



# LONDON SKILLS SURVEY

## Q1 2022

ANALYSING LONDON BUSINESSES' SKILLS NEEDS

Savanta:  
ComRes

## FOREWORD



For our latest Skills Survey, we wanted to focus on one of the most important issues facing businesses at the moment – the transition to net zero and becoming more sustainable. The timelines for meeting targets vary, but there is consistent need for firms to act sooner rather than later.

In London, it seems that large businesses are further along in their journeys to net zero, with more than half already achieving their targets or in the process of doing so. By contrast, only a quarter of micro companies said that they were in the same position.

Our latest Skills Survey has also shown that nearly half of London businesses have little to no access to the skills they need to reduce their carbon emissions – with micro businesses and SMEs much more likely to note limited access when compared to large companies.

The results suggest that access to the right skills is key to helping businesses in their efforts to reduce their carbon emissions. Recent steps by Government to encourage retrofitting are a step in the right direction, but there must be due focus on skills as well. At the Chamber, we are working with businesses and policymakers to share the concerns and challenges related to net zero, and I encourage more companies to get involved with our efforts.

### **Richard Burge**

Chief Executive

London Chamber of Commerce and Industry

## METHODOLOGY

Savanta ComRes surveyed a total of 502 London business leaders between 1 February and 8 March 2022. All data were weighted to be representative of all London businesses by company size and broad industry sector. Savanta ComRes is a member of the British Polling Council and abides by its rules. Full data tables are available at [www.comresglobal.com](http://www.comresglobal.com).

Three categories are used for business size segmentation: micro businesses with fewer than 10 employees (including sole traders), small and medium-sized businesses with 10-249 employees, and large businesses with 250 or more employees. Any data reproduced from the report should be fully referenced.

## WHICH SKILLS ARE IMPORTANT TO YOUR FIRM?

Skills shortages have been reported in a number of industries, and the perceived mismatch between the needs of employers and the provision from the education sector has led to some of the biggest reforms to further education for some time. The Government's Skills and Post-16 Education Bill endeavours to put employers at the heart of the skills system, with more say in the priority areas that education providers should focus on when educating and training students.

However, the latest Skills Survey highlights the difficulties that come with identifying the types of skills that employers need. London businesses were asked to choose which, if any, of the following skills are important to their firm:

- Problem solving
- Written or verbal communication
- Customer service or interpersonal
- Finance and budgeting
- Sales or business development
- Leadership and management
- Time management
- Basic digital or computer literacy
- Advanced digital (e.g. programming, web design)
- Project management
- Administrative
- Data handling and analysis
- Foreign languages
- Other skills specific to your industry

Of the skills listed above, problem solving (31%), written / verbal communication (27%), customer service or interpersonal (25%), leadership and management (23%), and sales or business development (22%) were listed as the top 5 most important skills.

However, nearly half (45%) of companies said they did not know if any of the listed skills were important to their firm. Whilst the selected skills are by no means exhaustive, they are quite general, and it is a surprise to see so many businesses state that they do not know if the skills are important to their firm.



