



BUSINESS
LDN

THE LONDON LOCAL SKILLS IMPROVEMENT PLAN FOR 2026–2029

July 2026

MAYOR OF LONDON



Funded by
UK Government

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):

Designated ERB



Strategic Authority



Funded by UK Government



London LSIP Report Authors



SRP Partners



ERB Partners



CONTENTS

Foreword – Muniya Barua, Deputy Chief Executive, BusinessLDN	4	Sector priorities	33
		The built environment	34
		Creative	38
Foreword – Deputy Mayor for Business and Growth, Howard Dawber (GLA)	6	Health and social care	42
		Hospitality	46
Executive Summary	8	Life sciences	50
		Financial, business, and professional services	54
Introduction	10	Agreed changes/actions needed	58
Strategic and Economic Context	14	Delivering the action plan	60
The Policy Context	14	Action Timelines	60
The London labour market	14	London LSIP Action Plan	61
The London skills market	15		
Key survey findings	16	The successes and the future of the LSIP	70
Local skills needs	17	Annexes	71
Cross-sector challenges for employers	17	Glossary	72
Cross-sector challenges for providers	20	Endnotes	80
Skills themes			
Digital skills	23		
Green Skills	26		
Labour market inclusion	28		

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, stackable² 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.



Muniya Barua
Deputy Chief Executive, BusinessLDN

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 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.³

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 action plan at the end of this document).

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.

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,⁴ **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 our Action Plan on [page 61](#)), 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 Act, 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.⁵ 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 – London Government's 10-year vision to create a connected and responsive employment, careers and skills system – to turn ambition into reality.⁶ 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. 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, 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
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 (GLW)** 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,⁷ the Post-16 Education and Skills White Paper,⁸ and the Clean Energy Jobs Plan.⁹

Map showing London Borough strategic sub-regional partnerships (SRP) regions



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

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 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.¹⁰ 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 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.¹¹

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.¹² 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).¹³

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 2023.¹⁴ 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%.¹⁵

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.¹⁶ 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.¹⁷ 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.¹⁸

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.¹⁹ 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%).²⁰ 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.²¹

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.²²
- **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.²³
- **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.²⁴

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. **46% 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.

Key survey findings

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.²⁵

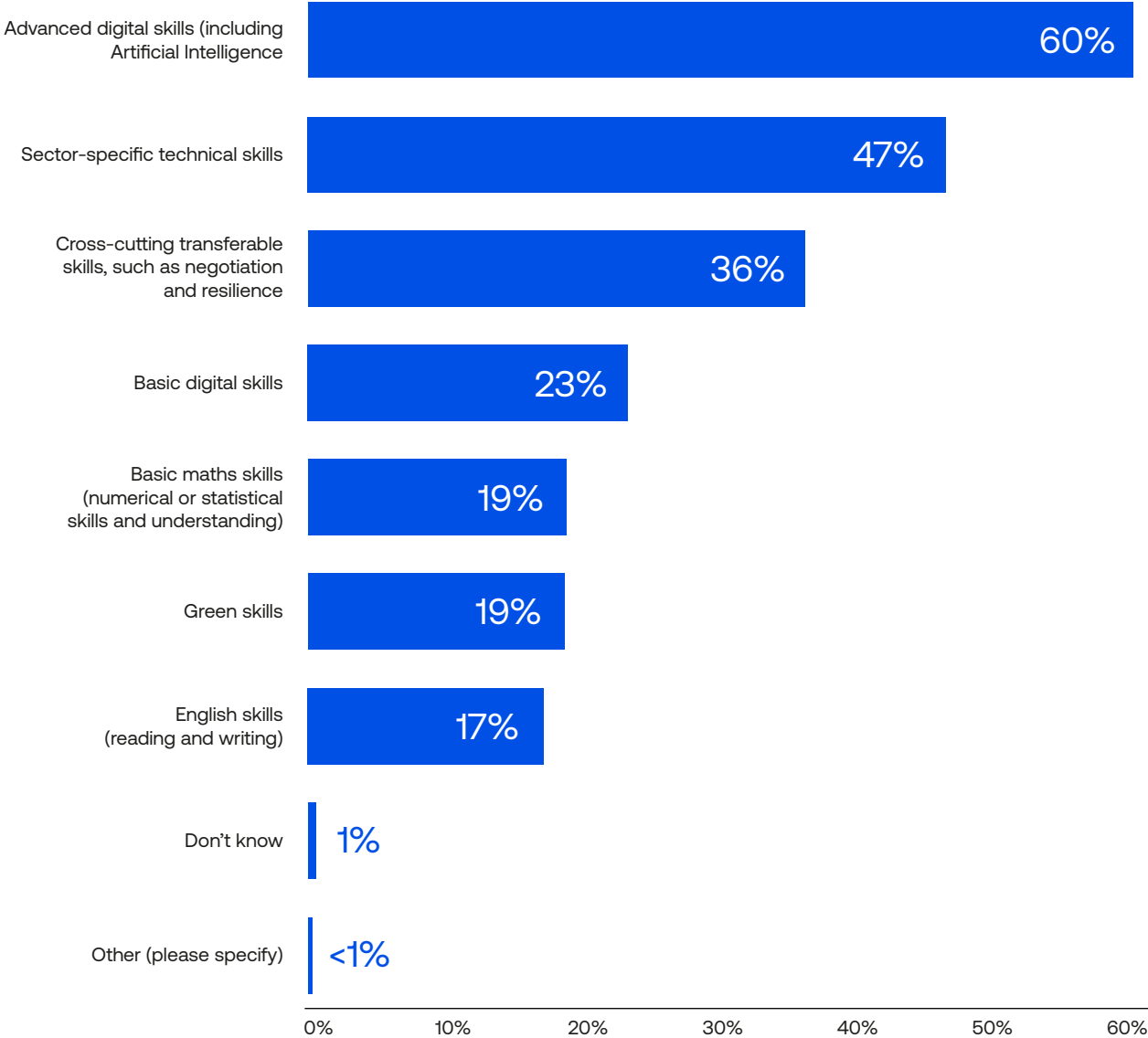
GLA Economics analysis of Lightcast job postings data has found that there are specific areas of unmet demand to be addressed. The analysis of Lightcast data has found that:²⁶

- **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.²⁷ 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.²⁸ 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.²⁹

