

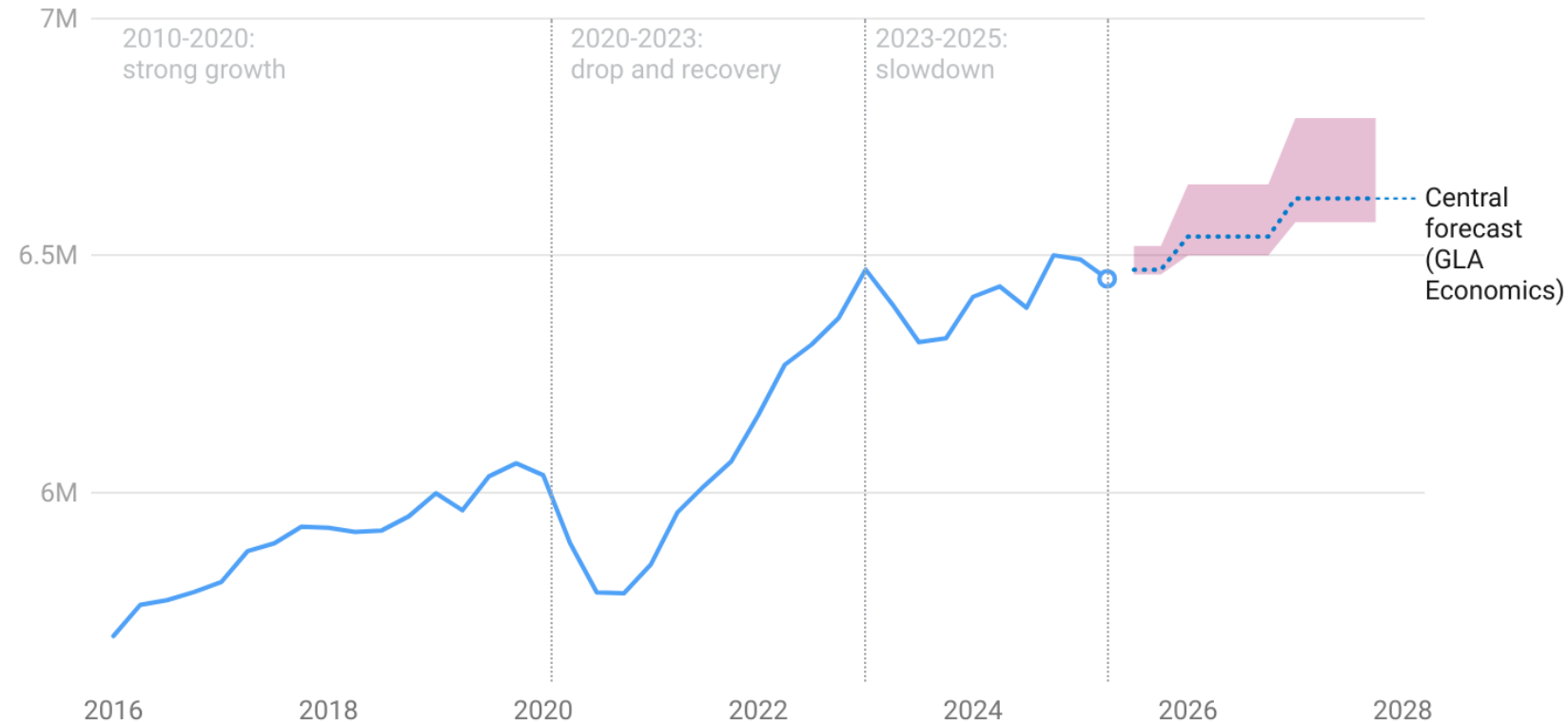
Jobs and skills in London

Christopher Rocks, Supervisory Economist, GLA
LSIP refresh, October 2025

Employment recovered from the pandemic – and is set to return to growth

Total jobs, actual and forecast

London, total workforce jobs, Q1 2010–Q2 2025 (actual), 2025–2027 (forecast)