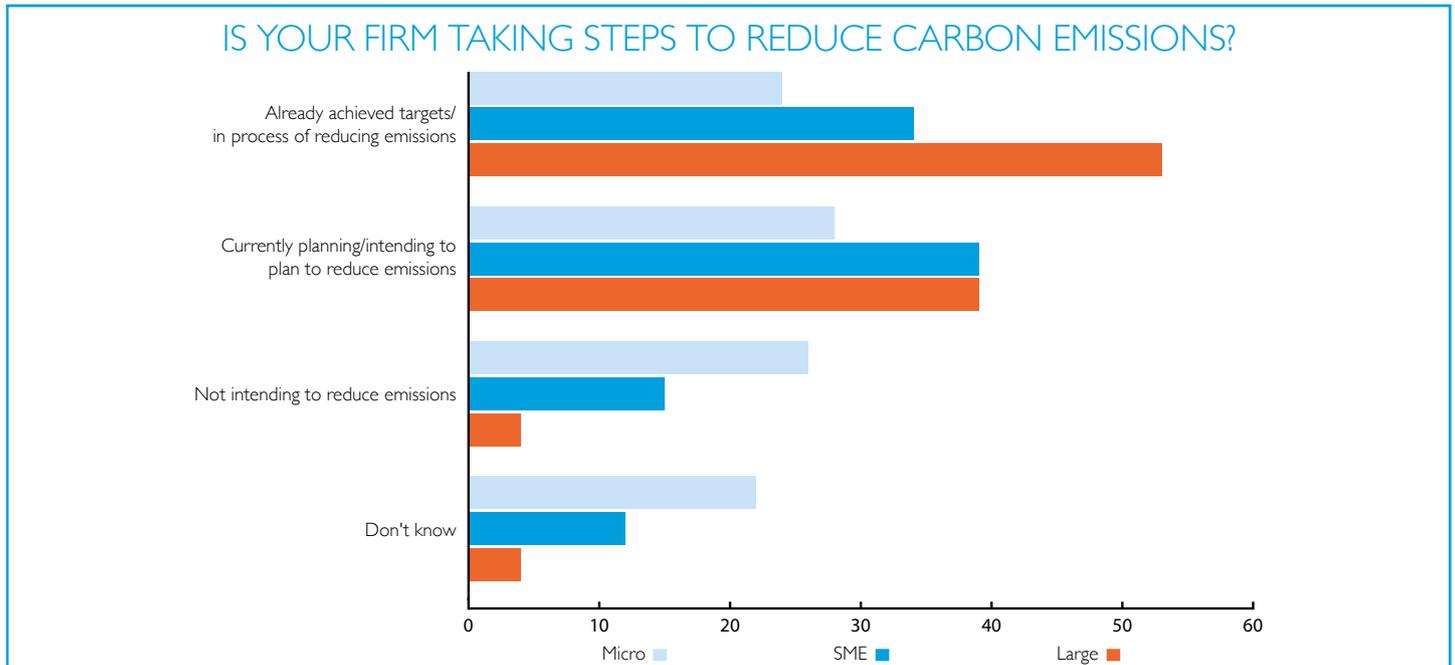
# CARBON ACTION AND SKILLS REQUIREMENTS

In order to address the escalating climate crisis facing the world, the Government has set a target of reducing its greenhouse-gas emissions to net zero by 2050. 'Net zero' is the point at which the same amount of greenhouse gases added to the atmosphere are taken from it. Part of this pledge includes a commitment to reducing emissions by 78% by 2035, when compared to 1990 levels. The Government has asked consumers and businesses alike to aid this push by reducing their own emissions. As part of the latest London Skills Survey, London business leaders were asked about their company's current position on carbon emissions.

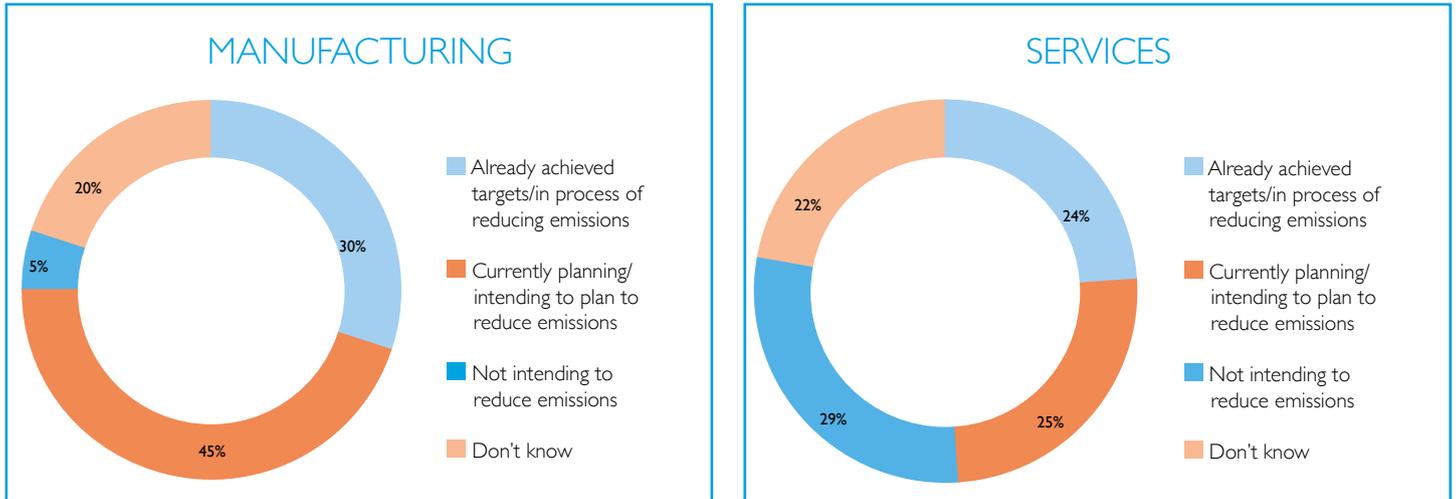
There was a fairly even split among companies when considering the step they are on in their net zero journeys:

