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

The UK tech sector has bounced back from the coronavirus effect with job vacancies in the industry climbing 50% since the low point in July. According to new data compiled 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.

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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.

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 $15B, slightly more than the $14.8B achieved in 2019, a record year, and slightly higher than the whole of the rest of Europe combined ($14.8B), 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.

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# UK unicorns

The UK's strong track record in creating unicorns – private companies valued at $1B 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 $2.1B, 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 now has a total of 85 unicorn tech companies.

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 $8.2B, up from $5.5B 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.

*"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."*
*– Oliver Dowden, Digital Secretary*

*"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."*
*– Alex Chesterman, Founder and CEO, Cazoo*

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