



# 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.

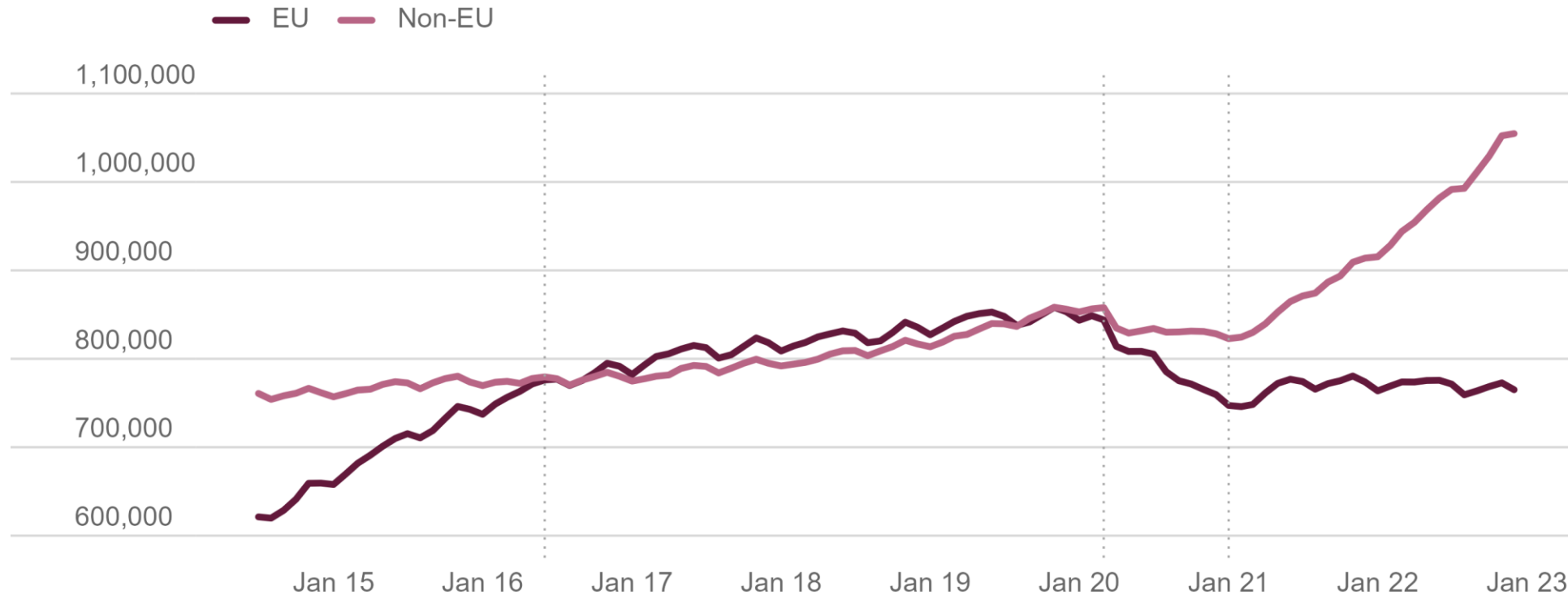
We find:

