GLAECONOMICS

London's Economy Today

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UK inflation fails to fall in September

By **Gordon Douglass**, Supervisory Economist, and
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Office for National Statistics (ONS) data that was published this month showed inflation didn't fall in September. Consumer Price Index (CPI) inflation remained at 6.7%, unchanged from August (Figure 1). Most economists had expected a small drop in September's inflation figure. The ONS noted that the biggest downward contribution to inflation "came from food and non-alcoholic beverages, where prices fell on the month for the first time since September 2021, and furniture and household goods, where prices rose by less than a year ago". While, "rising prices for motor fuel made the largest upward contribution to the change in the annual rates".

Core inflation which omits energy, food, alcohol and tobacco prices did however drop slightly to 6.1% in September, down from 6.2% in August; economists had also expected this measure of inflation to drop by more. And another measure of underlying inflation, Services CPI inflation, rose in September to 6.9% up from 6.8% in August. Still the cut on the cap on household energy prices and more favourable year on year comparisons should see inflation falling in the coming months.

Also in this issue

Datastore

The main economic indicators for London are available to download from the London Datastore.

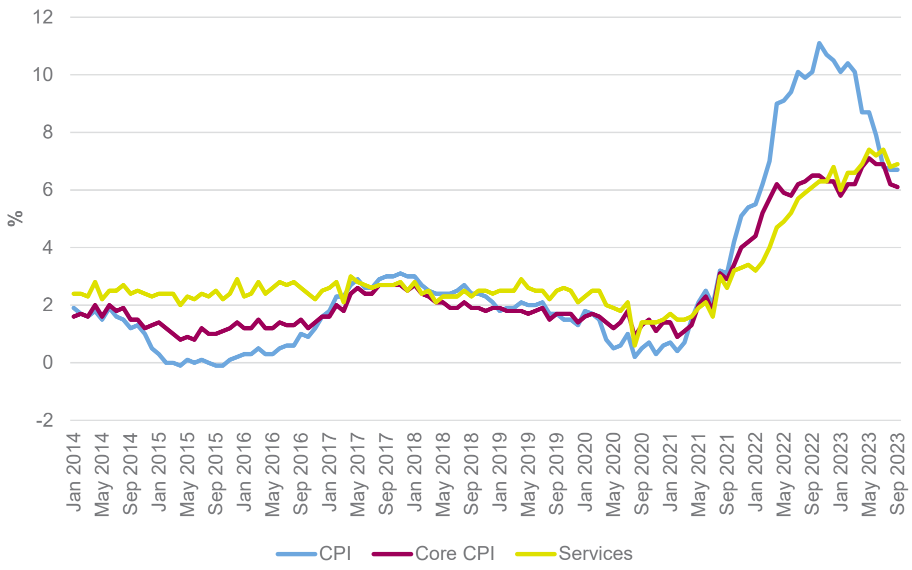


Figure 1: Annual CPI, core CPI and services inflation, January 2014 to September 2023

Source: ONS

The September inflation figure is important for many people claiming benefits, with some such as disability benefits having to increase by law by this rate in April next year. However other benefits such as universal credit usually increase by this rate but this is at the discretion of ministers.

Looking forward the International Monetary Fund (IMF), in their latest World Economic Outlook, forecast that UK inflation will fall back next year. They expect average UK consumer price inflation to stand at 3.7% in 2024 down from an average of 7.7% this year and 9.1% in 2022. However, the forecast for inflation in 2024 in the UK was the highest of any of the G7 economies.

Despite inflation not falling this month most economists expect the Bank of England to hold interest rates at their current level at their next meeting in November. The Bank's Monetary Policy Committee (MPC) was split in their October vote with five members of the MPC voting to maintain rates at their current level and four voting to raise rates. Looking at the impact of the current level of rates Dr Swati Dhingra, a member of the MPC, said that "the economy's already flatlined. And we think only about 20% or 25% of the impact of the interest rate hikes have been fed through to the economy". With her adding "when you're growing as slowly as we're growing now, the chances of recession or not recession are going to be pretty equally balanced. So we should be prepared for that". And that "it's not going to be great times ahead". She also noted that higher rates may impact on younger workers and those on lower incomes the hardest.

UK wages are rising faster than inflation

With inflation moderating over recent months annual average nominal pay growth (excluding bonuses) overtook inflation for the first time in two years. In the three months to August 2023 this figure stood at 7.8% which was higher than average inflation for the same months. There were however differences between the average wage growth of the public and private sectors. In the private sector this stood at 8.0% between June and August 2023 which was among the highest recorded growth rates seen by the ONS outside of the pandemic period. However, public sector pay increased by 6.8%. This was however the highest increase seen since records began in 2001.

Despite wages on average now rising faster than inflation pressures on households' finances are likely to remain for some time yet. Consultancy firm Cornwall Insights forecast that energy bills for a typical UK household could increase by £73 in January. It expects that the Ofgem price cap for a typical household will be increased to £1,996 in January. This expected increase was put down to a rise in wholesale energy prices.

The housing market also remains a source of rising costs to many households. This was shown again by ONS data which found that UK private rental prices increased by 5.7% on average in the year to September 2023. This was the largest increase since records began in January 2016. For London this increase was even higher with rental prices increasing by 6.2%, the highest rate since London records began in January 2006 (Figure 2).

