



BRIEFING PAPER

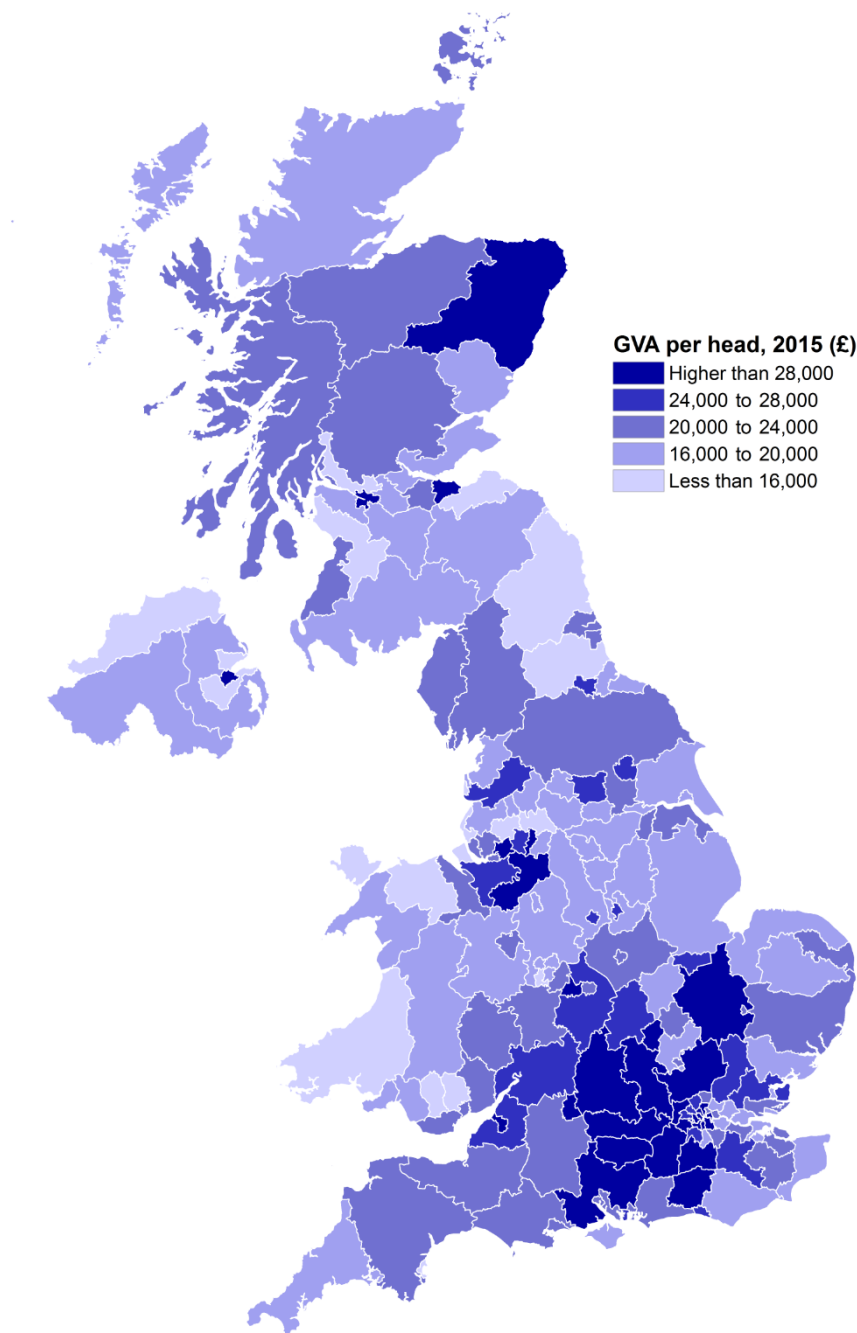
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Regional and local economic growth statistics

By Daniel Harari

Inside:

1. What the data show
2. Regional/country growth
3. Local area growth



Contents

Summary	3
1. What the data show	4
2. Regional/country growth	5
2.1 Economic growth	5
2.2 Economic growth per head	7
3. Local area growth	9
3.1 Maps of data for local areas	10
3.2 Spreadsheet of data for local areas	10