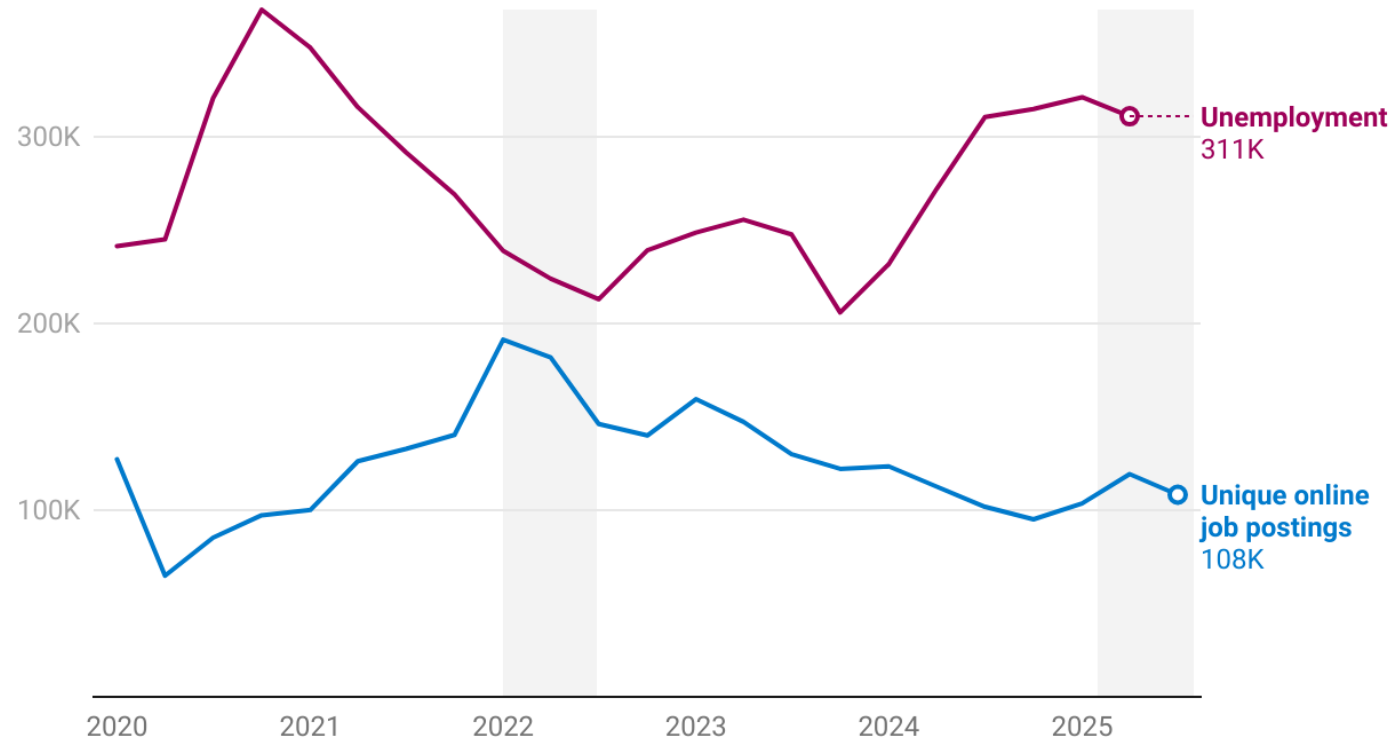


- ~6.5m jobs today, up from 6.0m in Q1 2020
- Forecast to reach 6.6-6.7m in 2027
- Stronger growth in finance, professional services and health

Yet there are short-term pressures: fewer hires, more jobseekers

Monthly online job postings and unemployment levels

London, Q1 2020–Q3 2025 (three-month averages)



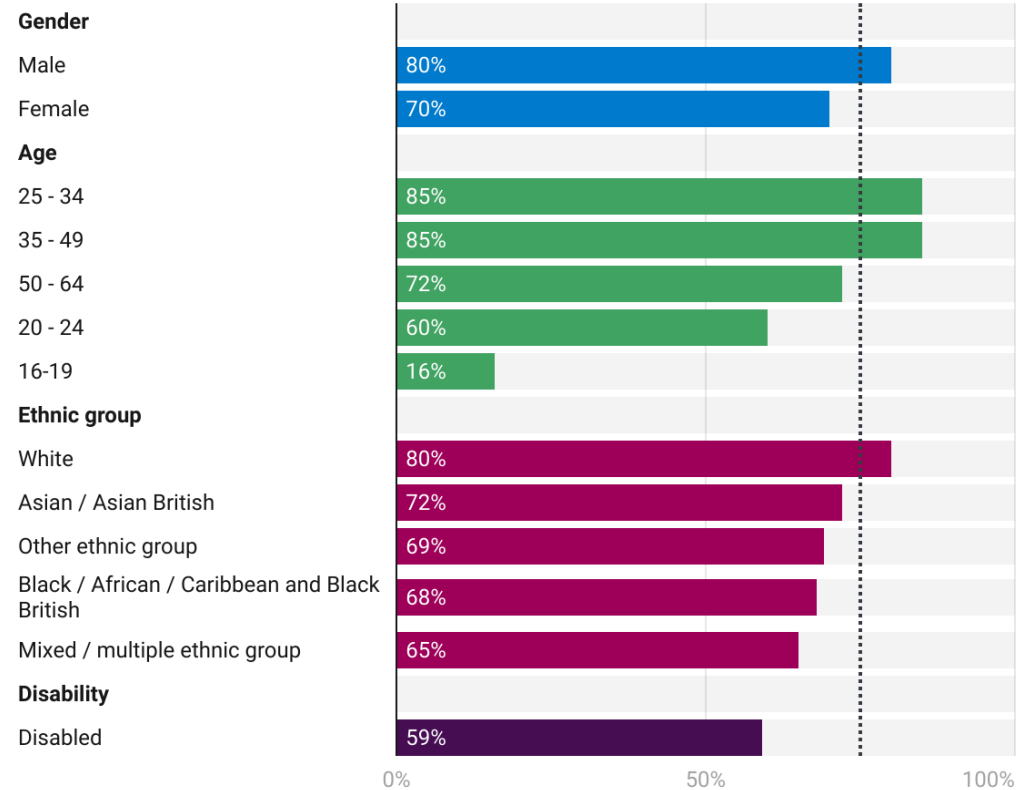
- Unemployment up to 311k people
- Hiring demand weaker, with a fall in payrolled employees, especially in inner London*
- Pay growth remains strong – but 1 in 6 resident employees earn below the London Living Wage**