- Already achieved targets/in process of reducing emissions – **24%**
- Currently planning/intending to plan to reduce emissions – **28%**
- Not intending to reduce emissions – **26%**
- Don't know – **22%**

There were significant variations in actions taken based on business size, and by sector. Large businesses (250 or more employees) were twice as likely as micro firms (0-9 employees) to say that their company had already achieved its carbon emissions targets / were in the process of reducing emissions (53%, versus 23%, respectively). The proportion of large companies who said they were not intending to reduce their emissions was also much smaller than their micro and SME counterparts (4%, compared to 28% of micro businesses and 15% of SMEs).



When considering different sectors, manufacturing companies were more likely to say that they were either already in the process of reducing emissions or planning to lower them (75%), than counterparts in services (49%). A fifth (22%) of service sector businesses were not planning to take any actions at all, much higher than in manufacturing (5%).

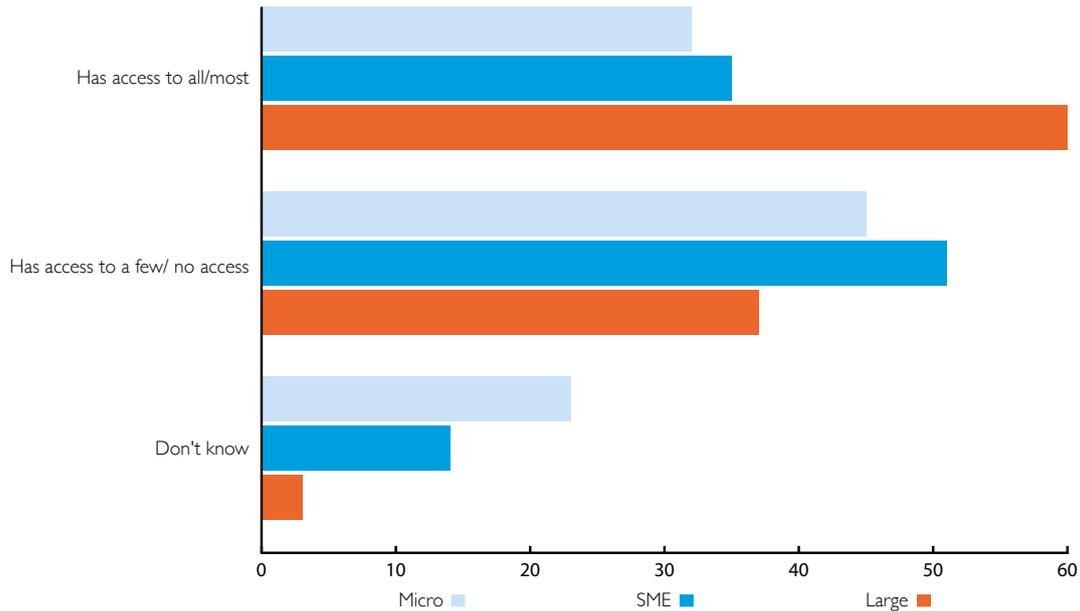


This striking divergence in action on emissions can perhaps be explained in part by access to skills. Businesses were asked if they felt their company had access to the necessary skills which would enable a reduction in emissions. A third (32%) of London businesses said they had access to all or most of the skills they need to reduce their firm's carbon emissions, compared to 46% who said they had little to no access to the required skills (22% said they did not know).

As with current action on carbon emissions, they were variations based on business size. Micro businesses and SMEs were more likely to say that they only had access to a few / none of the skills their firm needs to lower carbon emissions. By contrast, three-fifths (60%) of large companies said they were able to access all / most of the skills they need.

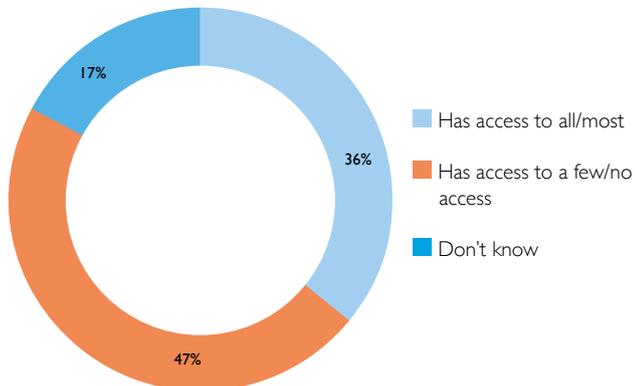
Firms that said they had already achieved their carbon targets / were in the process of reducing emissions were more likely to say that they already had access to all or most of the skills they need (72%). For businesses that are currently planning / intending to plan a reduction in emissions, only 25% felt they had access to all or most of the skills they need, with 70% stating little to no access.

