

London's Economy Today

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UK inflation rises again in August



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The [latest Consumer Price Index \(CPI\)](#) inflation data from the Office for National statistics (ONS) showed that CPI inflation rose to 3.1% in the 12 months to August 2026, up from 2.9% in July (Figure 1). CPIH inflation, which includes owner occupiers' housing costs, also increased, from 3.1% to 3.3%. On a monthly basis, both CPI and CPIH rose by 0.5% in August, compared with increases of 0.3% in August 2025.

Transport made the largest upward contribution to the change in annual inflation, driven mainly by motor fuels. Petrol prices rose by 9.1 pence per litre between July and August, while diesel prices increased by 14.2 pence. Overall, motor fuel prices were 23.0% higher than a year earlier. Smaller upward contributions came from housing and household services, including domestic energy costs.

Underlying measures were more stable. Core CPI remained at 2.6%, services inflation was unchanged at 3.4%, and goods inflation increased from 2.2% to 2.7%. Food and non-alcoholic beverages inflation was unchanged at 1.3%, its lowest rate since September 2021 apart from the same rate seen in July.

The August data suggest that the renewed rise in headline inflation is being driven primarily by energy and fuel prices rather than a broad-based acceleration in domestic inflation. However, continued volatility in oil and gas markets creates a risk that higher energy costs could feed into a wider range of goods and services over the coming quarters.

Also in this issue

Energy bills will rise again from October, but a VAT cut and winter support will cushion the rise.....	2
Bank of England holds rates while global monetary policy tightens	2
Gilt yields fall back after the Bank overhauls its bond sales	3
UK economy continues to expand in July led by services.....	3
The UK's services surplus widened again over the summer, but the goods deficit kept total trade in the red	4
ONS set to adjust the UK's productivity measurement in November, with regional data to follow in 2027	4
London's labour market remains weak.....	5
Economic indicators	6
The new Magenta Book: Improving evaluation in Government	12
Our latest publications	16

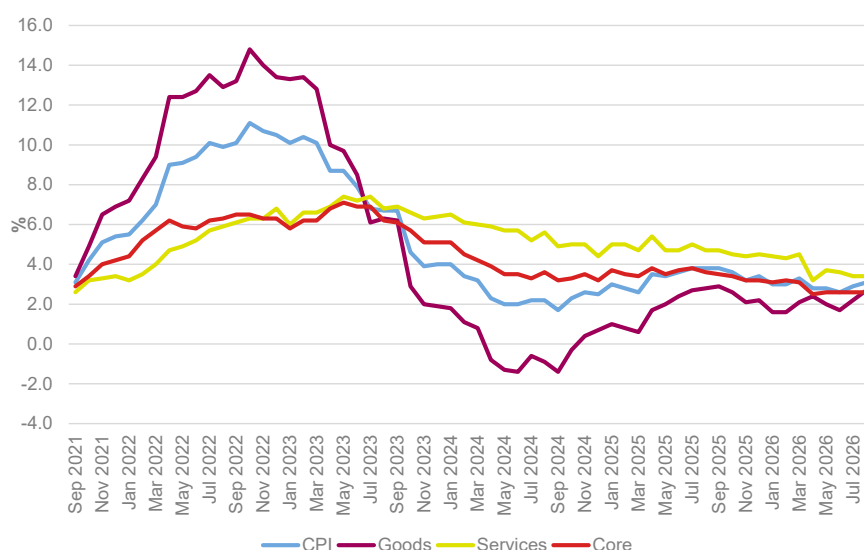


Figure 1: CPI, goods, services and core annual inflation rates, UK, September 2021 to August 2026

Source: ONS, GLA Economics

Energy bills will rise again from October, but a VAT cut and winter support will cushion the rise

Looking ahead [Ofgem](#) has confirmed that its energy price cap will rise by 4% to £1,723 a year for a typical dual-fuel household from October, £60 more than over the summer. The cap sets a benchmark for a typical household rather than a maximum bill, and the roughly one in three households on fixed tariffs are unaffected. Almost all of the increase is due to gas prices, where higher wholesale costs lifted bills by around 8%; electricity costs remain broadly flat.

Two things should cushion the rise. The £1,723 already reflects the new zero rate of VAT on domestic electricity, in place from October to March, without which the cap would be about £45 a year higher. Alongside it, the [Warm Home Discount](#), a £150 credit on electricity bills, reopens in October, while Winter Fuel Payments of £100 to £300 reach some older households. Gas bills, though, will still carry 5% VAT.

For London, the picture is mixed. The capital's fuel-poverty rate, at 9.6% in 2024, sits below the England average of around 11% – but London was [the only English region where fuel poverty rose that year](#), and October's higher cap adds to the pressure on lower-income households as winter approaches.

Bank of England holds rates while global monetary policy tightens

Against the background of rising headline inflation, [the Bank of England's Monetary Policy Committee](#) (MPC) voted by a majority of 6–3 at its September meeting to maintain the Bank Rate at 3.75%, with three members preferring an immediate increase to 4.0%. The Committee expects CPI inflation to rise further in the coming months, with higher energy prices associated with the prolonged conflict in the Middle East its principal concern. However, the majority saw little evidence of material second-round effects, as higher energy costs had not yet fed significantly into wider prices or wages. A relatively soft labour market and higher borrowing costs were also expected to restrain inflation.

The three members supporting an immediate increase were concerned that the effects had been delayed rather than avoided, particularly as the projected inflation peak would coincide with the 2027 wage-setting period. Overall, the MPC decided to wait for clearer evidence of broader inflationary pressures but remained ready to raise rates if necessary.

Internationally, the US Federal Reserve raised its target range by 0.25 percentage points to 3.75%–4.00%, with 16 of its 18 policymakers expecting at least one further increase before the end of 2026. The European Central Bank also raised its policy rates by 0.25 percentage points, while the Bank of Japan increased its policy rate from 1.0% to 1.25%.