- 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

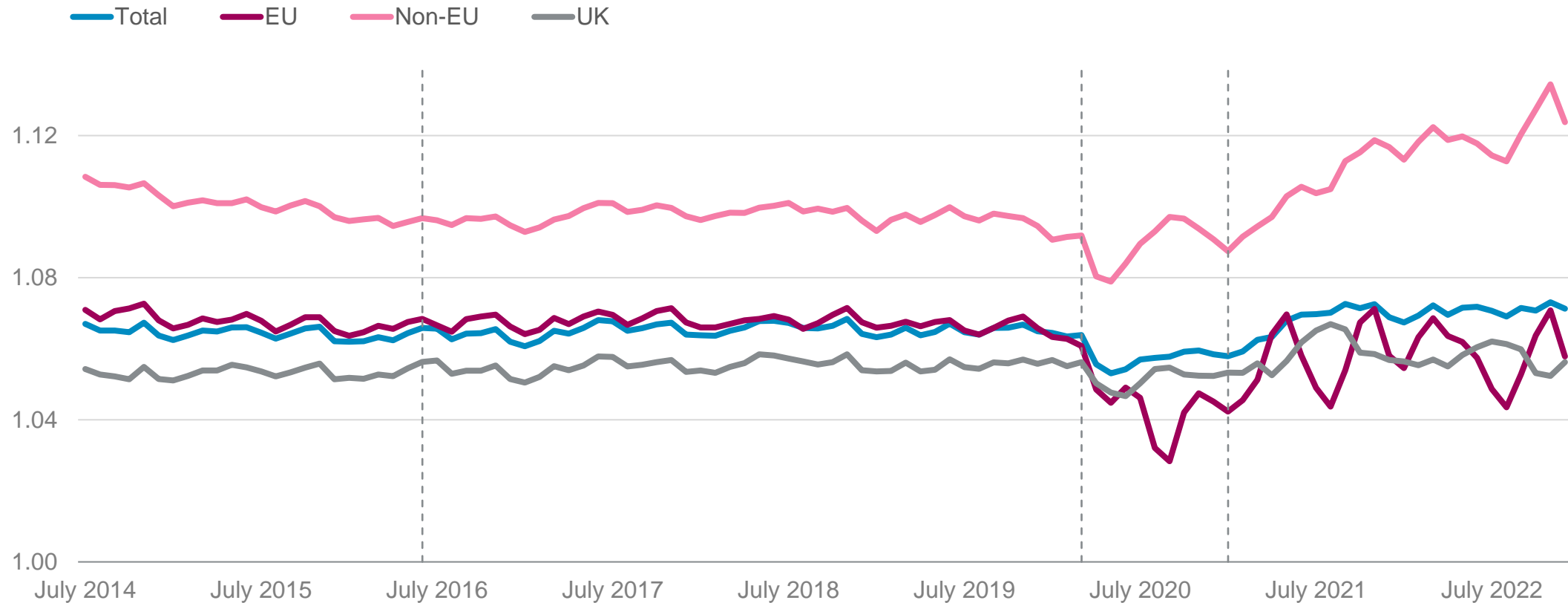


Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan.

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.

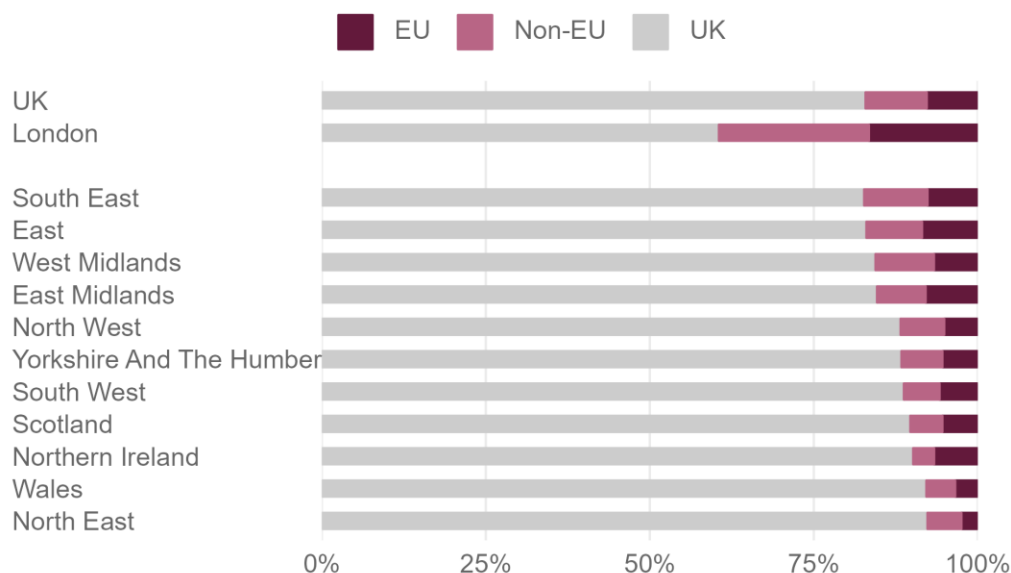
# What may have caused the shift from EU to non-EU workers?