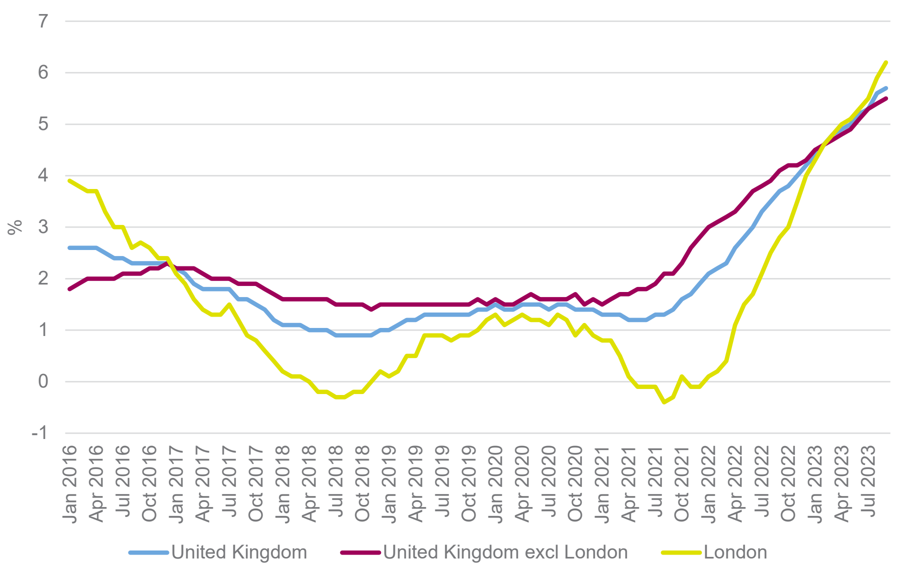


Figure 2: Private rental price percentage change over 12 months, UK and London, January 2016 to September 2023

Source: Index of Private Housing Rental Prices from the ONS

Note: Data presented are classified as Experimental Statistics. Estimates are not seasonally adjusted

UK economy returns to growth in August

ONS data published this month showed that the UK economy returned to growth in the month of August. GDP increased by 0.2% in August compared to a downwardly revised fall of 0.6% in July (Figure 3). However, looking at the contributions to this growth by the main sectors of the economy only the services sector saw growth, of 0.4%, while output in the production and construction sectors declined, by 0.7% and 0.5% respectively during August. Even in services some sectors saw a decline in output with consumer facing services falling by 0.6% in August after falling by a downward revised 0.2% in July.

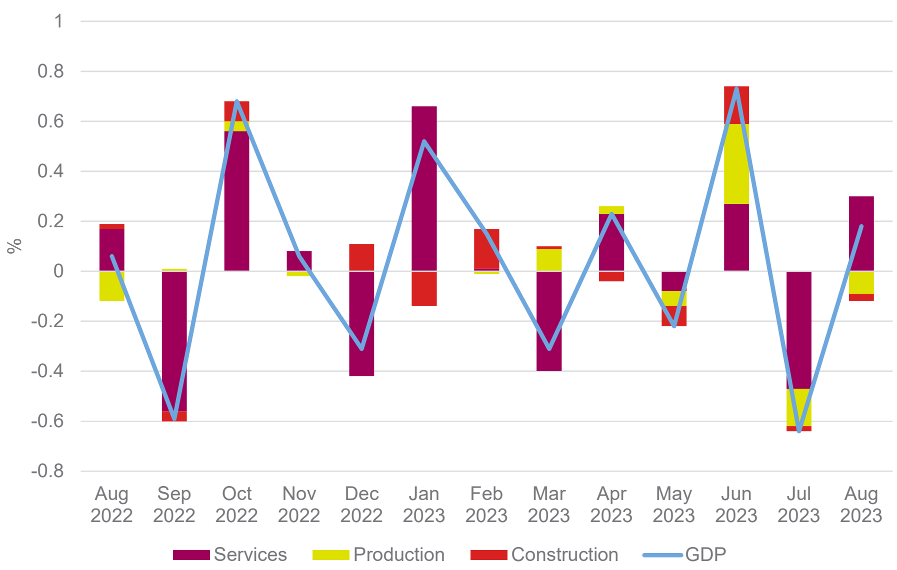


Figure 3: Contributions to monthly GDP growth, August 2022 to August 2023, UK

Source: ONS

The IMF have however produced relatively gloomy forecasts for the UK in their latest World Economic Outlook forecast. They expect the UK to grow by just 0.5% in 2023 and 0.6% in 2024. This was a slight 0.1 percentage point (pp) upgrade on their last forecast for 2023 which they produced in July but a downgrade of 0.4pp on their 2024 forecast for the UK. The 2024 forecast for the UK is the slowest growth of any major advanced economy. The IMF said that the UK growth rates "reflects tighter monetary policies to curb still-high inflation and lingering impacts of the terms-of-trade shock from high energy prices". Government sources however claimed that the IMF forecast had not taken into account revised ONS data for UK growth. This data now shows the economy has grown by 1.8% since the start of the pandemic rather than a previously estimated 0.2% decline.

UK government has little fiscal room for manoeuvre

The Autumn Statement is due to take place next month. Looking at the state of the public finances in advance of the Statement the Institute for Fiscal Studies (IFS) published their Green Budget in October. In their analysis the IFS found that public borrowing could reach £122bn, 4.7% of GDP, this year. Although this is below the Office for Budget Responsibility's (OBR) forecast from March 2023 at the time of the Budget for this fiscal year, the IFS forecasts higher borrowing in future years than was forecast by the OBR. Commenting on this Paul Johnson, the director of the IFS said "the price of our high levels of indebtedness, failure to stimulate growth, and high borrowing costs is likely to be a protracted period of high taxes and tight spending". Rising government borrowing is being driven by higher debt interest payments which have risen to 4.4% of GDP and is expected to remain above 3% of GDP in the medium term. The IFS did however note that the UK is on course to register a large fiscal surplus by 2027-28, but that this includes a six-year freeze in personal tax allowances and thresholds and implied cuts to most public service spending.

The Resolution Foundation has also been examining the impact of frozen tax thresholds. Their research found that by 2028 taxpayers will be paying £40bn a year more due to the freeze on the income tax and National Insurance thresholds. Meanwhile, the think tank Reform has been looking at UK government spending and found that it is not sufficiently tied to government priorities. The performance of critical projects struggles to stay on track due to civil service inefficiency. Reform called for every department to appoint a named individual in their executive team to oversee performance information and for the Cabinet Office to create a task force to set and measure project and policy performance.

A mixed picture for the world economy

Despite a relatively subdued forecast for the UK economy the IMF is more upbeat for the world economy. It noted that the "the resilience [of the global economy] has been remarkable". It also observed that "inflation—both headline and underlying (core)—is gradually being brought under control" with projections "increasingly consistent with a "soft landing" scenario for the world economy.