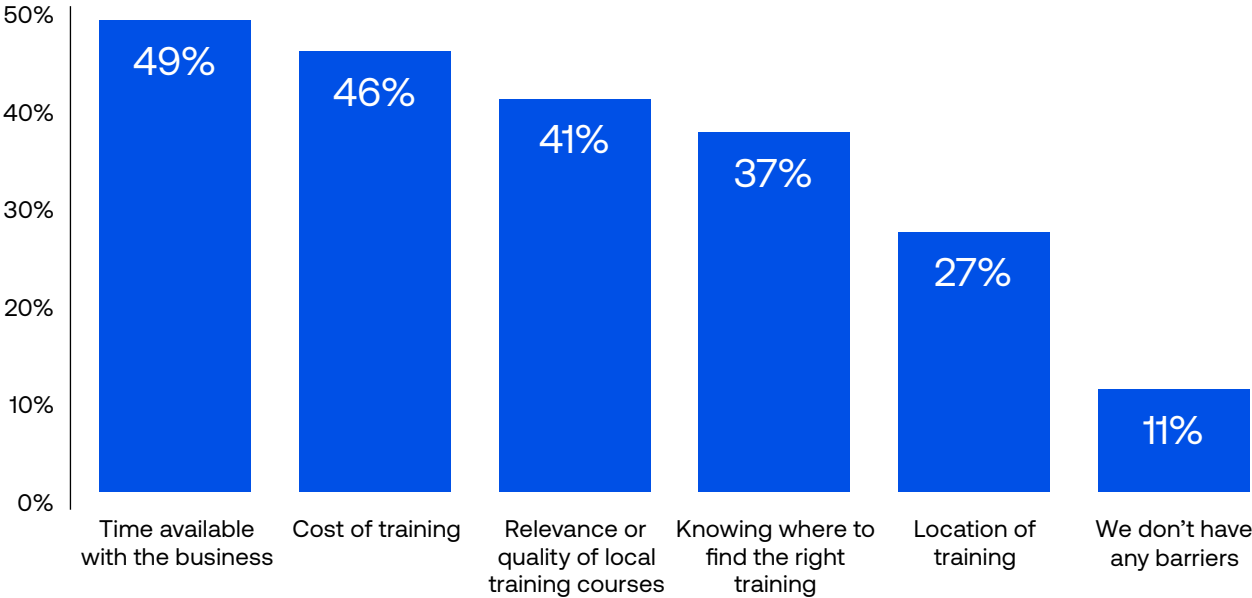
“I need to double my workforce in three years. And that will keep on going. And then all the skills that are needed around that expansion, it just goes exponential. So, it’s a real risk if we don’t really focus in on how we create these skills.” – **Multinational technology employer**

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,³⁰ **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

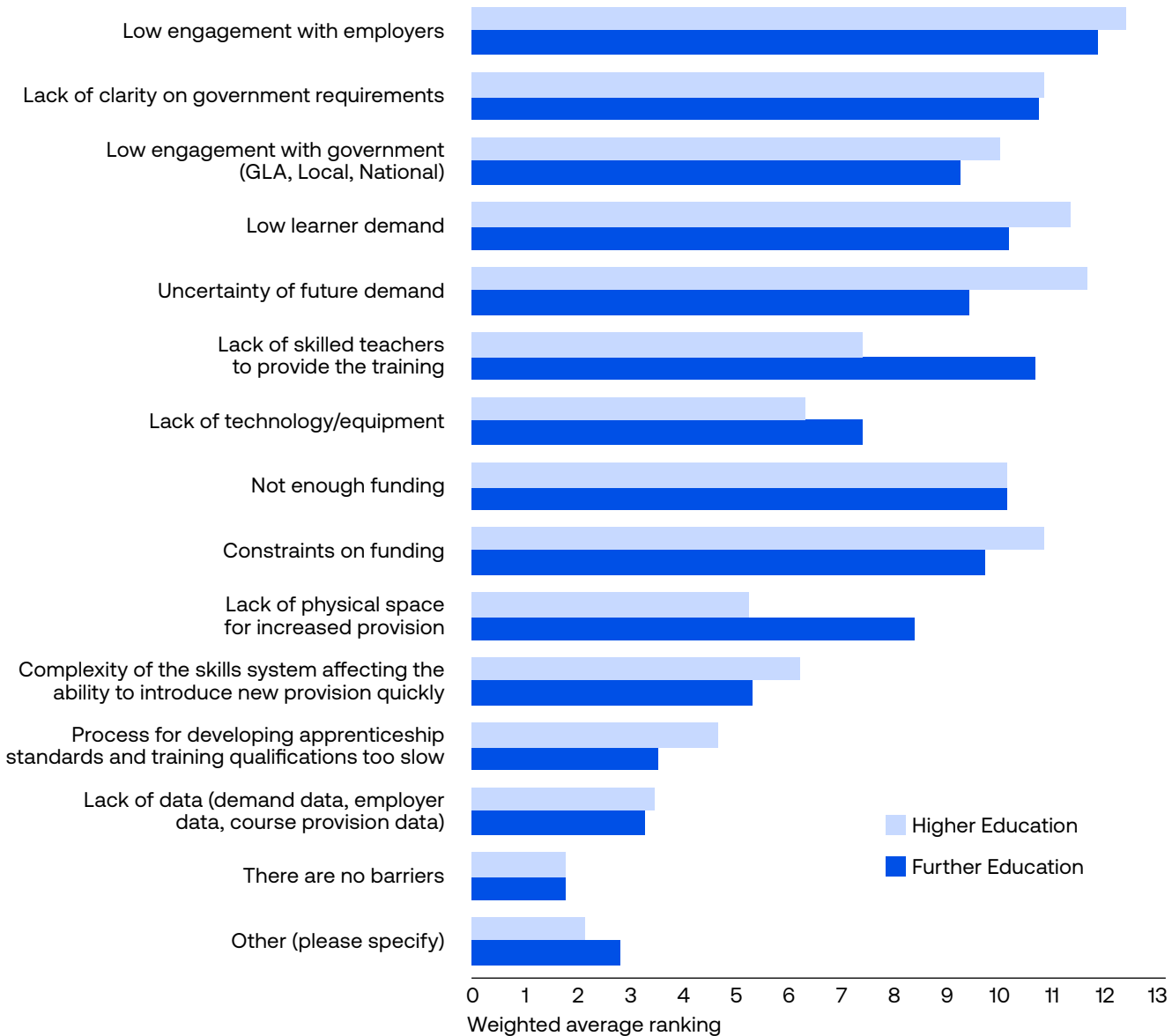
Despite the strides being made in better matching training to employer demand, providers still face several challenges (See Figure 3). The main barriers to provision identified in BusinessLDN’s survey of HE and FE providers included:

- 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.

Figure 3: What are providers’ main barriers to improving and/or increasing provision?

