



BRIEFING PAPER

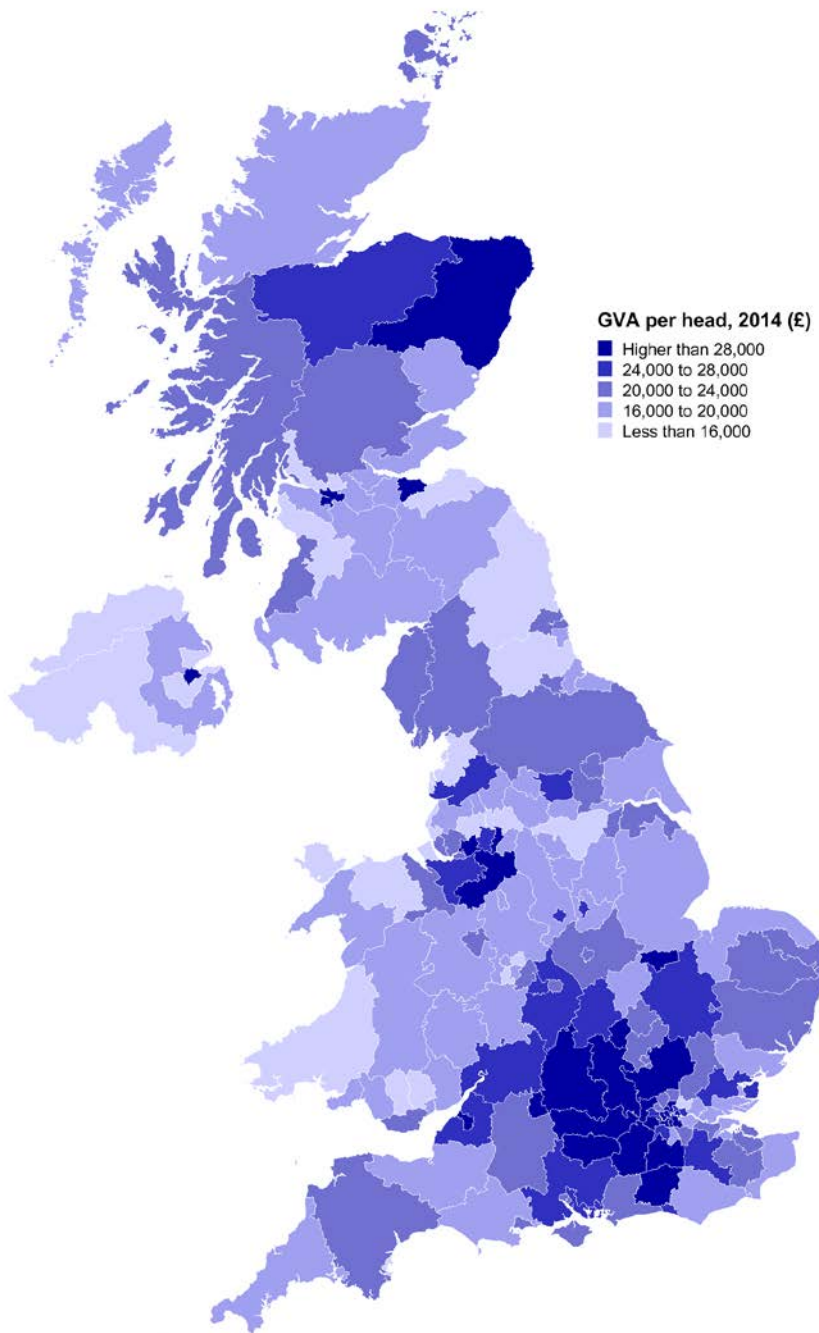
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Regional and local economic growth statistics

By Daniel Harari

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Contributing authors:

Feargal McGuinness (maps)