However, the IMF has also warned of threats to global financial markets due to rising bond yields. Tobias Adrian, director of the IMF's monetary and capital markets department is quoted by the Financial Times as saying "when you see large moves that are very fast, it has more potential to trigger instability, because market participants have to reposition and there are these accelerators in the system that could kick in".

Elsewhere concerns have been rising about the Chinese property developer Country Garden. The company is believed to have defaulted in October on its overseas debt. The firm has $11bn in debt and another $6bn in onshore loans. If it has defaulted this would lead to one of China's biggest corporate debt restructures. China has also announced a number of measures to boost housing demand. However, data indicates property investment in China declined by 9.1% in the first nine months of the year.

London retains second place in global financial markets ranking

The latest Global Financial Centres Index from Z/Yen Partners and the China Development Institute found that London retained its second place in the rankings of 132 financial centres examined. It maintained its slight lead above Singapore in third place, but still lags behind New York, although the gap between the two cities rankings has narrowed slightly.

Elsewhere data from the commercial real estate research company CoStar showed that vacancies in both London and the US reached 20-year highs as the commercial real estate market continues to react to the fallout from the pandemic, and continued hybrid working. Further, as shown in the indicators section of this publication, consumer confidence in London again turned negative this month after being positive for the previous two months. Still, the Government did confirm this month that the stage of HS2 to Euston will go ahead if private funds are available for it.

The ONS has also published international tourism statistics up to 2023 Q2. London's recovery as a destination continues with the number of visits in this quarter at 5.3m just 1% below the corresponding pre-pandemic figure for 2019 Q2. There has, though, been a significant shift in the origin of tourists, with numbers from North America rising by 35%, those from Europe falling by 7%, and from other countries by 16%. As a comparison, all visits to the UK remain down by 5%.

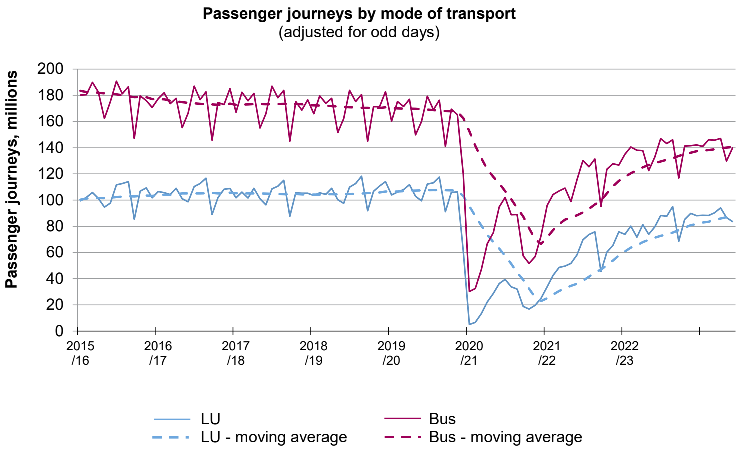
GLA Economics will continue to monitor all these issues over the coming months in our analysis and publications, which can be found on our publications page and on the London Datastore.

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. 216.4 million passenger journeys were registered between 23 July and 19 August 2023.
- In the latest period, 83.7 million of all journeys were underground journeys and 139.8 million were bus journeys.
- The 13-period-moving average in the total number of passenger journeys rose from 226.9 million in the previous period to 227.8 million in the latest period.

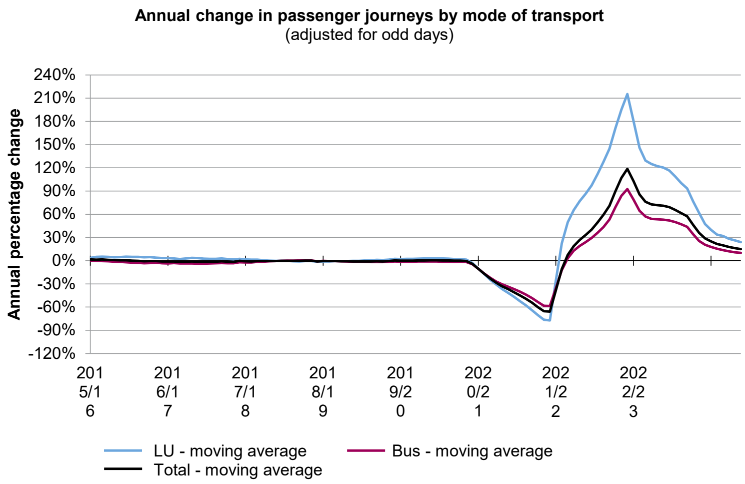
Source: Transport for London
Latest release: October 2023, Next release: November 2023



Annual growth in passenger journeys remained strongly positive, if slowing

- The 13-period moving average annual growth rate in the total number of passenger journeys was 16.1% between 23 July and 19 August 2023, down from 17.7% between 25 June and 22 July 2023.
- The moving average annual growth rate of bus journeys decreased from 12.2% to 10.8% between the above-mentioned periods.
- Likewise, the moving annual average of underground passenger journeys decreased from 28.3% to 26.3% between those periods.

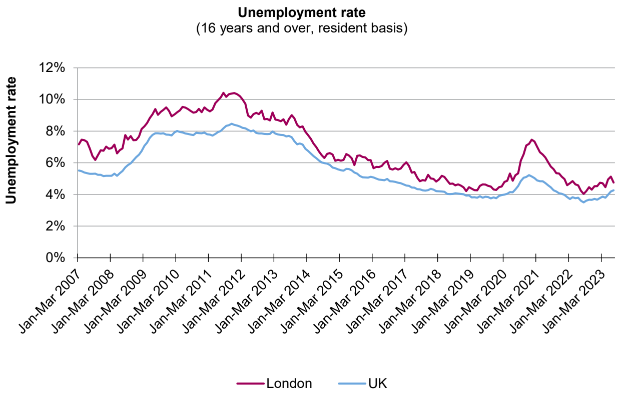
Source: Transport for London
Latest release: October 2023, Next release: November 2023



London's unemployment rate has been rising slowly, but remains low

- Around 236,000 residents 16 years and over were unemployed in London in May – July 2023.
- The unemployment rate in London was 4.8% in that period, slightly higher than in the previous quarter, February – April 2023, of 4.5%.
- The UK's unemployment increased from 3.8% in February – April 2023 to 4.3% in May – July 2023.