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Summary

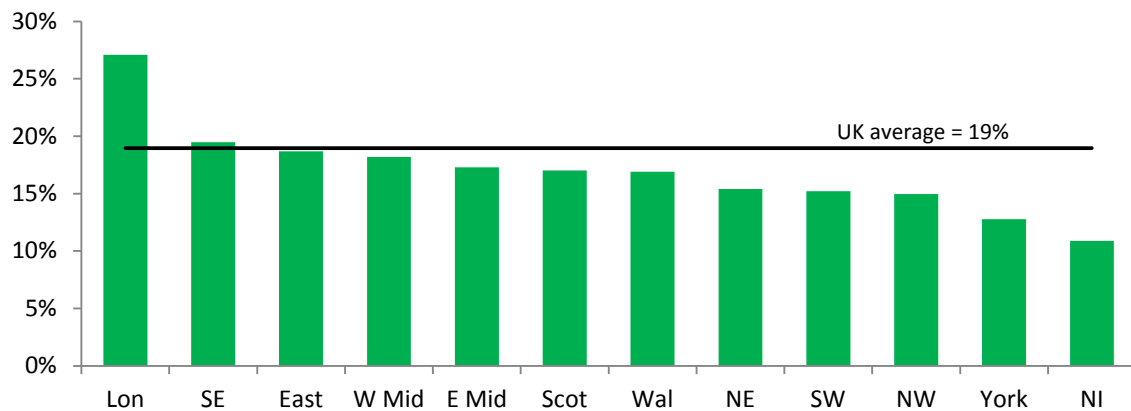
This briefing paper provides an overview of annual statistics on the economies of the UK's regions/countries and local areas. There is analysis of recent economic growth rates, for 2015 as well as since 2010, and 1997. In addition to overall growth rates, figures for economic output per head are included (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 2015, London's GVA of £378 billion accounted for 22.9% of UK GVA (£1,651 billion), with the South East contributing a further 15.1%.
- The North West saw the highest annual growth in 2015 of 3.6%, compared with the UK figure of 2.9%. The lowest rate of growth was seen in the East Midlands at 1.8%.
- From 2010 to 2015, London saw the fastest growth at 27.1% over this whole period, followed by the South East at 19.5%. Slowest growth was in Northern Ireland (10.9%) and Yorkshire & the Humber (12.8%). The UK average was 19.0%. The chart below shows figures for all regions/countries

Total GVA growth by UK region/country (workplace based), 2010-2015

Not adjusted for inflation



- In 2015, London had the highest GVA per head, 72% above the UK average and more than double that of 6 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 2015, Hounslow and Richmond upon Thames (+34%), followed by Ealing (+32%) and Solihull (+25%) had the biggest increases in GVA per head. The only area which saw a fall was Outer Belfast (-1%), while four areas – Portsmouth, Great Manchester South East, Liverpool and Sefton – had a 1% increase. The overall change in UK GVA per head over this time was +15%.
- A spreadsheet containing information on 2015 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 products (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. The UK's 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 15 December 2016 and cover the years up to 2015.¹ The UK's GDP figures are published quarterly and are available a matter of weeks after the quarter ends.

¹ ONS, [UK regional gross value added \(GVA\), income approach: Dec 2016](#), 15 Dec 2016

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 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, 2015		Total GVA growth (%) over year/period				
	£ bn	% UK total	2014	2015	1997-2015	2009-2015	2010-2015
North East	50	3.0%	4.0	3.0	86.4	16.9	15.4
North West	157	9.5%	3.5	3.6	91.0	16.5	14.9
Yorkshire & Humber	110	6.6%	2.3	3.0	82.7	13.0	12.8
East Midlands	98	5.9%	4.5	1.8	85.4	22.4	17.3
West Midlands	120	7.3%	4.8	2.2	77.1	22.3	18.2
East of England	146	8.8%	5.3	2.7	93.0	21.4	18.7
London	378	22.9%	7.7	3.2	138.2	30.6	27.1
South East	249	15.1%	4.5	3.2	98.1	23.7	19.5
South West	126	7.6%	5.0	2.9	93.8	18.6	15.2
England	1,433	86.8%	5.2	3.0	100.6	22.5	19.4
Wales	56	3.4%	1.9	3.0	82.3	17.3	16.9
Scotland	127	7.7%	5.0	2.3	88.1	15.1	17.0
Northern Ireland	34	2.1%	1.9	2.0	76.0	11.1	10.9
UK (excl extra-regio)	1,651	100.0%	5.0	2.9	98.4	21.5	19.0

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, *UK regional gross value added (GVA), income approach: Dec 2016*, tables 1 and 4

Some key figures from the data:

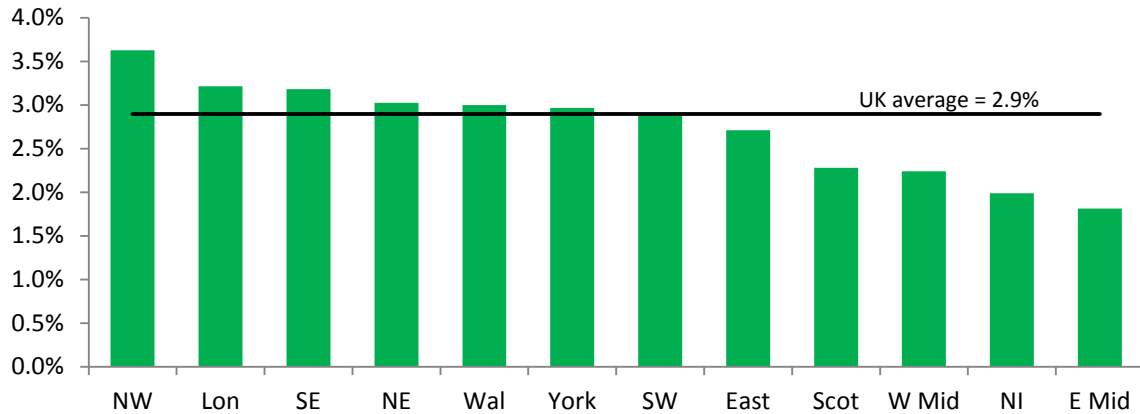
- In 2015, London's GVA of £378 billion accounted for 22.9% of UK GVA (£1,651 billion), with the South East contributing a further 15.1%.
- The North West saw the highest annual growth in 2015 of 3.6%, compared with the UK figure of 2.9%. The lowest rate of growth was seen in the East Midlands at 1.8%.

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

² ONS, *UK regional gross value added (GVA), income approach: Dec 2016*, 15 Dec 2016

GVA growth by UK region/country (workplace based), 2015

Not adjusted for inflation

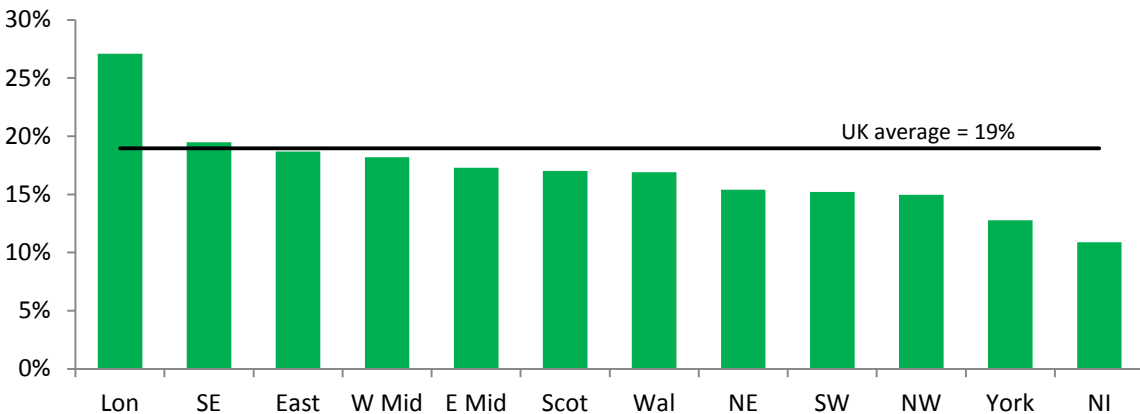


- From 2009, the depth of the recession, to 2015 London’s economy saw the strongest growth of 30.6%. The second highest growth was in the South East at 23.7%. The weakest growth recorded was in Northern Ireland at 11.1% and Yorkshire & the Humber at 13.0%. The UK average was 21.5%.
- Similarly from 2010 to 2015, London saw the fastest growth at 27.1% over this whole period, followed by the South East at 19.5%. Slowest growth was in Northern Ireland (10.9%) and Yorkshire & the Humber (12.8%). The UK average was 19.0%. The chart below shows figures for all regions/countries.

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

Total GVA growth by UK region/country (workplace based), 2010-2015

Not adjusted for inflation



- Between 1997 and 2015, London’s economy saw, by some distance, its economy expand the most (138%). Slowest total growth over this 18-year period was in Northern Ireland (76%) and the West Midlands (77%).