- No free movement for EU workers - Skilled Worker visas now required 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
  - As 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

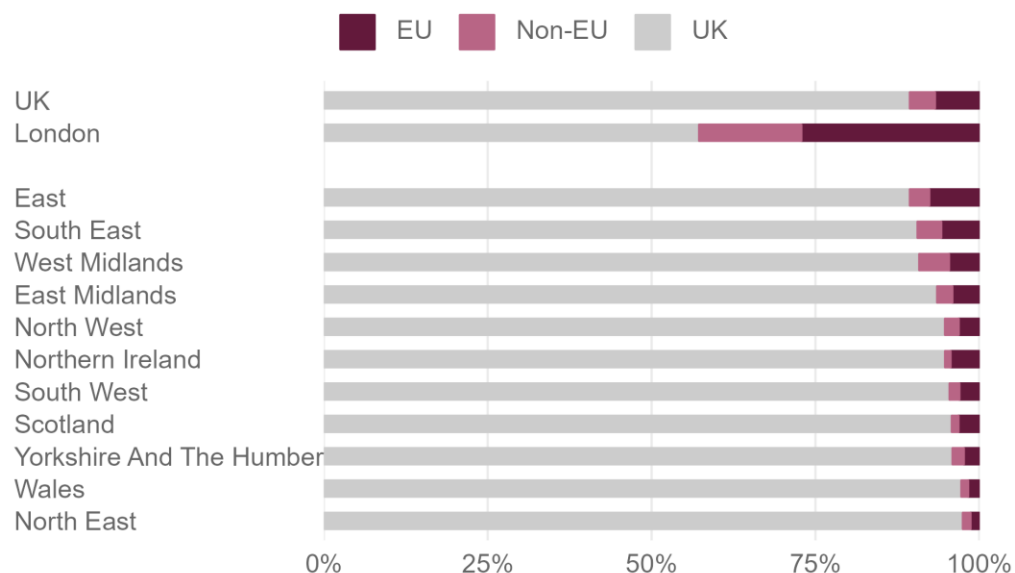
## Share of nationals in employments by region

Overall payrolled employments, December 2022



## Share of nationals in employments by region

Construction payrolled employments, December 2022



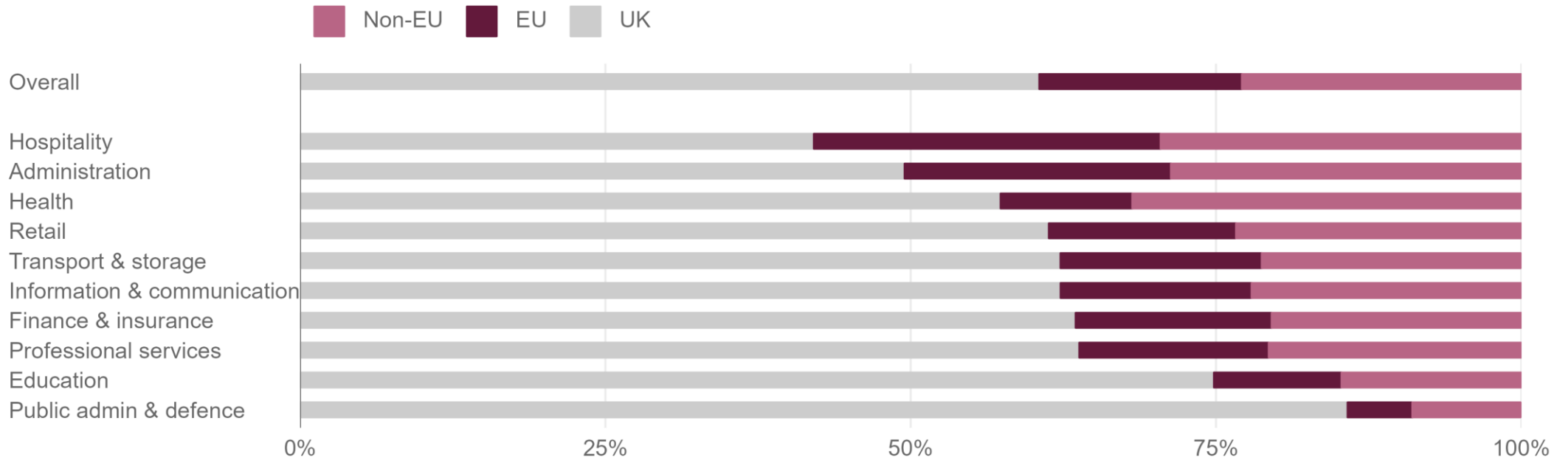
Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan.

