



London's changing workforce

Employee jobs by nationality

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Introduction

The analysis is based on payrolled employee data by nationality from HMRC.

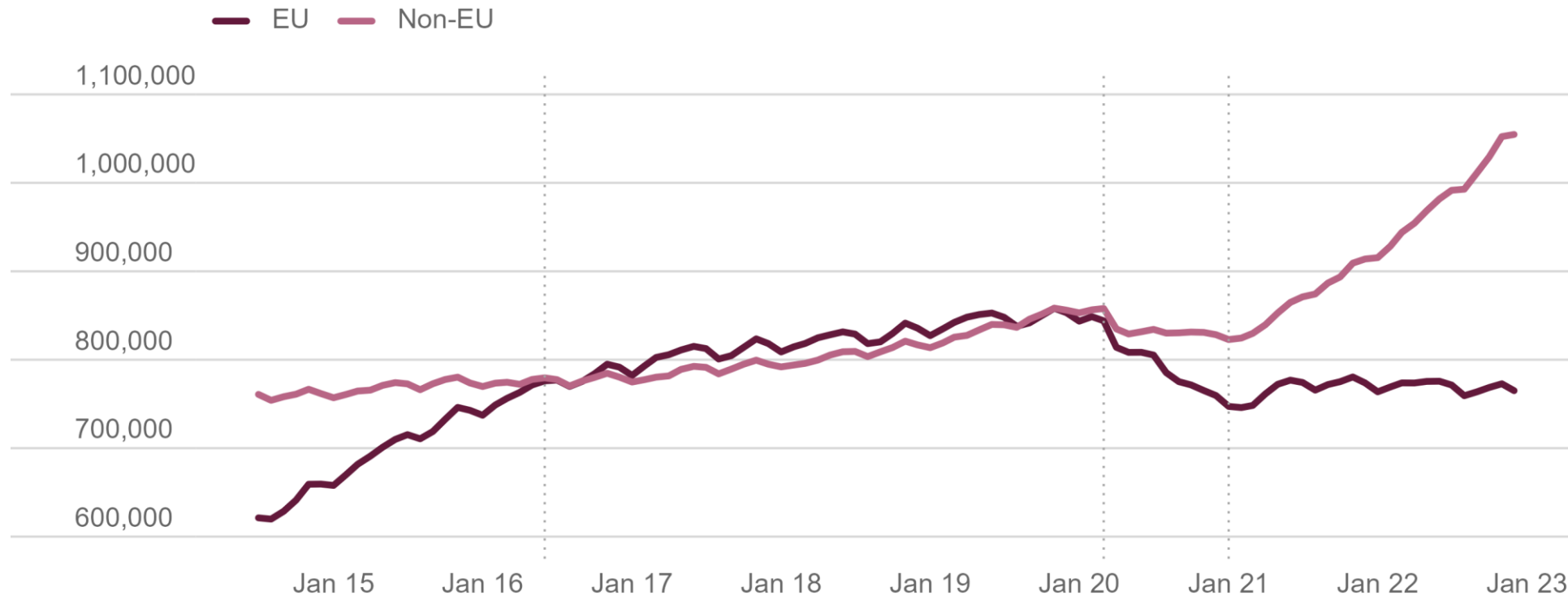
We find:

- Jobs held by non-EU nationals has risen markedly since 2021 while EU-national-held jobs stagnated
- London continues to have a much larger non-UK workforce relative to the rest of the UK
- Non-UK nationals are vital in certain London industries, such as Hospitality and Health