Survey by BusinessLDN of FE and HE providers

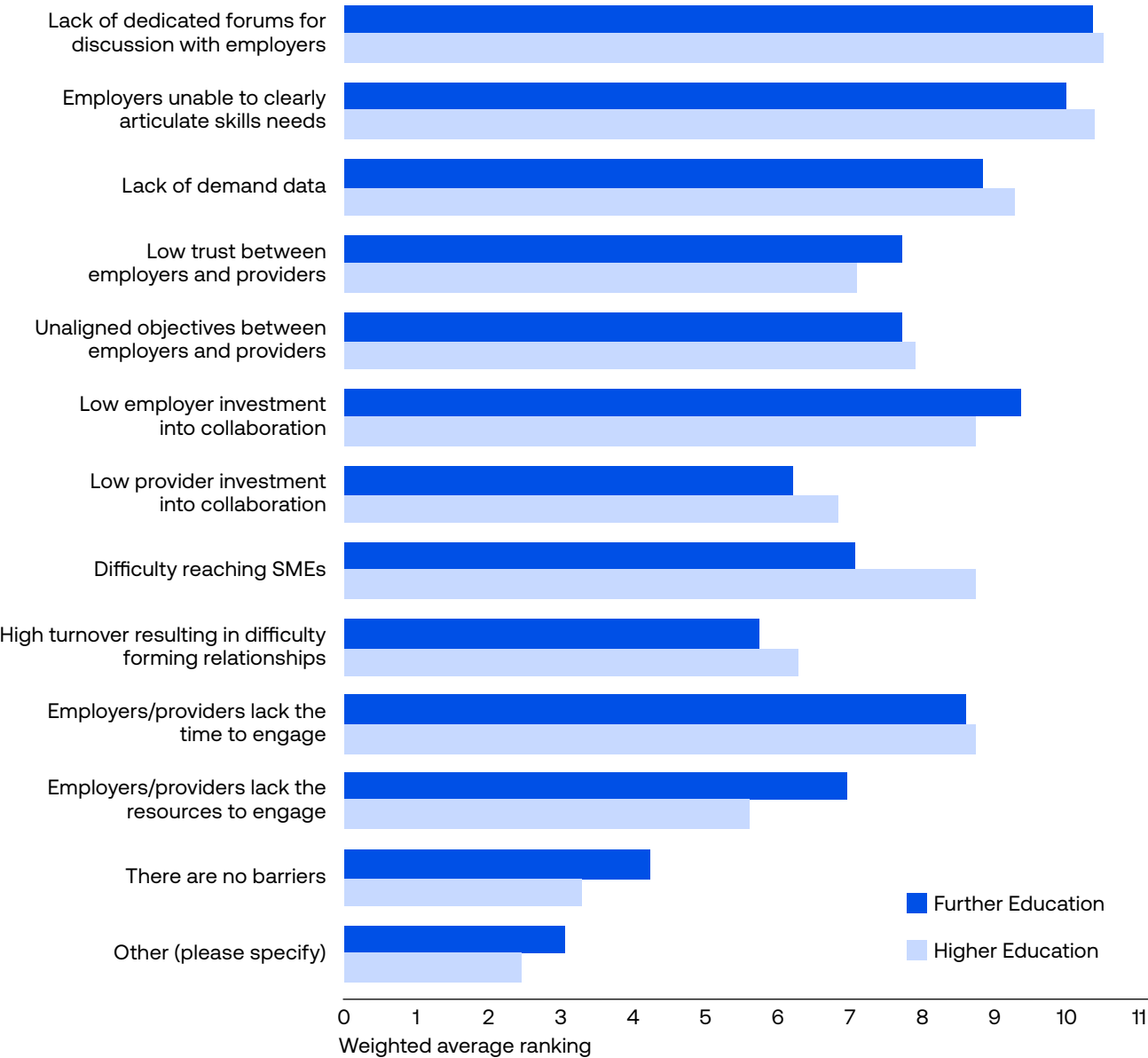


From the outset, a key component of the LSIP has been the importance of improving collaboration and co-design. Throughout the delivery of the original 2023 LSIP, this was regarded as one of the biggest successes of the LSIP – creating a space and reasons to collaborate more effectively. Notwithstanding 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.



DIGITAL CASE STUDY

LANDSEC

The Landsec Futures Early Careers programme

The real estate sector has been facing a “stark lack” ^a of socio-economic diversity, alongside rising youth unemployment, which has reached approximately 16%. ^b In this context, Landsec recognised that businesses have a clear responsibility not only to increase access to opportunity, but also to build diverse talent pipelines capable of meeting long-term strategic skills needs.

A key driver for change was the understanding that widening access to early careers delivers direct business value. Developing inclusive entry routes helps strengthen capability in priority areas such as innovation, data and digitisation, while also improving long-term retention and workforce resilience. This insight led to the evolution of Landsec’s six-month paid internship model into a broader early careers programme designed to remove barriers and identify high-potential talent earlier in the pipeline.

A central innovation within the programme has been the introduction of insights weeks. These provide structured work shadowing experiences across the business for

participants from Landsec Futures employability and university programmes, acting as a fast-track route into internships. By covering expenses, the programme removes financial barriers to participation and ensures access is not limited by personal circumstances.

Recruitment is delivered exclusively through university and charity partners, using social mobility criteria to reach young people facing barriers to employment. The selection process is intentionally inclusive: CVs are not required, and limited emphasis is placed on prior experience or formal qualifications. Instead, candidates are assessed on potential, motivation, and behaviours aligned with organisational values. Interview questions are shared in advance to reduce anxiety and ensure candidates without industry networks feel supported throughout the process.

Since 2023, the programme has welcomed 19 interns across London, with 60% progressing into ongoing roles. Since October 2025, the introduction of insights weeks has further expanded impact, supporting

6 young people through structured work shadowing and providing early exposure to the sector, as well as access to professional networks. Overall, the programme is deliberately aligned to areas of future skills demand, including data and digital roles, and prioritises progression into entry-level pathways such as apprenticeships.

Landsec will continue embedding and scaling its early careers programme, including the expansion of insights weeks across London and other regions. The focus will remain on business areas with the greatest long-term skills demand, ensuring the programme continues to deliver both social impact and strategic value. Landsec will also maintain its collaboration through the Property People Collective with industry peers including GPE, British Land, SEGRO, Grosvenor and Hammerson, to raise awareness of real estate careers and widen access across the sector.



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.³¹ 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 2023–2024, 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.³²

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.³³ 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.³⁴

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.³⁵ 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 2030.³⁶ 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.



GREEN CASE STUDY

LONDON SOUTH EAST COLLEGES

Sector based work academy programme with Cory Group

Cory Group, a major green employer in Bexley, required a responsive local skills pipeline to meet current vacancies, future workforce demand, and address under-representation in key operational roles. As the organisation expanded within the green economy, it needed a more direct and reliable route to recruit job-ready local residents, particularly those facing barriers to employment. In response, the Cory SWAP (Sector-based Work Academy Programme) was developed as an employer-led pathway into sustainable employment, delivered in partnership with London South East Colleges (LSEC).

