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Regional Economic Performance Indicators

Regional Competitiveness & State of the Regions

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I Introduction

This is the ninth edition of ***Regional Economic Performance Indicators***, albeit only the second under this title. It was previously known as *Regional Competitiveness and State of the Regions*

There are 11 groups of indicators in this publication (covering all but one of the previous 17, but reorganised), intended to give a balanced picture of all the statistical information relevant to regional economic performance, competitiveness and the state of the regions.

II Brief History

Regional Competitiveness and State of the Regions, was itself formed through the amalgamation of two separate publications: the *Regional Competitiveness Indicators* and the Regional Development Agency (RDA) 'State of the Region' Core Indicators.

The aim of the *Regional Competitiveness Indicators* was to present statistical information that illustrated the factors that contributed to regional competitiveness. They were not intended to measure the performance of the Government Offices or the devolved administrations, but were designed to assist those responsible for developing regional economic strategies. The 'State of the Region' Core Indicators (as developed by SQW) were originally designed to measure progress towards sustainable economic development, skills and social regeneration and to provide monitoring and evaluation guidance for the RDAs.

When these two publications were combined, a number of changes were introduced. Consultants (SQW Ltd and Oxford Economic Forecasting) recommended 11 core indicators for RDA Evaluation and Performance Monitoring. Those incorporated in the combined indicator set (with their table numbers) are:

Gross Value Added (on a workplace basis) per head of population	A(1)(iii)
Manufacturing GVA per head	A(3)
Business formations per 10,000 adults	E(1)(ii)
Unemployment rate (ILO definition)	G(2)(i)
Percentage of adults with NVQ level 4 skills/equivalent	D(1)(iv) ¹
Percentage of adults with no qualifications	D(1)(i) ²
Percentage of residents within families dependent on Income Support benefits	I(2)
Road congestion	J(3) ³
Stock of derelict land	K(1)

Recommended for inclusion but not incorporated in this set were:

Waste – volume of non-recycled waste
Wildlife – population of birds

Information on waste indicators is available on the Department of the Environment, Food and Rural Affairs (DEFRA) website
<http://www.defra.gov.uk/environment/waste/statistics/index.htm>

¹ Statistic presented is as a proportion of the working age population (aged 19-59/64) qualified to NVQ level 4 and above.

² Statistic presented is as a proportion of the working age population with no qualifications.

³ Statistic presented is average daily vehicle flows.

and bird population statistics are available from the Natural Resources worksheet on the Sustainable Development area of the DEFRA website <http://www.defra.gov.uk/sustainable/government/progress/data-resources/regional.htm>

Statistics which previously appeared in the *State of the Region Core Indicators*, but which do not appear in the combined set (either because they were not recommended by SQW for inclusion, or were not already part of the *Regional Competitiveness Indicators*) are:

Proportion of the population with above average living conditions
 Percentage of dwellings built on previously developed land
 Percentage of Employers with Current Hard to Fill Vacancies
 Percentage of Employees undertaking work-related training in the last 13 weeks
 Percentage of Medium/Large Organisations recognised as Investors in People (see below)

Following a consultation exercise carried out during winter 2001/2002 further small changes were made. The most significant change was dropping figures for Investors in People (IIP), which were reported to be among those least used.

A further consultation on productivity indicators at the national and regional level outlined a revised set of 12 indicators based on the five key drivers of productivity, in relation to the Regional Economic Performance Public Service Agreement (REP PSA) target, responsibility for which is held by BIS. Those incorporated in the combined indicator set (by relevant driver and with table number) are:

Productivity

Gross Value Added (GVA) per head and per hour A(1)(iii),
A(1)(v)

Investment

Business investment as a per cent of GVA B(3)(iv)

Innovation

Business Enterprise Research & Development as a per cent of GVA C(1)(i)

Gross Domestic Expenditure on Research & Development as per cent of GVA C(1)(ii)

Proportion of enterprises with co-operation arrangements on technological innovation activities with other enterprises or institutions C(2)(i)

Proportion of turnover accounted for by new or improved products C(2)(ii)

Skills

Highest qualifications of adults	D(1)(i)-(iv) ⁴
16 to 19 year olds qualified to NVQ Level 2 and 19 to 21 year olds qualified to NVQ level 2 and 3	D(2)(i)-(iii)
Proportion of employees receiving training in last 4 weeks	D(3)

Enterprise

Total entrepreneurial activity	E(3)(i)
Business start-ups (VAT registrations) per 10,000 adult population	E(1)(ii)

Competition

Exports as a per cent of GVA	F(1)(ii)
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These indicators are also available on the Regional Economic Performance PSA web site using the link: <http://stats.bis.gov.uk/reppsa2/>.