Non-EU workers lifted London's labour market as number of EU workers decreased

Employment by nationality within London

Count of total payrolled employments

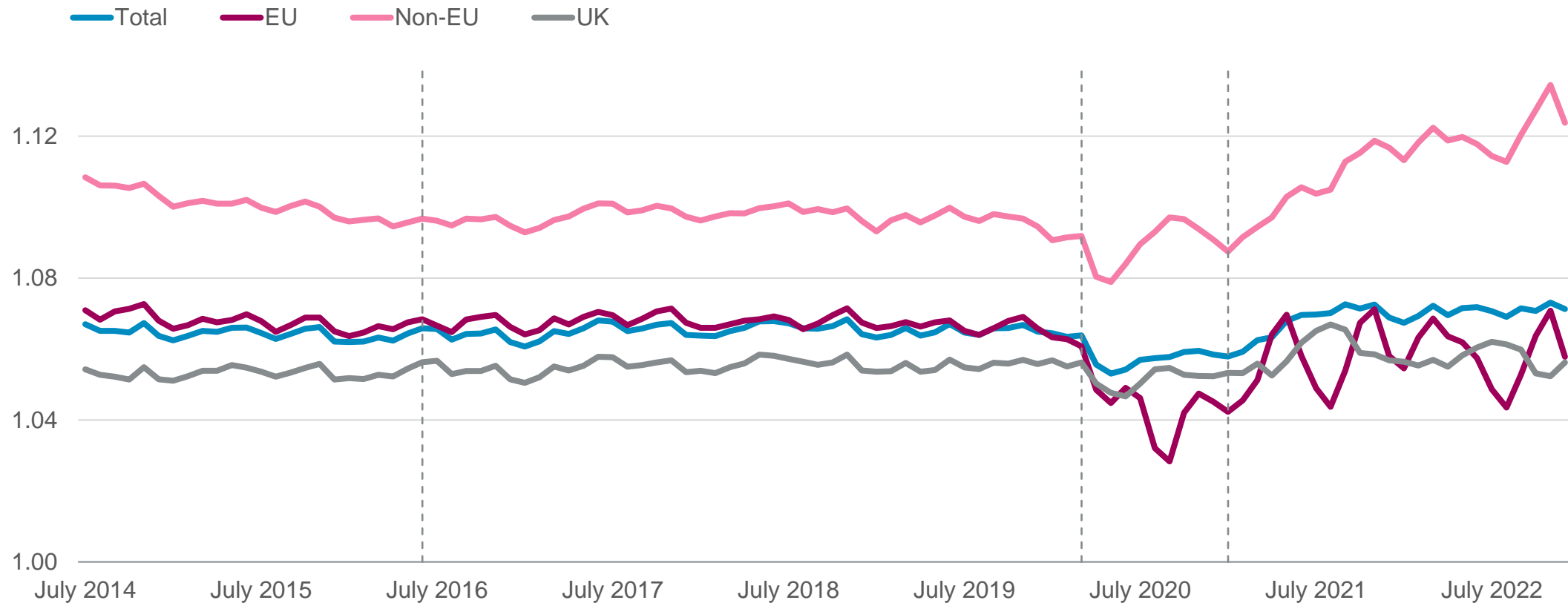


Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan.

Note: Estimates are based on where employees live. Vertical lines indicate Brexit vote of June 2016, beginning of lockdowns in March 2020, and end of free movement in January 2021, respectively.

Non-EU workers tend to have more employments than other nationalities

Ratio of payrolled employments to employees, London



Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan.

Note: Estimates are based on where employees live. Vertical lines indicate Brexit vote of June 2016, beginning of lockdowns in March 2020, and end of free movement in January 2021, respectively.