While headline employment rates remain robust, some Londoners still face barriers to good work

16-64 employment rate for select groups

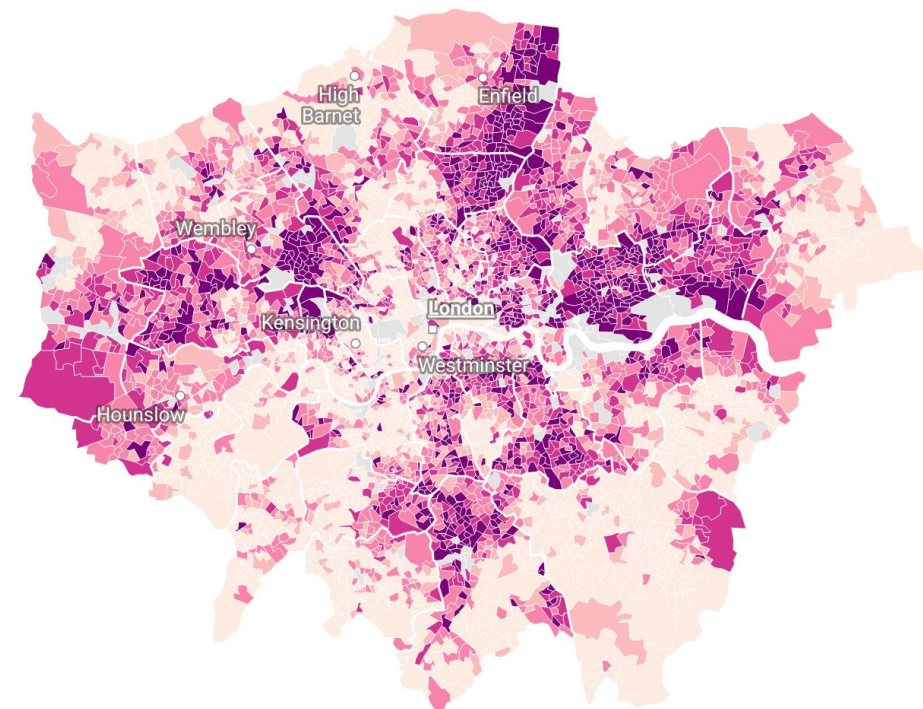
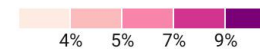
London residents, Mar 2025-May 2025

Overall average (75%)



Proportion of residents receiving unemployment-related benefits

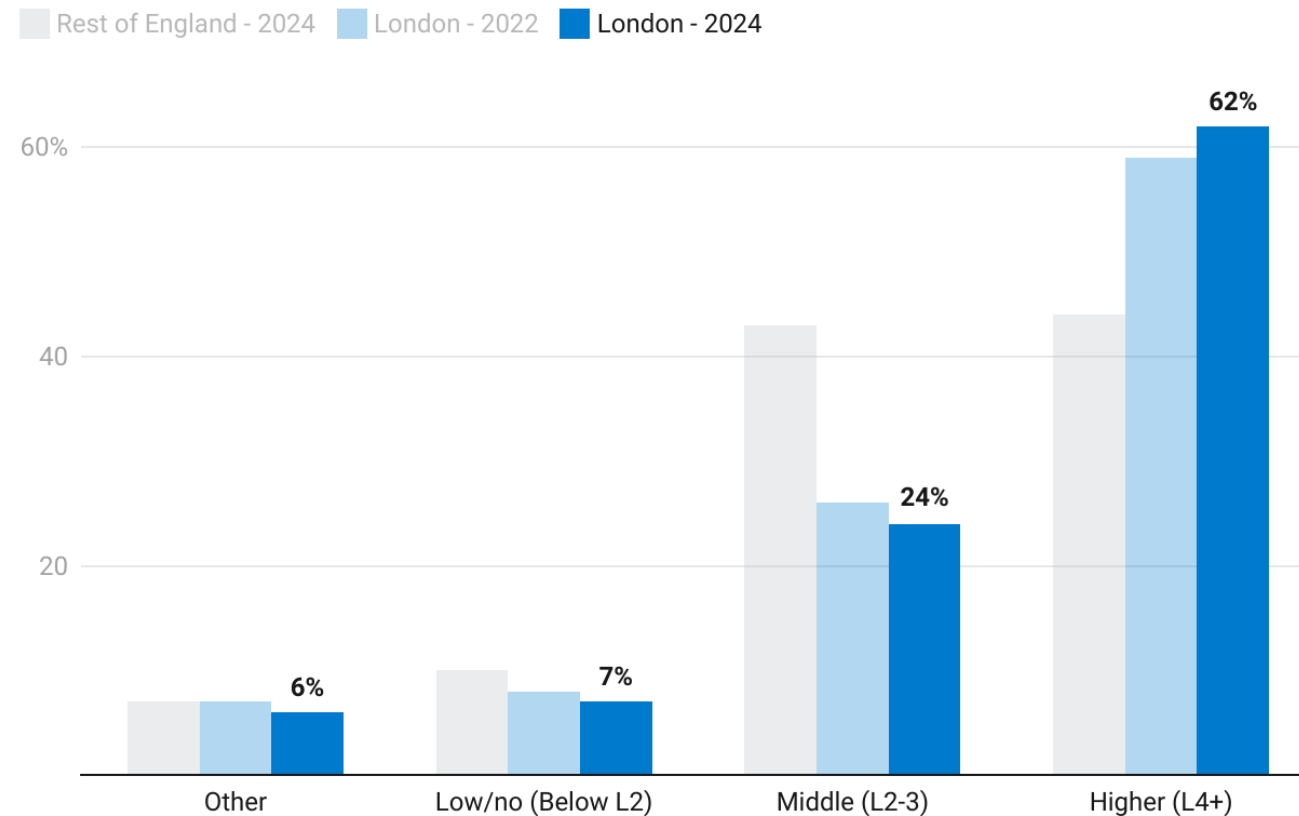
Estimated claimant count rate by London LSOA, September 2025 (% aged 16-64)