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Summary

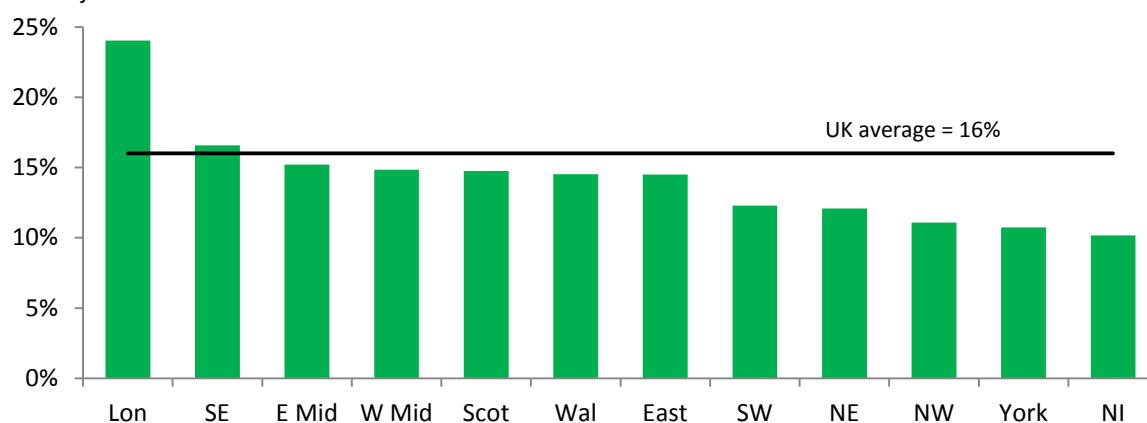
This briefing paper provides an overview of annual statistics on the economies of the UK's regions/countries and local areas. There is analysis of recent economic growth rates, for 2014 as well as since 2010, and 1997. In addition to overall growth rates, figures for economic output per head are included (including in two maps at the back of the briefing) to provide rough comparisons of living standards by local areas.

Economic output here is measured using Gross Value Added (GVA), which is similar to GDP. Growth figures are not adjusted for inflation. Some key figures:

- In 2014, London's GVA of £364 billion accounted for 22.9% of UK GVA (£1,590 billion), with the South East contributing a further 15.1%.
- London saw the highest annual growth in 2014 of 6.8%, compared with the UK figure of 4.4%. The lowest rate of growth was seen in Wales at 2.4%.
- From 2010 to 2014, London saw the fastest growth at 24.0% over this whole period, followed by the South East at 16.6%. Slowest growth was in Northern Ireland (10.2%) and Yorkshire & the Humber (10.7%). The UK average was 16.0%. The chart below shows figures for all regions/countries.

Total GVA growth by UK region/country (workplace based), 2010-2014

Not adjusted for inflation



- In 2014, London had the highest GVA per head, 73% above the UK average and more than double that of 7 of the remaining 11 regions and countries of the UK.
- The top 5 local areas with the highest GVA per head are in (mostly central) London. This at least in part reflects the large numbers of commuters who work there.
- Between 2010 and 2014, Ealing (+29%), followed by Wandsworth, Redbridge and Waltham Forest, and Hounslow and Richmond upon Thames (all +23%) had the biggest increases in GVA per head. The only two areas which saw falls were Liverpool (-1%) and Nottingham (-3%). Overall change in UK GVA per head over this time was +12%.
- A spreadsheet containing information on 2014 GVA per head and how its changed since 2010 for the local area of your choice (as well as the region/country it is in and the UK) is also available from this briefing paper's [landing page](#).

1. What the data show

To measure how large an economy is, we look at its total output – the total value of new goods produced and services provided in a given time period. This is calculated at a national level using Gross Domestic Product (GDP).

At a regional/country or local level, GDP data is not available, but another similar measure called Gross Value Added (GVA) is. GVA is GDP excluding taxes and subsidies on production (so GVA does not include VAT, for example).

Regional and local data are different to national GDP growth figures

These estimates allow us to see where the UK's economic output is being produced and, by using GVA per head, to compare the standard of living in different areas of the country.