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

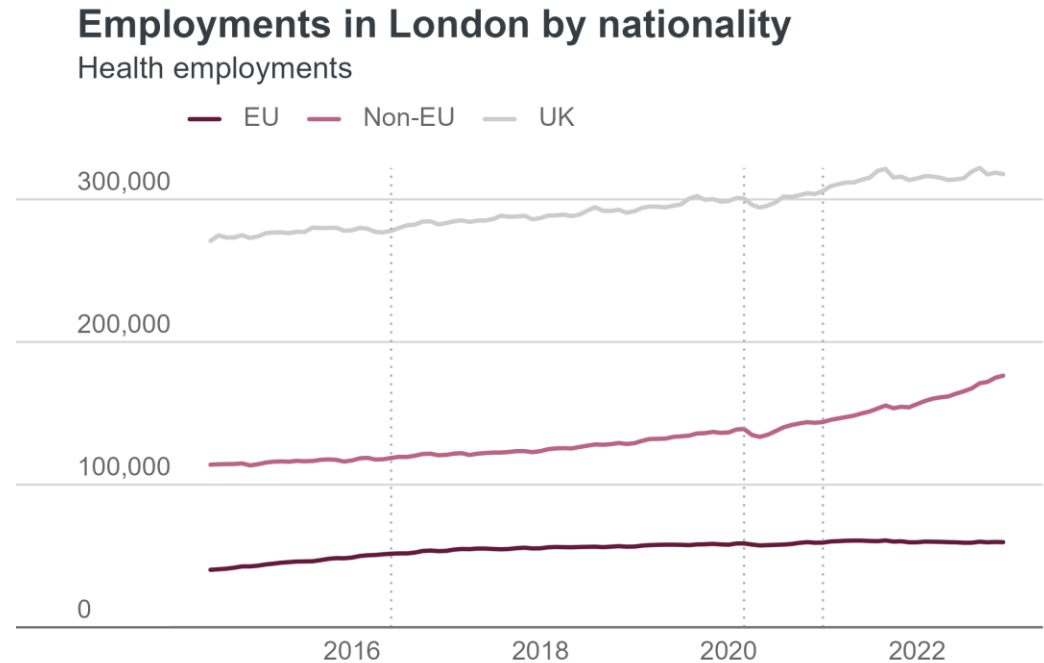
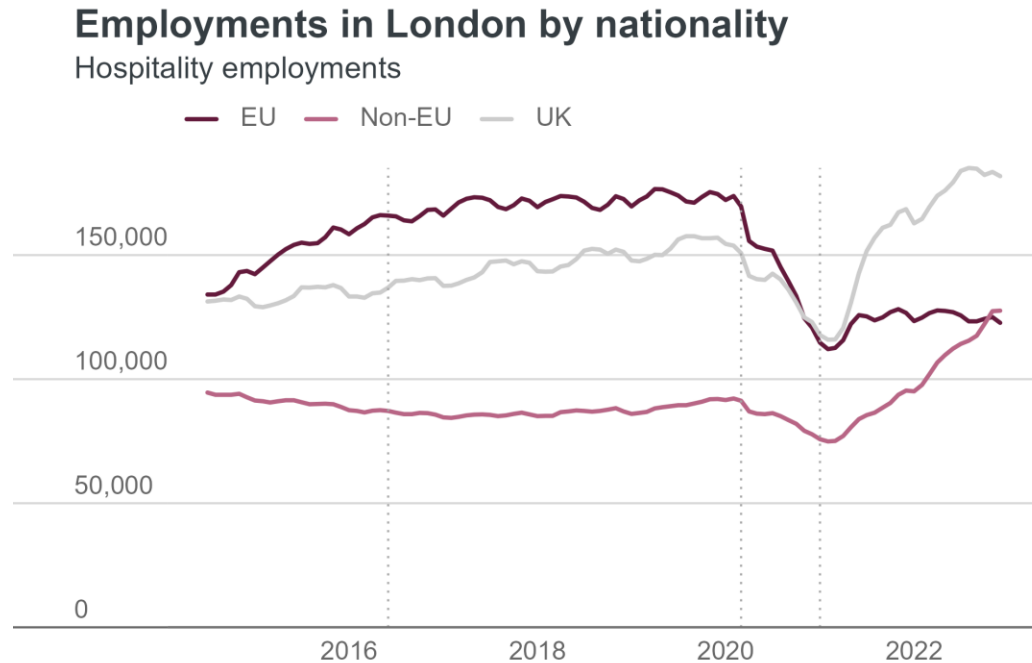
Payrolled employments in top 10 industries, December 2022