Source: ONS Annual Population Survey / Nomis / ONS MYPE (MYE 2022) Map data: © Crown copyright and database right 2020. Charts created with Datawrapper. Note: missing data at LSOA level due to boundary classification changes.

On the supply side, London's workforce is increasingly qualified

Highest qualification, aged 16-64 years



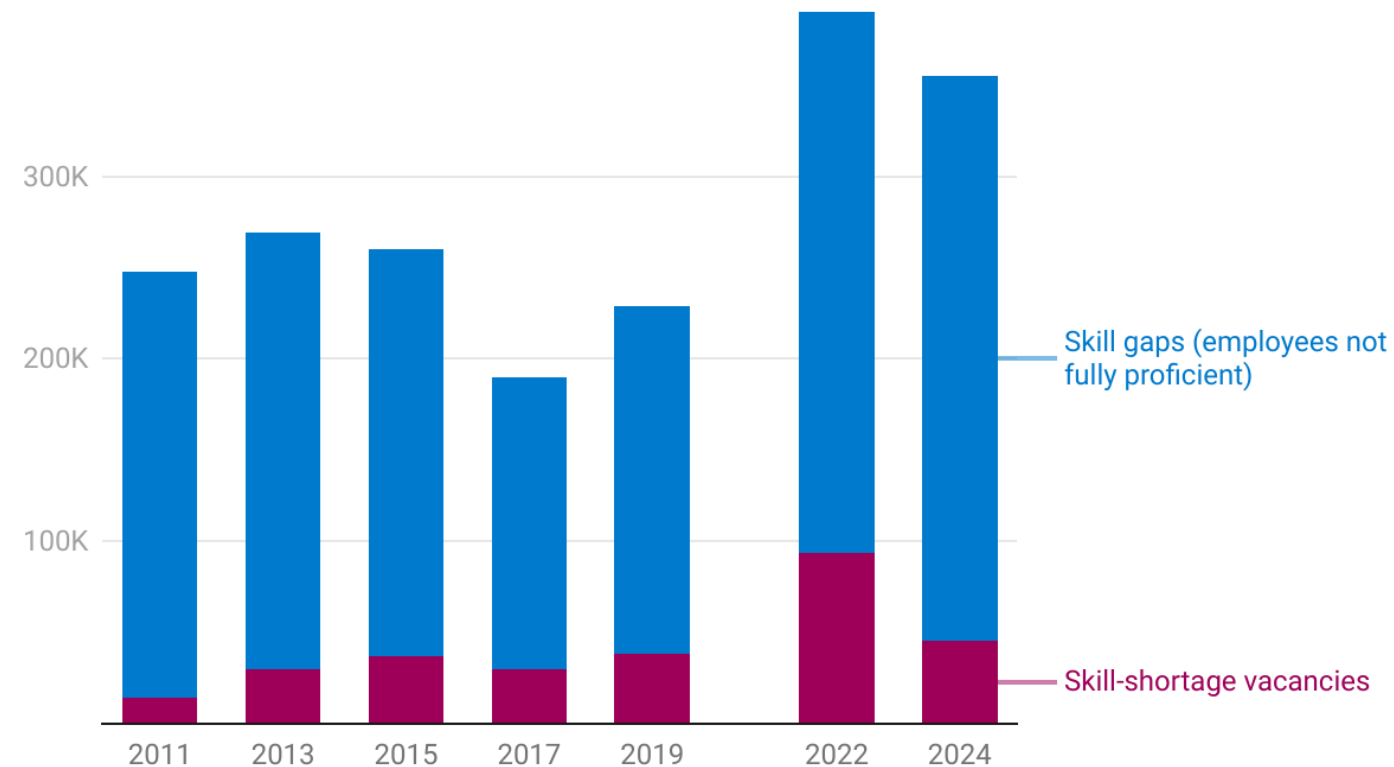
- 62% of working-age Londoners now have higher-level qualifications (L4+)
- Well above the rest of England (light grey)
- Demand for high-level skills expected to rise further (eg, Skills Imperative [2035](#))