Gilt yields fall back after the Bank overhauls its bond sales

The MPC's decision was accompanied by a significant change to the unwinding of the Bank's bond holdings, against the backdrop of a sharp rise in long-dated borrowing costs earlier in the month. The 30-year gilt yield reached around 5.9% in early September, the highest since the Debt Management Office (DMO) was established in 1998, and the DMO's £4.25bn syndicated sale of 30-year gilts on 8 September was priced to yield 5.82%, also the highest at issuance on a comparable basis, despite attracting orders of more than £85bn. The rise reflected a combination of energy-driven inflation expectations, uncertainty, and reduced structural demand for long-dated gilts from pension funds following changes to liability-driven investment strategies since 2022.

At its September meeting, the MPC set out a multi-year path to reduce the Bank's gilt holdings held for monetary policy purposes to zero. The plan involves annual gilt sales of £20bn alongside maturing gilts, resulting in an average annual reduction in the stock of around £46bn through to 2034, compared with a £70bn reduction over the previous year. The Bank will also retain £120bn of its longest-dated gilts to back current and future banknote issuance, while its existing gilt auctions will pause pending a review of the future sales mechanism before April 2027. Gilt yields fell following the announcement, with the 30-year yield declining by around 12 basis points to 5.74%, while yields also fell at shorter maturities.

These movements formed part of a wider repricing of long-dated government debt. Eurozone yields reached 15-year highs at the start of September, the 30-year Japanese government bond yield approached its highest level since that maturity was introduced in 1999, and the 10-year US Treasury yield briefly exceeded 5% before easing to 4.94%. These markets have been affected by some common pressures, including higher inflation risk premia, increased government debt issuance and changes in demand from traditional long-term investors.

UK economy continues to expand in July led by services

Despite this economic uncertainty the economy continues to grow. The latest data from the [ONS](#) showed that UK economy grew by 0.4% in the three months to July 2026. This was unchanged from growth in the three months to June and marked the eighth consecutive three-month period in which the economy expanded (Figure 2).

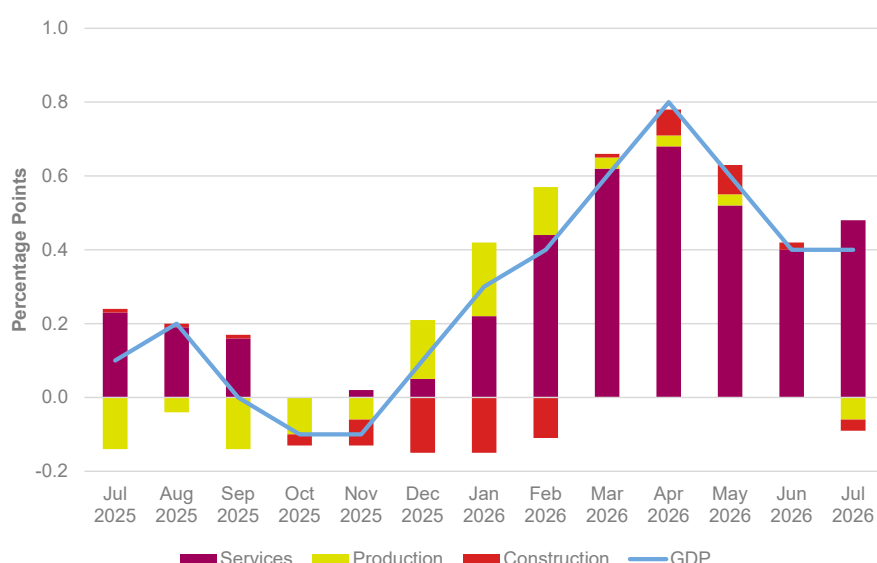


Figure 2:
Contributions to UK
three-month GDP
growth, July 2025 to
July 2026

Source: ONS

In the three months to July, services output grew by 0.6% and made the main contribution to overall GDP growth. Services contributed 0.48 percentage points (pp) to the 0.4% increase in GDP. By contrast, production and construction output each fell by 0.5%, subtracting 0.06pp and 0.03pp respectively from

overall growth. Within services, the strongest growth came from information and communication (2.5%), professional, scientific and technical activities (2.1%), and administrative and support services (1.3%). Compared with the same period a year earlier, real GDP was 1.3% higher.

On a monthly basis, GDP increased by 0.4% in July, following growth of 0.3% in June and no growth in May. This growth rate was higher than the 0% growth expected by polled analysts. All three main sectors expanded in the month of July: services output grew by 0.4%, production by 0.2% and construction by 0.1%. GDP in July was 1.6% above its level a year earlier.

The UK's services surplus widened again over the summer, but the goods deficit kept total trade in the red

[The ONS](#) recently published data that showed in the three months to July 2026, the UK's total trade deficit in goods and services narrowed by £1.1 billion to £9.0 billion, compared with the previous three months. Within this balance, the goods deficit (excluding precious metals) narrowed by £0.4 billion to £61.6 billion, while the services surplus widened by £0.7 billion to £52.6 billion.

According to [business sentiment surveys](#) on UK services trade, there was a general improvement in market conditions and increased volumes of new work over July 2026. However, business uncertainty linked to the Middle East conflict was cited as an ongoing challenge, while more export growth was reported with Europe, compared with other markets.

Britain's services exports are, to a large degree, a London story. On [the latest regional figures, for 2023](#), London accounted for £213 billion of service exports (around 45% of the UK total), more than any other region – led by financial and insurance services (£66 billion) and information and communication (£62 billion).

This regional data extends only to 2023, so London's part in the latest data cannot yet be measured; but, as by far the UK's largest services exporter, the capital remains central to how the UK's external position performs.

ONS set to adjust the UK's productivity measurement in November, with regional data to follow in 2027

The ONS has set out a new “[component](#)” approach to measuring labour productivity (output per worker or per hour worked). First estimates are due in November, with individual industries to follow in February 2027. The methodology leaves output (the numerator) unchanged and revises only the labour input. For output per worker, jobs will be built up from Workforce Jobs data rather than the Labour Force Survey (LFS) total. For output per hour, hours will be anchored to employer-reported ASHE data rather than self-reported LFS hours, which the ONS assess as biased upwards (due to under-recorded leave).