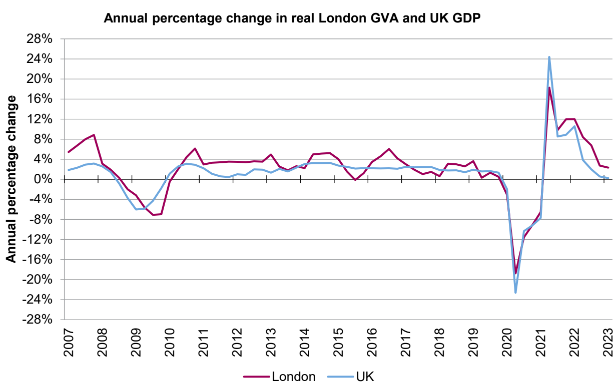
Source: ONS Labour Force Survey
Latest release: September 2023, Next release: November 2023



London's economy had surpassed pre-pandemic levels of output by Q4 2021, and continued to grow to Q1 2023

- By Q1 2023 London's GVA was 4.5% above its pre-pandemic level (Q4 2019), and UK GDP was 0.5% below.
- London's real GVA was unchanged in Q1 2023 - compared with Q4 2022 - after increasing by 0.1% in the previous quarter.
- The UK's real GDP growth rate increased by 0.1% in Q1 2023 – compared with Q4 2022- after increasing by 0.1% in the previous quarter.
- While GDP and GVA are different measures in output their trends have been comparable. UK GDP estimates incorporate a broader range of data than GVA estimates, and so is more robust.
- London's real GVA quarterly estimates for the period Q1 1999 to Q4 2012, and from Q4 2022 onwards have been produced by GLA Economics. Estimates for the intervening period are outturn data from the ONS, which has not published quarterly estimates for London's real GVA for the other periods.

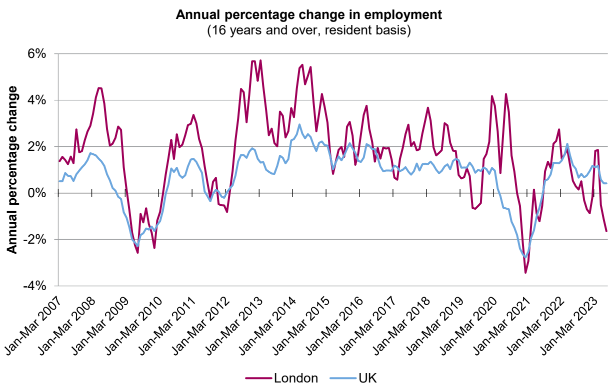
Source: ONS and GLA Economics calculations
Latest release: August 2023, Next release: December 2023



London's employment fell year-on-year in the quarter to July 2023

- Around 4.7 million London residents over 16 years old were in employment during the three-month period of May – July 2023.
- The rate of employment growth was -1.6% in the year to this quarter, lower than the growth in the previous quarter to April of 1.8%.
- The UK's employment grew by 0.4% year-on-year in the most recent quarter, slower than the rate of 1.2% in the previous quarter.
- London's labour market remains a conundrum. Evidence from a range of sources is that labour demand is weakening, although the estimated pace and degree of the weakening varies across data sources. The data reported here shows an earlier and stronger weakening than other sources, perhaps partly reflecting the underlying volatility due to comparatively small sample sizes in this data.

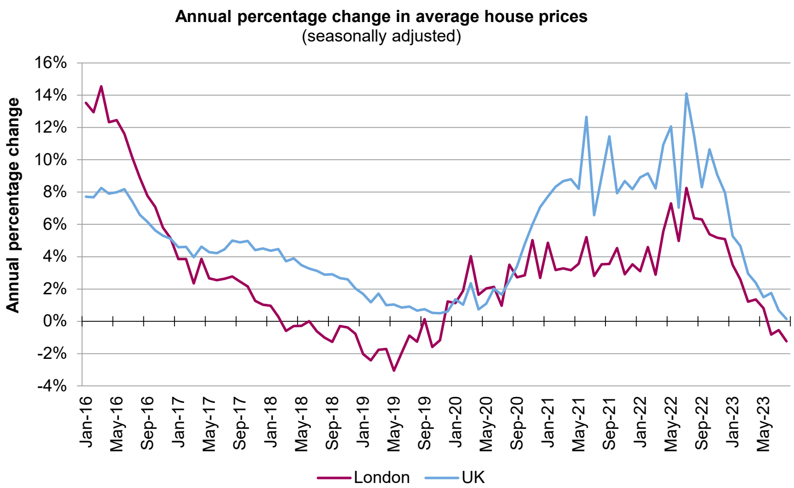
Source: ONS Labour Force Survey
Latest release: September 2023, Next release: November 2023



Annual house price growth in London remained slightly negative in August

- In August 2023, the average house price in London was £528,000 while in the UK it was £286,000.
- Average house prices in London fell by 1.2% year-on-year in August, lower than the fall of 0.5% in July.
- Average house prices in the UK rose by 0.1% on an annual basis in August, lower than the rate of 0.7% in July.

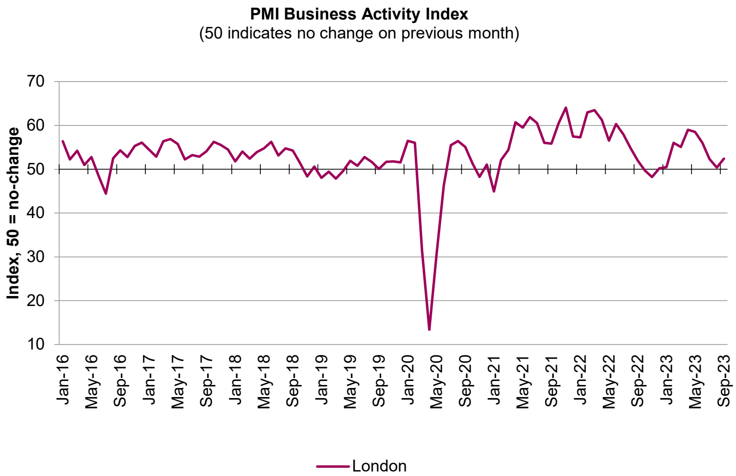
Source: Land Registry and ONS
Latest release: October 2023, Next release: November 2023



In September, the sentiment of London's PMI business activity index remained positive and increased slightly

- The business activity PMI index for London private firms increased from 50.4 in August to 52.4 in September.
- 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.