Regional/country and local GVA figures are only available in cash terms. In other words, they are not adjusted for inflation. National GDP growth figures are usually reported in real (inflation-adjusted) terms.

These sub-national GVA figures are published once a year by the Office for National Statistics (ONS), usually in December, for the previous year. For instance, the most recent figures were published on 9 December 2015 and cover the years up to 2014.¹ National GDP figures are published quarterly and are available a matter of weeks after the quarter ends.

¹ ONS, [Regional Gross Value Added \(Income Approach\), 1997 to 2014](#), 9 Dec 2015

2. Regional/country growth

2.1 Economic growth

The table below summarises the latest regional/country estimates of overall economic output and growth as measured by Gross Value Added (GVA).² Note that the data are workplace-based, meaning that the economic activity of someone working in one region but living in another is included in the region they work in. This table excludes the small amount of UK economic activity that cannot be attributed to a region (which is mostly offshore oil and gas activity): so-called extra-regio GVA. As mentioned, all data is not adjusted for inflation.

Gross Value Added (GVA) and growth by region/country (workplace based) Current prices (not adjusted for inflation)

	Total GVA, 2014		Total GVA growth (%) over year/period				
	£ bn	% UK total	2013	2014	1997-2014	2009-2014	2010-2014
North East	48	3.0%	3.1	3.3	90.8	15.2	12.1
North West	150	9.4%	4.5	3.1	93.5	14.2	11.1
Yorkshire & Humber	106	6.7%	2.9	3.3	89.7	12.2	10.7
East Midlands	95	6.0%	5.0	4.0	92.7	21.6	15.2
West Midlands	115	7.2%	4.1	3.0	81.6	20.4	14.9
East of England	139	8.7%	3.6	5.3	98.4	18.5	14.5
London	364	22.9%	4.7	6.8	143.9	28.9	24.0
South East	240	15.1%	4.3	3.7	107.7	22.6	16.6
South West	121	7.6%	4.3	4.0	103.1	17.6	12.3
England	1,378	86.7%	4.2	4.6	107.0	20.9	16.3
Wales	54	3.4%	3.7	2.4	91.5	15.8	14.5
Scotland	124	7.8%	4.9	4.6	92.2	14.2	14.8
Northern Ireland	34	2.2%	2.6	2.5	84.8	12.3	10.2
UK (excl extra-regio)	1,590	100.0%	4.2	4.4	104.7	20.0	16.0

Note: UK excluding extra-regio refers to output that can be assigned to region/country, i.e. excluding North Sea oil and gas

Source: ONS, *Regional Gross Value Added (Income Approach)*, December 2015, tables 1 and 4

Some key figures from the data:

- In 2014, London's GVA of £364 billion accounted for 22.9% of UK GVA (£1,590 billion), with the South East contributing a further 15.1%.
- London saw the highest annual growth in 2014 of 6.8%, compared with the UK figure of 4.4%. The lowest rate of growth was seen in Wales at 2.4%.
- From 2009, the depth of the recession, to 2014 London's economy saw the strongest growth of 28.9%. The second highest

