

# High-value tech jobs boom across the UK

- **Advertised roles in the digital tech sector have grown 36% since June**
- **Tech employs more than a fifth of workforce in UK's biggest cities**
- **Sector advertised over 90,000 jobs a week in August**
- **UK tech employs 2.93m people, with 40% growth in two years**
- **UK is home to more tech unicorns (82), as many as France, Germany and Netherlands combined**
- **In 2020 to date, UK has raised £7.6bn in venture capital investment**
- **Digital tech now accounts for 9% of UK workforce**

**London, 8 September 2020:**

## **UK tech jobs spread right across the country**

New data analysed by Tech Nation for the Government's Digital Economy Council ahead of London Tech Week reveals that the number of vacancies advertised in the digital tech sector climbed by 36% in the last two months (7th June - 9th August 2020), as tech companies gained in confidence after the challenges of lockdown.

Ahead of lockdown, the digital tech sector was consistently advertising over 150,000 jobs a week in the first three months of the year, according to data from jobs website Adzuna. Vacancies fell in line with all other sectors of the economy when the UK's lockdown began, but have since recovered to stand at 90,297, by the week commencing 9th August. Tech is the UK sector posting the highest number of vacancies, after healthcare.

The figures come from a Bright Tech Future report on jobs and skills in the nation's tech sector, to be published next month. Analysis from Tech Nation of Adzuna data, cross-referenced with ONS figures, shows the extent to which tech created job vacancies right across the UK in 2019 and into 2020. The report will show that demand for certain skills - eg full stack developer - has increased right across the UK, while software developer is the most advertised role in 2019 (the last year figures are available for). Increased remote working will mean that roles become less location specific - offering the opportunity for people living in regions across the country to have access to high-paid, quality roles.

## **Nine cities have more than a fifth employed in digital tech**

Nine cities, outside the capital, now have more than a fifth of the workforce employed in tech. These include Glasgow, Edinburgh, Belfast, Cardiff, Newcastle, Leeds, Bristol, Reading and Cambridge. Of these Cambridge and Belfast have the highest penetration of digital tech jobs at nearly 26%. Belfast had the highest proportion of digital tech vacancies in 2019, according to Adzuna.

Over the past two years, jobs across the digital tech sector have increased by 40% and it now employs 2.93 million people. The digital tech workforce now accounts for 9% of the UK's total workforce and in 2019 comprised over 1m people with non-tech skills, for example an accountant, working in digital tech and 1.9m with digital tech skills employed in a variety of occupations. The number of jobs advertised in tech in 2019 outweighed several other sectors, including legal jobs (by 7x), manufacturing (by 8x), and finance and accounting (by 2.7x).

### **UK continues to create unicorns and see strong venture capital investment**

Despite the difficulties of 2020, the UK remains the undisputed leader of the tech sector in Europe. The Hut Group, one of Manchester's biggest tech successes, last month confirmed the strength of online businesses when it announced that it would seek a stock market listing this year, likely to give it a value of £4.5bn. Two new UK unicorns were also created during the coronavirus pandemic – Gymshark and Cazoo - taking the UK's total unicorns to 82. The UK is now home to more unicorns than any other country on the continent and as many as Germany, Netherlands and France combined.

Total venture capital investment in UK startups in 2020 has reached £7.5bn to date, according to Tech Nation's [Data Commons](#). This compares to £3.6bn for Germany, and £2.8bn attracted by French startups in 2020.

There are 120 companies now valued at between \$250m and \$1bn, sometimes called Futurecorns. 2020 saw continued fundraising from venture capital funds and many continued to invest in promising startups and scale-ups, helped by the Government's £250m Future Fund in some cases. There have been 27 rounds in excess of \$80 million in 2020 to date, according to the Data Commons, provided by Dealroom.co.

The last financial crisis catalysed an entrepreneurship wave in the UK – with the launch of TransferWise, Farfetch and Zoopla – and the ongoing commitment to VC investments throughout lockdown is set to catalyse a similar response following coronavirus.

### **Salaries**

The median salary for digital tech roles across the UK in 2019 was £39,000. But average salaries range from £28,500 in the lower quartile to £55,000 in the upper quartile.

What's more, these job roles provide significantly higher salaries than in the wider UK economy, where the non-digital median salary is £27,840. The highest increase in digital tech salaries in 2019 was found in Bristol, where median salaries climbed by 13%. Bath offered the second highest increase (up 9%), followed by Manchester, Cardiff and Birmingham up 7%.

In London, the median digital tech salary in 2019 was £55,000, growing 3% from £53,296 the previous year.