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				
	2014	2015	Change '14-'15	1997	2009	2010	2014	2015
North East	18,413	18,927	2.8%	72.7	75.6	75.3	74.1	74.7
North West	21,223	21,867	3.0%	84.7	88.3	87.9	85.5	86.3
Yorkshire & Humber	19,878	20,351	2.4%	84.9	85.2	83.7	80.0	80.3
East Midlands	20,732	20,929	1.0%	89.8	82.0	83.8	83.5	82.6
West Midlands	20,504	20,826	1.6%	90.0	81.2	82.3	82.6	82.1
East of England	23,562	23,970	1.7%	100.4	95.6	95.6	94.9	94.6
London	42,939	43,629	1.6%	158.7	167.1	167.1	172.9	172.1
South East	27,214	27,847	2.3%	112.2	108.8	110.0	109.6	109.8
South West	22,579	23,031	2.0%	94.4	93.1	94.0	90.9	90.8
England	25,624	26,159	2.1%	102.9	102.7	103.1	103.2	103.2
Wales	17,517	18,002	2.8%	74.1	71.7	70.8	70.5	71.0
Scotland	23,267	23,685	1.8%	93.3	96.8	93.5	93.7	93.4
Northern Ireland	18,331	18,584	1.4%	82.0	79.2	77.8	73.8	73.3
UK (excl extra-regio)	24,833	25,351	2.1%	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

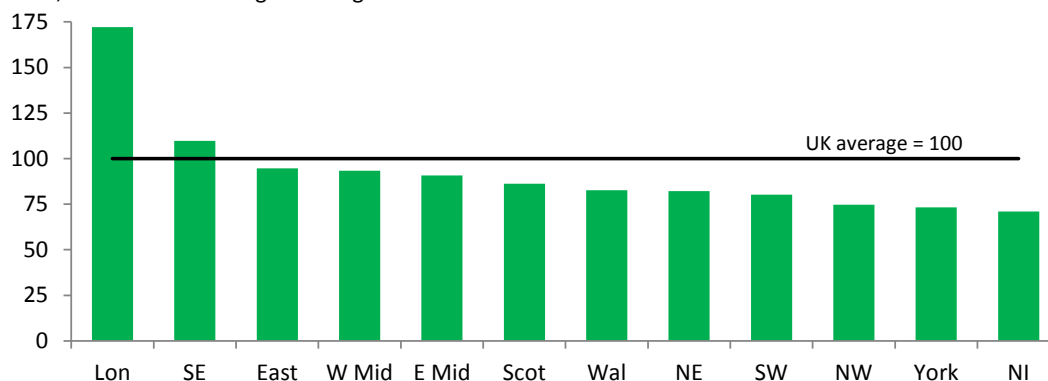
Source: ONS, *UK regional gross value added (GVA), income approach: Dec 2016*, tables 2 and 3

Some key figures from the data:

- London has the highest GVA per head, 72% above the UK average and more than double that of 6 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), 2015

Index, where UK excluding extra-regio=100



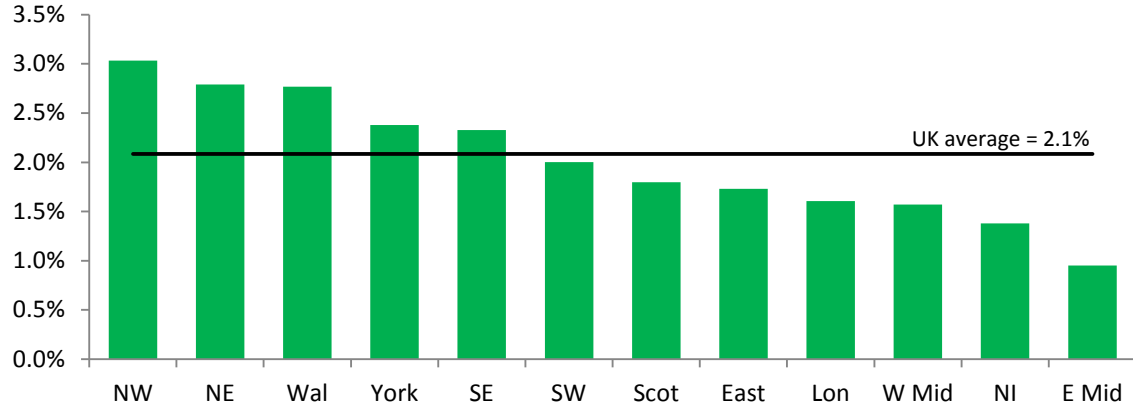
³ ONS, *UK regional gross value added (GVA), income approach: Dec 2016*, 15 Dec 2016

- In 2015, the North West saw the fastest growth in GVA per head (3.0%), followed by the North East and Wales (both 2.8%). The slowest rates of growth were seen in the East Midlands (1.0%) and Northern Ireland (1.4%).