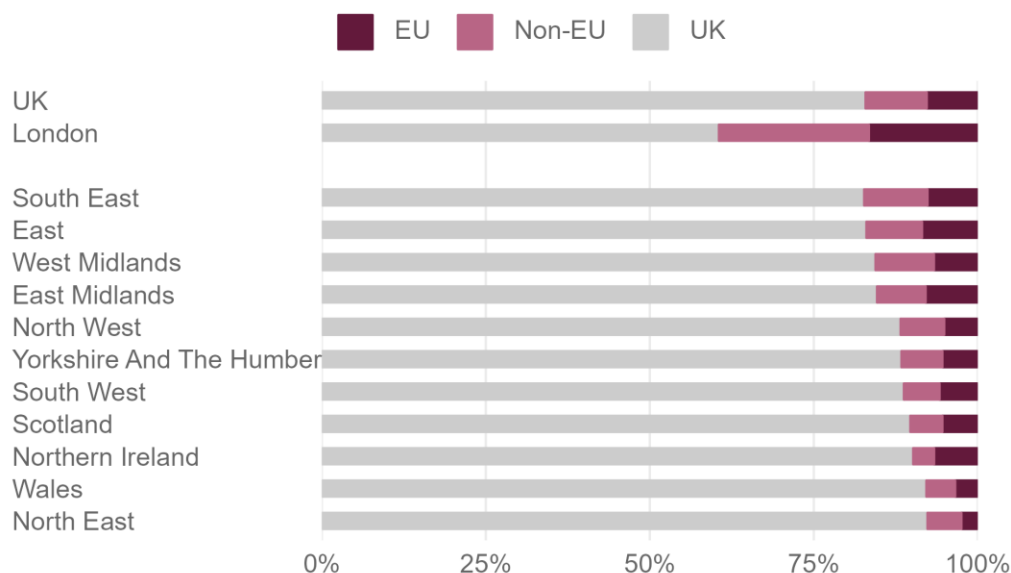
What may have caused the shift from EU to non-EU workers?

- No free movement for EU workers - qualification for Skilled Worker visas necessary for most
 - Excludes many low-wage jobs, especially in hospitality
 - Special exceptions exist for e.g. health and care workers
- Increase in Non-EU employments unclear
 - May be due to people already in the UK beforehand rather than new immigrants
 - If EU and non-EU workers both require visas, pool of workers is larger outside EU
- Other European countries also experienced tight labour markets
- Coinciding with pandemic emigrations make conclusions difficult

London's share of non-UK workforce is 2-4 times higher than UK average

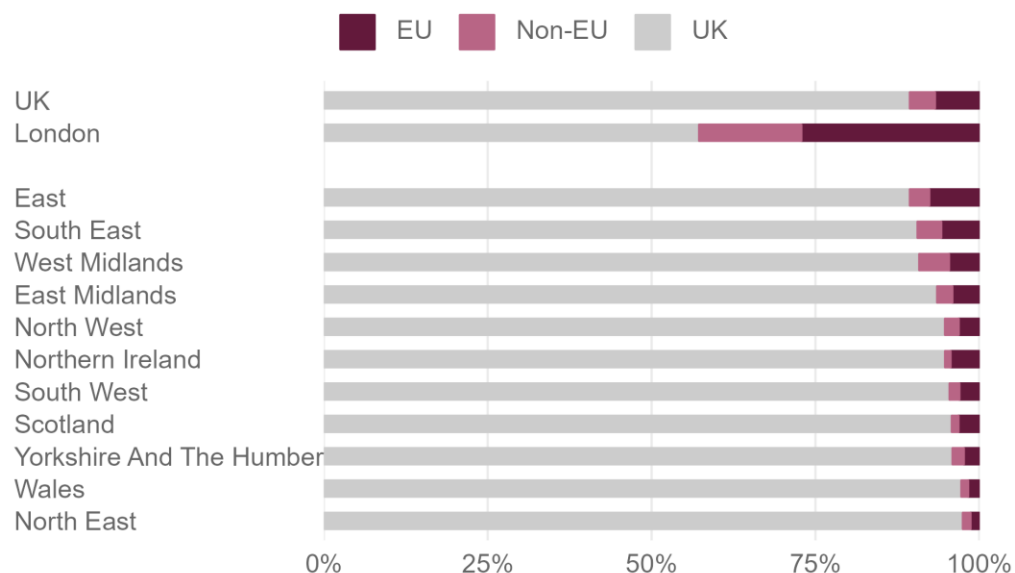
Share of nationals in employments by region