But a significant number of London employers continue to report skills-related challenges

Total number of 'skills challenges'

London, 2011-2024

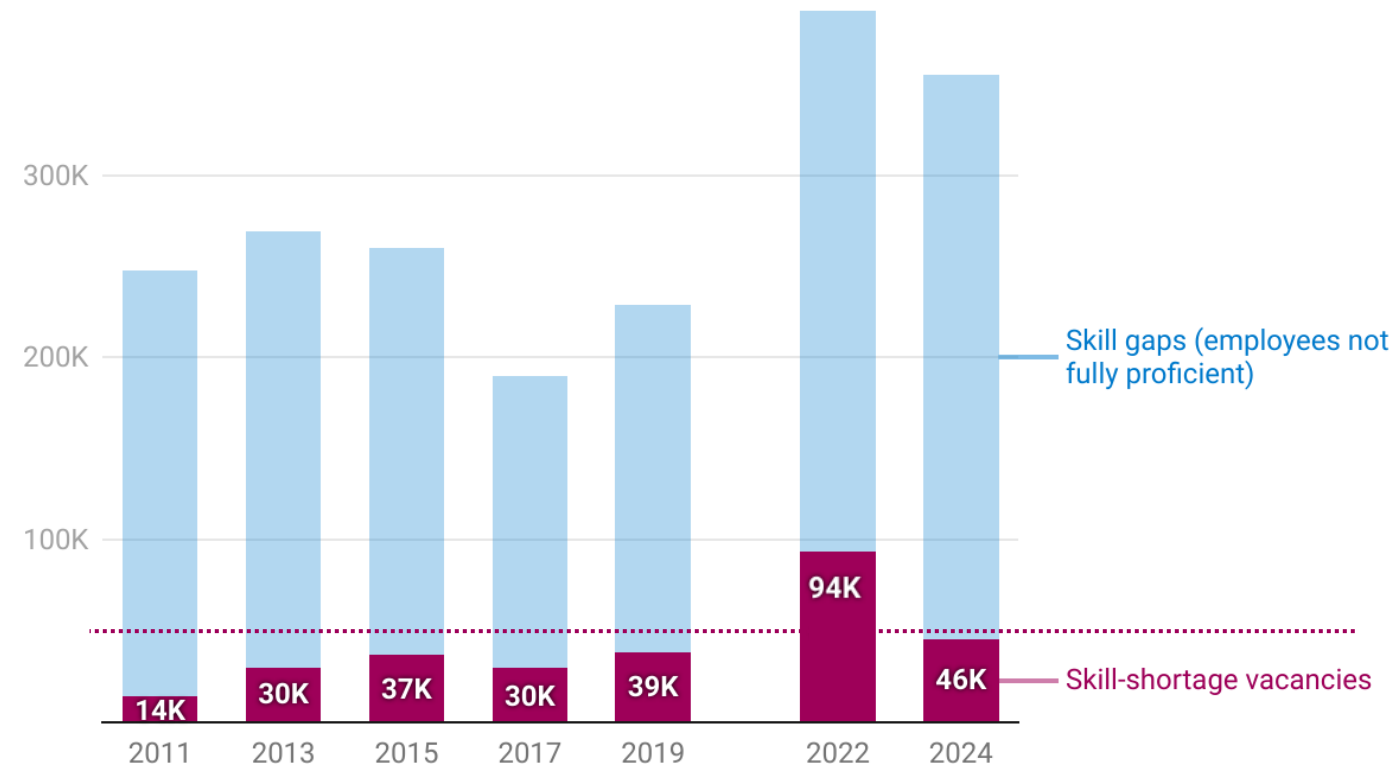
Overall skills challenges have eased since 2022