Factoring in the cost of living, regional cities can have significant attractions from an employment perspective. For Data Scientist and Infrastructure Engineer roles, clusters including Edinburgh, Birmingham, Newcastle, Belfast and Sheffield were more attractive than London when living costs are taken into account.

### **Tech Jobs and Non Tech Jobs**

The role of software developer has remained in the top five most sought-after roles across UK cities, alongside key worker roles such as nurses and social care workers. Front-end developers are among the top 10 most-advertised roles in London, Glasgow, Edinburgh, Belfast and Cambridge.

Vacancies advertised for cloud skills in the UK have grown by 22% since 2018, while AI and cybersecurity grew by 44% and 22% in 2019 year-on-year.

There is considerable evidence of tech companies recruiting for non-STEM roles, showing how the sector is maturing and needs professionals with broad business skills and experience. The sector has also seen an increase in advertising for non-technical roles within tech businesses. Amazon has announced 10,000 new permanent technical and non-technical roles in the UK as well as 20,000 seasonal roles. AO.com, the online electrical goods retailer, recently announced it was hiring 650 technical and non-technical roles – such as delivery drivers and shift coordinators – across the country, to capitalise on the rise in demand for online shopping during Covid. Similarly, non-tech businesses are hiring tech roles, including Tesco which said it would hire 16,000 new staff for its online grocery business.

Roles such as client services, product management and scrum masters are all rising in demand. There has also been an increased growth in opportunities for employees with expertise in data ethics, up 31% year-on-year. These areas of growth demonstrate the potential for the digital tech sector to offer an attractive destination for people looking to retrain and develop new skills as the economy recovers.

**Digital Secretary Oliver Dowden said:** "These new figures demonstrate the strength and depth of our tech sector as an engine of job creation kickstarting our economy as we emerge from the pandemic.

"We are a nation of innovators, entrepreneurs and inventors, and technology will underpin our infrastructure revolution of national renewal to unite and level up the UK. This government is backing people to succeed by investing heavily in cutting-edge research, digital skills and digital infrastructure to support our economic recovery."

**Digital Minister Caroline Dinenage, said:** "The UK's tech sector is the backbone of the economy, so it is fantastic to see these new figures as we celebrate the industry during London Tech Week.

"We were well placed to get through the pandemic thanks to digital technology. We now want to build on the UK's strengths in cutting-edge technologies such as artificial intelligence and quantum computing and encourage people to turn ideas into new businesses and jobs, while supporting businesses to embrace the benefits new technologies bring.

"Britain must continue to be the best place in Europe to start and grow innovative businesses and we are working hard to make sure that growth is spread across the country with no one left behind."

**Gerard Grech, chief executive, Tech Nation:** "For almost a decade the UK's tech sector has been on a steady growth path, creating more startups and scaleups and attracting more venture capital investment each year. The pandemic threatened that trajectory and hit some parts of the tech sector, as well as non-tech industries extremely hard. However tech companies have, in the last few weeks, found the confidence to begin hiring again. With digital adoption accelerating in every area of our lives, it looks likely that the tech sector will continue to be one of the best sources of new jobs this year and can provide the jobs of the future, right across the country."

**Cindy Rose, UK CEO, Microsoft:** "It's fantastic to see the UK tech sector leading the way to help fuel the UK's post-Covid economic recovery with a boom in technology related hiring and jobs. At the same time, it highlights the critical need for everyone – industry and government – to find ways to address the digital skills gap that existed before Covid but has only worsened since. Our collective commitment to close the skills gap will help ensure inclusive economic growth and opportunity for everyone."

**Doug Gurr, UK Country Manager, Amazon:** "More than ever before, technology plays a crucial role in keeping us all connected and the economy moving forward. We're continuing to invest heavily in jobs and skills in the UK, creating 10,000 new permanent roles and 700 apprenticeships across technical and non-technical roles, helping 200,000 small businesses with practical skills through our Small Business Accelerator, and providing free online STEM and numeracy resources for people of all ages and backgrounds to help create a more diverse and inclusive technology workforce."

**Ronan Harris, MD, UK and Ireland, Google:** "In such uncertain times people across the UK adapted quickly to new ways of living and technology played a key role in allowing us to do this. Having the right digital skills could have a transformative impact on people's futures. That's why we've committed to helping one million small businesses stay open by the end of 2021 by being found online and we've partnered with Digital Boost to offer 10,000 hours of free mentoring to help charities and small businesses adapt to operating in this post lockdown environment."

**Sabby Gill, Executive Vice President and Managing Director, Sage UK:** "Covid-19 has shown how digitally enabled businesses are more resilient and agile, and 28 % of SMBs are starting to conduct business online in direct response to the pandemic. Government and

industry must work together now to support SMBs on the digital transformation journey to fuel the economic recovery.”