The programme was designed to connect local residents directly to real job opportunities at Cory while ensuring they were fully prepared to meet employer expectations. Its core objectives were to equip participants with job-specific skills, build confidence and readiness for recruitment processes, and provide guaranteed interviews for live vacancies. By aligning training closely with Cory's operational requirements,

the programme also aimed to improve employment outcomes, diversify the workforce, and strengthen access to green sector careers for local communities.

London South East Colleges played a central delivery role in designing and delivering the training element of the SWAP. LSEC developed and delivered the pre-employment training, ensuring content was aligned with Cory's vacancy requirements and industry standards. The college supported participants to build job-ready skills, understand workplace expectations, and prepare for interviews, while working closely with employers to ensure training remained relevant and responsive. Alongside this, Cory Group, Bexley Council and the Department for Work and Pensions worked in close partnership with LSEC to coordinate recruitment, align timelines, and support consistent candidate flow into the programme.

The SWAP delivered strong outcomes, with six participants progressing into employment at Cory,

demonstrating clear alignment between training and real vacancies. Guaranteed interviews played a key role in supporting progression, while the partnership approach ensured employer needs and learner development were effectively balanced. Challenges included fluctuating enrolment and the need for earlier engagement to secure attendance and commitment.

Building on this success, a second SWAP has been developed in response to demand for a further 11 vacancies. Future delivery will focus on strengthening outreach, improving engagement, and further enhancing co-design between Cory and London South East Colleges to maximise progression into sustainable green employment.

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.³⁷ 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%).³⁸ 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.³⁹ 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.⁴⁰ 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.⁴¹ 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.



LABOUR MARKET INCLUSION CASE STUDY

LONDON STANSTED AIRPORT

Supporting learners into employment

London Stansted Airport faces a persistent recruitment challenge driven by its rural location and near-full local employment, which significantly restricts the available labour supply. With between 400 and 600 vacancies consistently available across more than 200 on-site employers – and demand expected to rise further as the airport expands – there is a clear need for a structured, accessible pipeline to connect jobseekers with opportunities and prepare them for the demands of airport employment.

To address this, the Stansted Airport Employment and Skills Academy was established and is jointly managed by London Stansted Airport and Harlow College, working in close partnership with Job Centres across Essex, London, and the wider region. The Academy acts as a single point of access for individuals interested in on-site roles, while also delivering a free, tailored two-week aviation training programme designed to support adult jobseekers, including those who are long-term

unemployed, into sustainable employment. Its flagship “Exploring the Aviation Industry” course was the first of its kind in the UK and provides participants with a structured introduction to airport operations, employer expectations, and available career pathways.

Delivered by specialist tutors from Harlow College, the programme combines sector insight with practical employability support. Over ten days, learners develop an understanding of airport values and standards, take part in CV workshops, and engage in tailored mock interviews aligned to real vacancies. Strong collaboration with on-site employers ensures that training is closely matched to live recruitment needs. To reduce barriers to participation, London Stansted also provides learners with a free one-month travelcard to support access to training and interviews. The Academy works actively with Job Centres, going directly into communities across Essex, London, and surrounding areas to recruit participants and raise awareness of opportunities.

The impact of the programme has been significant, with around 50% of course completers progressing into employment across the airport site, demonstrating strong conversion from training into work. However, a key challenge remains the reliance on local authority adult skills funding, which limits the Academy’s ability to fully support learners who live outside Essex, particularly those in London who travel to work at the airport.

Looking ahead, as London Stansted continues to expand and create additional employment opportunities, there is clear potential to scale the Academy’s impact further. Greater flexibility in adult skills funding, particularly enabling funding to “follow the learner” across local authority boundaries, would significantly enhance access and allow more London residents to benefit from this proven employment pathway into the aviation sector.

- **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.





TRANSFERABLE SKILLS CASE STUDY

WALTHAM FOREST COLLEGE

Transforming essential skills with Skills Builder

Waltham Forest College recognised that while its students were achieving strong academic outcomes, many were not consistently developing or confidently articulating the essential skills needed for employment and progression. Skills such as communication, problem solving, and creativity were being developed in pockets rather than through a unified approach, making it difficult for learners to evidence their capabilities. In response, the college set out to establish a coherent, college-wide strategy that would embed essential skills across every stage of the learner journey, ensuring all students had equitable access to high-quality skills development and the ability to demonstrate their strengths.

To achieve this, the college fully integrated the Skills Builder framework across tutorials, curriculum delivery, and its Navigate platform, where students log work experience, employment, and enrichment activities. Existing curriculum and activities were mapped against essential skills, allowing staff to make these skills explicit and purposeful within teaching and learning. Practical and reflective activities were introduced into lessons to help students not only develop

skills but recognise and articulate them. A strong emphasis was placed on staff development, with targeted CPD ensuring teachers had the confidence and consistency needed to deliver the approach effectively. Close collaboration between curriculum teams, support staff, and external partners enabled coordinated delivery, while structured monitoring and quality assurance ensured the approach remained robust and impactful. Although there were initial challenges in achieving consistency across all areas, these were quickly addressed through ongoing training and support, leading to a sustained and high quality implementation.

The impact has been significant. Students now demonstrate greater confidence in applying their skills in both academic and real-world contexts. They are better able to articulate their strengths in applications and interviews, and they show a clearer understanding of how their skills relate to future pathways. Engagement has increased as learners respond positively to practical, skills-based learning and see its relevance to their goals, while embedded reflection has encouraged them to take greater ownership of their development.

These changes have translated into strong outcomes. The vast majority of students are progressing successfully, with 96% of 16–18 year olds moving into positive destinations and 93% of learners securing their first-choice progression routes through UCAS. Increasing numbers are gaining employment, apprenticeships, and meaningful work placements, supported by their ability to evidence key skills and professional behaviours. Partnerships with over 600 employers have further strengthened the programme, ensuring it remains aligned with labour market needs, and employer feedback consistently highlights students' professionalism, resilience, and work readiness.

Through this initiative, Waltham Forest College has transformed how essential skills are developed and understood, creating a culture where these skills are embedded, visible, and valued. The result is a more confident, capable, and aspirational cohort of learners who are well prepared for the next steps in education and employment, with clear evidence of the lasting impact of a consistent, whole-college approach.





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.⁴² 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 2026.⁴³

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 2050.⁴⁴

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.⁴⁵

- 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.