On the ONS's indicative estimates (not yet official statistics) the change lifts the long-run productivity picture. Output per hour was 40.7% higher in 2024 than in 1997 on the new methodology, against 34% on the current one – or 1.3% a year rather than 1.1% if expressed as average annual growth rates. Much of the improvement arrives after the financial crisis: over 2009 to 2019, output per hour growth is estimated at 1.3% a year on the new basis against 0.7%, which the ONS estimates can explain about half of the previously estimated post-crisis slowdown. Per job and per worker measures of productivity change far less. Since 2019, the new method actually lowers productivity growth: output per worker sits about 1.9% above its 2019 level rather than the 2.4% previously estimated.

Until London moves onto the new methodology in 2027, London and UK productivity measures will use different labour-input measures and will not be directly comparable. The eventual change, however, should lift London's measured productivity in a similar way. Combined with recently released data on [London's](#)

[nominal output](#) (which points to better-than-predicted growth in 2024 and 2025) – the productivity picture for London looks better than previously worried over.

London's labour market remains weak

The [latest labour market data from the ONS](#) suggests that labour market conditions in London are weak. The data showed in the three months to July that London's employment rate declined, while unemployment and economic inactivity increased. Taken together, these movements point to a cooling labour market, with fewer people in work on this measure and increases in those actively seeking work and those outside the labour force. Over the same period, unemployment and inactivity have remained stable in the UK. However, the ONS urges caution when interpreting short-term movements, given the data volatility issue in the Labour Force Survey.

Thus, in more detail, the employment rate in London was estimated at 73.9% for the three months ending July 2026, a decrease of 1.4pp on the same period in the previous year, and a decrease on the quarter. London's employment rate was lower than the UK average (75.1%). London's unemployment rate was estimated at 6.8%, an increase on the quarter and an increase of 0.7pp from a year earlier. And London's inactivity rate (the measure of those not looking and/or not available to work) was estimated at 20.5%. This was an increase of 0.9pp on the previous year, and an increase on the quarter. It is lower than the UK-wide estimate of 20.9%. The more timely estimate of payrolled employees showed a decrease of 7,860 (-0.2pp) in the number of payrolled employees in London between July 2026 and August 2026, and a decrease of 1.0% on the year (subject to revision).

GLA Economics will continue to monitor these (and other) aspects of London's economy over the coming months in our analysis and publications, which can be found on [our publications page](#) and on the [London Datastore](#).

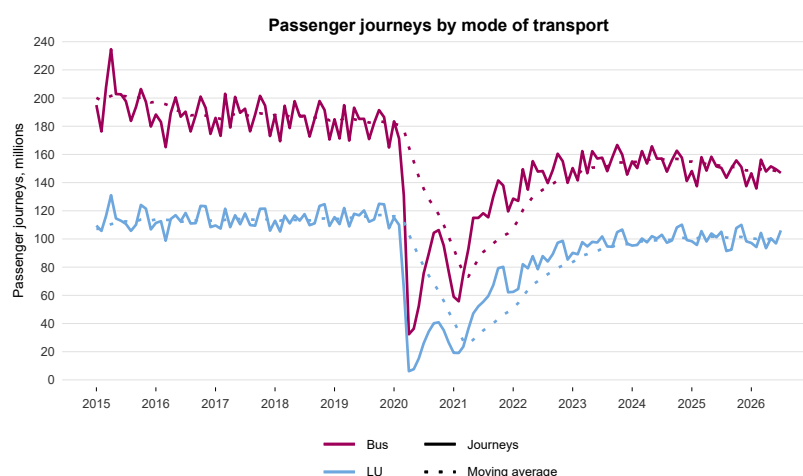
Economic indicators

The underlying trend in passenger journeys on London public transport was unchanged in July

- In July 2026, 253.0 million passenger journeys were registered, 6.7 million more than in June.
- In the latest period, 106.1 million of all journeys were underground journeys and 146.9 million were bus journeys.
- The 13-period moving average in the total number of passenger journeys was unchanged at 247.7 million in July.

Source: Transport for London and GLA Economics calculations

Latest release: September 2026, Next release: October 2026

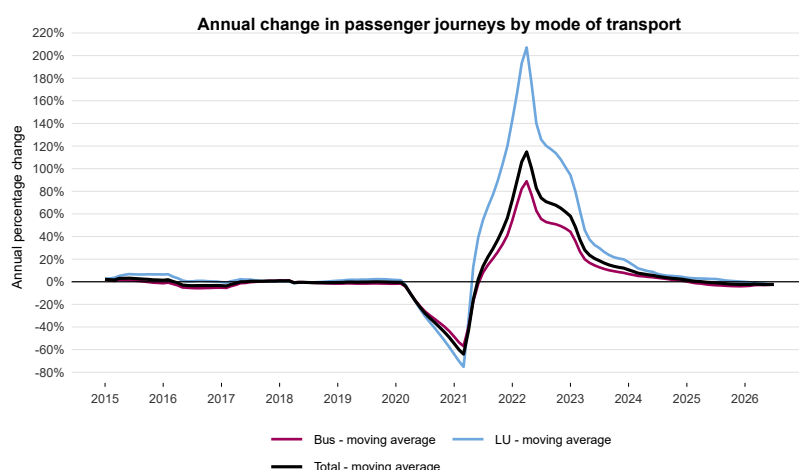


Annual growth in passenger journeys was unchanged

- In July, the 13-period moving average annual growth rate in the total number of passenger journeys was unchanged at a decline of 2.4%.
- The moving average annual growth rate of bus journeys moderated slightly from a decline of 2.7% in June to a decline of 2.6% in July.
- The moving annual average growth rate of underground passenger journeys was unchanged at a decline of 2.1%.