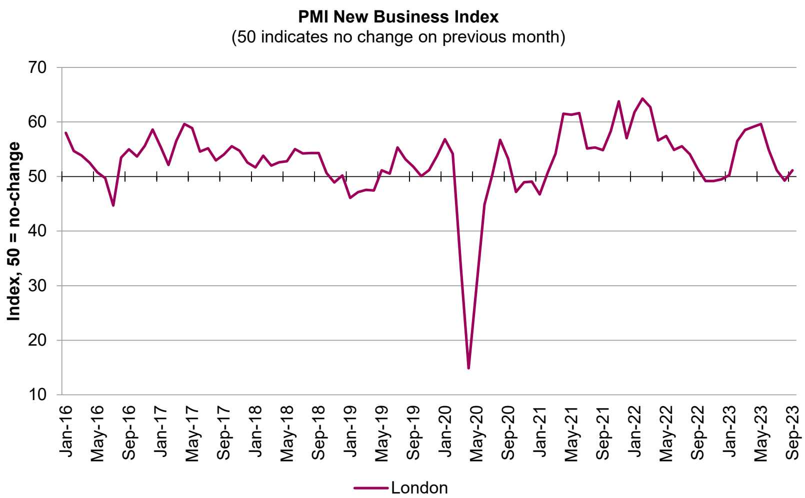
Source: IHS Markit for NatWest
Latest release: October 2023, Next release: November 2023



In September, the sentiment of London's PMI new business activity index increased, and went slightly positive

- The PMI new business index in London increased from 49.3 in August to 51.2 in September.
- An index reading above 50.0 indicates an increase in new orders on average across firms from the previous month.

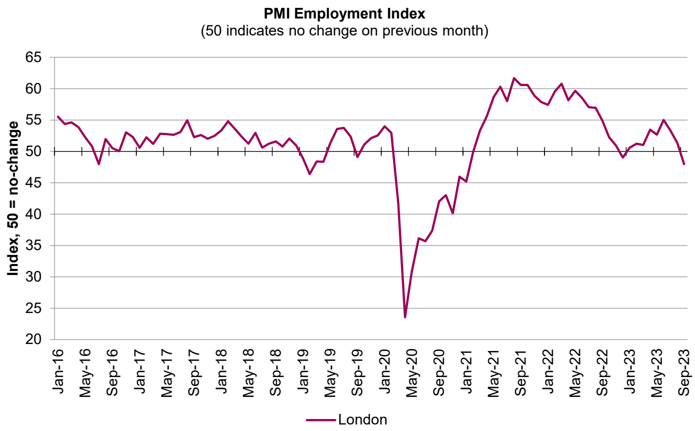
Source: IHS Markit for NatWest
Latest release: October 2023, Next release: November 2023



In September, the sentiment of the PMI employment index in London decreased and went negative

- The Employment Index for London decreased from 51.4 in August to 48.0 in September.
- The PMI Employment Index shows the net balance of private sector firms of the monthly change in employment prospects. Readings above 50.0 suggests an increase, whereas a reading below 50.0 indicates a decrease in employment prospects from the previous month.

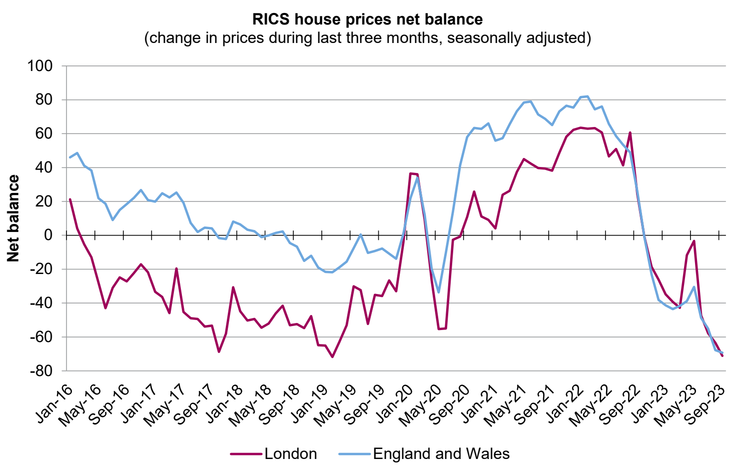
Source: IHS Markit for NatWest
Latest release: October 2023, Next release: November 2023



The number of property surveyors in London reporting house price falls in September increased

- In September, more property surveyors in London reported falling prices than rising prices. The net balance index was -71 and in August it was -63
- For England and Wales, the RICS house prices net balance index worsened marginally from -68 in August to -69 in September.
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

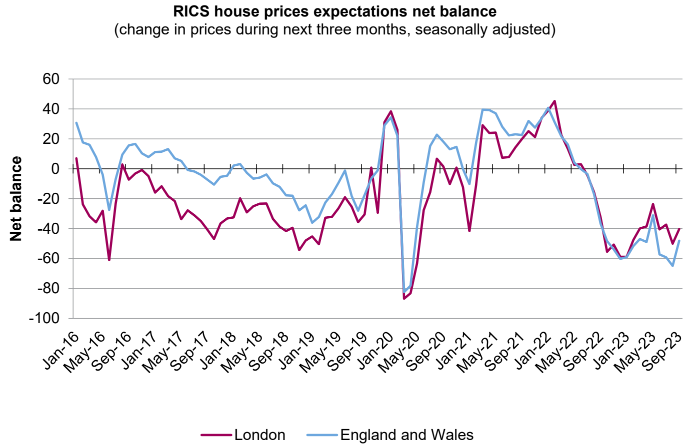
Source: Royal Institution of Chartered Surveyors
Latest release: October 2023, Next release: November 2023