BUILT ENVIRONMENT CASE STUDY

BRITISH LAND

Canada Water Connect

Canada Water Connect is a long-term partnership between British Land, AustralianSuper and the charity ELBA, created to ensure that the transformation of Canada Water directly benefits local people in Southwark. The programme was established in response to identified local skills and employment needs, the major opportunities arising from the Canada Water Masterplan, and British Land's commitment to delivering its 2030 Sustainability Strategy. At its core, the initiative seeks to connect local residents with meaningful employment and progression opportunities generated through one of London's largest regeneration projects.

The programme aims to improve access to skills development, training and employment for Southwark residents, particularly those furthest from the labour market, while also supporting employers across construction, meanwhile uses and emerging end-use sectors. It focuses on creating structured skills pathways aligned with real labour market demand, improving long-term employment outcomes, and embedding inclusive

recruitment practices across partners involved in the development. In doing so, it contributes to sustained local economic participation and resilience as the area evolves.

Delivery is led through a long-term partnership between British Land and ELBA, supported by an embedded on-site team at Canada Water. This place-based model enables close collaboration with contractors, occupiers, skills providers, community organisations, and Southwark Council. Over time, the programme has adapted alongside the development phases – initially focusing on construction-related training and employment, and increasingly expanding to support opportunities in end-use sectors as the regeneration progresses. This flexibility has ensured continued relevance and responsiveness to changing workforce needs.

The impact to date has been significant. Canada Water Connect has supported residents into training, work experience, apprenticeships and sustained employment. More than 90 apprentices have been supported to

learn and earn on the development, alongside over 160 previously unemployed local residents who have remained in employment for six months or more. The programme has also enabled consistent delivery against Section 106 commitments, outperforming targets and reducing risk while strengthening trust with local stakeholders.

A key challenge has been maintaining a consistent pipeline of opportunities in the context of shifting development timelines. This has been addressed by broadening routes into employment beyond construction alone and strengthening employer engagement across multiple sectors. As Canada Water moves into a more mixed-use phase, the programme will continue to evolve, with a focus on end-use employers, progression and retention, and deeper integration with local skills infrastructure. British Land's long-term commitment ensures the programme remains central to delivering both social value and sustainable regeneration outcomes for Southwark.



CREATIVE

Overview

The creative sector is recognised in the LGP as a driver of London’s global soft power, international competitiveness, and export growth.⁴⁶ 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.⁴⁷ 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 designers⁴⁸
- 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. 96% 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.





CREATIVE CASE STUDY

POLKA THEATRE

Fostering inclusivity and creative pathways

Polka Theatre recognised that its workforce, like much of the wider cultural sector, did not fully reflect the diversity of the communities it serves. Barriers to entry, ranging from limited access to networks and training, to financial and structural challenges, meant that many talented artists and young people from underrepresented backgrounds were excluded from pursuing careers in children's theatre. In response, Polka set out to create more equitable, accessible pathways into the industry, with a focus on long-term change in how talent is identified, supported and developed.

The initiative was designed to widen participation and diversify the creative talent pipeline by offering structured development opportunities, mentoring and real-world experience. Polka aimed not only to support emerging artists but also to inspire local young people to consider a broader range of roles within theatre, beyond performance, while embedding inclusive practices into recruitment and workforce development.

To achieve this, Polka implemented a multi-strand approach that brings together artist development, youth engagement and community outreach. Programmes such as Catapult and Next Steps provide seed funding, rehearsal space and mentoring from experienced practitioners, enabling artists to develop their work and build professional networks. At the same time, Creative Learning initiatives like Freefalling and Write Here Write Now engage children and young people, particularly those from vulnerable or underrepresented groups, in skills development and creative exploration. Partnerships with schools, community organisations and local authorities have strengthened access routes, while work placements and volunteering opportunities offer hands-on experience within a professional theatre environment.

The impact of this work is visible in both participation and progression. More artists from underrepresented backgrounds are accessing development opportunities, while young people, including those who are

neurodiverse or disabled, are building confidence, skills and awareness of creative careers. By offering free tickets, adapted performances and targeted outreach, Polka has reduced barriers to engagement and opened up the sector to a wider audience.

Building on this progress, Polka continues to embed inclusive practices and expand its programmes, with the aim of creating a more representative, sustainable workforce and ensuring that children's theatre reflects the diversity of the communities it serves.



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.⁴⁹

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.⁵⁰ 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 2024/25.⁵¹ 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.⁵² 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.⁵³

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%.⁵⁴ 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.⁵⁵ 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.



HEALTH AND SOCIAL CARE CASE STUDY

HARROW, RICHMOND AND UXBRIDGE COLLEGES

Skills for care and the practical approach toolkit

Skills for Care has developed a new Practical Approach Toolkit to capture and share effective models of engagement that strengthen workforce development across adult social care. This toolkit was created in response to a need for more practical, grounded examples of what works in practice when aligning learning, employer engagement and workforce readiness. Too often, successful approaches remain localised and informal, limiting their wider impact. This initiative was designed to address that gap by showcasing real-world models that can be understood, adapted and replicated across the sector, and has been directly utilised by Harrow, Richmond and Uxbridge Colleges (HRUC).

The toolkit has been shaped directly by the experience and insight of providers who have implemented successful engagement approaches on the ground. Contributors have shared how structured,

predictable engagement routines, immersive learning environments, hybrid participation models and reciprocal partnership working can be embedded over time to create meaningful impact. Rather than presenting theory alone, the toolkit “gets under the bonnet” of implementation, exploring not only what was done, but why it worked and how it was sustained in practice.

By capturing these detailed approaches, the toolkit provides a practical framework for colleges, training providers, employer representative bodies and system partners to better align curriculum with real workplace practice. It highlights how strong collaboration between education and employers can improve learner readiness, strengthen workforce pipelines and ensure training is responsive to sector needs. The examples included demonstrate how consistent engagement with employers, combined with flexible and immersive

learning design, can create more confident, capable learners who are better prepared for employment.

The impact of this work lies in its ability to translate successful local practice into sector-wide learning. It offers organisations the confidence to adapt and replicate approaches that have already proven effective, supporting a more consistent and informed approach to workforce development across adult social care.

Looking ahead, Skills for Care will continue to promote and expand the toolkit collection over the coming months, ensuring that further examples of best practice are captured and shared. The continued aim is to strengthen collaboration across the sector, enhance learning experiences and support the development of a more confident, work-ready adult social care workforce.



HOSPITALITY

Overview

Hospitality and the experience economy⁵⁶ 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 2025,⁵⁷ with tourism contributing more than £40 billion to London's GDP in 2025.⁵⁸ Overseas visitors spent £17.3 billion in London in 2024: 75% more than in the rest of England combined.⁵⁹ 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.⁶⁰ 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 2024.⁶¹ 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 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).

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.