In the autumn of 2008, BERR, the Department then responsible, conducted a National Statistics consultation on the publication, requesting views on the usefulness of the publication and seeking feedback and suggestions on ways in which it could be improved. 13 responses were received. Views expressed are summarised within the Government response, available at <http://www.bis.gov.uk/files/file51503.pdf>

The most important conclusions of the review were as follows.

The publication should be supplemented with a continuously updated web site version where practicable, to be integrated to a large extent with the REP PSA website.

The main text of the publication added limited value and should be dropped. However, the Annex on definitions and sources were much more highly valued and should be retained.

The publication should be retitled.

The last two of these conclusions were implemented within the 2009 edition. The first conclusion is being implemented alongside the publication of this edition.

III Other sources

More up-to-date information is available through two routes. Continuously updated versions of the Tables and Charts in this publication are available on the Regional Economic Performance Indicators website, available using the link <http://stats.bis.gov.uk/repi/>. Those indicators most directly relevant to the Regional Economic Performance PSA target are also available for English regions on the continuously updated Regional Economic Performance PSA (REP PSA) web site using the link: <http://stats.bis.gov.uk/reppsa2/>. There may however be occasions when the updating of these sites lags slightly behind updating of the original data sources on which they are based. In particular they are unlikely to be updated at 9.30am on the day of release.

⁴Statistic presented is based on working age population qualified to at least NVQ level 2, at least level 3 and at least level 4, and those with no qualifications. They are also available in the BIS Statistical First Release 'The Level of Highest Qualification Held by Young People and Adults'.

Please note that the order and numbering of Tables has been changed for the 2010 edition, primarily to bring consistency with the REP PSA web site. The accompanying Tables file gives old numbers against new.

BIS also publishes *UK Productivity and Competitiveness Indicators*. These are designed to compare our economic performance with that of other advanced economies and to measure the UK's progress in meeting the challenges of raising productivity. They are used in BIS to inform policy analysis including policies aimed at meeting the joint HM Treasury and BIS target of reducing the productivity gap. The latest 2008 edition can be found at:

<http://www.bis.gov.uk/publications/economicstatistics/economics-directorate/page21913.html>

A wide range of economic and social indicators can be found on the Sustainable Development area of the DEFRA web site at

<http://www.defra.gov.uk/sustainable/government/progress/data-resources/regional.htm>.

Further comments on the content and layout of *Regional Economic Performance Indicators* are welcome and should be sent to Michael Clary, at the address given on the first page of this report.

IV General Comments

Where data are available on a consistent basis they are presented for Government Office Regions and for Wales, Scotland and Northern Ireland. For ease of expression, the term 'region' is sometimes used in the text to refer both to Government Office Regions and to the devolved administrations.

In the 2010 edition, figures have been added for two combinations of English regions commonly used in analysis – the Greater South East (London, South East, East of England) and North, Midlands and West (the other six English regions), where it was possible to do so without imposing significant extra burden on data suppliers.

Each of the indicators is described in turn, including explanations as to how it is compiled and what it measures. Technical and methodological issues associated with the indicators are described in *Definitions* (Annex 1).

The various Tables are contained in a separate Excel file, and are organised as shown in the following Table. Note that the whole publication has been reorganised. Both new and old Section identifiers are shown. The old Section 16, on rental costs for industrial property and offices, is no longer included.

New Section		Old Section
A	Gross Value Added, gross disposable household income, and labour productivity	1 & 2
B	Investment and output by UK and foreign-owned companies	3
C	Research & Development, and employment in high and medium-high technology industries	14
D	Skills: Educational and vocational attainment	9
E	Enterprise: Business registrations and survival rates, Entrepreneurship Activity	12 & 13
F	Exports of goods and services	4
G	Employment and Unemployment	6 to 8
H	Earnings	5
I	Deprivation: Income support claimants and Income deprivation	10 & 11
J	Transport	15
K	Re-use of vacant and derelict land	17

Definitions**ANNEX 1****A. Gross Value Added, gross disposable household income, and labour productivity****Gross Value Added (GVA)**

The estimates published here have been calculated on the basis of the European System of Accounts 1995 (ESA95). GVA is the major component of gross domestic product (GDP). Under ESA95 the difference between GVA and Gross Domestic Product (GDP) is that GDP (at market prices) includes taxes (less subsidies) on products (mainly Value Added Tax) while GVA (at basic prices) does not. ONS does not presently attempt to apportion taxes on products to regions.