In September, net expectations for house prices in London for the next three months remained highly negative, according to surveyors

- The net balance of house price expectations in London was -40 in September, an increase from -50 in August.
- The index for England and Wales was -48 in September an increase from -65 in August.
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

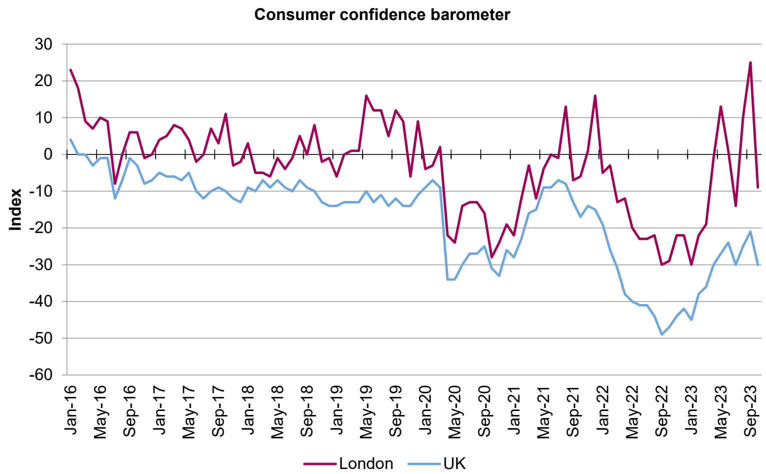
Source: Royal Institution of Chartered Surveyors
Latest release: October 2023, Next release: November 2023



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 sentiment for the UK decreased from -21 to -30 over the two months. The UK has not seen a positive index score since January 2016.
- 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.

Source: GfK
Latest release: October 2023, Next release: November 2023



The Local Skills Improvement Plan for London: Helping Londoners get into better jobs by ensuring training matches employer demand

By **Monet Durieux**, Economist

Introduction

Skills are important for the economy, individuals and employers. For the economy, education and skills are key drivers of economic growth and productivity. For individuals, people with higher level qualifications are more likely to be in work, earn higher wages, and enjoy greater job security. And finally for employers, hiring difficulties and skills gaps could limit the growth and profitability of employers and raise costs.

While there has historically been a strong "skills match" in London's labour market, post-pandemic there has been a growing mismatch in skills supply and demand.

Ensuring that training better responds to employer demand at the local level is a key aim of the Locals Skills Improvement Plan (LSIP) for London. The plan comprised a data deep dive as well as consultation with key stakeholders from training providers, employers and 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.

Background information

The LSIP for London, whose main objective is to better match training to employer demand at a local level, was launched in September 2023.

This Department of Education funded initiative is described as a *"data-driven plan for better matching post-16 training provision to employer skills demand and the needs of London's economy. This will help employers meet their skills gaps, fill vacancies and ultimately get more Londoners into jobs."*[1]

London's LSIP undertook an extensive data collection activity, gathering information through interviews and workshops with key stakeholders as well as conducting a survey.

1 BusinessLDN, Local Skills Improvement Plan for London

The LSIP identifies key areas for action:

- **Meeting London's skills needs**, focusing on transferable, digital and green skills.
- **Supporting and galvanising business action** including supporting SMEs to navigate the employment and skills system, supporting a pipeline of diverse talent and labour market inclusion, as well as boosting employer attractiveness, with more employers signing up for the Mayor's Good Work Standard.
- **Delivering a skills system which is fit-for-purpose** and focused on growing a flexible and more modular approach to training delivery, ensuring that the AEB delivers more locally relevant training and moving towards a multi-year funding strategy.
- **Building an inclusive London workforce** through employment support, programme alignment and addressing digital poverty.

As part of the LSIP process, GLA Economics developed an evidence base to support the plan by providing up-to-date and robust data on London's labour market and skills landscape. The evidence highlighted the strengths but also the challenges faced by the capital post-pandemic.

Findings from the LSIP evidence base

Strengths of London's labour market and skills system

The LSIP evidence base highlighted that London makes an important contribution to the national economy. This includes having a growing, diverse, and highly qualified labour force, and a growing concentration of jobs in knowledge-intensive sectors.

- The capital accounts for 1 in 5 jobs (20%) and just over 1 in 5 enterprises (22%) in England, while comprising 28% of England's economic output.
- London has an estimated 8.8 million residents, accounting for 17% of England's population. Around two-thirds (69%) of residents are aged 16 to 64, with a particularly high share of prime working-age residents (aged 25 to 49) (Figure A1).
- The number of workforce jobs in London increased by 1.2 million between 2010 and 2019, an increase of 25%, compared to a 14% increase over that same period in England. In June 2023, there were 6.5 million workforce jobs in London, with jobs recovering to above pre-pandemic peaks.
- London's workforce is the most qualified in the country. Half of Londoners of working age have a qualification at Level 4 or above, compared to 37% across England (Figure A2). Qualification attainment among Londoners has also increased significantly in the last decade.
- London's economy is supported by a concentration of activity in knowledge-intensive sectors such as finance, information and communication and professional services, which together have accounted for around 45% of the net increase in jobs since 2010.
- London's population is relatively young and ethnically diverse. The increase in the capital's population and rising labour force participation rates led to an increase in the supply of labour available to employers.
- London offers a range of learning opportunities. For example, the capital is also home to around 30 Further Education (FE) colleges, over 40 universities – including four ranked among the world's top 40[2] – and a significant number of other skills providers of different sizes and specialisms.