HOSPITALITY CASE STUDY

CANARY WHARF GROUP

Partnership with Circle Collective

Canary Wharf Group (CWG) identified a clear and persistent challenge in Tower Hamlets: local young people, particularly those from disadvantaged backgrounds and racially minoritised groups, were facing significant barriers to employment. At the same time, youth unemployment rates in London consistently remained higher than the national average (ONS), highlighting a structural gap between young jobseekers and available opportunities.

Alongside this challenge, a major opportunity existed. With over 300 retail and hospitality units across its malls, CWG recognised its potential to help address recruitment shortages while improving access to meaningful employment for the local community. The aim was to create a reliable and inclusive pipeline into entry-level roles, while strengthening employer engagement and improving candidate readiness.

To achieve this, the initiative was built around a partnership model connecting employers, specialist delivery partners, and local support services. In 2023, CWG partnered with Circle Collective, integrating their Back Your Future

programme into its wider employment strategy. A dedicated retail space within the mall was used to engage candidates, deliver pre-employment training, and provide direct access to live vacancies across retail and hospitality tenants.

The programme followed a structured progression route: employer onboarding, candidate engagement through the Circle store, pre-employment training, and direct matching into vacancies across the estate. Delivery was supported by Circle Collective, retail tenants, WorkPath, and Jobcentre Plus, ensuring strong referral pathways and alignment between training and employer needs.

The outcomes have been significant. The partnership has supported more than 166 young people into employment, delivered hundreds of hours of training, and enabled around 50% of participants to progress into work, education, or further training. More broadly, Circle Collective has supported over 1,600 young people into employment through its wider work, demonstrating the effectiveness of the model in building sustainable pathways.

The programme has also highlighted key challenges, including the risk of limiting young people to a narrow range of sectors despite broader aspirations, and the capacity constraints faced by some corporate partners with established early talent programmes. However, it has also created wider value through introductions that support Circle Collective's broader London-wide employment work.

Looking ahead, CWG aims to further strengthen and scale the programme. Planned developments include dedicated barista training to improve candidate readiness for specialist roles, and more targeted, smaller-scale recruitment fairs aligned to retailer demand. Working closely with Circle Collective, Jobcentre Plus, and WorkPath, the initiative will also enhance local referral systems to ensure a consistent pipeline of work-ready candidates. Through continued collaboration, the programme will further expand access to employment, improve job matching, and support more young people in Tower Hamlets into sustainable and meaningful careers.



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 25–34, 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.⁶²



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.

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.

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.



LIFE SCIENCES CASE STUDY

INSTITUTE OF CANCER RESEARCH

Life sciences apprenticeship programme

The Institute of Cancer Research (ICR) launched its Life Sciences Apprenticeship Programme in response to a persistent challenge facing the sector: a shortage of skilled laboratory technicians, alongside difficulties in recruiting, developing and retaining talent for highly specialised roles. Traditional academic pathways were not producing a sufficiently diverse or accessible pipeline, and technician roles were often undervalued despite their critical importance to research. The programme was designed to address these issues by creating a more inclusive, structured entry route into life sciences careers while raising the profile of technical roles within academia.

At its core, the initiative aimed to build a sustainable and diverse talent pipeline by opening opportunities beyond conventional degree routes. It sought to strengthen recruitment and retention, professionalise technician careers, and align training with the Level 3 Laboratory Technician standard. With funding from

Wellcome, ICR developed a model that combined targeted outreach to local schools with a robust selection process and high-quality training delivered in partnership with specialist provider Tiro. Apprentices benefited from a blended approach, gaining hands-on laboratory experience alongside formal technical teaching, while being supported by experienced lab mentors to aid their development and integration.

The programme also worked to embed wider cultural change, engaging internal managers, workforce planners and external partners to establish clearer technician career pathways and promote the value of apprenticeships across the sector. Despite challenges such as initial cultural resistance, limited supervisory capacity and the complexity of apprenticeship standards, these were addressed through structured support, training and strong collaboration.

The impact has been clear. Eight apprentices were recruited, with seven achieving distinctions, and many progressing into further study or employment within ICR and the wider life sciences sector. The programme has strengthened local talent pipelines and improved diversity within technical roles. Looking ahead, ICR is focused on securing sustainable funding, expanding career pathways and advocating for improved apprenticeship funding models, particularly to support progression into higher-level qualifications and long-term workforce development.



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. 81% 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.⁶³

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.⁶⁴ 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.⁶⁵

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 2022/23 and 2023/24.
- 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.⁶⁶
- FE plays a smaller, supporting role for these sectors – mostly in supporting entry routes, such as administrative and secretarial roles.



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.

- 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.^{67, 68}

“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.⁶⁹ 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.⁷⁰

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

ACTION TIMELINES

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

Action 1: Strengthen Transferable, Digital, AI and Green Skills

ACTIVITY	LEAD ORGANISATION AND SUPPORTING PARTNERS	TIMESCALE	EXPECTED OUTCOMES AND OUTPUTS	MONITORING AND MEASUREMENT
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.

ACTIVITY	LEAD ORGANISATION AND SUPPORTING PARTNERS	TIMESCALE	EXPECTED OUTCOMES AND OUTPUTS	MONITORING AND MEASUREMENT
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

ACTIVITY	LEAD ORGANISATION AND SUPPORTING PARTNERS	TIMESCALE	EXPECTED OUTCOMES AND OUTPUTS	MONITORING AND MEASUREMENT
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.

ACTIVITY	LEAD ORGANISATION AND SUPPORTING PARTNERS	TIMESCALE	EXPECTED OUTCOMES AND OUTPUTS	MONITORING AND MEASUREMENT
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

ACTIVITY	LEAD ORGANISATION AND SUPPORTING PARTNERS	TIMESCALE	EXPECTED OUTCOMES AND OUTPUTS	MONITORING AND MEASUREMENT
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 ⁷¹ 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) ⁷² in the Local London sub region. 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 Contractors Association (ECA) to work with Local London, GLA and its members to implement and monitor impact of the ETCA pilot.	Introduction of ETCA in Local London SRP region within 12 months with roll out across another SRP regions within 24 months.

Action 4: Strengthen Employer Engagement

ACTIVITY	LEAD ORGANISATION AND SUPPORTING PARTNERS	TIMESCALE	EXPECTED OUTCOMES AND OUTPUTS	MONITORING AND MEASUREMENT
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.

ACTIVITY	LEAD ORGANISATION AND SUPPORTING PARTNERS	TIMESCALE	EXPECTED OUTCOMES AND OUTPUTS	MONITORING AND MEASUREMENT
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 and Employability Support

ACTIVITY	LEAD ORGANISATION AND SUPPORTING PARTNERS	TIMESCALE	EXPECTED OUTCOMES AND OUTPUTS	MONITORING AND MEASUREMENT
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 Framework⁷³ 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

ACTIVITY	LEAD ORGANISATION AND SUPPORTING PARTNERS	TIMESCALE	EXPECTED OUTCOMES AND OUTPUTS	MONITORING AND MEASUREMENT
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.