These indicators contain two separate measures of economic activity that fall under the broad definition of 'GVA'. The data in Section A are taken from the regional economic accounts, produced by ONS, which are calculated based on a series of economic and labour market surveys. The same source is used for the denominators in Tables B(3)(i)-(iv), C(1)(i), C(1)(ii) and F(1)(ii). This edition of the publication uses data from the December 2009 Regional Accounts release, the second release in which ONS for the first time apportioned the adjustment for Financial Intermediation Services Indirectly Measured (FISIM) by region. The new GVA data used in the 2009 and 2010 editions of this publication, and statistics derived using them, should not be compared directly with the series presented in 2008 and earlier editions.

The second set of GVA data that appears in Section B is based on a single survey: approximate GVA from the Annual Business Inquiry/2 (ABI/2). The GVA estimates taken from the regional economic accounts cover a greater portion of the economy and are thus a much broader measure of regional economic activity than the ABI series. In particular, the ABI financial data do not cover SIC(2003) Sections J (Financial intermediation), L (Public Administration and Defence; Compulsory Social Security) and the majority of Section A (Agriculture, hunting and forestry). In Sections M (Education), and N (Health and social work), local and central government are excluded. Section N also excludes public sector hospitals, medical and dental practises and some charitable sociable work.

There are also some discontinuities in coverage over time; ABI did not cover Section B (Fishing) and Division 02 (Forestry) before 2000, or any part of Section A before 2001. More information on ABI coverage, variables and methodology can be obtained from www.statistics.gov.uk/abi/.

Most regional GVA estimates presented in this publication are workplace-based (though Tables A(2)(i)/(ii), introduced this year, use residence-based data). For workplace-based estimates, the earnings of employees who commute across regions are allocated to the region where they work and not where they live. In practice, residence and workplace-based GVA differ only in London, the South East, and the East of England, as ONS does not make adjustments for other regions. However the statistics provided here are on a per head basis and therefore are divided by the population which is on a residence basis.

Regional GVA data are subject to adjustments in three key areas: adjustments for coverage; adjustments needed to move the accounts onto an ESA 95 basis; and adjustments for balancing purposes. For 2004 data and subsequent years the New Earnings Survey was replaced by the Annual Survey of Hours and Earnings. Estimates of average weekly pay using the ASHE methodology are higher than those previously taken directly from NES for 1998 to 2003. GVA estimates used in UK figures include extra-regio. The GVA for Extra-Regio comprises compensation of employees and gross

operating surplus which cannot be assigned to regions, based mainly on offshore activities.

Gross disposable household income (GDHI)

The household sector includes traditional households within the UK, in addition to people living in institutions such as retirement homes, hospitals and prisons. This sector also includes the activity of the non-profit making units that provide a service to households, for example charities and most universities.

GDHI is defined as total household income less payments of current taxes on income and wealth (such as income and property taxes) and social contributions such as pension and National Insurance deductions. This series is compiled under the latest ESA95 framework.

It should be noted that neither GVA nor GDHI are the same as 'wealth'. It is possible for a household to possess substantial material wealth and assets while receiving a comparatively low level of income.

Labour Productivity

Labour productivity in manufacturing and other industries is calculated by dividing workplace-based GVA for manufacturing, services and the 'other industries' sector (as defined in SIC(2003)) by the number of workforce jobs within each sector. The estimates of GVA are drawn from the regional economic accounts produced by the Regional Accounts branch in ONS. Estimates of the total number of workforce jobs are calculated by summing employee jobs (mainly collected through postal surveys of employers), self-employment jobs from the Labour Force Survey, those in HM Forces and Government-supported trainees. These same sources are used to calculate the total number of jobs filled. The count of jobs includes both full- and part-time jobs.

Regional estimates of GVA per filled job and GVA per hour worked have been calculated using GVA figures as published in the regional accounts. The annual hours figure that is used in the compilation of the GVA per hour worked index is an average of the four quarters' Labour Force Survey (LFS) data for Employees and Self employed, and annual data for Government Supported Trainees (from Workforce Jobs and the LFS), and HM Forces data provided by the Ministry of Defence. It is important to note that from the 2009 edition of this publication, ONS introduced a change in the methodology used to produce these indicators, with unsmoothed rather than smoothed GVA data being used as the numerator. This is conceptually more consistent with the jobs and hours data, which are unsmoothed, though it risks introducing greater volatility. For a fuller discussion of the issues involved see the article at <http://www.statistics.gov.uk/cci/article.asp?id=1945>.

The estimates of GVA are drawn from the regional economic accounts produced by the Regional Accounts branch in ONS.