**Nicola Mendelsohn, Vice President, EMEA, Facebook:** “The figures released today demonstrate both the importance and sheer resilience of the UK’s tech sector. COVID-19 has accelerated society’s shift to digital and as we look ahead to the economic recovery, the value of digital technologies has never been more apparent. Now is the time for the tech industry to share its expertise and energy to help businesses get back on their feet and in turn further support UK job growth.”

**Janet Coyle, Managing Director, Business at London & Partners:** “The UK’s tech sector continues to be the shining light of Europe’s digital economy, with more startups, scaleups and unicorn companies than anywhere else. London is Europe’s biggest tech hub, home to world-class talent and innovative tech companies driving change and progress. While the city has had a challenging six months it is ready to bounce back strongly, with the tech sector taking an early lead in having the confidence to take on new people. It is important that the tech sector continues to drive greater inclusivity and diversity to ensure opportunities are available for everyone.”

**Alex Chesterman, founder & CEO, Cazoo:** “As a society we are learning quickly to adapt to a new digital life. Shopping, learning and even socialising online is now second nature and this is creating big opportunities for entrepreneurial tech businesses. The UK has the ability to build some of the world’s best tech businesses as long as we keep investing in educating and reskilling our workforce.”

**Sharmadean Reid, co-founder and CEO, Beautystack:** “Beautystack serves one of the sectors that has been hardest hit by the lockdown and the challenge was enormous. However, wherever I look I see entrepreneurs who have rebuilt their business and made it stronger through the crisis. We are rebuilding for the future and we need to make sure we make a success of it.”

**Nigel Toon, CEO and co-founder of Graphcore:** “Having formed and grown our business outside of London, in Bristol, we know the advantages of starting a tech business outside the capital. Bristol and the West of England continue to be exciting clusters for technology and advanced engineering and we continue to attract talent from across the world that wants to work here.”

**Ed Lascelles, partner, AlbionVC:** “Coronavirus has demonstrated to business the urgent need to digitise and business to business tech will help galvanise the economy and put us back on track. The UK is lucky to have some of the world’s best scientists and engineers in its university labs and startup companies, who are producing innovations that have huge potential, whether in healthcare or in areas like AI and data analytics. Their time is truly coming.”

**Suranga Chandratillake, General Partner, Balderton Capital:** “The past few months have been challenging for startups, but we have also seen incredible innovation and progress as companies rapidly adapt to the changing circumstances. We believe that extraordinary businesses will emerge from this crisis and that the UK is well-positioned to produce some of the very best.”

- ENDS -

#### **Notes:**

Across the country demand for particular roles can be seen:

- London, Python Developer increased by 15% and Devops Engineer increased by 11%
- Bath, Devops Engineer by 125%, more than double the number of advertised roles, and Engineer by 116%
- Belfast, Product Quality Inspector by 25% and Front End Developer by 15%
- Birmingham, Quality Engineer by 229% and Field Service Engineer by 29%
- Bristol, Field Service Engineer by 50% and Devops Engineer by 48%
- Cambridge, Python Developer by 65% and Devops Engineer by 45%
- Cardiff, Structural Engineer by 153% and Front End Developer by 96%
- Edinburgh, Engineer by 25% and Devops Engineer by 22%
- Glasgow, Devops Engineer by 85% and Engineer by 84%
- Leeds, NET Developer by 38% and Software Developer by 33%
- Manchester, Infrastructure Engineer by 38% and NET Developer by 31%
- Newcastle, PHP Developer by 74% and Web Developer by 47%
- Reading, Devops Engineer by 39% and IT System Architect by 34%
- Sheffield, Maintenance Engineer by 71% and Software Developer by 70%

#### **Methodology:**

We used an aggregated dataset supplied by Adzuna, for the years 2015 - 2019. This consisted of just under 70million (69,847,491) job vacancies across 29 categories. The dataset had information on the date the job vacancy was posted, the job title, description, seniority, category of the job, location, company and skills. Digital Tech jobs were defined using the categories of each job vacancy and we captured jobs with any kind of IT or Engineering skills, using text mining methods to understand the most important skills associated with a particular role.

#### **About [Tech Nation](#):**

[Tech Nation](#) is the growth platform for tech companies and leaders. Tech Nation fuels the growth of game-changing founders, leaders, and scaling companies so they can positively transform societies and economies. We provide them with the coaching, content, and community they need for their journey in designing the future. Tech Nation has years of experience facilitating and helping UK tech companies scale, both at home and abroad. Over 20 cohorts and 600 companies have successfully graduated from Tech Nation’s growth programmes. Alumni include Skyscanner, Darktrace, and Monzo.