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.



ANNEXES

The following annexes can be accessed on the London LSIP microsite:

<https://www.businessldn.co.uk/what-we-do/people/the-london-local-skills-improvement-plan/lsip-reports>

ANNEX	TITLE	DESCRIPTION
	London LSIP Report	London LSIP Report looking at the London region as a whole
	Guide to Navigating the London LSIP	Document with guidance on the various annexes and contents
Annex A	Skills Needs	Additional and/or more detailed information about the skills needs identified in the London LSIP
Annex B	Action Plan	A table of specific activities being implemented across London to support the recommended changes
Annex C	Background & Method	Summary of the project approach taken by BusinessLDN in partnership with the GLA and the Sub-Regional Partnerships
Annex D	Glossary	A glossary of commonly used terms and references throughout the report and annexes
Annex E	Local Strategic Context – GLAE Evidence Base	Quantitative evidence on the London economy & skills provision across the Capital
Annex F	GLA Statement	GLA statement on the method and approach taken in the London LSIP
Annex G	Central London Forward Annex & Data	Detailed data, actionable priorities and a roadmap specifically for Central London boroughs
Annex H	Local London Annex & Data	Detailed data, actionable priorities and a roadmap specifically for North and East London boroughs
Annex I	South London Partnership Annex & Data	Detailed data, actionable priorities and a roadmap specifically for South London boroughs
Annex J	West London Business/Alliance Annex & Data	Detailed data, actionable priorities and a roadmap specifically for West London boroughs
Annex K	Case Studies Annex	A comprehensive list of case studies and best practices
Annex L	Consultation Summary	Summary of the recommendations emerging from the Pan-London stakeholder events

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 delegated to the Mayor of London in 2019, and devolved in 2026.
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.

TERM	DEFINITION
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.

TERM	DEFINITION
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	The GLW plan 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.

TERM	DEFINITION
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 HE 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.

TERM	DEFINITION
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.

TERM	DEFINITION
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)

TERM	DEFINITION
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 UKHospitality 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.



ENDNOTES

- 1 The Standard (2026) London jobs crisis: Unemployment among young people hits a nine-year high. See: <https://www.standard.co.uk/news/politics/youth-unemployment-in-london-jobs-crisis-b1268402.html>
- 2 See Glossary (Annex D) for definitions of these terms.
- 3 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.
- 4 <https://www.businessldn.co.uk/what-we-do/people/the-london-local-skills-improvement-plan/lisip-reports>
- 5 Mayor of London and London Councils (2025) London Growth Plan. See: <https://growthplan.london/>
- 6 Mayor of London and London Councils (2025) Inclusive Talent Strategy. See: <https://www.london.gov.uk/programmes-strategies/business-and-economy/mayors-priorities-londons-economy-and-business/london-growth-plan/inclusive-talent-strategy>
- 7 Department for Business and Trade (2025) Industrial Strategy. See: <https://www.gov.uk/government/publications/industrial-strategy>
- 8 Department for Education, Department for Work and Pensions and Department for Science, Innovation and Technology (2025) Post-16 education and skills white paper. See: <https://www.gov.uk/government/publications/post-16-education-and-skills-white-paper>
- 9 Department for Energy Security and Net Zero (2025) clean energy jobs plan. See: <https://www.gov.uk/government/publications/clean-energy-jobs-plan>
- 10 Unless cited otherwise, all data points throughout the document are sourced from the GLA Economics evidence base.
- 11 GLA Economics (2023) Local Skills Improvement Plan: Evidence Base, May 2023. See: <https://www.businessldn.co.uk/sites/default/files/documents/2023-08/London%20LSIP%20-%20Annex%20A%20-%20Local%20Strategic%20Context%20%E2%80%93%20GLA%20Evidence%20Base.pdf>
- 12 GLA Economics (2026) London Labour Market Update – January 2026.
- 13 GLA Economics (2026) London Labour Market Update – January 2026.
- 14 GLA Economics (2026) London Labour Market Update – January 2026.
- 15 ONS (2025). Business Insights and Conditions Survey (BICS) subnational data: Worker shortages.
- 16 ONS (2026) Labour market in the regions of the UK: February 2026. See: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/february2026>
- 17 ONS (2026) Regional labour market: estimates of unemployment by age. See: X02 Regional labour market: estimates of unemployment by age
- 18 GLA Economics (2026) London Labour Market Update – January 2026.
- 19 GLA (2025) Inclusive Talent Strategy Supporting Evidence. See: <https://data.london.gov.uk/dataset/inclusive-talent-strategy-supporting-evidence-e70mq/>.
- 20 DfE (2025) Progression to higher education or training, Academic year 2023/24 [custom table]
- 21 GLA (2025) Adult Skills Fund Academic Year 2024/25
- 22 GLA (2025) London Apprenticeship Full-Year Update 2024/25
- 23 DfE (2026) Apprenticeships: Academic year 2024/25 [custom table]
- 24 ONS (2022) Language, England and Wales: Census 2021. See: <https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/language/bulletins/languageenglandandwales/census2021>
- 25 London Business Leader Survey, conducted by Survation on behalf of BusinessLDN, 25th November 2025– 15th January 2026, Sample size 2,043
- 26 GLA Economics (2025) Jobs and skills in London. See: <https://data.london.gov.uk/download/exxzp/q7y/Outline%20-%20refreshed%20LSIP%20evidence%20-%20Oct%202025%20final.pdf>
- 27 BusinessLDN (2024) Pioneering Advanced Digital Skills For All: Making London the best tech city in the world. See: https://www.businessldn.co.uk/sites/default/files/documents/2024-10/BLDN_Report_Advanced%20Digital%20Skills_DIGITAL.pdf
- 28 London Business Leader Survey, conducted by Survation on behalf of BusinessLDN, 25th November 2025– 15th January 2026, Sample size 2,043
- 29 London Business Leader Survey, conducted by Survation on behalf of BusinessLDN, 25th November 2025– 15th January 2026, Sample size 2,043
- 30 <https://www.businessldn.co.uk/what-we-do/people/the-london-local-skills-improvement-plan/lisip-reports>
- 31 kMatrix Data Services Ltd (2025) London Low Carbon Market Snapshot 2025
- 32 GLA (2025) Green Job Postings in London. See: <https://data.london.gov.uk/dataset/green-job-postings-23607>
- 33 Department for Energy Security and Net Zero (2026) Warm Homes Plan. See: <https://www.gov.uk/government/publications/warm-homes-plan>
- 34 Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy (2021) Net Zero Strategy: Build Back Greener <https://www.gov.uk/government/publications/net-zero-strategy> <https://www.gov.uk/government/publications/net-zero-strategy>
- 35 Department for Energy Security and Net Zero (2025) clean energy jobs plan. See: <https://www.gov.uk/government/publications/clean-energy-jobs-plan>
- 36 The Young Foundation (2025) A Just Transition in London's Retrofits. See: <https://youngfoundation.b-cdn.net/wp-content/uploads/2025/05/A-just-transition-in-retrofits-FINAL-REPORT-V9.pdf?x49395>
- 37 WPI Economics (2021) Green Jobs and Skills in London: cross-London report. See: <https://wpieconomics.com/wp-content/uploads/2021/10/Green-Jobs-and-Skills-in-London-Final-Report-1.pdf>
- 38 GLA (2025) Inclusive Talent Strategy Supporting Evidence. See: <https://data.london.gov.uk/dataset/inclusive-talent-strategy-supporting-evidence-e70mq/>