Overall payrolled employments, December 2022



Share of nationals in employments by region

Construction payrolled employments, December 2022



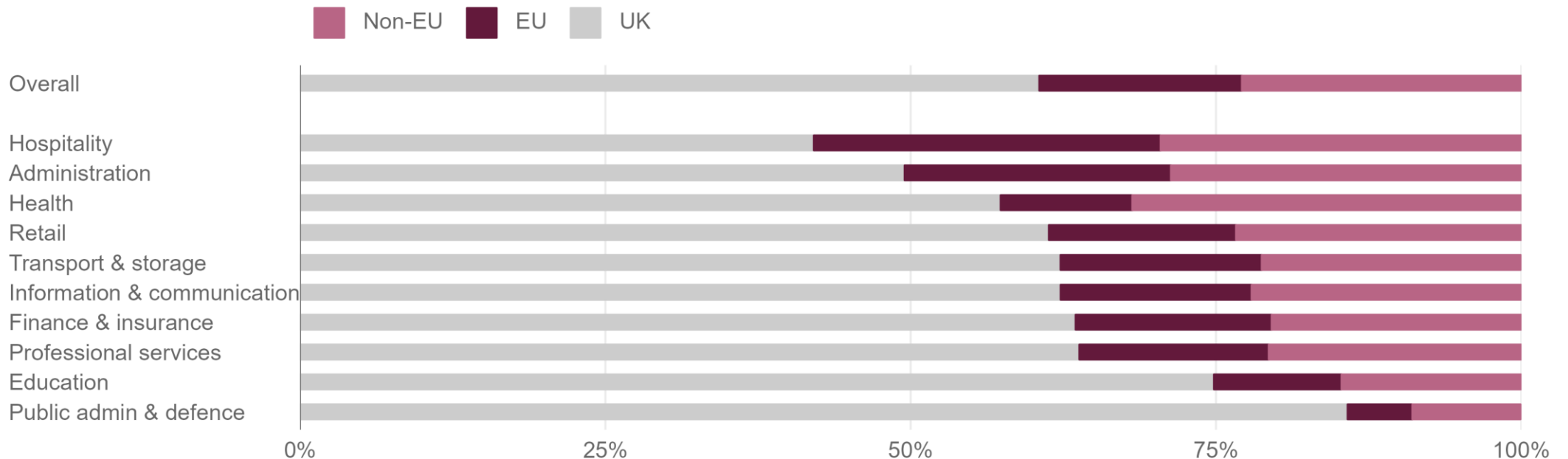
Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan.

Note: Estimates are based on where employees live.

More than half of employments held by non-UK workers in Hospitality and Administration