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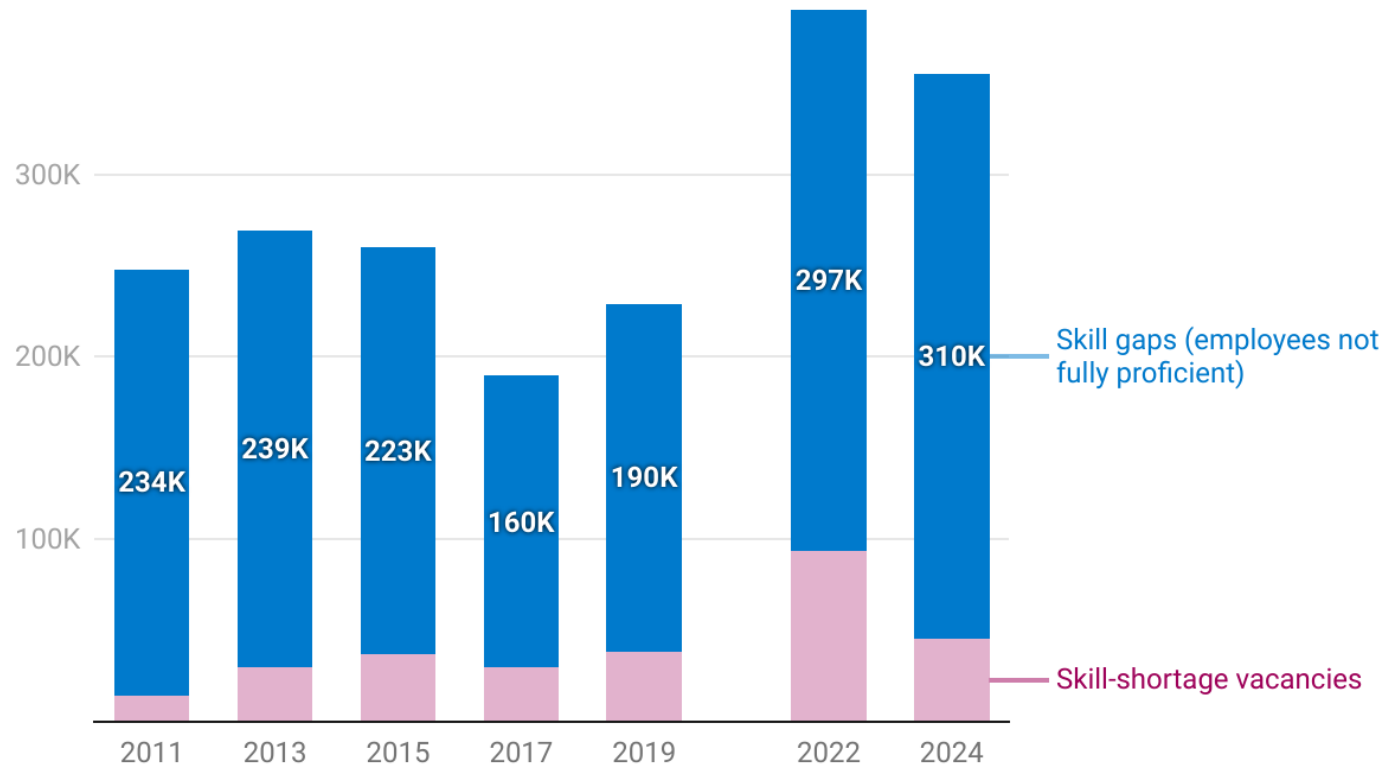
Yet in 2024:

- **46k job vacancies were hard to fill due to skills shortages (24%)**

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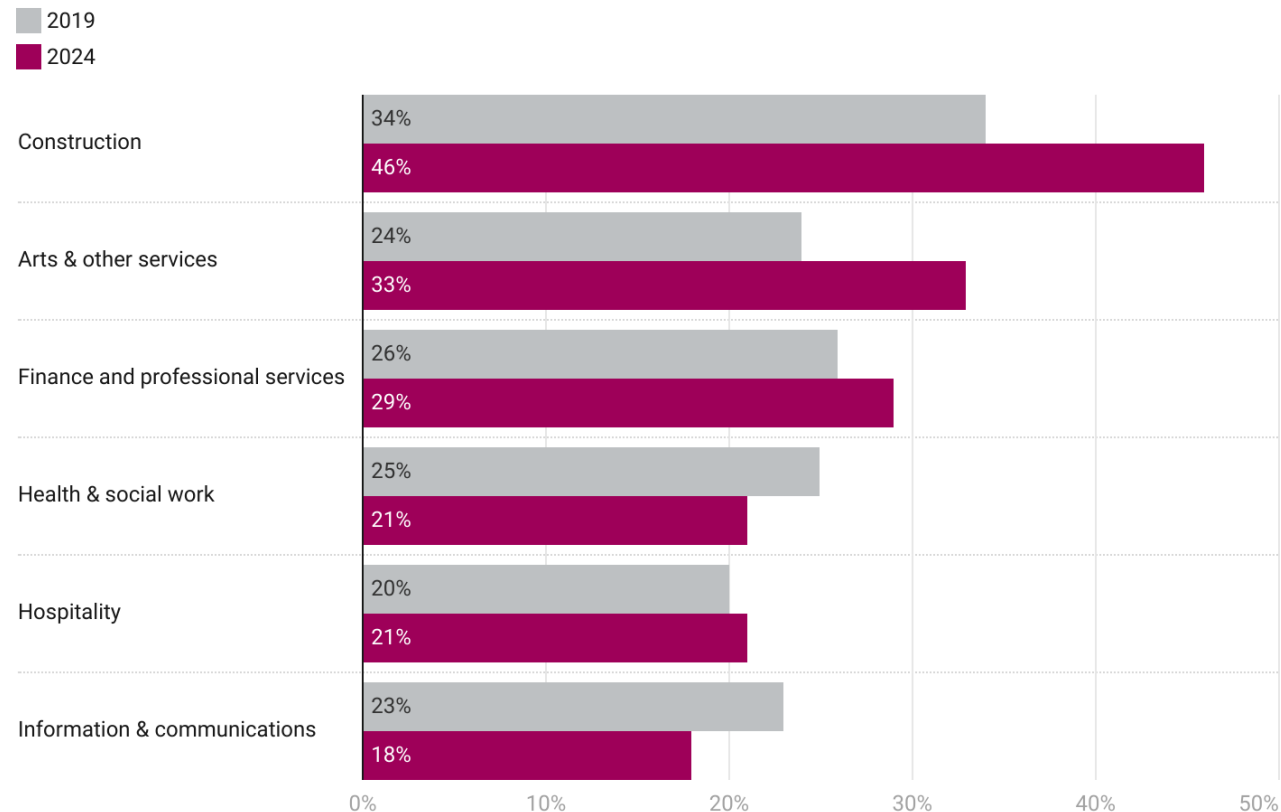
Yet in 2024:

- 46k job vacancies were hard to fill due to skills shortages (24%)
- **310k employees were not fully proficient (6%)**

Persistent skills shortages affect priority sectors, sometimes combined with a reliance on international workers

Skills-shortage vacancies by sector (England-wide)

Percentage of vacancies that are hard to fill due to skills shortages, England, 2019 vs 2024



Resident payrolled jobs held by Londoners from outside the UK:

- Hospitality – 63%
- Health & social work – 47%
- Construction – 46%

London's diverse sectoral mix brings varied opportunities and challenges

London Growth Plan (2025)

- Creative Industries and technologies
- Financial, Professional and Business Services and technology
- Experience Economy (incl. hospitality)
- Frontier Innovation (incl. life sciences)
- International Education



Local Skills Improvement Plan (2023)

- Construction / built environment
- Creative industries
- Hospitality
- Health and Social care

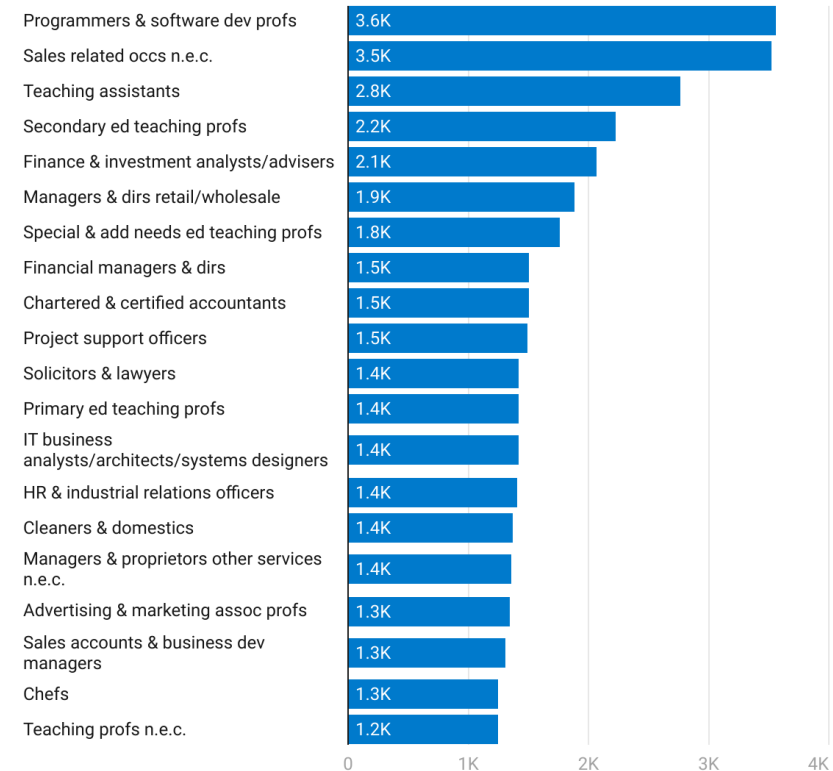


What skills employers want

- **Digital** – 45% of job adverts in London explicitly request digital skills (and 5% AI-related expertise)
- **Green** – green-related roles now make up 6% of job adverts in London, up from 4% in 2019*
- **Transferable** – communication, management, leadership in demand across sectors**

Monthly postings for top 20 roles

4-digit SOC (2020), London, Oct 2024-Sep 2025



Looking ahead, wider **structural** and **policy** trends will shape employer demands and skills provision