2 Times Higher Education (2021) Times Higher Education World University Rankings 2021

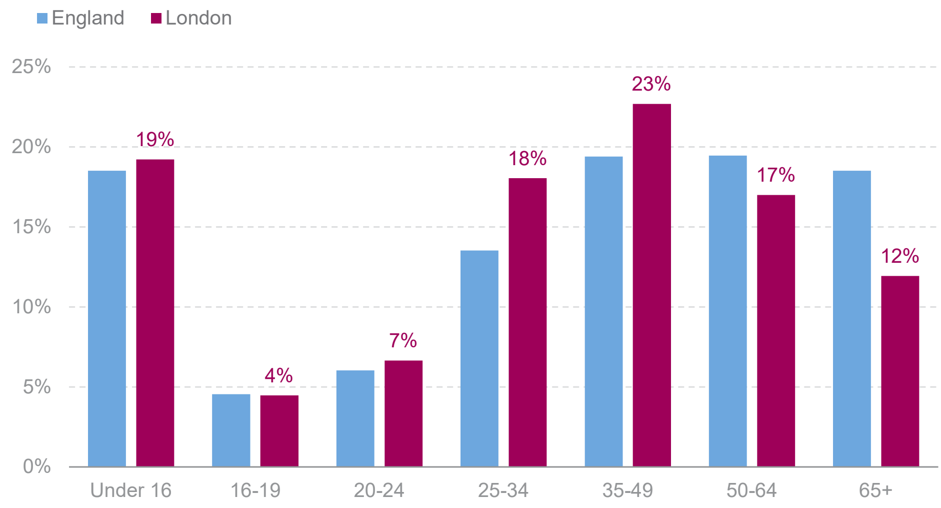


Figure A1: Population by age group, 2021

Source: ONS, Mid-year population estimates (2021)

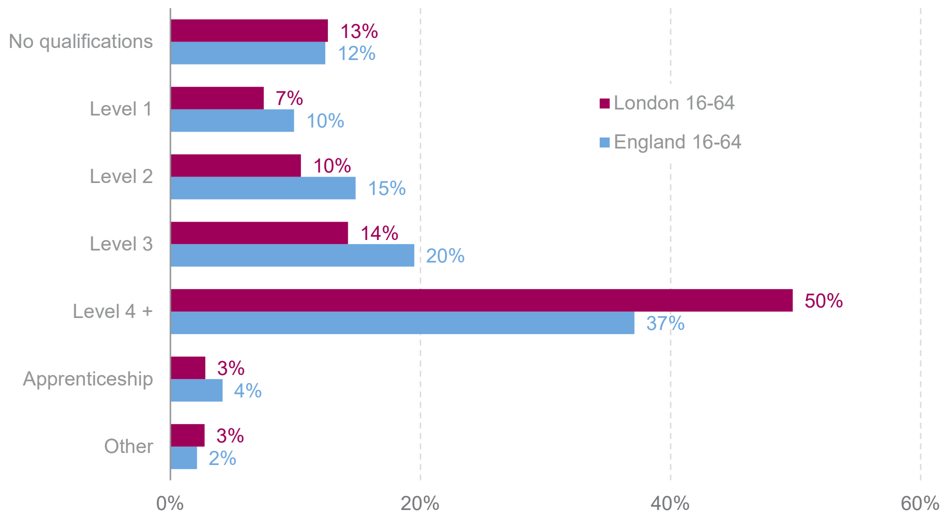


Figure A2: Highest qualifications held by people aged 16-64, 2021

Source: ONS (2021), Census

London's labour market and skills challenges

Despite these positives, London also faces several challenges:

1 Poverty as a barrier to work and education

- Many Londoners face barriers to work and education which limit their ability to participate fully in the opportunities offered by the capital. Poverty rates, especially in central London, are higher than those of other English regions.[3] The high cost of living, including unaffordable housing, public transport and childcare also increase barriers for many Londoners.[4],[5] It is worth noting that more than half (51%) of Londoners in poverty are in work, a higher rate than in the rest of England (44%).[6]

2 Lack of awareness

- Stakeholders, including FE providers, have highlighted that many Londoners lack understanding of opportunities or sources of support. [7] Londoners from disadvantaged groups such as those in receipt of benefits, those with a disability and/or health condition, and those whose first language isn't English – will often face multiple and interrelated barriers to learning.

3 Trust for London (2022) London's Poverty Profile 2022: COVID-19 and poverty in London
4 Padley, M. (2022) A technical report on the calculation of a minimum London Weighting (e.g. Table 1)
5 London households in poverty spend around half of their net income on housing costs, rising to almost two-thirds for private renters: Legatum Institute (2022) Poverty in London, before and during the Covid-19 pandemic
6 Poverty and employment status, Trust for London. Employment status of all adults aged 16+ in poverty. Data for 2021/22
7 Toynbee Hall (2022) More than just education: A participatory action research project on adult education in London. Also see: Pye Tait Consulting (2019) Post-18 Education Review: Call for Evidence

3 Labour market inequalities

- While there has been improvement over the last decade in terms of reducing labour-market inequalities, they are still pronounced, especially when comparing outcomes for residents by ethnic background, disability status, and caring for dependents.[8]
- A sizeable part of London's population holds only lower-level qualification. Around a fifth of London residents aged 16-64 did not hold a qualification at level 2 in 2021 (equivalent to GCSEs at grades A*-C or 9-4).[9] This was just below the England average (20% vs. 22%). However, it still amounts to 1.2 million people living in the capital – a higher number than in any other English region.

4 Economic inactivity

- Economic inactivity remains higher than before the pandemic (Figure A3). Working age Londoners have left the labour market for a range of reasons. One reason is them being students, while a significant share of inactive Londoners are unable to work because of health or caring responsibilities.