B. Investment

Manufacturing investment and output by UK and foreign-owned companies

Gross Value Added (GVA) from the Annual Business Inquiry is used to differentiate the output of UK-owned and foreign-owned companies. For a further description of GVA, please refer to section A of the *Definitions*. Estimates of Gross Value Added shown here will not be exactly the same as those published in the Regional Accounts, the basis of tables in Section A.

Net Capital Expenditure is used as a proxy for investment and is calculated by adding the value of new building work acquisitions, plus the difference between acquisitions and disposals of land, existing buildings, vehicles and plant and machinery.

Since 1998 the data are taken from the Annual Business Inquiry/2 (ABI/2), an integrated survey of accounting information from businesses and other establishments. ABI does not cover the whole of the economy (see section 1 of *Definitions* for details). The broad industry breakdown is based on SIC(2003).

Investment as a percentage of GVA (Tables B(3)(i)-(iv)) has been calculated using the GVA data produced by the Regional Accounts branch of ONS. The reader should note that although regional net capital expenditure data have been provided by ONS, they (and the derived percentages) are not National Statistics and are subject to a higher level of error than other data provided in this publication.

C. Research & Development, and employment in high and medium-high technology industries

Research & Development

The survey of Business Enterprise Research & Development (BERD) is conducted by the ONS annually. It is based on a sample of around 4,800 businesses across the UK that are identified as performing Research & Development (R&D) activity by the Annual Business Inquiry. Included are all 'large' R&D performers, plus a sample of smaller businesses that are deemed as 'lesser' R&D performers. Government organisations, higher education establishments and registered charities are not included within the survey sample. Gross Domestic Expenditure on Research and Development (GERD) is the most reliable estimate of national R&D spending, drawing together information on R&D spending in the public and private sectors.

It is important to note that this survey assesses the value of R&D performed by businesses in the UK, irrespective of where the funding for the R&D activity came from (i.e. business, government or foreign funding). It also covers the R&D activity by UK firms on UK territory outside of the mainland (i.e. North Sea oil exploration). The sample size and response rates (at around 93 per cent) are sufficient to allow estimation of R&D activity within businesses down to regional and sector level.

Co-operation and new/improved products

The Community Innovation Survey (CIS) is a survey conducted periodically by EU member states. The survey covers aspects of innovation including the constraints faced by businesses, the impact of innovation on businesses and features of the wider innovation process.

Most questions are asked about innovation activities over a long period (2006 to 2008 for CIS 6, for example). The data on the percentage of turnover attributable to new/improved/novel products presented in Table C(2)(ii) is an exception, the question relating to the final year only (2008 for CIS6, for example).

The sectoral coverage of the Innovation Survey was widened considerably in 2005 to include a larger portion of the service sector. The additional sectors are: Sale, Maintenance and Repair of Motor Vehicles, Retail Trade, Hotels and Restaurants. For the 2007 Survey, motion picture and video activities, and radio and television activities have also been added. Furthermore, other differences with the previous survey; such as in the sample design, questionnaire routing and weighting methodology, implies that results from successive iterations of CIS are not strictly comparable.

High and medium-high technology industry employee jobs

These estimates are drawn from the Annual Business Inquiry and the Northern Ireland Census of Employment (carried out every two years). The definition of high technology industry itself is based on that specified by the Organisation for Economic Cooperation and Development (OECD) in 1997. The following table shows the sectors covered by the definition 'high technology' and 'medium-high technology' and which SIC(2003) class or sub-class corresponds to each.

Sector	SIC2003
High technology	
Pharmaceuticals	24.4
Office machinery and computers	30.0
Aerospace	35.3
Electronics-communications	32.0
Medium-high technology	
Scientific Instruments	33.0
Motor Vehicles	34.0
Electrical Machinery	31.0
Chemicals	24.0 (excluding 24.4)
Other Transport Equipment	35.2, 35.4, 35.5
Non-Electrical Machinery	29.0

D. Education and Skills

The statistics for this section have been supplied by the Department for Business, Innovation and Skills (BIS) and the Department for Education. As part of the 2004 public spending review a number of Public Service Agreement objectives and targets were implemented, including objective 3 that all young people were to reach age 19 ready for skilled employment or higher education and objective 4 to tackle the adult skills gap.