London and the South East account for 38% of the UK economy

² ONS, *Regional Gross Value Added (Income Approach), 1997 to 2014*, 9 Dec 2015

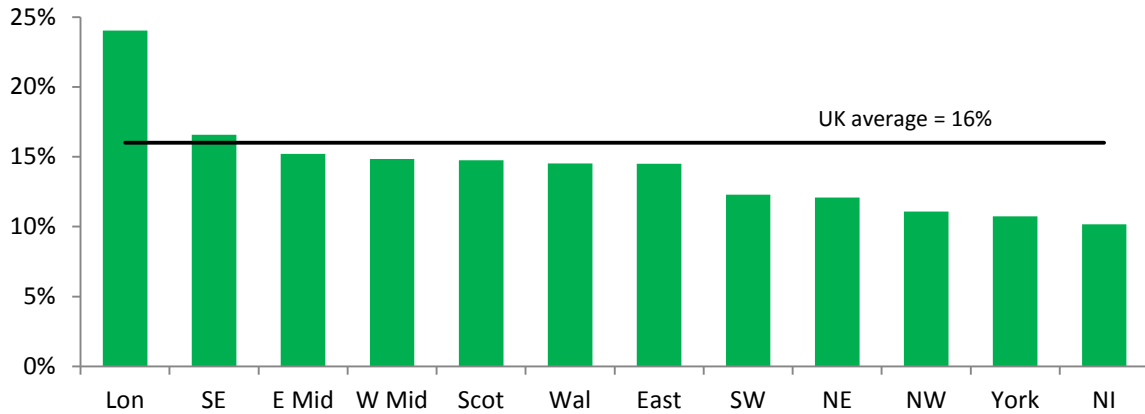
growth was in the South East at 22.6%. The weakest growth recorded was in Yorkshire & the Humber at 12.2% and Northern Ireland at 12.3%. The UK average was 20.0%.

- Similarly from 2010 to 2014, London saw the fastest growth at 24.0% over this whole period, followed by the South East at 16.6%. Slowest growth was in Northern Ireland (10.2%) and Yorkshire & the Humber (10.7%). The UK average was 16.0%. The chart below shows figures for all regions/countries over.

London's economy grew 50% more than the UK average during 2010-2014

Total GVA growth by UK region/country (workplace based), 2010-2014

Not adjusted for inflation



- Between 1997 and 2014, London's economy saw, by some distance, its economy expand the most (144%). Slowest total growth over this 17-year period was in the West Midlands at 82%.

2.2 Economic growth per head

The table below shows the latest regional/country estimates of GVA per head.³ By taking population into account, this allows us to (broadly) compare the standard of living in different parts of the UK.

Gross Value Added (GVA) per head by region/country

Current prices (not adjusted for inflation)

	GVA per head (£, current prices)			GVA per head: Indices where UK excl extra-regio=100				
	2013	2014	Change '13-'14	1997	2008	2010	2013	2014
North East	17,697	18,216	2.9%	73.1	76.1	75.3	74.5	74.0
North West	20,455	21,011	2.7%	85.6	87.5	88.0	86.1	85.4
Yorkshire & Humber	19,314	19,863	2.8%	85.0	84.6	83.8	81.3	80.7
East Midlands	19,902	20,524	3.1%	90.0	83.7	83.9	83.8	83.4
West Midlands	19,630	20,086	2.3%	90.2	82.9	82.2	82.7	81.6
East of England	22,137	23,063	4.2%	99.7	97.3	95.6	93.2	93.7
London	40,516	42,666	5.3%	159.8	167.1	166.8	170.6	173.3
South East	26,276	27,012	2.8%	110.3	108.8	109.8	110.6	109.7
South West	21,644	22,324	3.1%	92.7	91.7	93.8	91.1	90.7
England	24,464	25,367	3.7%	102.7	102.8	103.0	103.0	103.1
Wales	17,215	17,573	2.1%	73.6	70.9	71.2	72.5	71.4
Scotland	22,174	23,102	4.2%	94.9	95.5	93.7	93.4	93.9
Northern Ireland	18,329	18,682	1.9%	83.6	81.8	79.2	77.2	75.9
UK (excl extra-regio)	23,750	24,616	3.6%	100.0	100.0	100.0	100.0	100.0

Notes: UK excluding extra-regio refers to output that can be assigned to region/country, i.e. excluding North Sea oil and gas

GVA figures are workplace based but population is residency based. Therefore areas with a large commuter influx generating GVA will have their 'true' GVA per head overstated in these figures