Share of nationals within London

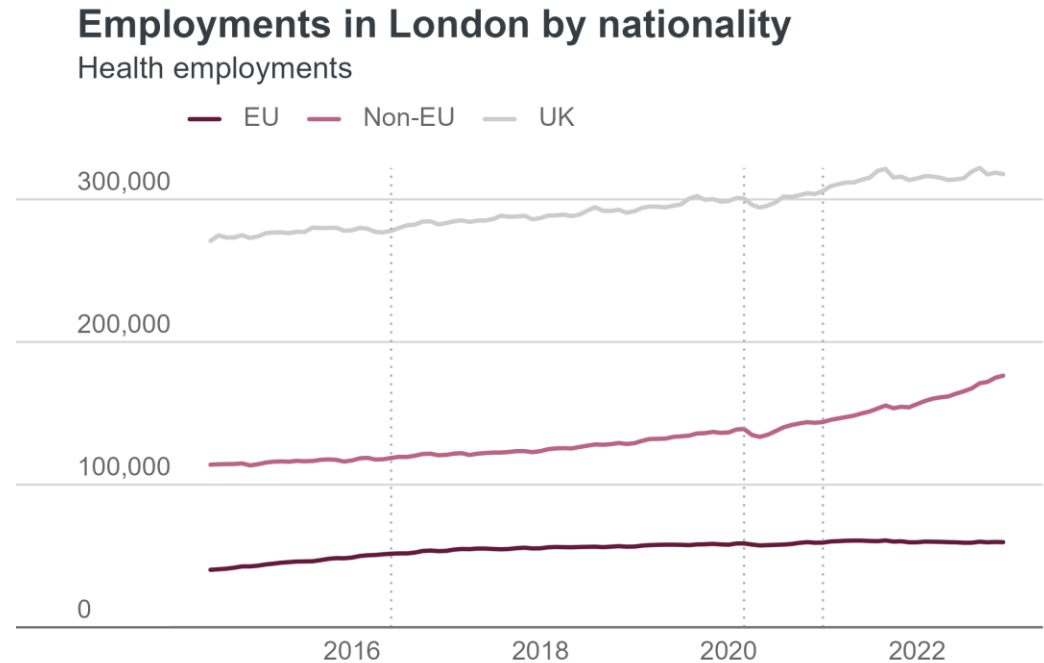
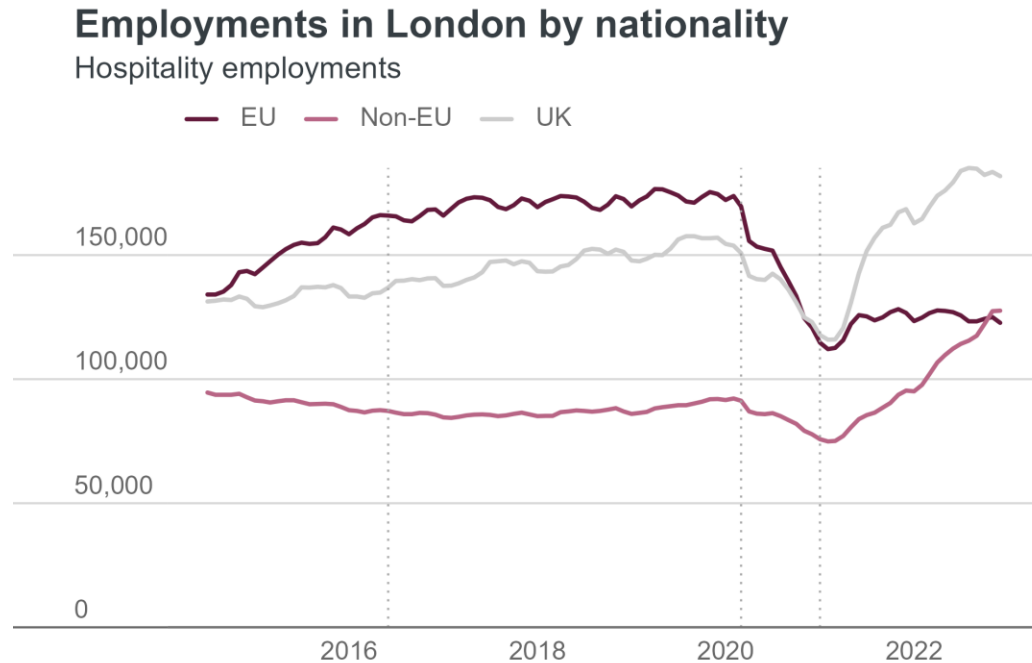
Payrolled employments in top 10 industries, December 2022



Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan.

Note: Estimates are based on where employees live.

Hospitality saw huge shifts, while Health has been less impacted




Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan.
Note: Estimates are based on where employees live. Vertical lines indicate Brexit vote of June 2016, beginning of lockdowns in March 2020, and end of free movement in January 2021, respectively.