The methodology used to derive the estimates for 2006 onwards in tables D(2)(i)-(iii) differs from that for earlier years. Previously a small sample of young people was extracted from the Labour Force Survey (LFS) to derive these estimates, but a subsequent National Statistics Review in 2004 highlighted a number of problems with this data. These included a high sampling error and apparent overstatement of academic achievement in comparison with comparable administrative sources. Consequently a new approach using a number of different administrative data sources was developed. This included using matched data from the School Examination Results Analysis project (SERAP) database, the National Information System for Vocational Qualifications (NISVQ) database and the Individualised Learner Record (ILR) database held by the Learning and Skills Council. Statistics shown here now are based on the new methodology for data for 2006 onwards and from the LFS for the earlier back series. However the reader should note that only estimates for the nine English regions have been released, and there are no plans to extend this to the rest of the UK. For further information regarding the new methodology please refer to this link:

<http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000545/index.shtml>

The latest 2009 estimates are available using the link provided below:

<http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000917/index.shtml>

For tables D(1)(i)-(iv) the information presented on qualifications is from the Labour Force Survey (LFS). Please note a new method of calculation of these statistics has been adopted by BIS, for further information on these estimates refer to the latest published series using the link provided below:

<http://www.thedataservice.org.uk/statistics/lfsmethodology/>

Table D(3) is also based on a sample extracted from the new quarterly calendar based LFS. Again this table is subject to some level of sampling error, though it covers all regions within the UK. Here employees are defined as all those of working age (defined as Males aged 16-64 and Females aged 16-59) in employment excluding the self-employed, unpaid family workers and those on government programmes.

E. Enterprise

Business registration and survival rates

In this edition, the coverage of this group of indicators has been broadened to cover businesses registered for one or both of Value Added Tax (VAT) and Pay as You Earn (PAYE) systems. In previous years it was restricted to businesses registered for Value Added Tax (VAT). Businesses with an annual turnover below the VAT threshold (£68,000 from 1 May 2009) may decide not to register for VAT for a variety of reasons, and so would not have been included in the estimates in previous editions (if they do not have a PAYE scheme they will also be excluded under the new wider definition). The change in the 2010 edition brings any business with a PAYE scheme into scope, though most were already registered for VAT. It should be noted that new registrations are not synonymous with business start-ups; some registrations are the results of changes in ownership or legal status of a business.

For more details of the differences involved between old and new approaches, see

<http://www.statistics.gov.uk/cci/article.asp?ID=2096>.

The data are compiled from the Inter-Departmental Business Register (IDBR). The IDBR is a structured list of nearly 2.2 million enterprises in the UK available for the selection, mailing and grossing of statistical inquiries. It is maintained by ONS and is mainly used as a sampling frame for official business surveys. The estimates refer to the location of the head office or main centre of business activity. If a new factory owned by a business is located elsewhere in the UK then it does not appear as a new registration. Industry sectors have been divided using Standard Industrial Classification⁵ (SIC) codes, using SIC(2007) for 2008 and SIC(2003) for earlier years. The definitions of the broad industries in each classification are shown below.

	SIC(2003) Sections (used up to 2007)	SIC(2007) Sections (used from 2008)
Manufacturing	D	C
Services	G to O	G to S
Other	A to C, E, F	A, B, D to F

Care should be taken when comparing the rates of business registrations/population or stock of businesses between regions since the estimates can be influenced by variations in commuting, industry mix and differences in the profile of businesses between regions as well as 'actual' changes over time. In addition, there are areas where the stock of businesses is relatively low, so the rate of business formations could be artificially inflated.

⁵ More detail on SIC codes available at <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14012>

The 'survival' rates contained in Table E(2) are not derived from actual business closures. Firms can be removed from the IDBR for a variety of reasons including: falling turnover, mergers, take-over and relocation in addition to the business actually ceasing trading. However, registrations and de-registrations are strongly correlated with the underlying trends in business 'birth' and 'death' rates.

Entrepreneurship

The Global Entrepreneurship Monitor UK (GEM UK) is part of a study comparing rates of Total Entrepreneurial Activity (TEA) internationally. The survey interviews a stratified representative sample of individuals across the UK on various aspects of entrepreneurship.

The survey takes a broad definition of entrepreneurship as 'any attempt at new business or new venture creation, such as self-employment, a new business organisation or the expansion of an existing business by an individual, teams of individuals, or established business'.

F. Exports

Exports of goods

The counts in Table F(2)(ii) of companies exporting goods to EU and outside the EU are not fully comparable. Company details for businesses' export transactions with non-EU countries are mandatory and are automatically recorded by HM Revenue and Customs. The counts for exports to non-EU countries are taken from these. However, since the introduction of the Single European Market, declarations for companies exporting to the EU are recorded through the *Intrastat* system, which only picks up businesses exporting goods with a value in excess of £270,000 (during 2009) to the EU. Hence, the company counts of EU exporters will be artificially low as compared to the count for exporters to the rest of the world. Note that companies who export to both EU countries and the rest of the world will appear more than once in the company count, that is, in both Tables F(2)(i) and F(2)(ii).