Source: Transport for London and GLA Economics calculations

Latest release: September 2026, Next release: October 2026

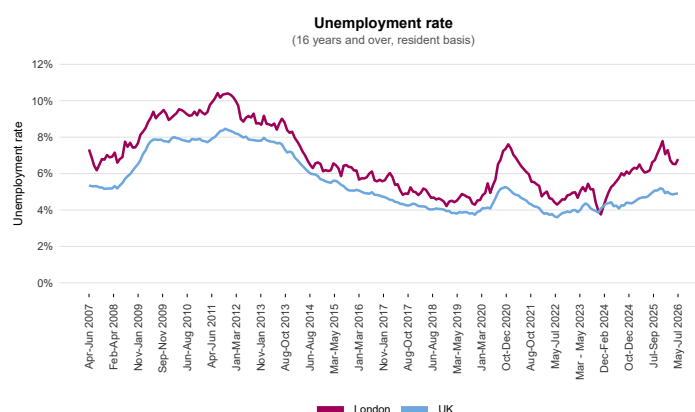


London's unemployment rate increased marginally over the last quarter

- Around 355,000 residents aged 16 and over were unemployed in London in the period from May to July.
- The unemployment rate in London for that period was 6.8%, a marginal increase from 6.7% in the previous quarter February - April.
- The UK's unemployment rate remained unchanged at 4.9% in May - July.
- The Office for National Statistics cautions that significant volatility has been observed in recent periods, and short-term changes should be treated with vigilance and used in conjunction with other indicators.

Source: ONS Labour Force Survey

Latest release: September 2026, Next release: October 2026

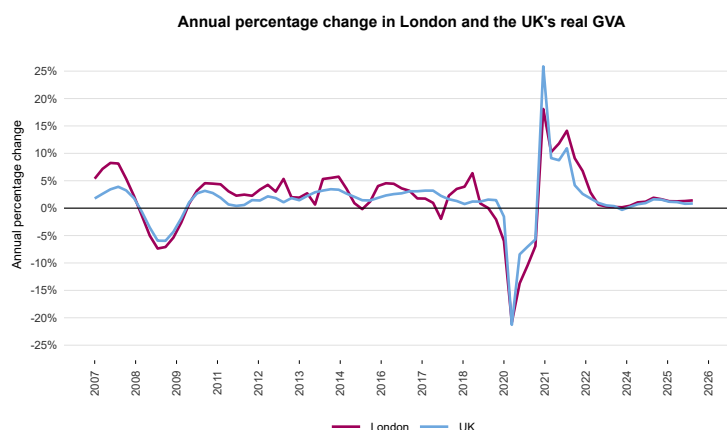


London's economy continues to expand through Q1 2026

- In July 2026, the [ONS](#) published new indicative quarterly regional GDP estimates for England and Wales, covering Q1 2012 to Q3 2025. These are at current prices and are not adjusted for inflation, whereas this indicator tracks real growth.
- Pending the reinstatement of quarterly regional estimates in chained volume measures, GLA Economics has used the latest available official real GVA data to nowcast London's real GVA from Q1 2024 to Q1 2026.
- According to the latest ONS regional data, published in 2025, London's real GVA grew by 0.3% in 2023. GLA Economics nowcasts that London's real GVA grew by 1.1% in 2024 and 1.4% in 2025.
- London outperformed the UK in 2025, when UK output grew by 1.3%. In Q1 2026, London's output was 1.4% higher than a year earlier, compared with 0.9% for the UK.
- On a quarter-on-quarter basis, London's economy expanded by 0.4% in Q1 2026. By Q1 2026, London's real GVA stood 6.9% above its pre-pandemic Q4 2019 level, compared with 6.2% for the UK as a whole.

Source: ONS and GLA Economics calculations

Latest release: September 2026, Next release: December 2026

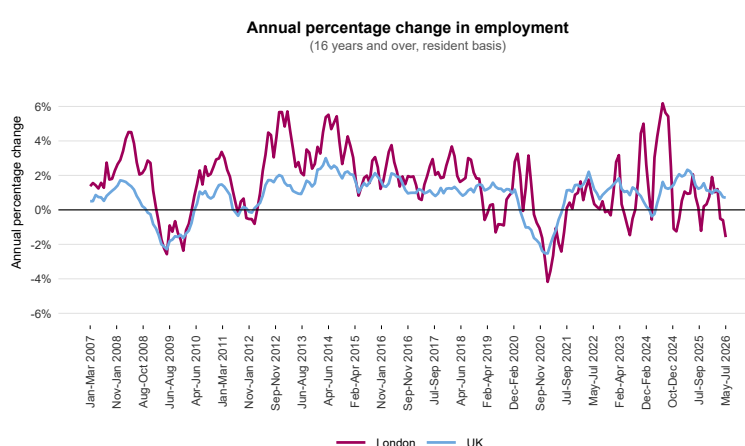


London's year-on-year employment growth rate fell in the quarter to July 2026

- Around 4.9 million London residents aged 16 and over were in employment during the three-month period from May to July.
- London's annual change in employment fell by 1.6% in the year to this quarter, compared with a 1.2% growth in the quarter leading up to April.
- Employment in the UK as a whole grew by 0.7% in the year to this quarter, a decrease from the 1.1% growth in the previous quarter.
- The Office for National Statistics cautions that significant volatility has been observed in recent periods, and short-term changes should be treated with vigilance and used in conjunction with other indicators.