- 39 GLA (2025) Inclusive Talent Strategy Supporting Evidence. See: <https://data.london.gov.uk/dataset/inclusive-talent-strategy-supporting-evidence-e70mq/>
- 40 Mencap (2022) Work and learning disability research. See: <https://www.mencap.org.uk/sites/default/files/2023-09/Learning%20disability%20and%20work%20-%20final%20report%2031.10.22%5B77%5D%20%282%29%20%281%29.pdf>
- 41 GLA (2025) London Talent Pathways Prospectus. See: <https://www.london.gov.uk/media/110727/download?attachment>.
- 42 Mayor of London & London Councils (2025) London Growth Plan. See: <https://growthplan.london/>
- 43 CITB (2025) Construction Workforce Outlook Labour Market Intelligence Report 2025-2029, See: <https://www.citb.co.uk/cwo/index.html>
- 44 HM Treasury and National Infrastructure and Service Transformation Authority (2025) UK Infrastructure: A 10 Year Strategy. See: <https://www.gov.uk/government/publications/uk-infrastructure-a-10-year-strategy>
- 45 HM Treasury (2025) Government unleashes next generation of construction workers to build 1.5m homes
- 46 Mayor of London & London Councils (2025) London Growth Plan. See: <https://growthplan.london/>
- 47 DCMS (2025) Skills gaps and shortages in the creative industries: Employer perceptions and actions, UK, 2022.
- 48 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.
- 49 Department of Health and Social Care (2025) Fit for the Future: 10 Year Health Plan for England. See: <https://www.gov.uk/government/publications/10-year-health-plan-for-england-fit-for-the-future>
- 50 NHS Vacancy Statistics (2025) England, April 2015 – March 2025, Experimental Statistics
- 51 Skills for Care (2025) Regional summary reports (London)
- 52 Migration Observatory (2025) Work visas and migrant workers in the UK
- 53 Skills for Care (2025) A workforce strategy for Adult Social Care in England
- 54 Department for Education (2025) Employer Skills Survey, 2024. See: <https://explore-education-statistics.service.gov.uk/find-statistics/employer-skills-survey/2024#section-skill-shortage-vacancies>
- 55 Skills England (2025) Assessment of priority skills to 2030
- 56 Experience economy = the sale of unique and memorable experiences to domestic customers and tourists.
- 57 Euromonitor International (2025) Euromonitor International unveils world's top 100 city destinations for 2025. See: <https://www.euromonitor.com/newsroom/press-releases/december-2025/euromonitor-international-unveils-worlds-top-100-city-destinations-for-2025>
- 58 Visit Britain (2026) Economic Value of Tourism. See: <https://www.visitbritain.org/research-insights/economic-value-tourism>
- 59 Visit Britain (2025) Inbound visits and spend: annual, regional. See: <https://www.visitbritain.org/research-insights/inbound-visits-and-spend-annual-regional>
- 60 RSM (2026) Consumer Outlook 2026. See: <https://www.rsmuk.com/insights/consumer-outlook>
- 61 Department for Education (2025) Employer Skills Survey, 2024. See: <https://explore-education-statistics.service.gov.uk/find-statistics/employer-skills-survey/2024#section-skills-gaps>
- 62 ABPI (2025) Life Sciences 2035: Developing the Skills for Future Growth
- 63 kMatrix Data Services Ltd (2025) London Low Carbon Market Snapshot 2025
- 64 <https://financialservicesskills.org/future-skills-framework/>
- 65 Financial Services Skills Commission (2025) Positive progress? Skills for the future of financial services 2025. See: https://financialservicesskills.org/wp-content/uploads/2025/11/FSSC_Future_Skills_Report_2025.pdf
- 66 GLA (2025) London Apprenticeships Industry Update 2022/23
- 67 Skills England (2025) Sector skills needs assessments: Professional and Business services
- 68 Skills England (2025) Sector skills needs assessments: Financial services
- 69 City of London Corporation (2024) Financial and professional services: the future of AI and the workforce. See: <https://www.cityoflondon.gov.uk/supporting-businesses/economic-research/research-publications/future-of-ai-and-the-workforce>
- 70 Financial Services Skills Commission (2025) Unlocking AI's potential: The skills that matter. See: <https://financialservicesskills.org/wp-content/uploads/2025/05/Artificial-Intelligence-Report-2025.pdf>
- 71 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.
- 72 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.
- 73 The Equalex Framework defines learning outcomes and objectives and allows educators to embed meaningful workplace experiences within a progressive whole school careers programme.

OUR MISSION

AT BUSINESSLDN, OUR MISSION IS TO MAKE LONDON THE BEST CITY IN THE WORLD IN WHICH TO DO BUSINESS, WORKING WITH AND FOR THE WHOLE UK.

We work to deliver the bigger picture, campaigning to tackle today's challenges and to secure the future promise of London.

We harness the power of our members, from sectors that span the economy, to shape the future of the capital so Londoners thrive and businesses prosper. We support business to succeed — locally, nationally, globally. We link up with other cities around the UK, to ensure the capital supports a thriving country.

We campaigned for the creation of the office of London Mayor and Transport for London, for the Elizabeth Line, for congestion charging, we incubated Teach First and run the UK's largest annual jobs and careers fair, Skills London.

We create opportunities for our members, from sharing insights to providing platforms, from making introductions to finding new talent. We facilitate collective, organisational, and individual ambition.

Becoming a member of BusinessLDN helps to keep London and the UK working — for business, for Londoners, for the whole country.

CONTACT US

Mark Hilton, *Policy Delivery Director, Membership*
Mark.hilton@businessldn.co.uk
0207 665 1521

One Oliver's Yard, 55-71 City Road, London EC1Y 1HQ

businessldn.co.uk