Aspects of the Customs administrative data source used in the compilation of the Regional Trade Statistics have changed, This is likely to have had some impact from the third quarter of 2009. More detail can be found on the UK TradeInfo website at https://www.uktradeinfo.com/pagecontent/downloads/RTS_EORI_web.pdf.

Comparisons between regions should be interpreted with care because the *value added* of an export product may have been generated in areas other than the region from which the item was actually exported.

Export trade is assigned to a region through the postcode associated with a company's VAT registration. Some adjustments have been necessary for exports to the EU to ensure that manufacturing that takes place at branch premises is properly allocated to the region where the branch is situated. Exports to countries outside the EU already contain a regional coding. The statistics shown here have been affected by VAT missing trader fraud. Fraudsters obtain VAT registration to obtain goods from other EU member states and then subsequently sell on the goods at VAT inclusive prices and disappear without paying over the VAT paid to the tax authorities. For further background information on VAT missing trader fraud please use the link provided here:

http://www.statistics.gov.uk/articles/economic_trends/ETAug03Ruffles.pdf

Exports of goods per employee job are BIS estimates using HM Revenue and Customs data for value of exports of goods and employee jobs as a denominator. The employee

jobs data were drawn from the workplace-based Short-Term Employment Survey (STES) produced by ONS.

Exports of Services

The analysis is based on ONS data from the International Trade in Services (ITIS) survey and covers about 30 per cent of all UK service exports. The analysis allocates export data which is collected at the enterprise level to regions on a local unit basis using ONS employment data. The resulting regional export data have been subjected to disclosure checking using ONS procedures. The analysis for 2007 includes a number of improvements from that reported in previous years. These arise from extended coverage of the ITIS products, better consistency with Pink Book categories and a change in the method of allocating export data across the regions when the business has a large number of local units.

The regional figures have been adjusted to be consistent with UK totals published in the 2009 UK Balance of Payments Pink Book. The data can be used to show the relative size of exports between regions for a particular product or between products within a region. Some of the figures can show considerable variability between years. This can be due to changing patterns in export services, where individual enterprises obtain new or end existing export contracts. It may also reflect the level of reliability of this data, partly due to the procedure of apportioning data across the companies' local units.

Data for export services such as travel, transportation and financial services are not currently provided to BIS in a format which allows a regional allocation to be undertaken. For these services allocation to a region may be less meaningful since the geographic location of the sales transaction and of the service activity may differ.

G. Employment and Unemployment

Employment and employee jobs

Tables G(1)(i) and G(1)(ii) provide detail on the number and percentage of people of working age in employment who are resident in each region or country. The data contained in both tables are drawn from the Labour Force Survey (LFS) and have been seasonally. People aged 16 and over are classed as employed by the LFS if they have worked for at least one hour in the reference week or are temporarily away from a job (e.g. on holiday).

The data contained in Table G(1)(iii) are drawn from the Short-Term Employment Survey (STES) carried out by ONS and show the number and percentage of employee jobs on a workplace basis. The STES measures the number of employee jobs on a quarterly basis and unlike the data in Tables G(1)(i) and G(1)(ii) does not include self-employed people. Additionally, the data for regions in Table G(1)(iii) may not sum to UK or England totals because of approximations in allocating national estimates to regions.

Unemployment

This is based on the International Labour Organisation (ILO) definition of unemployment which includes as unemployed all those who are out of work, want a job, have actively sought work in the last four weeks prior to interview and are available to start work within the next fortnight, or are out of work and have accepted a job they are waiting to start in the next fortnight. The data are seasonally adjusted.

The unemployment rate is the percentage of economically active people who are unemployed. To be economically active, a person must either be in employment (see definition under **Employment and employee jobs**) or unemployed (ILO definition).

Claimant count

The claimant count is based on the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits at Jobcentre Plus local offices on a particular day each month. People claiming JSA must declare they are out of work, available for, capable of and actively seeking employment during the week in which the claim is made. Claimant count rates express the number of JSA claimants as a percentage of the sum of claimants and workforce jobs in the area. The number of workforce jobs is comprised of employee jobs, agricultural jobs, HM armed forces, self-employed and persons on government-supported training schemes.

The figures for long-term JSA claimants (12 months or more) only account for computerised claims – around 1 per cent of claims are dealt with manually, and these are excluded.

H. Average earnings

Estimates of average earnings to 2003 were drawn from the New Earnings Survey (NES) and include remuneration for overtime worked during the survey period and shift pay, but not other payments such as profit shares or annual bonuses. NES data were collected in April of each year. The estimates may be affected by seasonality.