Source: ONS Labour Force Survey

Latest release: September 2026, Next release: October 2026

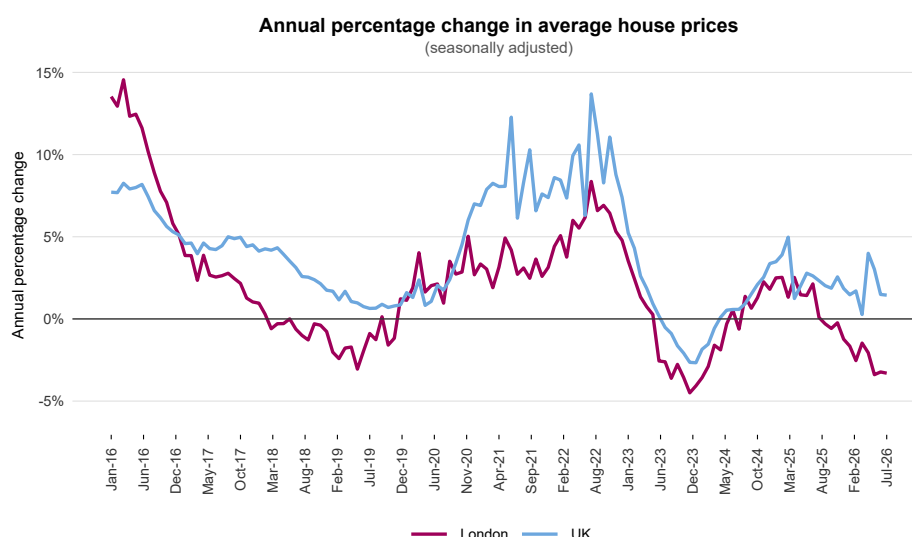


On an annual basis house prices fell in London in July 2026

- In July 2026, the average house price in London was £546,000 while in the UK it was £270,000.
- Average house prices in London fell by 3.3% year-on-year in July 2026, a larger drop than the 3.2% decrease in June.
- Average house prices in the UK rose by 1.4% on an annual basis in July, a smaller change than the increase of 1.5% in the year to June.

Source: Land Registry and ONS

Latest release: September 2026, Next release: October 2026

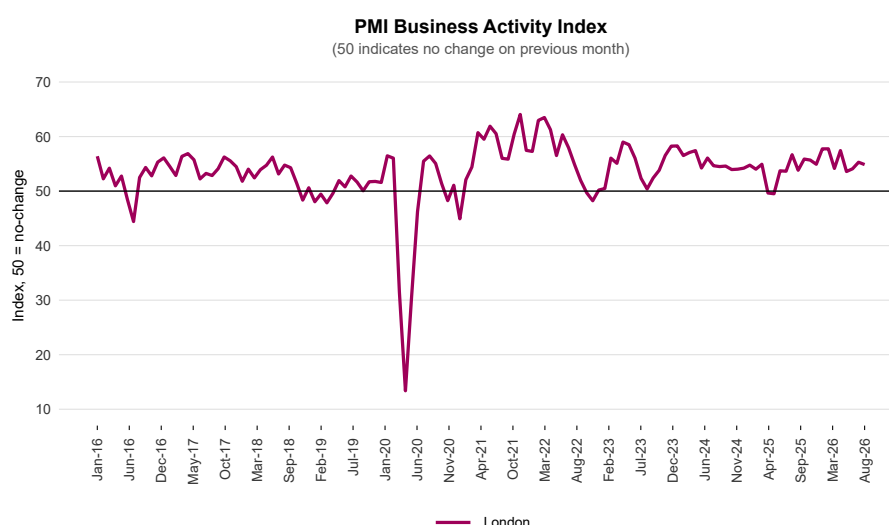


In August, the sentiment of London's PMI business activity index moderated

- The business activity PMI index for London private firms decreased slightly from 55.3 in July to 54.9 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.

Source: IHS Markit for NatWest

Latest release: September 2026, Next release: October 2026

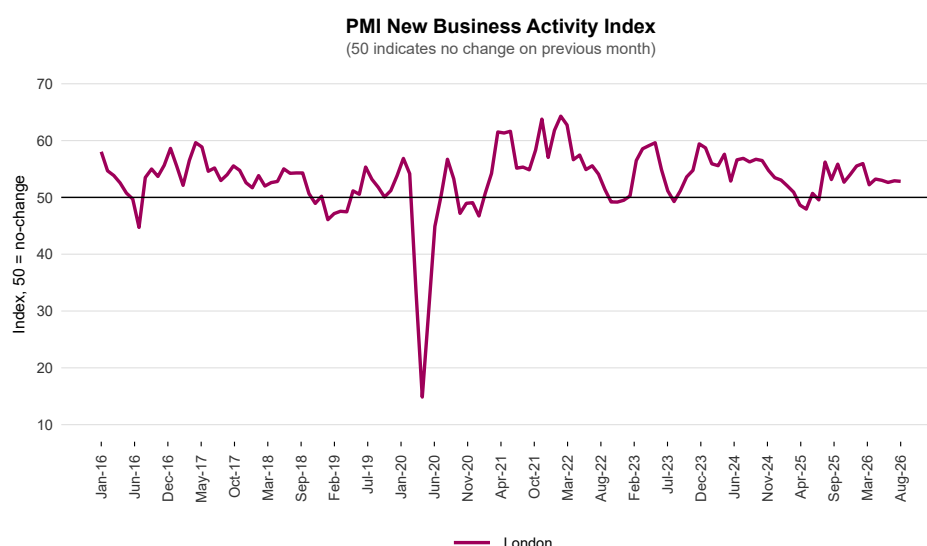


In August, the sentiment of London's PMI new business activity slowed marginally

- The PMI new business index in London decreased marginally from 52.9 in July to 52.8 in August.
- 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: September 2026, Next release: October 2026

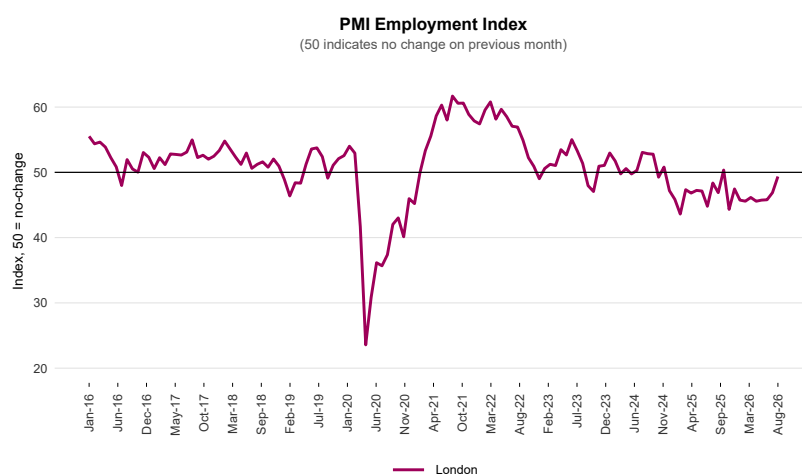


In August, the sentiment of the PMI employment index in London improved

- The Employment Index for London improved from 46.9 in July to 49.4 in August.
- 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: September 2026, Next release: October 2026

