



Department  
for Education

# **Skills England: Sector skills needs assessments**

**Professional and Business services**

**June 2025**

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## Summary

The UK's professional and business services (PBS) sector has a global reputation for quality and innovation. It is an enabler of growth across the economy, helping businesses to raise finance, scale up, export and invest.<sup>1</sup> The sector accounts for over 12% of UK GVA, and hires 20% of graduates and 13% of apprentices in England.<sup>2,3,4</sup>

Professional business services (PBS) spans a range of industries, including Accounting, Audit & Tax Consultancy, Legal Services and Management Consultancy.<sup>5</sup>

At the time of writing, definitions of the eight Industrial Strategy growth-driving sectors are still in development. Our analysis uses the best available definitions and evidence, setting out what we already know and where further work is needed to understand the skills landscape within these sectors. The forthcoming Industrial Strategy Sector Plans will set out analysis of the highest growth potential subsectors.

## Priority jobs and skills

In June 2024, there were 5 million jobs in the PBS sector, accounting for 14% of all jobs in the UK. This has increased by 16% (700,000) over the last decade. The largest growth has been in the legal and accounting, activities of head offices and management consulting, and scientific research and development industries, which grew by 28%, 30% and 38% respectively.<sup>6</sup>

The Skills Imperative 2035 research finds that, by 2035, the number of jobs in PBS is projected to increase by 570,000 compared with 2020 (12%). This will be driven by a large rise of 430,000 highly skilled professional and managerial roles, while the number of administrative jobs is set to decline by 60,000. Over the same period, 2.4 million workers are forecast to leave the sector; taken together with the expansion in the overall number of jobs, the total requirement for new employees by 2035 will be almost 3 million.

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<sup>1</sup> [Invest 2025: the UK's modern industrial strategy](#), DBT (2024)

<sup>2</sup> [GDP output approach- low-level aggregates](#), ONS (2024)

<sup>3</sup> [LEO Graduate and Postgraduate Outcomes 2021/22](#), DfE (2024). Skills England analysis of industry destinations 3 years after graduation – we use a proxy definition for PBS, industry section M, professional, technical and scientific services, and N, administrative and support service activities.

<sup>4</sup> [Apprenticeships in England by industry characteristics 2021/22](#), DfE (2024). We use a proxy definition for PBS, industry section M, professional, technical and scientific services, and N, administrative and support service activities.

<sup>5</sup> PBS is defined by industry codes covering legal and accounting activities (69), head offices and management consulting (70), architectural and engineering activities (71), scientific research and development (72), advertising and marketing (73), other professional services (74) rental and leasing (77), employment activities (78) and administrative and office support services (82). This briefing includes additional detail on the legal and accounting industries and occupations.

<sup>6</sup> [JOBS04: Self-employment jobs by industry - Office for National Statistics](#) & [JOBS03: Employee jobs by industry - Office for National Statistics](#), ONS (2024)

These employees will need to fill jobs requiring a higher level of skills than those in the sector today.<sup>7</sup>

In addition, recent research published by the Professional and Business Services Council (PBSC) highlighted that the PBS sector is projected to be the most automation-disrupted sector in the UK, and that automation in PBS firms will create the opportunity for up to 584,000 new jobs to be created by 2040. The increased use of automation technologies in businesses will change many roles and responsibilities: eliminating some heavily administrative or repetitive roles while also creating a net gain of new roles in areas like artificial intelligence, machine learning, and robotics.<sup>8</sup>

The latest employment data shows that the PBS sector accounts for 17% of all vacancies in the economy. Whilst vacancies in PBS have fallen since a peak in 2022, there were still around 136,000 at the end of 2024, slightly above pre-pandemic levels.<sup>9</sup> Results from the Employer Skills Survey 2022 (ESS) show that 36% of vacancies in PBS were hard-to-fill due to skill shortages, which was the most common reason given by PBS employers and is equal to the UK average. Skill shortages for PBS were primarily in<sup>10</sup>:

- Specialist skills and knowledge required for the role, particularly complex analytical skills and operational skills.
- Self-management skills and the ability to prioritise tasks.

The ESS also found that 6.9% of PBS employees were not fully proficient in their role, often due to being new in the role or lacking proper training. This is higher than the UK average of 5.7%.

The largest occupations in the PBS sector are all experiencing elevated demand, including, book-keepers, payroll managers and wages clerks, solicitors and lawyers, management consultants, and chartered and certified accountants.<sup>11</sup>

The 2021 PBSC skills for future success research describes a growing demand for technology and data skillsets and for roles including software developer/ engineer, data scientist and data architect, which are particularly challenging to fill given the competition for skills with other sectors.<sup>12</sup> The increasing importance of hybrid roles is also noted, where traditional industry experience is blended with technical and data skills. Interpersonal transferable skills are needed as a bridge between the growing automation

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<sup>7</sup> [Labour market and skills projections: 2020 to 2035](#), DfE (2023)

<sup>8</sup> [Skills for future success, Professional and Business Services Council \(2021\)](#)

<sup>9</sup> [Vacancies by industry](#), ONS (2025)

<sup>10</sup> [Employer Skills Survey 2022](#), DfE (2023). We use a proxy definition for PBS, industry section M, professional, technical and scientific services, and N, administrative and support service activities

<sup>11</sup> [Occupations in Demand](#), DfE (2024)

<sup>12</sup> [Skills for future success](#), Professional and Business Services Council (2021)

of systems and customers and clients. Alongside leadership, these skills are key to ensuring the resilience to adapt to new ways of working.<sup>13</sup>

This research corroborates findings from our recent engagement with PBS employers<sup>14</sup>, which also highlighted a growing demand for data and digital tech skills as new tools and technologies are integrated into business practices, most notably Artificial Intelligence. Employers identified a lack of transferable skills, including work-readiness among new employees, particularly with respect to communication, resilience and networking skills.