In 2004, a new survey was developed by ONS to replace the NES called the Annual Survey of Hours and Earnings (ASHE). The ASHE included improvements to the coverage of employees and to the weighting of earnings estimates. The data variables collected remain broadly the same, although an improved questionnaire was introduced for the 2005 survey. The change in methodology means that statistics on pay and hours published from the ASHE, including the calculation of ONS's low pay statistics, are discontinuous with previous NES surveys.

To improve coverage and make the survey more representative, supplementary information was collected for the 2004 ASHE on businesses not registered for VAT and for people who changed or started new jobs between sample selection and the survey reference period. The 2004 ASHE results are therefore discontinuous with the results for 2003, for which no supplementary information was collected. However, for 2004 two sets of results are available; the headline results that include supplementary information and results that exclude this information. These second set of results are given solely for comparison to earlier results. Growth rates between 2004 and 2003 are only given for the data that exclude supplementary information. There are also two sets of results available for 2006 data, which reflect changes to the sample design to improve the quality of the estimates. In table H(1)(i) the top data for 2006 is comparable with 2005, which also includes supplementary surveys, whilst the bottom data for 2006 reflects the latest changes to the sample design and is directly comparable with data for 2007 and beyond.

Estimates of average earnings from the NES were arithmetic means, which can be distorted by a few extremely high or low values. There tend to be a small number of individuals at the top end of the distribution with extremely high earnings, therefore the mean can become unrepresentative. Average earnings estimates from the ASHE are now presented as medians. This can be thought of as the 'middle value' if all hourly earnings are placed in order of magnitude, therefore the median is not skewed by extreme values and, in many respects, can be considered representative.

I. Deprivation

Proportion of Claimants for Income Support

Income Support (IS) claimants can be grouped into Pension Credit, Disabled, Lone Parents and Other. From October 2003, IS has been paid to a person who is aged 16 to 59 years old, is not working 16 hours or more a week and whose income is less than what is considered necessary to live on.

Pension Credit was introduced in October 2003 for those aged 60 and over, replacing the Minimum Income Guarantee (MIG) benefit. Former MIG claimants are all entitled to Pension Credit, but Pension Credit also brings in pensioner households whose incomes are slightly above the eligibility levels for MIG and who have saved money in an occupational or personal pension, or a savings account, or both.

While MIG allowed either partner to claim, Pension Credit needs the partner aged 60 or over to be the claimant. Households where the partner aged under 60 was the MIG claimant were invited to make a new claim with the partner aged 60 or over as the Pension Credit claimant. For about 15,000 of these households, no new claim was received as of November 2003. They continue to receive IS, but are not currently included in Table I(1)(i) or Table I(1)(ii). Over time, new claims were probably made for these households and they would at that stage appear in Table I(1)(ii).

Benefits statistics for the GB regions have been sourced from the newly published Work and Pensions Longitudinal Survey (WPLS) based on 100% of claimants. Previous figures had been taken from a 5% sample of data. Background data for the featured tables can be accessed via the online Tabulation Tool, using the link provided below here: <http://www.dwp.gov.uk/asd/tabtool.asp>. Northern Ireland data is currently based on a 5% sample of claimants, though this is not directly comparable with the rest of the UK.

Income deprivation

Table I(2) provides the percentage of the population within families that are dependent on Income Support (IS) benefit. The percentage for each of the English regions is included, together with the proportion for the 20 per cent of the population living within the 'most deprived' areas within each region. The corresponding figures for England as a whole are also presented.

For this indicator, deprivation has been defined at lower layer Super Output Area (SOA), according to the Indices of Multiple Deprivation 2007 (IMD 2007). The IMD 2007 is an index for areas in England consisting of 37 indicators of deprivation that fall under 7 broad dimensions: income, employment, health and disability, education training/skills, barriers to housing and services, crime and living environment. The majority of the data underpinning the IMD 2007 is for 2005, although some data covers a number of years, for example an average of 2003-2005.

The indicator is not really internally consistent, based as it is on a mixture of 2001 and 2007 data. The number of IS 'dependants' reflects the number of persons living in families where at least one member is receiving income support benefit, together with all children aged under 16. The data are derived by BIS using income support beneficiaries data for 2007, plus the number of children from the 2001 Census. This figure is divided by the total 2001 Census population, all taken from the Neighbourhood Statistics web site.

J. Transport

In Table J(2), the estimates are for those roads surveyed in all three years shown, rather than the full sample for each individual year.