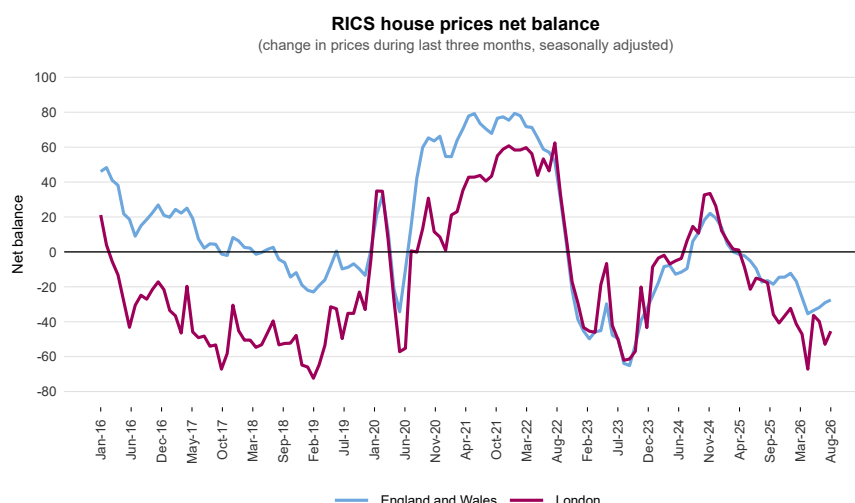


More property surveyors in London reported falling house prices than rising house prices in August 2026

- In August, more property surveyors in London reported falling prices than rising prices. The net balance index was -45, and it was -53 in July.
- For England and Wales, the RICS house prices net balance index improved from -29 in July to -28 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: September 2026, Next release: October 2026

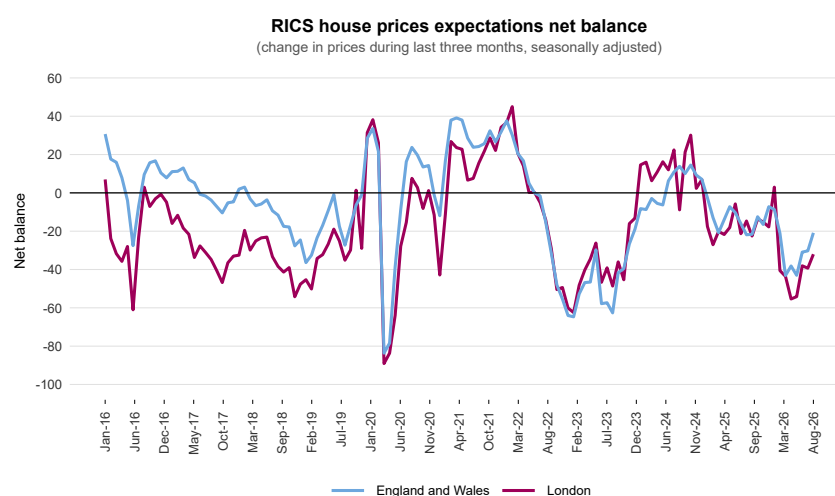


In August, more property surveyors in London expected house prices to fall than rise over the next three months

- The net balance of house prices expectations in London was -32 in August, improving from -39 in July.
- The index for England and Wales was -21 in August, and was -30 in July.
- The net balance index measures the proportion of property surveyors reporting an expected rise in prices minus those reporting an expected decline.

Source: Royal Institution of Chartered Surveyors

Latest release: September 2026, Next release: October 2026

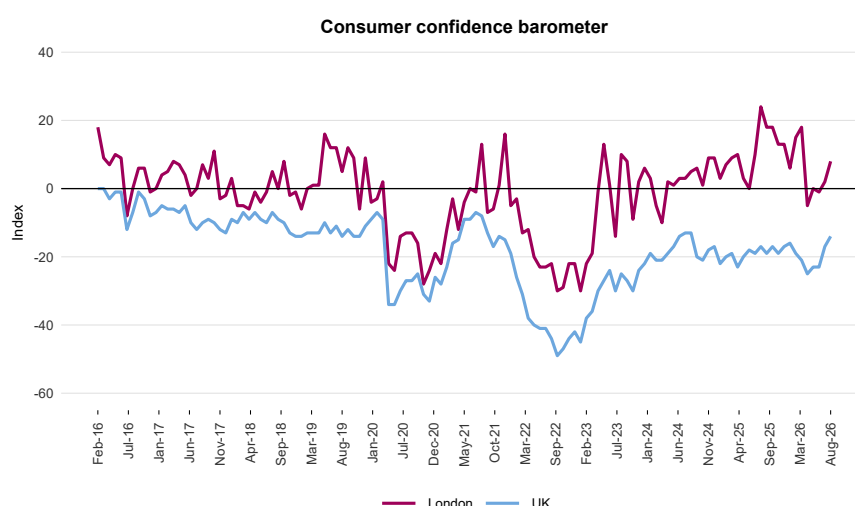


Consumer confidence in London increased in August 2026

- The consumer confidence index in London was 8 in August 2026, and it was 2 in July.
- The sentiment for the UK improved slightly from -17 to -14 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.