Jobs in PBS are predominantly based in London and the South East (40%), with significant clusters in Birmingham, Manchester, Edinburgh, Glasgow, and Bristol.<sup>15</sup> Employers highlighted regional variation in skills challenges, with greater difficulties in recruitment of professionals outside of London and the South East. Employers noted that higher wages in London create a 'brain drain' for key professional roles, which reduces the talent available to firms, particularly SMEs, in other regions of the UK.

The PBSC research drew similar conclusions, finding that regions with fewer large cities, a more limited local labour market, and without established collaboration between education providers, local government and employers, tended to face greater recruitment challenges. Regions with well-established clusters of PBS firms do better, as do large national firms who can draw on talent from across the UK.<sup>16</sup>

## **Key skills challenges**

### **Legal services**

Engagement with the sector suggests that the biggest issue facing large law firms are skills and labour shortages.<sup>17</sup> There is a particular issue with the supply of skilled non-lawyers in areas such as IT, cyber security, facilities and finance. In a large firm, a significant number of staff are non-lawyers who work behind the scenes. About a quarter of this group are very highly skilled in specialist areas and are difficult to recruit in the UK. In global firms more of these roles are migrating to offices outside the UK where there are fewer challenges.

Legal sector employers told us that there are regional difficulties recruiting and retaining lawyers; SMEs and employers in the public sector based outside of London and the South East find this particularly challenging.

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<sup>13</sup> [Skills for future success](#), Professional and Business Services Council (2021)

<sup>14</sup> During this engagement process and the drafting of this publication, Skills England was set up in shadow form within the Department for Education (DfE). [Skills England - GOV.UK](#)

<sup>15</sup> [Business Register and Employment Survey 2023](#), ONS (2024)

<sup>16</sup> [Skills for future success](#), Professional and Business Services Council (2021)

<sup>17</sup> Department for Business and Trade intelligence

## Accounting services

Employers have told us that audit and tax skills are in demand in the sector, and that these skills are of particular importance for the strength of the UK economy. Employers suggested some are looking to offshore because of difficulties finding talent in the UK, and this is more challenging for employers in regions outside of the South East and London.

Employers highlighted that accountancy skills are in demand in the public sector and that some public sector employers rely on agency staff to fill the skills gap, which is a drain on resources. Employers in the public sector we engaged with told us they find it difficult to recruit accountants because of salary demands.

## Training routes into the sector

The PBS sector is predominantly highly skilled. More than half (58%) of PBS employees are qualified to degree level or above, and 84% have at least a Level 3 qualification, which is above the national average of 39% and 72% respectively. High level qualifications and compliance with professional standards are required for many of the key PBS professions, including solicitors, accountants, architects and statutory auditors.

In 2021-22, 34,000 graduates were working in the sector five years after graduation, 20% of the 2015/16 graduate cohort.<sup>18</sup> There is a diversity in the qualification routes for graduates, but the top three account for a third of the total:

- Business and management (17% of the total, includes finance and accounting);
- Law (9%);
- Engineering (7%).

The latest available data show over 40,000 apprenticeship starts in PBS employers in the 2021/22 academic year.<sup>19</sup> Accountancy is the largest group of apprenticeship standards, including the Level 7 professional standard, the Level 4 technician and Level 3 assistant standards. Legal, business administration, data analyst, and digital marketer apprenticeships are all well used.

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<sup>18</sup> [LEO Graduate and Postgraduate Outcomes 2021/22](#), DfE (2024). Skills England analysis of industry destinations 3 years after graduation – we use a proxy definition for PBS, industry section M, professional, technical and scientific services, and N, administrative and support service activities.

<sup>19</sup> [Apprenticeships in England by industry characteristics 2021/22](#), DfE (2024). We use a proxy definition for PBS, industry section M, professional, technical and scientific services, and N, administrative and support service activities

## Securing the future workforce

Apprenticeships are highly valued by the PBS sector. Employers told us that:

- Longer programmes help with staff retention.
- They function well as a way for public sector employers and smaller employers outside of London and the South East to grow talent that they struggle to recruit.
- Apprenticeships provide a grounding in the culture and practices of the business and the technology used and produce more rounded employees who understand the business, which is a distinct benefit over higher education routes.
- They have helped with diversity and social justice in parts of the sector that have traditionally been seen as elitist.

## Gaps in Provision

Employers suggested that foundation apprenticeships will not help with key professions in the PBS sector as they do not align with the roles employers want to recruit or develop and do not address the PBS requirements for professional practice and certification. However, the PBS employers we engaged with are keen to see greater flexibilities in the functioning of the apprenticeship levy.

The key points highlighted were:

- The ability to fund shorter courses targeted at those employees in need of reskilling or upskilling. Employers suggested this would work best if government trusted them to make decisions on where to target spending, but highlighted data, digital and AI as areas that could benefit, along with transferable skills such as coaching, impactful communication and management. Longer comprehensive courses were still felt to be appropriate for entry level routes.
- New flexibility in the system to enable temporary workers, and those on short term contracts, to do apprenticeships.
- An overall reduction in bureaucracy in the administration of apprenticeships, for providers and employers, and a more flexible implementation of 20% training time away from the office.
- Better careers signposting of the training available via apprenticeships to grow the number of school leavers considering this route.
- Reconsideration of the maths and English exit requirements for apprenticeships, as these are seen as inappropriate for older, senior workers looking to reskill or upskill.







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