

High tech jobs recovery gathers pace as 1 in 10 advertised roles is now in booming digital tech sector

- The UK tech industry is reporting strong growth in job creation with job vacancies nearing pre-pandemic levels
- Venture capital investment in UK tech companies breaks new record in 2020
- UK tech companies raised \$15bn in 2020*, more than in 2019 and higher than France and Germany combined
- Oxford, Leeds, Newcastle and Glasgow surge ahead of 2019 investment levels
- The average IT-related salary today is £53,518, the highest level in 12 months
- Cybersecurity roles see salaries climb by more than two-thirds

London, 29th December 2020: The UK tech sector is showing positive steps towards recovery with job vacancies in the industry climbing 50% since the low point in July. [According to new data compiled by Adzuna and Dealroom for Tech Nation and the Government's Digital Economy Council](#), 10% of all UK job vacancies are now in tech, demonstrating the strength and resilience of the digital economy. Overall, UK tech employment has increased by 11% in two years to almost three million and more than a third (37%) of those employed in the digital tech sector are in non-tech roles including legal, marketing, HR and administration, according to analysis of ONS figures.

Tech job vacancies are now at the highest point since May, new data by job search engine Adzuna shows. There were 106,000 IT-related vacancies in March, falling to a low point of 50,367 in July. However, vacancy rates began increasing again in July and are now accumulating at a rate of 2.6% a month, reaching 75,353 in November.

Tech jobs now represent over 10% of all available UK vacancies according to Adzuna's data. Given that 9% of the UK workforce is currently employed in the digital tech sector, according to data from the Office for National Statistics, this shows the increasing importance of tech to the economic health of the country and the extent to which the digital tech sector is providing jobs at a critical time for the UK population.

To support the rise of tech jobs, the government established the Skills Toolkit, to build skills during the coronavirus pandemic and beyond. Individuals are able to access free courses helping them understand the fundamentals of digital marketing, learn how to code and the basics of machine learning.

To strengthen digital skills, the Government established seven Local Digital Skills Partnership across England to support people and businesses across the area acquire the digital skills they need to strengthen the local economy and launched the Fast Track Workforce Fund to address locally identified digital skills gaps and support Greater Manchester and Lancashire residents

with accessible routes into digital employment.

In addition, more than £100m has been invested nationally in specialist skills to sponsor PhDs and researchers who are developing the latest artificial intelligence technologies to transform how people live and work and help tackle some of the world's most pressing challenges.

Digital acceleration

This digital tech boom of 2020 is creating jobs with good salaries and prospects across the whole of the UK. According to the latest ONS data, the digital tech economy employs 2.98m people. Whilst London makes up nearly one-fifth of all tech vacancies, the South East comes second with 15,038 and North West England has over 7,000 available jobs.

Skilled tech salaries can command higher salaries on average. The average tech salary in the UK is £53,318, up 4% on 2019 figures, despite low inflation and the difficult economic backdrop. In contrast, the average UK salary for non-tech jobs stands at £36,903.

Developers in demand

The most in-demand role in the UK is software developer, with over 31,000 vacancies. More specialised programming roles, such as NET developers and Java developers, are also sought after across the regions leading to higher salaries. For instance, network security specialists who oversee networks and prevent security threats, have seen salaries increase 69% on average this year to £85,894. Given the nationwide shift to remote work, which puts strains on the networks built to enable people to access company systems from outside their offices, specialised security professionals are more necessary for businesses than ever before.

However, not all jobs at tech companies require computing or technology skills. Around 37% of people who work in the digital economy are in non-digital roles, such as HR, marketing, legal, and compliance. As the sector continues to grow it's important to ensure that there are opportunities for everyone in this multifaceted industry.

UK continues to lead Europe on VC investment

Confidence that high-growth UK tech companies can succeed can be seen in the venture capital investment that the sector attracted, which broke records again in 2020. UK companies raised \$15bn, slightly more than the \$14.8bn achieved in 2019, a record year, and slightly higher than the whole of the rest of Europe combined (\$14.8bn), according to Dealroom.

The venture capital investment in UK companies was helped significantly by a series of mega-rounds raised by companies including challenger fintech Revolut and digital insurance provider Ki, which both secured \$500m in funding. In the final weeks of December significant fundraisings included GoCardless's \$95m fundraise and Octopus Energy's \$200m raise.