K. Derelict and vacant land

The information covering previously developed land now vacant or derelict are drawn from the National Land Use Database (NLUD) (www.nlud.org.uk). These data are based on a periodic survey of unitary and local authorities covering vacant and derelict sites and other previously developed land and buildings that may be available for redevelopment.

Table K(1) covers several distinct types of vacant or derelict land:

Previously developed vacant land: Land previously developed and is now vacant which could be developed without treatment. Treatment includes: demolition, clearing of fixed structures, foundations levelling etc.

Derelict land and buildings: Land so damaged by previous industrial or other development that it is incapable of beneficial use without treatment. This includes abandoned or unoccupied buildings in an advanced state of disrepair.

All land that is unused or may be available for redevelopment: Comprises previously developed vacant and derelict land: vacant buildings; land or buildings currently in use, which are allocated in a local plan for any developed use, have planning permission for any use (including single residential dwellings with planning permission for at least one additional dwelling) or with known potential for redevelopment.

Sources**ANNEX 2**

Section A (excluding Tables A(1)(iv) and A(1)(v))

Regional Accounts, Office for National Statistics (ONS)

www.statistics.gov.uk/cci/nscl.asp?ID=6008

Tables A(1)(iv) and A(1)(v)

Employment, Earnings and Productivity Division, ONS

www.statistics.gov.uk/StatBase/Product.asp?vlnk=7476

Section B

Annual Business Inquiry (ABI), ONS

www.statistics.gov.uk/abi/default.asp

Tables C(1)(i) and C(1)(ii)

Business Enterprise R&D survey, ONS

www.statistics.gov.uk/StatBase/Product.asp?vlnk=8206

Tables C(2)(i) and C(2)(ii)

Community Innovation Survey, BIS

www.bis.gov.uk/policies/science/science-innovation-analysis/cis

Table C(3)

Annual Business Inquiry, Office for National Statistics; Northern Ireland Census of Employment and Quarterly Employment Survey, Department of Enterprise, Trade & Investment (Northern Ireland)

www.statistics.gov.uk/abi/default.asp

www.detini.gov.uk/stats-pubs-19

www.detini.gov.uk/deti-stats-index/stats-surveys/stats-qes.htm

Section D

Latest publication list for the Department for Business, Innovation and the Department for Education.

www.dcsf.gov.uk/rsgateway/whatsnew.shtml

Information can be downloaded free of charge from www.nomisweb.co.uk

Tables E(1)(i) to E(2)

Business Registers Section, ONS

www.statistics.gov.uk/statbase/product.asp?vlnk=15186

Tables E(3)(i) and E(3)(ii)

GEM UK

www.gemconsortium.org/

Tables F(1)(i) to F(3)

Statistics and Analysis of Trade Unit, HM Revenue and Customs

www.uktradeinfo.com

Table F(4)

BIS analysis of International Trade in Services data, ONS

[www.oilis.oecd.org/olis/2009doc.nsf/linkTo/std-ses-wptgs\(2009\)9](http://www.oilis.oecd.org/olis/2009doc.nsf/linkTo/std-ses-wptgs(2009)9)

Tables G(1)(i) to G(1)(iii)

Labour Market Division, ONS

www.statistics.gov.uk/cci/nscl.asp?ID=6584

Information can be downloaded free of charge from www.nomisweb.co.uk

Tables G(2)(i) to G(2)(iii)

Labour Market Division, ONS

www.statistics.gov.uk/cci/nscl.asp?ID=6682

Section H

New Earnings Survey, ONS

www.statistics.gov.uk/STATBASE/Source.asp?vlnk=428

Annual Survey of Hours and Earnings, ONS

www.statistics.gov.uk/CCI/article.asp?ID=985&Pos=1&ColRank=2&Rank=704

Department of Enterprise, Trade & Investment (Northern Ireland)

www.statistics.detini.gov.uk

Information can be downloaded free of charge from www.nomisweb.co.uk

Tables I(1)(i) to I(1)(v)

Department for Work and Pensions

www.dwp.gov.uk/asd/tabtool.asp

Department for Social Development (Northern Ireland)

www.dsdni.gov.uk/index/stats_and_research/benefit_publications.htm

Table I(2)

Neighbourhood Statistics, ONS

www.neighbourhood.statistics.gov.uk

Table J(1)

Labour Market Division, ONS

www.statistics.gov.uk/CCI/nscl.asp?ID=5001

Tables J(2) and J(3)

Department for Transport

www.dft.gov.uk/stellent/groups/dft_control/documents/contentservertemplate/dft_index.html?n=15699&l=3

Section K

National Land Use Database

www.nlud.org.uk