## DOES YOUR BUSINESS HAVE ACCESS TO THE NECESSARY SKILLS TO REDUCE CARBON EMISSIONS?

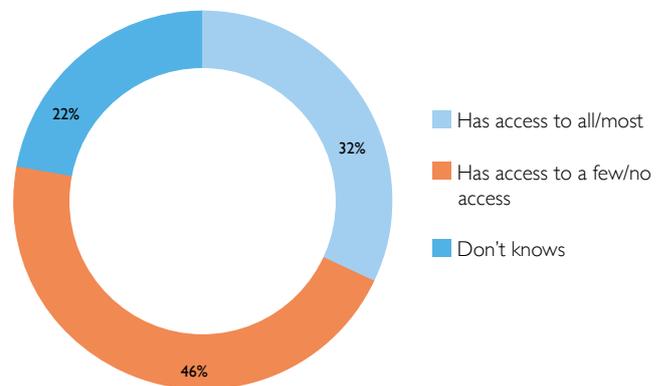


Manufacturers were slightly more likely than service sector companies to say they had access to all / most of the skills they need to reduce their carbon emissions:

### ACCESS TO SKILLS NEEDED TO REDUCE EMISSIONS (MANUFACTURING)



### ACCESS TO SKILLS NEEDED TO REDUCE EMISSIONS (SERVICES)



## WHICH 'GREEN' SKILLS DO BUSINESSES NEED?

Nearly half of London businesses said they do not have access to all of the skills they need to lower their carbon emissions. In the latest Skills Survey, firms were asked to try and identify specific 'green' skills they need to enable them to reduce their emissions. The term 'green skills' has been defined in this survey as the following:

- Green procurement
- Pollution/ pollution control
- Building construction/ operations
- Green finance
- Mechanical engineering
- Energy economics/ management/ conservation
- Power/ energy engineering
- Building maintenance/ services
- Environmental protection/ conservation
- Recycling collection/ treatment
- Monitoring of energy processes
- Green social sciences

This list is not exhaustive of green skills, which is an evolving area and arguably manifest in many more areas than the above. However, the list is intended to focus on the main areas businesses focus on when considering how to reduce carbon emissions.

Of the listed skills above, London businesses (who said they had little to no access to the skills they need to reduce carbon emissions) cited the greatest need for:

- Recycling collection/ treatment – 27%
- Green finance – 19%
- Energy economics/ management/ conservation – 18%
- Monitoring of energy processes – 17%
- Power/ energy engineering – 16%

A quarter of firms (24%) said they did not know what skills they need to reduce their carbon emissions.

For businesses of all sizes, recycling collection / treatment is the main skill they need to reduce their carbon emissions. A third (35%) of large firms (250+ employees) also cited a need for green procurement.