Investment boon for regions

The UK's regional tech clusters have also seen sharply higher levels of venture capital investment, demonstrating that startups can come from any part of the UK. Four cities - Oxford,

Leeds, Newcastle and Glasgow - achieved more VC investment than last year. Oxford has also overtaken Cambridge to be the number two city for tech investment in the UK, after London. Oxford's startups and scaleups raised \$532m in investment this year, thanks to interest in the city's dynamic health-related companies such as biotech unicorn Oxford Nanopore which raised \$84.4m in October.

UK unicorns

The UK's strong track record in creating unicorns - private companies valued at \$1 billion or more - continued, with seven new unicorns created this year, taking the UK's total to 80. The UK is now home to more unicorns than any other country on the continent and as many as Germany, Netherlands and France combined. Hopin, a startup that provides online events software, became one of the big UK success stories of 2020, when its lockdown growth attracted a \$125m round raised at a valuation of \$2.1bn, according to the company. Electric vehicle startup Arrival, recipe box company Gousto, green energy provider Octopus Energy, e-commerce platforms Gymshark and Cazoo and cloud communications platform Infobip also reached the coveted group of private companies valued at \$1 billion or more.

The UK also has 136 potential unicorns - companies with a value of \$250m to \$800m. This is more than twice as many as Germany and France, the countries with the next largest pipeline of future unicorns (61). Four years ago 64% of venture capital investment in the UK went to companies at an early stage in their growth, in seed funding, Series A and B rounds. However, for the last two years more than half of venture capital investment has been at later stages - demonstrating how quickly the UK tech sector is maturing and why so many companies are now considered potential unicorns.

Funds for future investment

Looking ahead to 2021, the prospects for the UK's startups and scaleups looks strong, since UK-based VC firms raised a record \$8.2 billion, up from \$5.5 billion in 2019. 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.

Digital Secretary Oliver Dowden said: "It's fantastic to see the UK's tech companies flourishing, despite all the challenges of 2020. The thousands of high skilled jobs they are creating will be a crucial part of our economic recovery and the government is committed to supporting the tech sector through an unashamedly pro-tech approach."

Digital Minister Caroline Dinenage: "Despite the challenges of 2020, the UK tech sector has had one of its strongest years yet, creating seven new billion dollar companies and achieving record levels of investment."

"The success of our regional tech hubs is something to celebrate, as is the industry's resilience by offering high-levels of employment opportunities across a variety of disciplines. Over the

upcoming months, we will work closely with the sector to support tech firms and ensure this momentum can be maintained.”

Gerard Grech, Chief Executive, Tech Nation said: “The UK’s tech businesses have faced one of the biggest upheavals in a century to pull in \$15bn - a greater investment than that achieved in the whole of Europe combined. At Tech Nation we have been delighted to continue supporting these incredible businesses and are on track to support over 1000 tech scale-ups by March 2022, delivering over \$1Bn of Gross Value Add to the UK economy.”

Laura Citron, CEO at London & Partners said: “The UK’s tech sector has demonstrated its resilience and creativity this year. London and tech hubs across the UK are home to some of the world’s most innovative companies and we’ve seen many fantastic examples of tech businesses that have adapted to help both the local and global response to the pandemic. Today’s positive job and investment figures offer further proof that the UK’s tech ecosystem has an important role to play in the recovery and the opportunity to build back a more sustainable, fairer society.”

Ronan Harris, VP and MD, UK and Ireland, Google said : “This is an exciting time to be part of the UK tech industry. Dynamic businesses are born out of challenging times and the investment going into UK startups and scaleups is a clear sign that investors think UK companies are the ones to watch. Google is very happy to be a part of this ecosystem and looks forward to the next year.”

Suranga Chandratillake, partner at Balderton Capital said: "Attracting \$15bn worth of investment is an astounding feat for the UK’s tech industry. It’s great to see the success of the industry spanning both different areas of the UK, and different sectors, including fintech, e-commerce and green energy. This year has demonstrated the resilience of the tech community, its companies and its teams. To ensure our continued success and recovery next year, we need to build back with diversity and inclusion in mind."

Justin Kelly, Director of Business Development, Siemens PLC said: “The UK tech industry has grown beyond compare in the last decade and, as these numbers show, is having a positive impact across all regions. From fintech to green energy and manufacturing, these brilliant companies are an example of the UK’s rich history of innovation and will set the tone for the industry for years to come.”