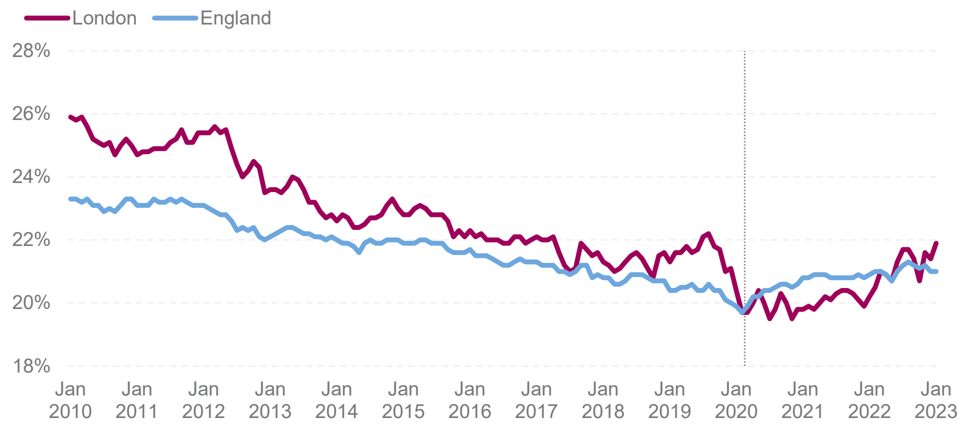


Figure A3: Economic inactivity (% of residents aged 16-64

Latest data for the three months ending January 2023

Source: ONS, Labour Force Survey.
Note: start of the lockdowns in March 2020 indicated by vertical line

5 Reduced lifelong learning and training

- Participation in lifelong learning has been declining in general, with limited recent recovery in London. Since 2011, participation in FE and skills training has fallen sharply across both London and England. This fall was exacerbated by the pandemic, with participation in London falling from 355,000 in 2018-19 to 289,800 in 2020-21. It also follows a large decrease in funding for classroom-based adult education, which fell across England from £2.6bn in 2011-12 to just under £1.5bn in 2021-22 (in 2022-23 prices).[10] The latest data shows a partial recovery, though, with 310,200 London learners participating in FE and skills in the 2021-22 academic year. These trends highlight the importance of supporting Londoners to up-skill and re-skill.
- London still has both a lower rate of adults starting on apprenticeships, particularly for younger age groups, and fewer employers offering apprenticeships than in other parts of the country.
- Workplace training activity has been falling in London. For example, while nearly two-thirds (64-65%) of London employers reported providing training from 2011 to 2017, this has dropped to 58% in 2019, and continues to lag pre-2017 shares in 2022 (60%).
- The reason behind this trend is complex. That said, factors that may have impacted on this trend include the expansion of higher education and the increase of qualification attainment, budget constraints, and wider economic factors such as the pandemic and the cost-of-living crisis.

8 GLA Intelligence (2021) Economic Fairness – Employment Gaps
9 Estimate as at Census Day, 21 March 2021.
10 See: IFS (2022), Annual report on education spending in England: 2022.

Future labour market growth areas

The LSIP evidence base also investigated the London sectors which are expected to grow over the next decade. It revealed that most of the growth will come in service-based sectors as opposed to manufacturing.

- Post pandemic, the share of employers reporting a need to develop the skills of their workforce has increased. There is evidence of demand for a wide range of job-specific and transferable skills, including management and leadership, analytical, and digital skills.
- As with other areas, skill-shortage vacancies[11] as a share of all vacancies In London have increased from 21% in 2019 to 32% in 2022.[12]
- Regional projections from the Skills Imperative 2035 project offer more detailed information on employment trends to 2035. Outputs from this research – largely produced before recent events such as the cost-of-living crisis – suggest that total employment in London will increase by around 35,000 jobs (or 0.6% a year between 2020 and 2035).
- The sectoral profile from the Skills Imperative shows that the bulk (58%) of jobs growth in the capital from 2020 to 2035 is expected to come from business and other services (+314,200), with employment in manufacturing set to decline slightly (-13,600), having been flat in the last decade (Figure A4).

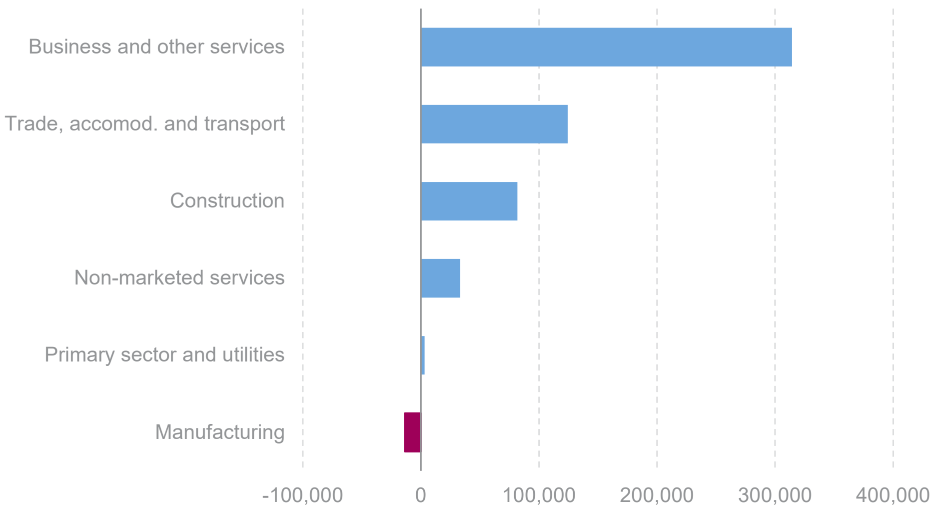


Figure A4: Net change in employment by broad sector, 2020-35

Source: Skills Imperative 2035, London LSIP tables. For more detail on these broad sectors see here.
Note: Employment estimates are based on the ONS workforce jobs which is a quarterly measure of the number of jobs in the UK and is the preferred measure of the change in jobs by industry.

Conclusion

The LSIP is an important plan to ensure that Londoners' skills can better respond to the needs of employers and to promote collaboration between the key stakeholders across London's labour market and skills system.

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.

11 A skills-shortage vacancy refers to a vacancy that is hard to fill due to lack of skills, qualifications or experience among applicants.
12 DfE Employers Skills Survey 2022, released September 2023.

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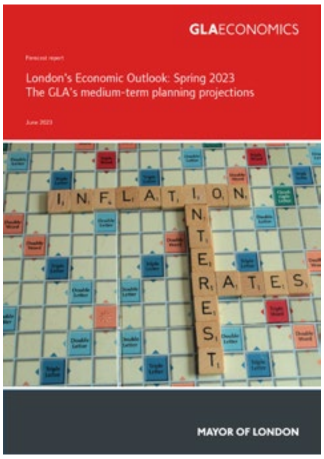

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