## PLUGGING THE GREEN SKILLS GAP

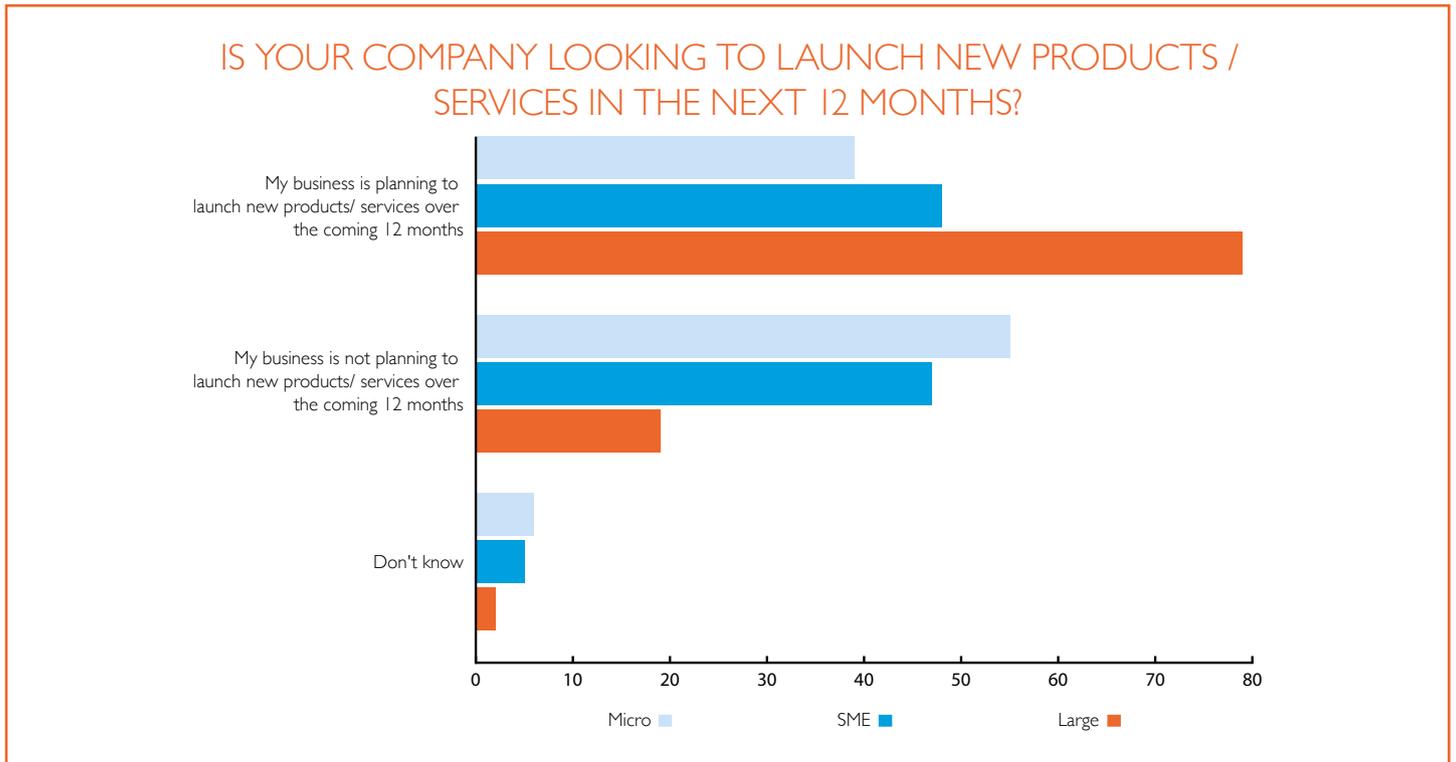
Businesses that reported a lack of access to the necessary skills for reducing emissions were also asked what steps (if any) they would take to acquire them. Two-fifths (42%) of companies said they would look to train existing staff, followed by using contractors (29%), while 15% said they would hire new staff.

From micro firms to large businesses, training existing staff was reported as the main method of acquiring the necessary green skills. However, while firms in service industries were also most likely to train existing staff, manufacturing companies indicated a preference for using contractors.

# ENTREPRENEURSHIP

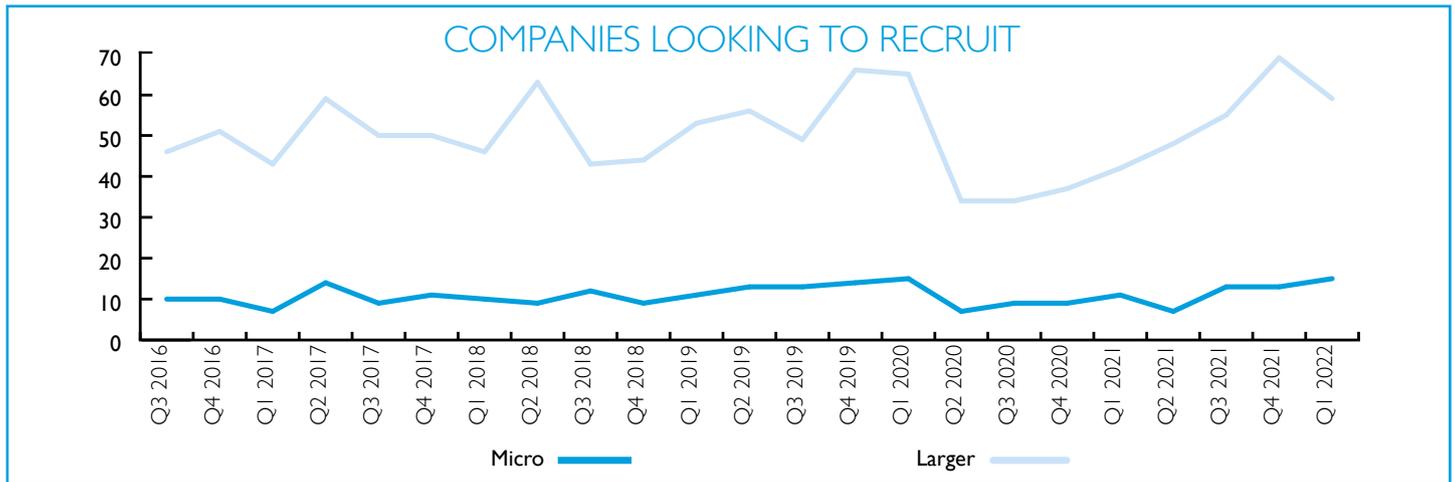
In this latest skills survey, London business leaders were also asked about their plans for the coming year when considering new products. Two-fifths of businesses said they had plans to launch new products / services in the next 12 months, compared to 54% who did not.