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



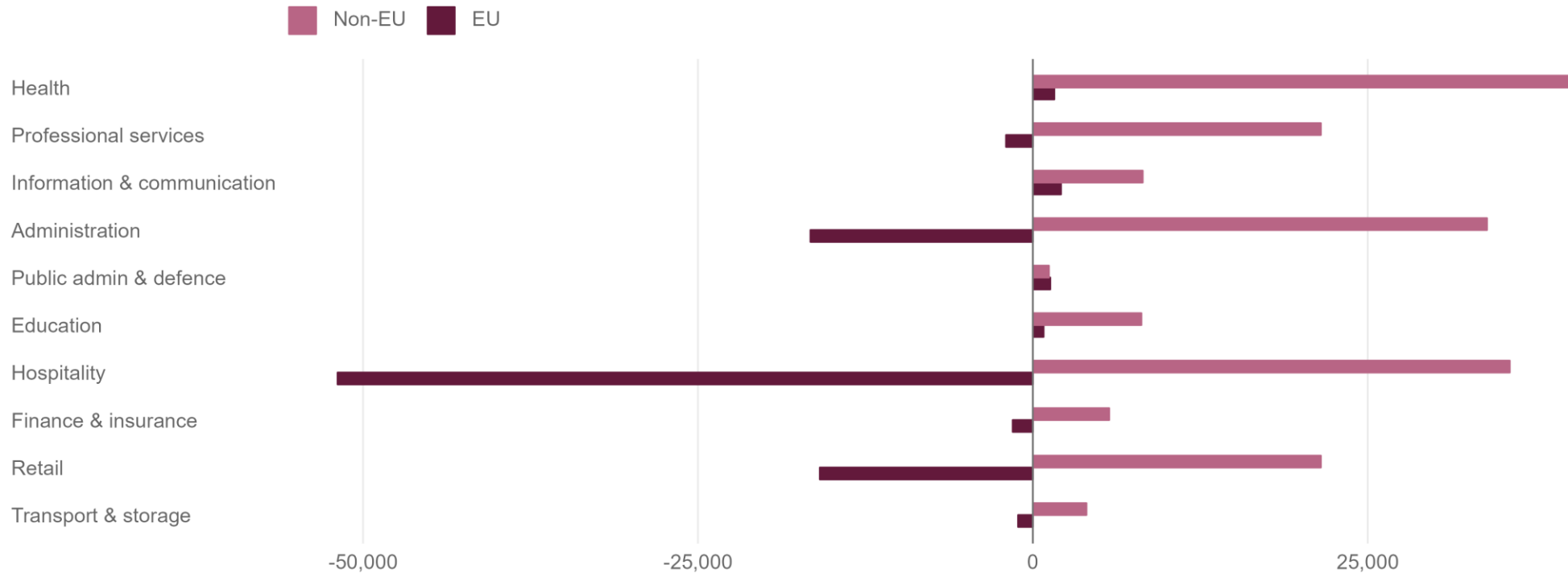
Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan.  
Note: Estimates are based on where employees live. Vertical lines indicate Brexit vote of June 2016, beginning of lockdowns in March 2020, and end of free movement in January 2021,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