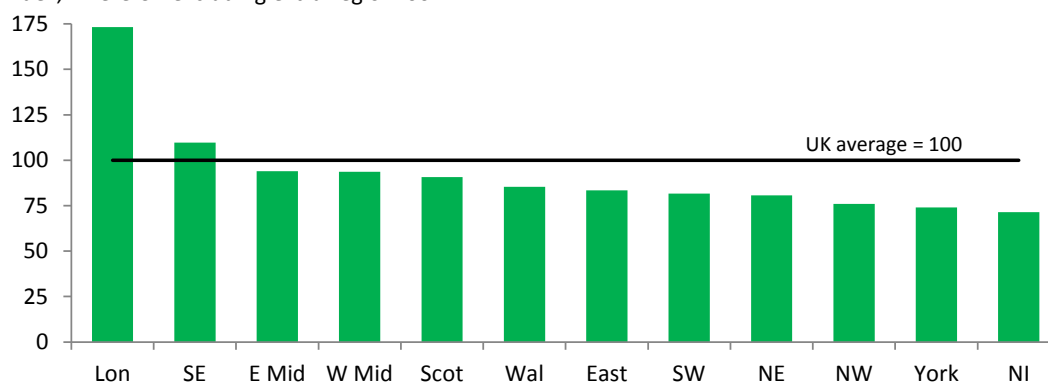
Source: ONS, *Regional Gross Value Added (Income Approach), December 2015*, tables 2 and 3

Some key figures from the data:

- London has the highest GVA per head, 73% above the UK average and more than double that of 7 of the remaining 11 regions and countries of the UK. The chart below illustrates the gap between London and the rest of the country.

GVA per head by UK region/region (workplace based), 2014

Index, where UK excluding extra-regio=100



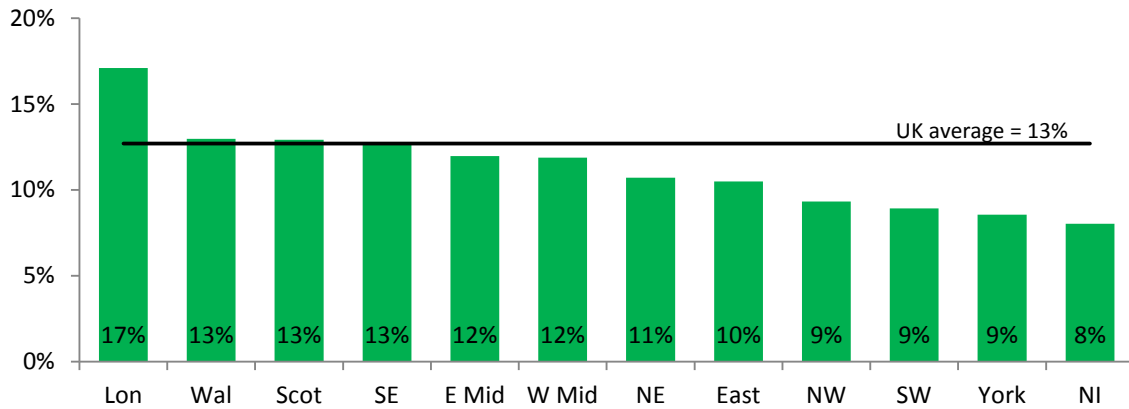
³ ONS, *Regional Gross Value Added (Income Approach), 1997 to 2014*, 9 Dec 2015

- In 2014, London saw the fastest growth in GVA per head (5.3%), followed by the East of England and Scotland (both 4.2%). The slowest rates of growth were seen in Northern Ireland (1.9%) and Wales (2.1%).
- Between 2010 and 2014, GVA per head grew fastest in London (17.1%), followed by Wales (13.0%). It grew slowest in Northern Ireland (8.0%) and Yorkshire & the Humber (8.6%).

Only London and the South East have GVA per head figures above the UK average

Total GVA per head growth by UK region/country (workplace based), 2010-2014

Not adjusted for inflation



- GVA per head in London went from 60% above the UK average in 1997 to 73% above it in 2014 – the fastest growth rate of any region. Over the same period, GVA per head in the West Midlands region fell from 10% below the UK average to 18% below – the worst performing region since 1997 on this measure.