Large businesses were much more likely to say they had plans to launch new products / services than micro companies (79%, versus 39% respectively).

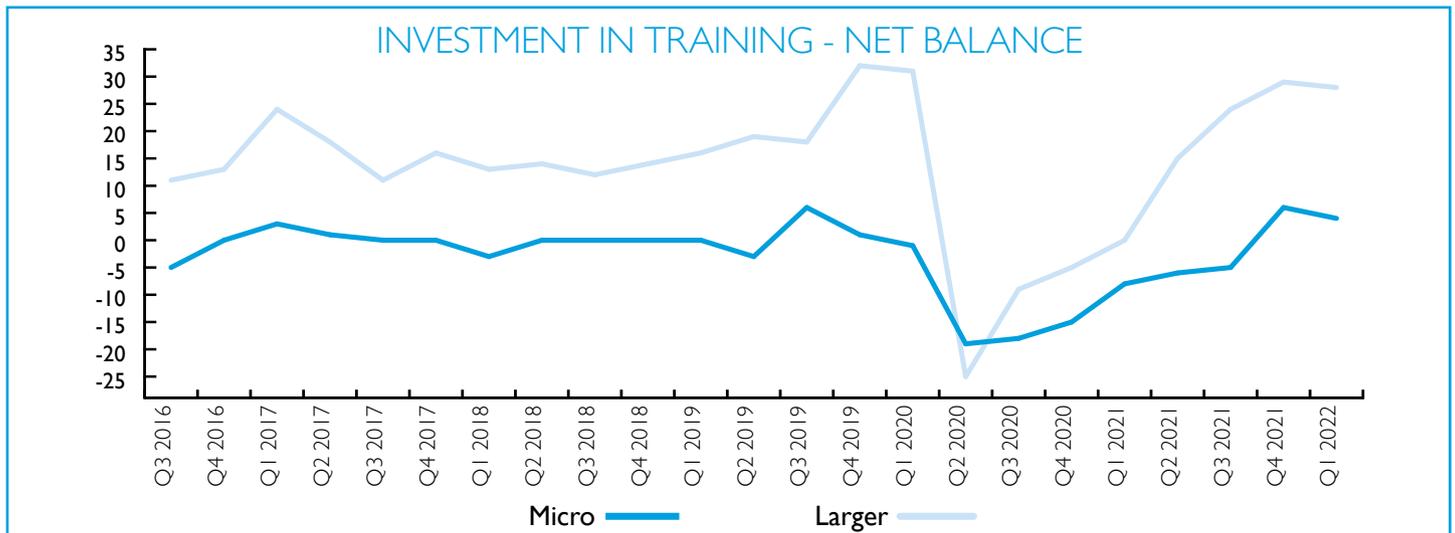


For the firms that are looking to launch new products / services, more than two-thirds (70%) said they already had all or most of the necessary skills to do so. Furthermore, of the companies that said they would not be launching new products / services, only 5% cited a lack of required skills in the workforce as a reason not to.

# RECRUITMENT AND TRAINING IN LONDON



Recruitment activity in London was slightly increased in the first quarter of 2022, with 19% of the capital's businesses saying they had sought to hire. Hiring by micro companies (0-9 employees) rose in Q1 2022, with 15% of firms looking to take on new staff: this was a two-year high. However, recruitment by larger firms (defined as 10 or more employees) fell back from 69% to 59%.



Business investment in training was little changed in Q1, with the net balances (the percentage of firms noting an increase in investment minus the percentage noting a decrease) remaining relatively stable for both micro and larger companies.

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