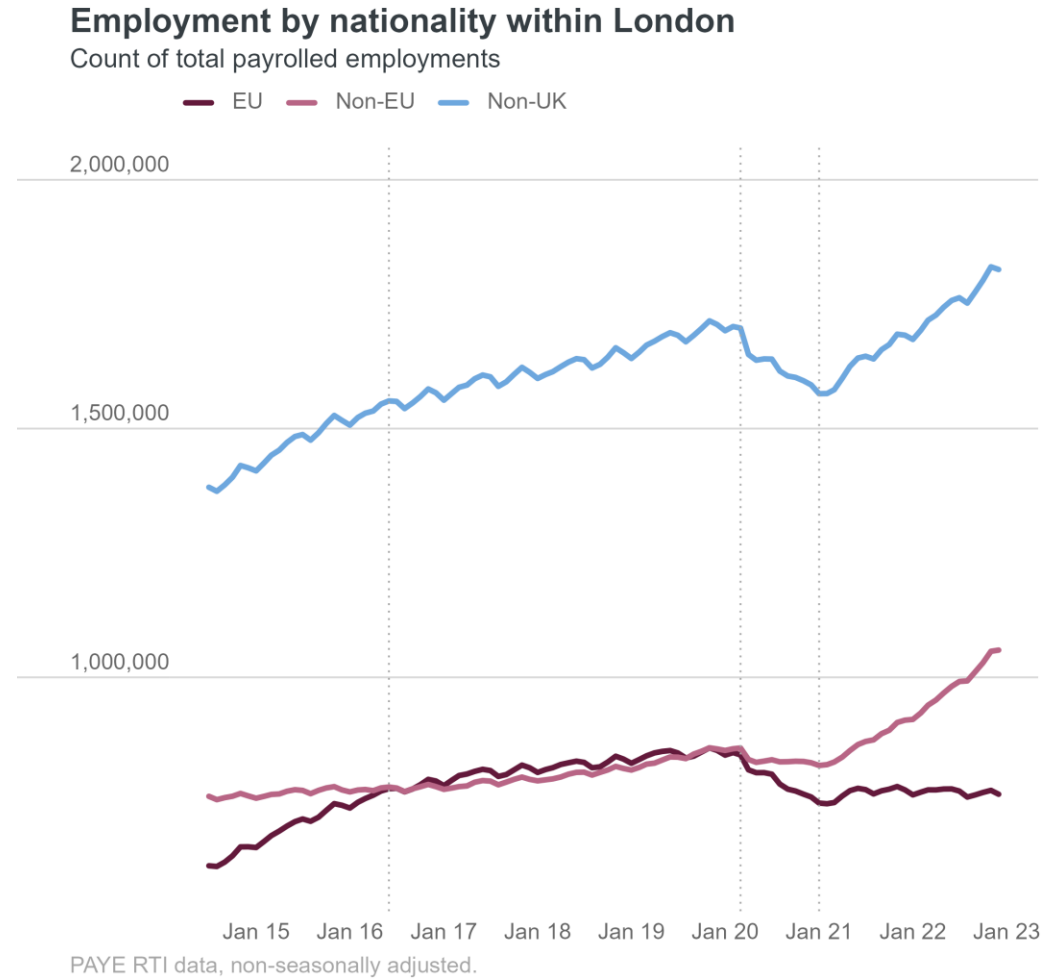
Thank you

- For more, see our analysis on the [Datastore](#)
- Questions and discussion
 - with Denis Kierans from the Migration Observatory



Additional charts

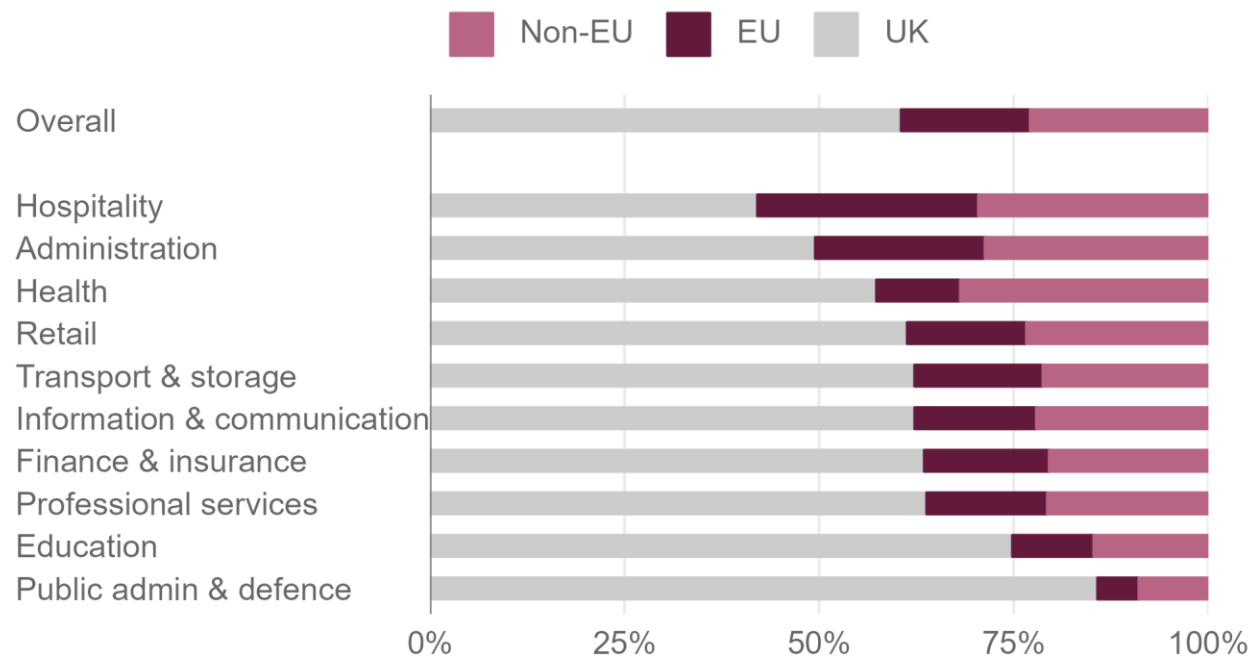
Number of employments, all nationality groups