3. Local area growth

ONS has also produced workplace-based data for the period 1997-2014 for [NUTS2 and NUTS3 areas](#) (these are usually groups of local authority areas).⁴ The table below shows the NUTS3 areas with the highest and lowest GVA per head in 2014.⁵ As before, none of the figures are adjusted for inflation.

GVA per head in NUTS 3 areas, 2014

Rank (out of 173) Area	£ per head	Index where UK=100
1 Camden and City of London	298,520	1,212.7
2 Westminster	223,322	907.2
3 Tower Hamlets	101,509	412.4
4 Kensington & Chelsea and Hammersmith & Fulham	52,447	213.1
5 Haringey and Islington	43,190	175.5
6 Milton Keynes	39,709	161.3
7 Berkshire	38,961	158.3
8 Aberdeen City and Aberdeenshire	37,460	152.2
9 Edinburgh, City of	35,779	145.3
10 Belfast	34,583	140.5
UK (excl. extra-regio)	24,616	100.0
164 Dudley	14,980	60.9
165 Northumberland	14,979	60.9
166 Blackpool	14,907	60.6
167 Sefton	14,742	59.9
168 East Dunbartonshire, West Dunbartonshire and Helensburgh & Lomond	14,532	59.0
169 North of Northern Ireland	14,349	58.3
170 Wirral	13,589	55.2
171 East Ayrshire and North Ayrshire mainland	13,546	55.0
172 Gwent Valleys	13,479	54.8
173 Isle of Anglesey	13,162	53.5

London areas dominate the list of local areas with the highest GVA per head

Source: ONS, *Regional Gross Value Added (Income Approach), Dec 2015*, table 2

Notes: UK excluding extra-regio refers to output that can be assigned to region/country, i.e. excluding North Sea oil and gas

GVA figures are workplace based but population is residency based.

Therefore areas with large commuter population generating GVA will have their 'true' GVA per head overstated in these figures, and vice versa

Some key figures:

⁴ The NUTS (NUTS - Nomenclature of Territorial Units for Statistics) classification is the system used for dividing up the economic territory of the EU for regional policy and statistics purposes. In the UK, NUTS2 areas tend to be counties or groups of counties while NUTS3 areas are local authorities or groups of local authorities. NUTS1 areas are geographic regions, e.g. London, West Midlands, North West etc.

⁵ Data in this section reflect corrections to estimates of London local areas, which the ONS published on February 29 2016.

- The top 5 local areas with the highest GVA per head are in (mostly central) London. This at least in part reflects the large numbers of commuters who work there.
- The Isle of Anglesey had the lowest GVA per head of the 173 local areas, only slightly above half of the UK average.
- 169 of the 173 NUTS3 local areas saw rises in GVA per head in 2014, with Camden (+9.3%) followed by Darlington (+8.9%) seeing the largest increases and Tower Hamlets seeing the biggest fall of 2.0%.
- Between 2010 and 2014, Ealing (+29%), followed by Wandsworth, Redbridge and Waltham Forest, and Hounslow and Richmond upon Thames (all +23%) had the biggest increases in GVA per head. The only two areas which saw falls were Liverpool (-1%) and Nottingham (-3%). Overall change in UK GVA per head over this time was +12%.

3.1 Maps of data for local areas

The maps on the following pages show:

- 2014 GVA per head data for all 173 NUTS3 local areas (this is also on the front page of this briefing).
- Change in GVA per head from 2010 to 2014 for all 173 NUTS3 local areas.

3.2 Spreadsheet of data for local areas

A table and chart showing 2014 GVA per head data and how this has changed since 2010 for the local area of your choice compared with the region/country it is in and the UK is available in an accompanying spreadsheet on this briefing paper's [landing page](#).

Just select your local authority from the list and data for the relevant NUTS3 area is provided (as mentioned, data for just the local authority itself is generally not available).

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