
Skill levels	Skill levels are approximated by the length of time deemed necessary for a person to become fully competent in the performance of the tasks associated with a job. Occupational classifications partly reflect the skill level of a job (see Standard Occupational Classification Codes below)
Skills Bootcamps	Skills Bootcamps for Londoners are aimed at helping people aged 19 or older (employed full-time or part-time, self-employed or unemployed, as well as adults returning to work after a break) to progress in work by providing access to in-demand skills training and a guaranteed interview. The programme supports key sectors of London's economy. Skills Bootcamps run for 16 weeks and provide higher-level training (Levels 3 to 5), with the green and construction bootcamps also including Level 2 training.
Skills England	An executive agency of the Department for Work and Pensions established in June 2025. Skills England is responsible for identifying current and future skills needs, managing the Growth and

	Skills Levy, and absorbing the functions of the Institute for Apprenticeships and Technical Education (IfATE).
Skills mismatches	Situations in which an employee's current skills are not well-suited to their current job.
Skills shortage	A lack of candidates with the skills required by employers.
Standard Occupational Classification (SOC) Codes	A common classification of occupational information developed by the Office for National Statistics (ONS). The report uses both the UK SOC 2010 and (recently revised) SOC 2020 classifications, depending on data availability. SOC 2010 had nine major groups (classified by one-digit SOC codes, 1–9), 25 sub-major groups (two-digit), 90 minor groups (three-digit), and 369 unit groups (four-digit). SOC 2020 has nine major groups, 26 sub-major groups, 104 minor groups, and 412 unit groups and follows the same coding structure (one-digit to four-digit). Note: the major group structure is a set of broad occupational categories that are designed to be useful in bringing together unit groups, which are similar in terms of the qualifications, training, skills, and experience commonly associated with the competent performance of work tasks. The ONS also classifies occupations by skill level at the sub-major group level. For more information on these groups, see here.
Sub-regional partners	Referred to as SRPs. sub-regional partnerships bring together London boroughs and other strategic partners for purposes such as strategic policy advice, research, advocacy, and programme management. They bridge the space between local authorities and regional government in the capital. London has four borough-focused sub-regional partnerships: • West London Alliance (West London) • South London Partnership (south-west London) • Central London Forward (Central London) • Local London (south-east and north-east London)
T-Levels	• T-Levels are new two-year courses which are taken after GCSEs and are broadly equivalent to three A-Levels. Launched in September 2020, these courses have been developed in collaboration with employers and education providers so that the content meets the needs of industry and

	prepares students for entry into skilled employment, an apprenticeship, or related technical study.
Transferable Skills	A transferable skill is an ability or expertise that may be used in a variety of roles or occupations. Examples include research, critical thinking, communication, problem-solving, analytical skills, organisational skills, administrative assistance, and time management skills. These can be referred to as essential, soft, fusion employability skills.
UK Hospitality Skills Passport	The UK Hospitality Skills Passport is an employer-led initiative recognising digital credential confirming that jobseekers and career-changers understand the core knowledge, skills, and behaviours needed across front-of-house, kitchen, and service roles. The Passport sets out the essential, standardised skills that work across the breadth of the industry, with a focus on providing training, work experience, and employer engagement. It provides employers with a consistent benchmark for entry-level recruitment, reducing training duplication and ensuring new people can contribute from day one. Accredited and certified by OCN London, the Passport is developed by <u>UKHospitality</u> in partnership with the Hospitality Sector Council and major employers across the sector.
Vacancy density	The number of job vacancies as a share of total employment.
Warmer Homes	Warmer Homes London brings together London's councils, the Mayor of London, housing associations, builders, community energy groups, and training organisations to improve the energy efficiency of Londoners' homes.

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