Share by nationality in London, by industry

Share of nationals within London

Payrolled employments in top 10 industries, December 2022



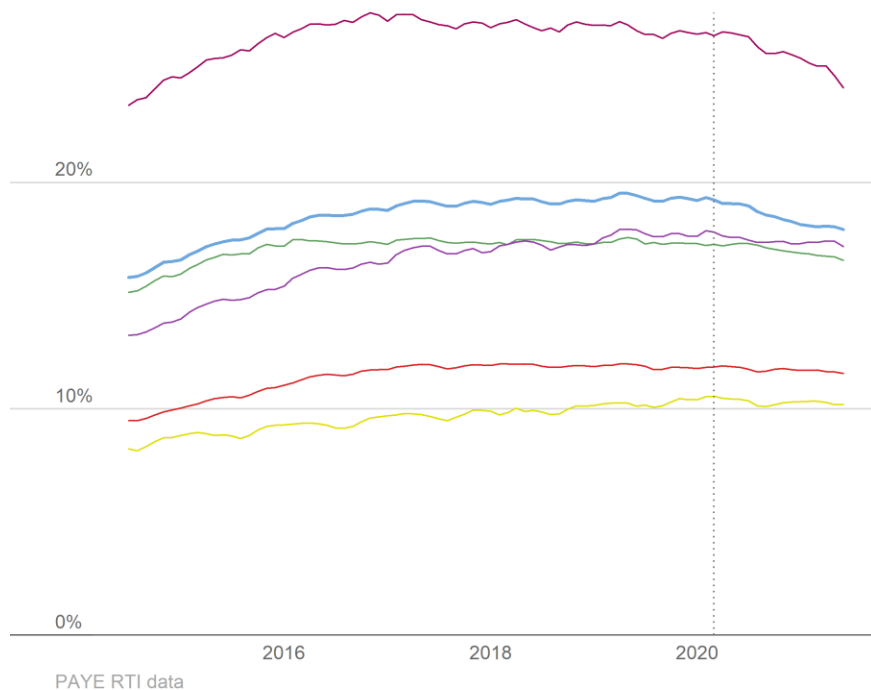
PAYE RTI data

Share of nationality group within London, time trend

Share of EU nationals within London

Employments in Top 5 sections

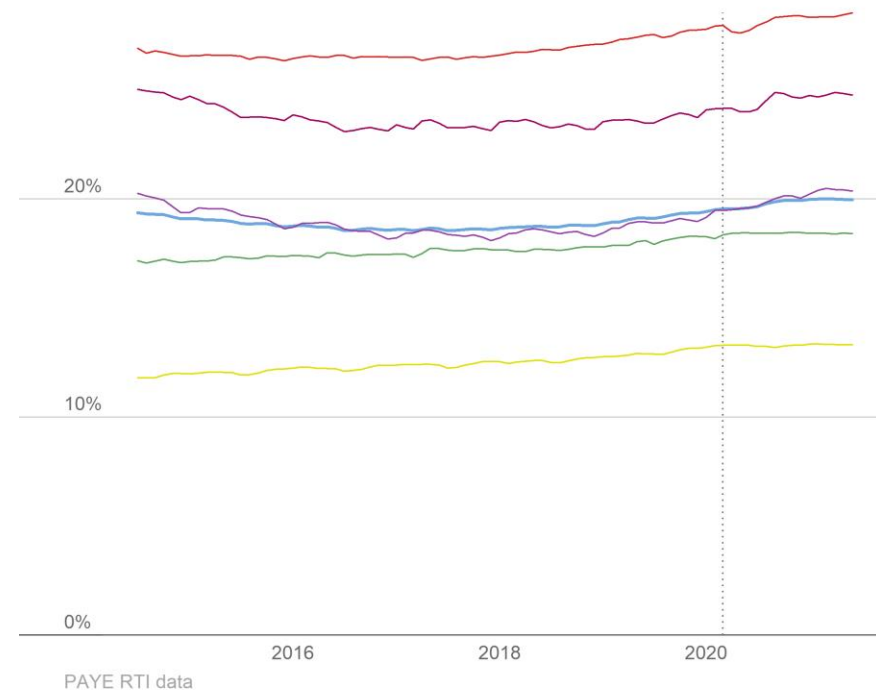
— Overall — Education — Professional services