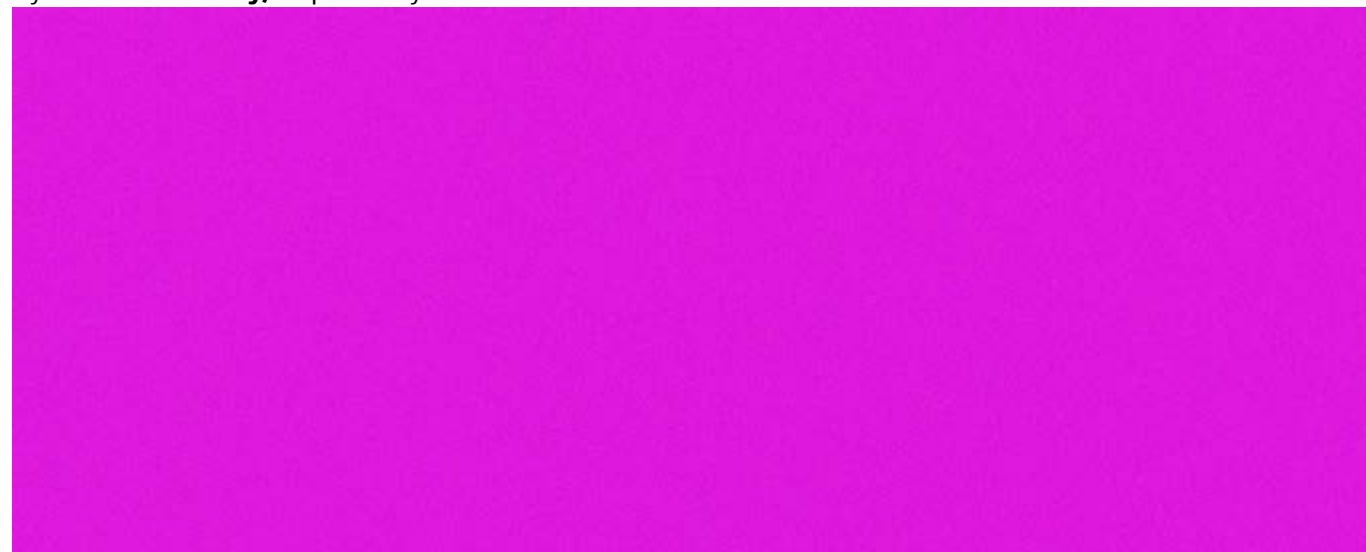
Source: GfK

Latest release: August 2026, Next release: October 2026



The new Magenta Book: Improving evaluation in Government

By **Matthew Daley**, Supervisory Economist



HM Treasury (HMT) and the Evaluation Task Force¹ (ETF) have published a major update to the Magenta Book², the UK Government's central guidance on evaluation. In a blog to accompany the launch, the Civil Service³ described it as a major shift in government evaluation standards, with a new focus on learning and adapting in real time, rather than simply attempting to assess the outcomes of a policy or intervention towards the end.

For organisations such as the Greater London Authority (GLA), which place evidence at the centre of policymaking, the Magenta Book is considered the key guidance document for analysts and officers on how to effectively evaluate projects and programmes. In addition to the new 'test and learn approach', this version contains many practical tips and advice on how to improve the quality of evaluation, making it more accessible to a wider range of practitioners.

Why the Magenta Book matters

The Magenta Book is the UK Government's authoritative guidance on evaluation. It provides a framework for understanding whether policies, programmes and projects are working, for whom they are working, and whether they represent good value for money. The guidance emphasises that evaluation serves two fundamental purposes: learning and accountability. Evaluation helps improve interventions during delivery, as well as providing evidence to justify public spending and inform future decisions.

At a time of tight public finances, the need for robust evidence on impact and value for money becomes all the more important. Improvements to the Magenta Book, which help to guide practitioners in the pursuit of this evidence, are therefore welcome.

'Test and learn' approaches

An important message in the new guidance is the stronger emphasis on learning during implementation rather than evaluation only after a programme has concluded.

¹ A joint Cabinet Office-HM Treasury unit set up following the 2020 Spending Review to provide specialist support and promote the use of evaluation in government.

² HMT and the Evaluation Taskforce (2026), "[Magenta Book: Central Government guidance on evaluation](#)"

³ Civil Service (2026), "[Major shift in government evaluation as Magenta Book is updated – Civil Service](#)"

While the previous version referred to evaluation being both formative (during delivery) and summative (at the end), the updated Magenta Book gives greater prominence to “Test and Learn” approaches. A dedicated annex has been added to the guidance, positioning Test and Learn as a way of working that uses social research and evaluation methods to adapt and optimise interventions before large-scale implementation. Planning evaluation early can allow interventions to be designed in ways that maximise learning opportunities and enable evidence to be used in real time.

For local and city government, this shift is particularly valuable. Many policies are complex, rapidly changing and characterised by uncertainty. In these circumstances, programme managers benefit from timely evidence on what is and is not working rather than waiting years for a final evaluation report. The stronger focus on experimentation, piloting and iterative improvement therefore represents one of the most useful innovations in the revised guidance.

Greater emphasis on value for money

GLA Economists read with particular interest the new sections on value for money (VfM) evaluation. The redrafted guidance provides expanded methodologies for assessing how effectively public resources are being used. This draws on both HMT Green Book and National Audit Office approaches to assessing VfM.

Consistent with the Green Book supplementary guidance on VfM⁴, the Magenta Book reminds practitioners that VfM is a judgement that can be informed by different types of analysis and both quantitative and qualitative evidence. The Green Book Review⁵ made clear that practitioners should not place undue emphasis on the Benefit Cost Ratio and should make a rounded assessment of VfM, including other factors such as whether strategic objectives were met.

Many public sector interventions generate social outcomes that cannot always be easily monetised. This is particularly relevant for London. Many programmes seek to improve community cohesion, partnership working, or long-term economic opportunity. While these outcomes are important, they are not always straightforward to monetise and build into a VfM evaluation. The new guidance broadens the range of approaches available to evaluators when assessing costs and benefits.

Better integration with business cases

One of the less prominent but helpful additions concerns a strengthening of the link between evaluation and business cases. It is surprisingly common for evaluations to make very little, if any, reference to the original business case for a project or policy. There are various reasons for this, a very practical one being that evaluations often occur many years after the original business case was developed and are typically undertaken by different contractors or departments. However, testing whether the original assumptions in a business case were valid should be a key part of the policy-making cycle. The guidance urges evaluators to look back at the original business case and to feed findings from evaluations into future appraisals.

There is also new content explaining how evaluation and benefits management complement one another. It distinguishes between benefits management's focus on project delivery and the tracking of expected benefits that were in the business case, from evaluation's role in systematically assessing outcomes and whether they can be attributed to the intervention. There can sometimes be some confusion between these activities. The new guidance clarifies these distinctions and encourages a more integrated approach.

