

# London's Economy Today - Issue 254 - October 2023

## Key information

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## Overview

- UK inflation fails to fall in September
- UK wages are rising faster than inflation
- London retains second place in global financial markets ranking

## Economic indicators

- The underlying trend in passenger journeys on London public transport remains very marginally upward. 223.5 million passenger journeys were registered between 20 August and 16 September 2023, 7.1 million more than in the previous period. In the latest period, 83.7 million of all journeys were underground journeys and 139.8 million were bus journeys.
- In September, the sentiment of London's PMI business activity index remained positive and increased slightly with the business activity PMI index for London private firms at 52.4 in September, increasing from 50.4 in August. The Purchasing Managers' Index (PMI) survey shows the monthly business trends at private sector firms. Index readings above 50 suggest a month-on-month increase in activity on average across firms, while readings below 50 indicate a decrease.
- Consumer confidence in London dropped sharply and went negative, in October. The consumer confidence index in London decreased from 25 in September to -9 in October. The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.

# The Local Skills Improvement Plan (LSIP)

The Local Skills Improvement Plan (LSIP) for London is helping Londoners get into better jobs by ensuring training matches employer demand at the local level is a key aim of the LSIP.

The plan involved taking a deep dive into the data, a consultation with key stakeholders from training providers, employers, and the government to provide an in-depth understanding of the challenges and opportunities in London's economy.

- This supplement details the key findings from the LSIP evidence base produced by GLA Economics, which supported the development of London's LSIP.
- The evidence paints a picture of a resilient labour market in London that is characterised by a young, diverse, growing and highly qualified workforce. Nonetheless, there are labour market and skills-related challenges that acutely affect the capital compared to the rest of the country, including poverty, inequality, inactivity, and reduced training and learning rates. These are some of the challenges that relevant stakeholders (including local and national government, skills providers, and employers) would need to tackle.

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