— Administration — Health — Retail



Share of NON-EU nationals within London

Employments in Top 5 sections

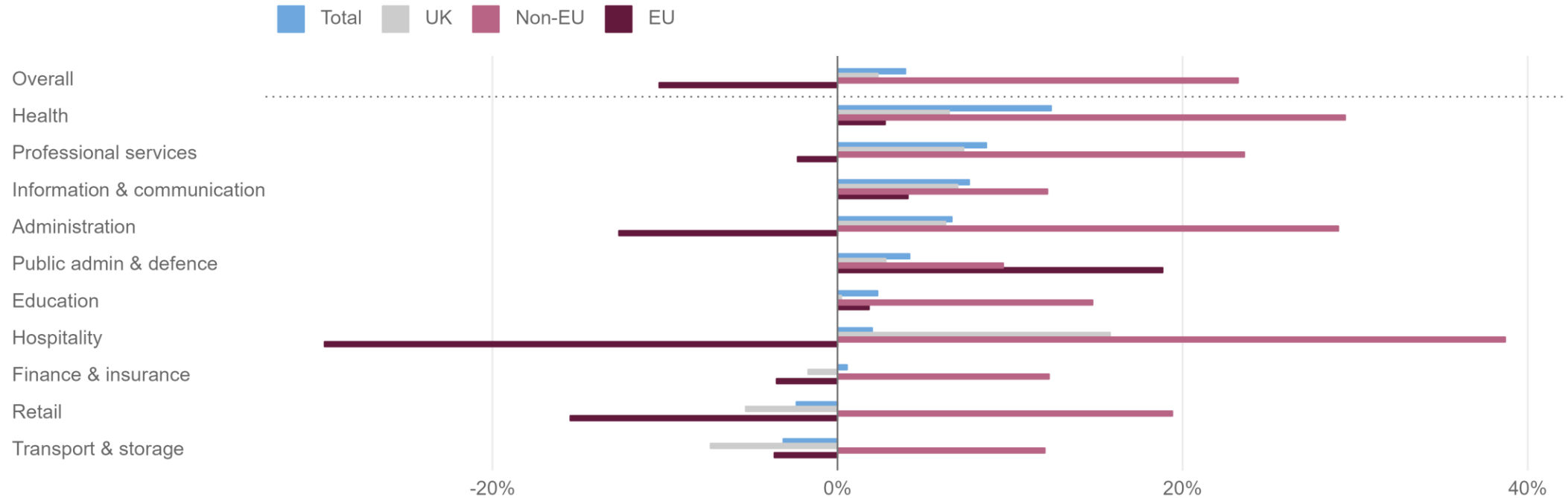
— Overall — Education — Professional services
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Change in all industries since Dec 2019

Payrolled employments percentage change by industry in London

Change by nationality Dec 2019-December 2022



Source: HMRC PAYE RTI.