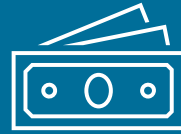
Ongoing population change –

increased demand for health and care



Changes in GenAI & digital –

reshaping job content and demand



Employer confidence & costs –

fragile business environment, lower investment



Skills system reforms –

changing funding and provision



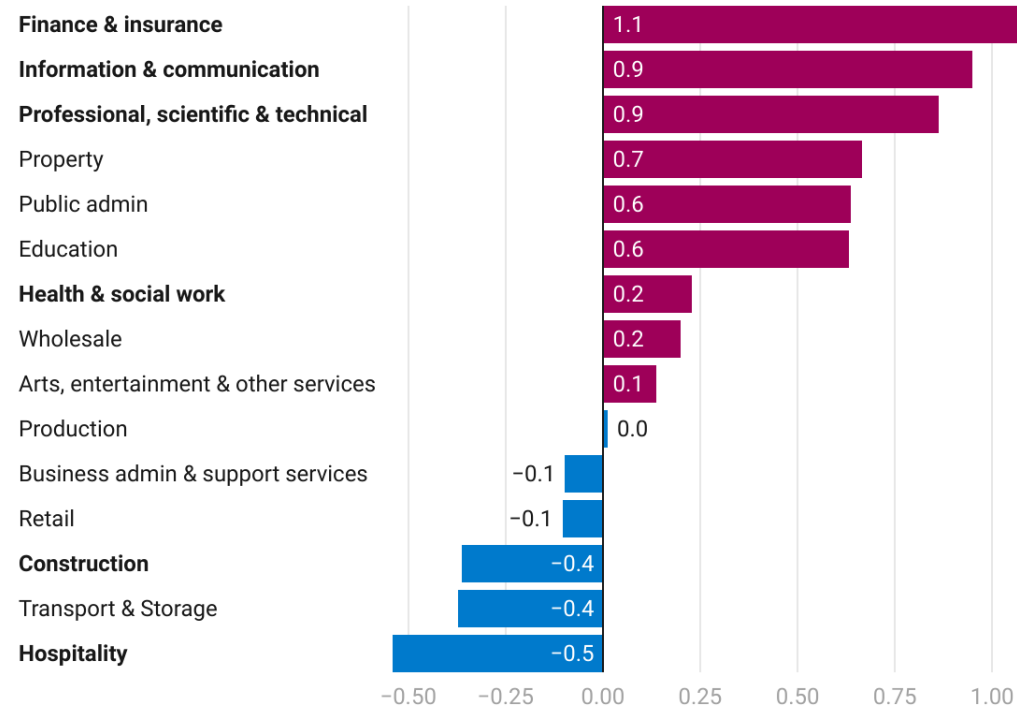
Immigration rules –

tighter access to workers, especially in lower-paid roles

GenAI is set to have a major impact on the labour market – especially in London

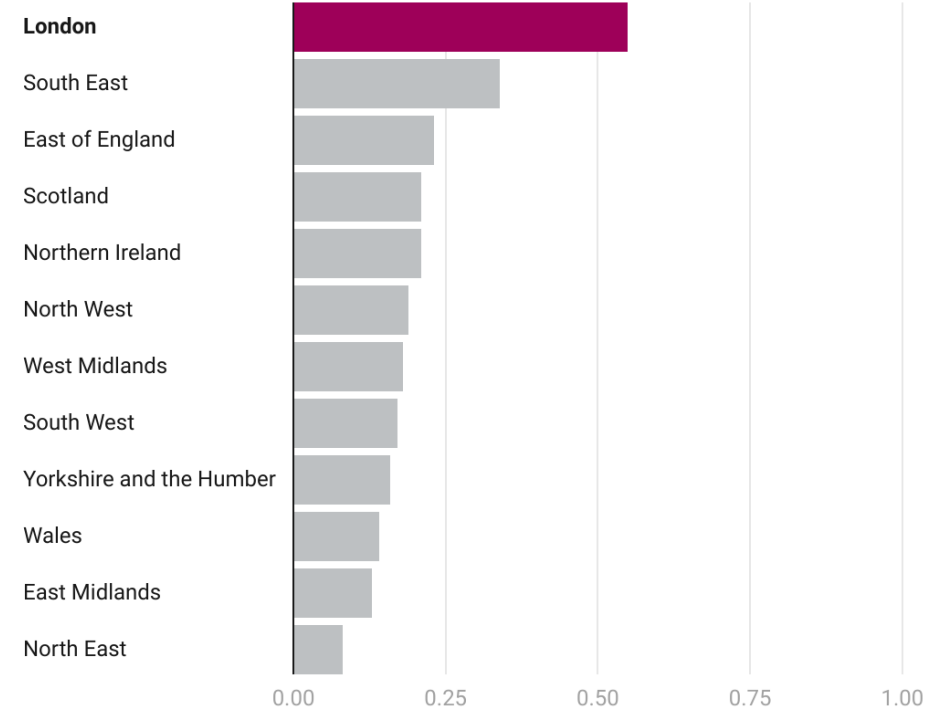
Exposure to AI by sector

Average AI Occupational Exposure score, 2023



Exposure to AI by geography

Average AI Occupational Exposure score, by UK region/nation, 2023



Why the LSIP matters

- London's economy and skills system are facing big changes
- Employers report persistent skills challenges, while some Londoners struggle to find good work
- Action is needed to equip Londoners with the right skills and support businesses to grow



Comments or questions?

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