Greg Jackson, CEO and Founder of Octopus Energy said: "Decarbonisation of the planet must be our number one priority, and technology holds the key to achieving this faster and cheaper than previously imagined. Disruptors like Octopus Energy have already shown that great value and service can be delivered by technology, and we are now proving that a smart grid will ensure that green electrons are cheap ones. The UK has led the way on renewables and is increasingly demonstrating that this country can become the Silicon Valley of Energy."

Alex Chesterman, Founder and CEO, Cazoo said: “The UK is one of the best places in the world to build a business given its access to talent and capital. Our engineering talent and

investors are world-class whilst our rich history in innovation speaks for itself. Cazoo has grown very fast in 2020 and we can't wait to continue that growth in 2021."

Julia Hawkins, partner, LocalGlobe said: "The UK tech industry has been growing at a rapid pace and the contributions that have been made to the ecosystem over the years, by entrepreneurs, investors, networks, and hubs, are a testament to the amazing growth it has achieved this year. As we continue to make strides in research and investing over the next few years in areas such as AI and deep tech, many more new startups will be founded."

Steve Domin, co-founder and CEO, Duffel: "With Duffel's headquarters in London, we've been able to build a truly global company with top talent represented by 15 different nationalities and counting. While 2020 presented incredible challenges and difficulties, we're looking forward to building back better together and continuing to leverage the strong foundation of the UK tech sector."

Andrew Hunter, co-founder at Adzuna said: "We've been tracking the UK tech industry over the year and have observed the recovering jobs market closely. Specialist tech workers are very much in demand and the high salaries commanded by developers and network specialists show how crucial it is for businesses to have access to skilled staff. The challenges for 2021 will be ensuring startups and established tech companies alike can hire the talent they need to facilitate business growth and recovery."

Mark Richer, co-founder and CEO of StarLeaf, said: "This has been an extraordinary year placing huge demand on enterprise tech companies including StarLeaf, where we saw daily calling minutes increase by 10 times what they were before the first lockdown. UK businesses have rapidly woken up to the urgent need for digital adoption in the workplace and this will give tech companies, like ours, which support the corporate, professional and government sectors a big opportunity in 2021."

Lex Greensill, founder and CEO of Greensill, said: "Greensill has grown in 10 years from a small startup to a global leader with more than 1200 employees – hundreds of them here in Britain. What is more, we are using the fintech we built in Britain to make sure frontline workers in the NHS and elsewhere can access their pay as soon as they earn it, for free, with our Earnd app, making a real difference to the lives of people all over the UK. As 2021 begins we look forward to welcoming many more members of Britain's Fintech talent pool to the Greensill family as our expansion continues."

Charlotte Bax, Captur founder: "The coronavirus pandemic has caused major shifts in the way we live and work. It's the perfect opportunity for entrepreneurs to rip up the rule book and use tech to re-think how we can make our post-coronavirus world more inclusive. With Captur, we use tech as a tool to enable the future of our cities, through partnerships with companies like e-scooter operator Voi. Open-access technology is the key to building trust and this will be central to rebuilding the UK in 2021."

*VC investment figures up to 25 December 2020 (source Dealroom.co)

Accompanying slides/data found [here](#)

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.

About Adzuna:

[Adzuna](#) is a smarter, more transparent job search engine used by tens of millions of visitors per month. We love using the awesome power of technology to bring together every job in one place, help match people to better, more fulfilling jobs and keep Britain working.

Adzuna supply real-time data to the Number 10 Dashboard, the cabinet office and Office for National Statistics labour market indices. In 2018, Adzuna won the contract to run Find a job, one of the British government's most used online services.

Adzuna.co.uk was founded in 2011 by Andrew Hunter and Doug Monro, formerly of eBay, Gumtree, Qype and Zoopla and is backed by leading Venture Capital firms Passion Capital, LocalGlobe, Index Ventures and Smedvig Capital.

We've spent a decade developing smarter, more transparent job search so jobseekers worldwide (we're in 16 countries) can zero in on the right role faster.

About Dealroom

Dealroom.co is the foremost data provider on startups, growth companies and tech ecosystems in Europe and around the globe. Founded in Amsterdam in 2013, Dealroom.co now works with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency, analysis and insights on startups and venture capital activity.