The North West and North East saw the fastest growth in GVA per head in 2015

GVA per head growth by UK region/country (workplace based), 2015

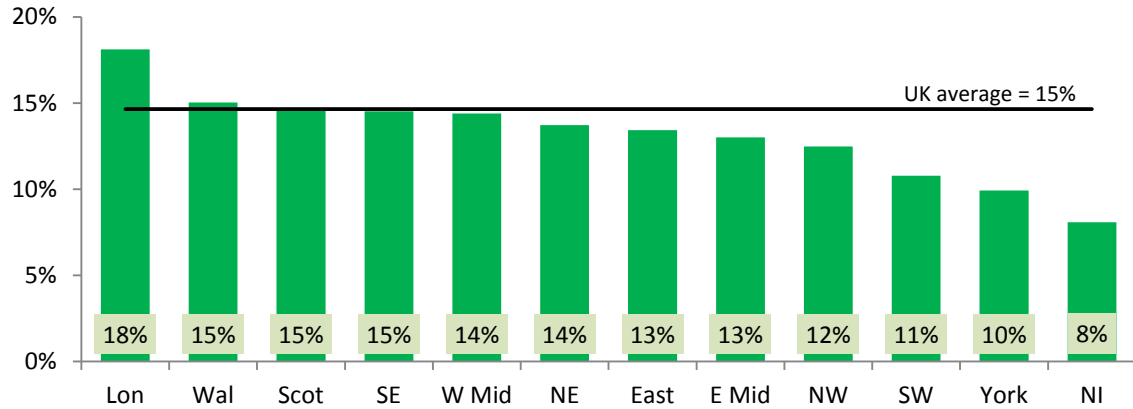
Not adjusted for inflation



- Between 2010 and 2015, GVA per head grew fastest in London (18.1%), followed by Wales (15.0%) and Scotland (14.6%). It grew slowest in Northern Ireland (8.1%) and Yorkshire & the Humber (9.9%).

Total GVA per head growth by UK region/country (workplace based), 2010-2015

Not adjusted for inflation



- GVA per head in London went from 59% above the UK average in 1997 to 72% above it in 2015 – the fastest growth rate of any region. Over the same period, GVA per head in Northern Ireland fell from 18% below the UK average to 27% below – the worst performing region or country since 1997 on this measure.

3. Local area growth

The 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 2015.⁵ As before, none of the figures are adjusted for inflation.

GVA per head in NUTS3 areas, 2015

Rank (out of 173) Area	£ per head	Index where UK=100
1 Camden and City of London	292,855	1,155.2
2 Westminster	221,103	872.2
3 Tower Hamlets	98,134	387.1
4 Kensington & Chelsea and Hammersmith & Fulham	62,431	246.3
5 Haringey and Islington	45,611	179.9
6 Milton Keynes	41,581	164.0
7 Berkshire	40,248	158.8
8 Hounslow and Richmond upon Thames	37,087	146.3
9 Edinburgh, City of	36,963	145.8
10 Aberdeen City and Aberdeenshire	36,726	144.9
UK (excl. extra-regio)	25,351	100.0
164 Central Valleys	15,429	60.9
165 Blackpool	15,372	60.6
166 East Ayrshire and North Ayrshire mainland	15,200	60.0
167 East Lothian and Midlothian	15,128	59.7
168 Sefton	14,769	58.3
169 Outer Belfast	14,592	57.6
170 Wirral	14,523	57.3
171 North of Northern Ireland	13,919	54.9
172 Gwent Valleys	13,681	54.0
173 Isle of Anglesey	13,411	52.9

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

Source: ONS, *UK regional gross value added (GVA), income approach: Dec 2016*, 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 ONS, *UK regional gross value added (GVA), income approach: Dec 2016*, 15 Dec 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.
- 151 of the 173 NUTS3 local areas saw rises in GVA per head in 2015, with Solihull (+7.9%) followed by Mid Lancashire (+5.9%) seeing the largest increases and Central Bedfordshire seeing the biggest fall of 4.4%.
- Between 2010 and 2015, Hounslow and Richmond upon Thames (+34%), followed by Ealing (+32%) and Solihull (+29%) had the biggest increases in GVA per head. The only area which saw a fall was Outer Belfast (-1%), while four areas – Portsmouth, Great Manchester South East, Liverpool and Sefton – had a 1% increase. The overall change in UK GVA per head over this time was +15%.

3.1 Maps of data for local areas

The maps on the following pages show:

- 2015 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 2015 for all 173 NUTS3 local areas.

3.2 Spreadsheet of data for local areas

A table and chart showing 2015 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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