# Replacement by nationality was not uniform across sectors

## Payrolled employments change by industry in London

Change by nationality Dec 2019-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. Top ten sectors by employee count, ranked by overall increase in employees.




# Thank you

- For more, see our analysis on the GLA [Datastore](#)
- Guest: Denis Kierans from the Migration Observatory



# Questions?

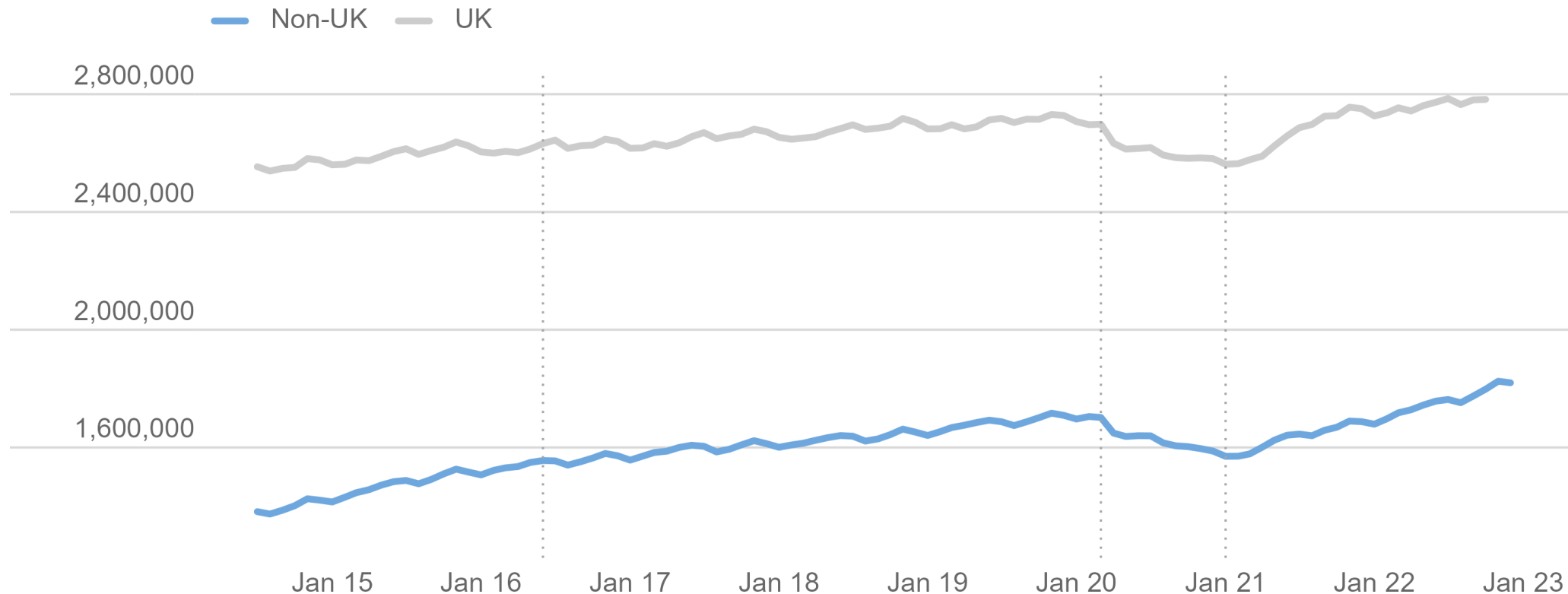


# Additional charts

# Number of employments, overall UK and non-UK

## 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.

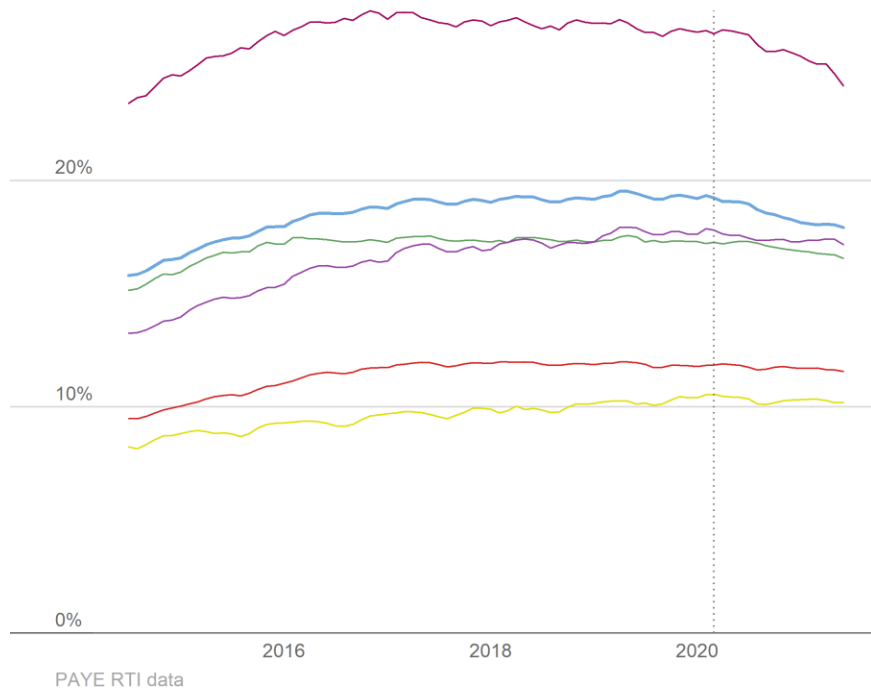
Note: Estimates are based on where employees live. Vertical lines indicate Brexit vote of June 2016, beginning of lockdowns in March 2020, and end of free movement in January 2021, respectively.