A stronger commitment to transparency

Transparency is another area that receives greater attention. The revised Magenta Book introduces new principles promoting research transparency, including recommendations on pre-registering evaluation protocols and sharing analytical code through open-source platforms such as GitHub.

⁴ HMT (2022), “[Green Book Supplementary Guidance: Value for Money](#)”.

⁵ HMT (2025), “[Green Book Review 2025: Findings and Actions](#)”.

These developments align with broader trends across social science and public sector research. Greater transparency can help strengthen confidence in evaluation findings by making methods, assumptions and analytical processes more visible. It also supports learning across organisations by allowing practitioners to build on previous work. This should ultimately contribute to higher-quality evaluations and more effective knowledge sharing across government.

Addressing artificial intelligence and emerging methods

The guidance includes a new section on the responsible and ethical use of artificial intelligence in social research and evaluation. As AI becomes increasingly important in data collection, analysis and evidence synthesis, the Magenta Book now provides a framework for considering both the opportunities and risks associated with these technologies.

Rather than treating AI as a specialised technical topic, the guidance integrates it into broader discussions about quality, ethics and methodological rigour. This is an important development because many organisations are currently experimenting with AI-enabled tools while simultaneously seeking to maintain transparency, accuracy and public trust.

The inclusion of AI-related guidance demonstrates the Magenta Book's intention to remain relevant as evaluation methods continue to evolve.

Recognising place-based policymaking

Place-based policymaking has moved further up the political agenda since the appointment of the new Prime Minister. The Treasury is in the process of finalising guidance on place-based business cases so the new section on place-based analysis was perhaps unsurprising. This acknowledges that many public policies operate differently across places and that local context often matters significantly for outcomes and effectiveness.

While the updated guidance provides valuable advice for evaluators working in local and regional government, it highlights many of the challenges for robust evaluation of place-based initiatives. Not least the issue of quantifying spillover or displacement effects to neighbouring areas and isolating the effects of a specific policy or project through a robust counterfactual.

More accessible and practical guidance

While many of the headline changes are methodological, one of the most significant achievements of the update may be its accessibility. The revised Magenta Book explicitly aims to serve a broad audience that includes policymakers, analysts, delivery professionals and finance specialists. The foreword describes the guidance as a shared roadmap across professions rather than a document intended solely for evaluation specialists.

The guidance explains not only what good evaluation looks like but also how evaluation can be planned, managed and used effectively. In GLA Economics' experience, these practical tips around process are just as important as the more technical methodological guidance. Good evaluation depends not only on methodological expertise but also on organisational culture, programme design and effective collaboration between analysts and decision-makers.

Summary

The 2026 update to the Magenta Book represents an important evolution in the UK Government's approach to evidence and evaluation. Its stronger focus on learning, experimentation, value for money, transparency, place-based policy and emerging technologies reflects developments in evaluation practice over the past decade.

From the perspective of GLA Economics, these changes are welcome. The revised guidance is more accessible, more practical and better aligned with the realities of contemporary evaluation. It encourages evaluation to be embedded early in programme design and delivery rather than treated as an afterthought. It also provides useful tools and approaches that can help raise the quality of evaluation across government.

As London continues to address complex economic and social challenges, high-quality evaluation will remain essential for understanding what works, improving policy effectiveness and ensuring good stewardship of public resources.

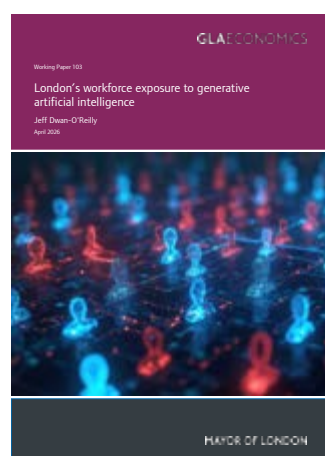
Our latest publications

We publish regularly on the state of London's economy, providing the latest economic data for London and interpret how this may affect policy. This includes analysis of recent developments in London's economy and forecasts for the next couple of years.

We provide analysis on sectors of the economy including tourism, retail, housing, health, science, technology and more.

We analyse recent developments in London's labour market, by sector and borough.

View all the GLA Economics publications on our [website](#).



London's workforce exposure to generative artificial intelligence

This report examines London's exposure to generative AI (GenAI) across its different occupations, industries and communities. While it does not offer a definitive view on where jobs are going to be lost or gained, it does provide a rigorous, evidence-based picture of where change is most likely to be felt first.

[Download](#) the full publication.



London labour market projections - 2024-based update

Our latest look at how London's labour market is expected to evolve from 2025 all the way to 2050. This update forms part of the evidence base for the forthcoming London Plan.

Workforce jobs in London are projected to grow from 6.4 million in 2024 to 7.3 million in 2050, an increase of 869,000 jobs (13.6%). This represents a higher level of projected employment than in previous projection rounds, largely reflecting a higher post-pandemic starting point rather than faster long-run growth

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London's Economic Outlook: Summer 2026

London's real Gross Value Added (GVA) is forecast to grow by 1.7% in 2026, 2.0% in 2027, and 2.1% in 2028.

London's workforce jobs (WFJ) are projected to grow by 0.5% in 2026, 0.8% in 2027, and 1.0% in 2028.

Household spending is expected to grow by 1.0% in 2026, 1.2% in 2027, and 1.4% in 2028.

Household income is expected to grow by 1.2% in 2026, 1.3% in 2027, and 1.5% in 2028.

[Download](#) the full publication.

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London's Economy Today is published towards the end of every month. It provides an overview of the current state of the London economy, and a selection of the most up-to-date data available. It tracks cyclical economic conditions to ensure they are not moving outside the parameters of the underlying assumptions of the GLA group.

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About GLA Economics

GLA Economics provides expert advice and analysis on London's economy and the economic issues facing the capital. Data and analysis from GLA Economics provide a sound basis for the policy and investment decisions facing the Mayor of London and the GLA group. The unit was set up in May 2002.