# Share of nationality group within London, time trend

## Share of EU nationals within London

Employments in Top 5 sections

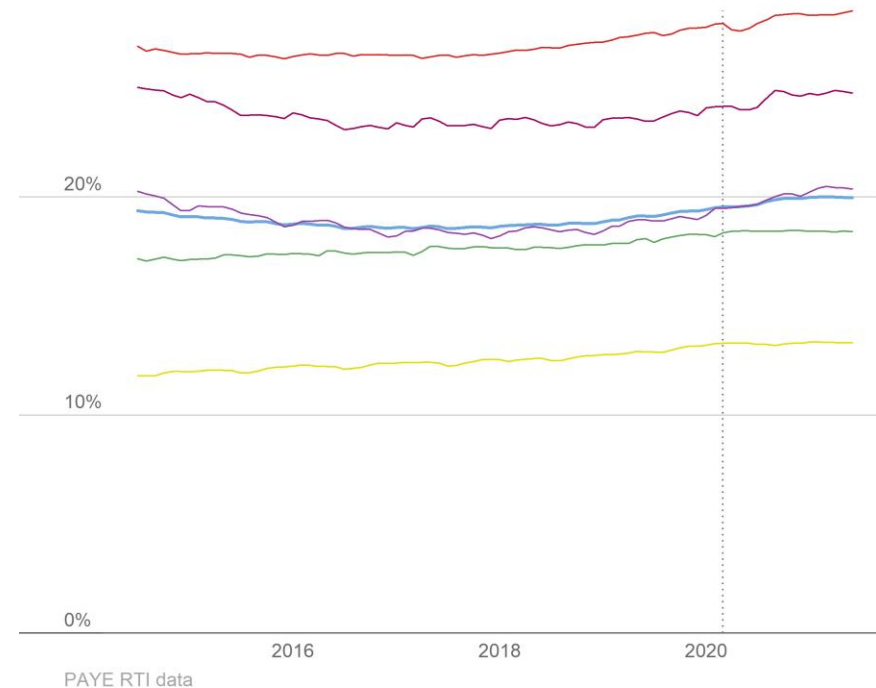
— Overall — Education — Professional services  
— Administration — Health — Retail



## Share of NON-EU nationals within London

Employments in Top 5 sections

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



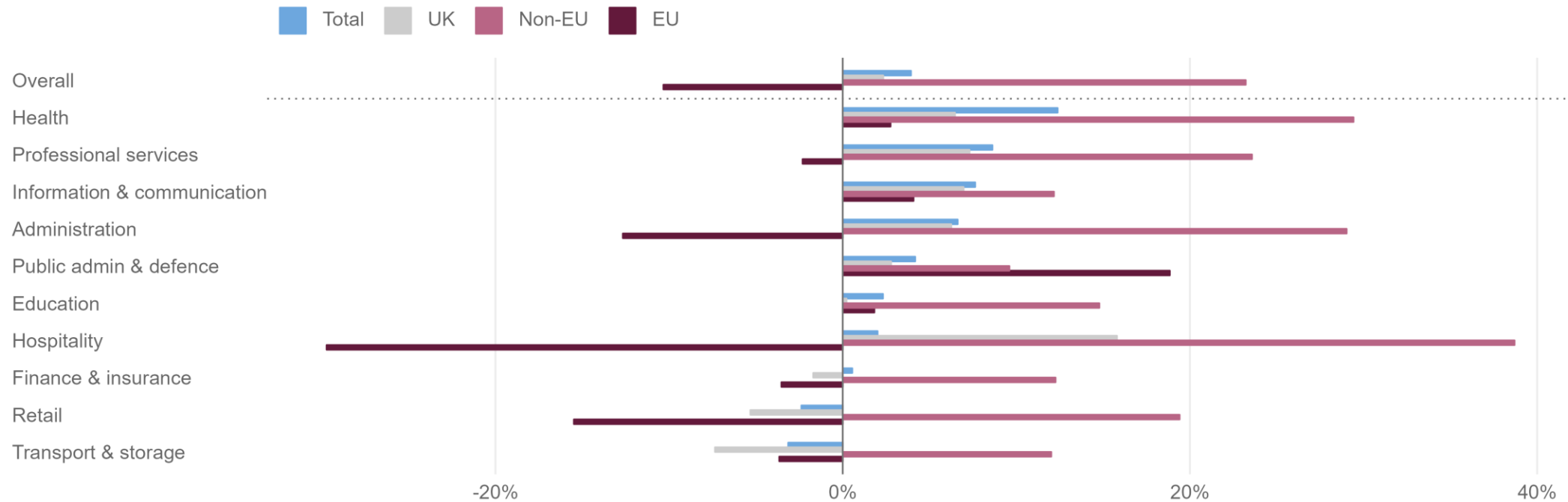
Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan.

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.

# Change in all industries since Dec 2019, percentages

## Payrolled employments percentage change by industry in London

Change by nationality Dec 2019-December 2022



Source: HMRC PAYE RTI.

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. Top ten sectors by employee count, ranked by overall increase in employees.