

Regional, sub-regional and local Gross Value Added 2010



Date: 14 December 2011

Coverage: UK **Theme:** The Economy

Key Figures

- In 2010, Gross Value Added (GVA) per head of population increased in all NUTS1 regions. This follows a decrease across all NUTS1 regions in 2009.
- In 2010, East Midlands and Wales had the largest increase in GVA per head at 3.3 per cent.
- London, at 0.7 per cent, saw the smallest increase in GVA per head, having had the smallest decrease at -0.5 per cent in 2009.
- London had the largest GVA per head at £35,026, while Wales had the lowest at £15,145.
- GVA per head decreased in all NUTS2 sub-regions in 2009, except for North Eastern Scotland and Inner London.
- Of the 133 NUTS3 local areas, GVA per head of population was highest in Inner London – West at £109,278 and lowest in Gwent Valleys at £10,654.

Summary

NUTS1 Regional GVA^{1,2}, 2010³

Region	Per head (£) ²	Per head growth on 2009 (%)	Per head index (UK=100)	Total GVA (£m) ²	Total GVA growth on 2009 (%)	Share of UK (%)
United Kingdom⁴	20 476	2.4	100.0	1 274 866	3.2	100.0
North East	15 744	2.9	76.9	41 038	3.8	3.2
North West	17 381	2.9	84.9	120 549	3.5	9.5
Yorkshire and The Humber	16 917	2.5	82.6	89 679	3.3	7.0
East Midlands	18 090	3.3	88.3	81 067	4.0	6.4
West Midlands	17 060	2.8	83.3	93 063	3.2	7.3
East of England	18 996	2.5	92.8	110 783	3.6	8.7
London	35 026	0.7	171.1	274 085	1.6	21.5
South East	21 924	3.1	107.1	186 860	4.2	14.7
South West	18 669	2.7	91.2	98 457	3.5	7.7
England	20 974	2.3	102.4	1 095 580	3.2	85.9
Wales	15 145	3.3	74.0	45 534	3.5	3.6
Scotland	20 220	2.4	98.7	105 590	2.9	8.3
Northern Ireland	15 651	2.6	76.4	28 162	3.2	2.2

1. GVA at current basic prices on workplace basis, based on weighted 5-year moving average (see background note 3).
2. Figures may not sum due to rounding in totals, per head (£) figures are rounded to the nearest pound.
3. 2010 estimates are provisional.
4. Excluding statistical discrepancy and Extra-Region: off-shore contribution to GVA that cannot be assigned to any region (see background note 1).

Source: ONS

The 2010 headline estimates show that both total GVA and GVA per head at current basic prices have increased in all UK regions. In 2010, London's gross value added (GVA) per head of population was 71.1 per cent above the average for the United Kingdom (UK), while that of Wales was 26.0 per cent below the average.

About this release

GVA is the value generated by any unit engaged in a production activity. It is measured at basic prices, excluding taxes (less subsidies) on products. GVA plus taxes (less subsidies) on products is equivalent to Gross Domestic Product (GDP).

Regional GVA is measured using the income approach, which involves adding up the income generated by resident individuals or corporations in the production of goods and services. It is calculated gross of deductions for consumption of fixed capital, which is the amount of fixed assets used up in the process of production in any period.

The main components of income based GVA are:

- Compensation of Employees;
- Gross Operating Surplus (the sum of self employment income, gross trading profits and surpluses, non-market capital consumption, rental income less holding gains);
- Taxes (less subsidies) incurred as a result of engaging in production, independently of the quantity or value of goods and services produced (e.g. business rates).

GVA per head of population is a useful way of comparing regions of different sizes and is an important indicator for both domestic and European policy purposes. It is calculated using the entire population (including the economically inactive).

These estimates are produced at current prices which do not allow for inflation. They are consistent with the National Accounts Blue Book 2011. National aggregates are allocated to regions using the most appropriate regional indicator available.

This is the first regional GVA publication released in accordance with the new Standard Industrial Classification of All Economic Activities (UK SIC 2007). Changes from the former classification (SIC 2003) are motivated by the need to adapt to changes in the structure of the economy (see background note 5).

GVA estimates in this bulletin are available at three geographical levels, in accordance with the Nomenclature of Units for Territorial Statistics (NUTS). Economic activity that cannot be assigned to any specific region is allocated to Extra-Regio (see background note 1).

Regional GVA estimates (NUTS1) for 2010 are released for the first time with revisions back to 1997 (see background note 9). These estimates update those published in December 2010.

At the more detailed levels of geography (NUTS2 and NUTS3), estimates for 2009 are being released for the first time along with revisions for the period 1997 to 2008, updating the estimates published in December 2010.

Regional (NUTS1) estimates

Economic overview of 2010

The UK economy came out of recession in Q3 2009 and entered 2010 exhibiting slow growth in GDP which generally remained subdued during the year. Interest rates stayed at 0.5 per cent and inflation remained above the Bank of England's target of 2 per cent during 2010. Over the year, the Consumer Price Index (CPI) indicated a rise in consumer prices of 3.4 per cent compared to 2009.

The main positive influences on growth came from a build up of inventories in the economy and an increase in household final consumption expenditure.

Exports of goods increased, with Wales, London, West Midlands, North East and Yorkshire and The Humber all experiencing growth of over 20 per cent year-on-year in the value of goods exported. Despite this, net trade was a negative influence on overall UK growth in 2010.

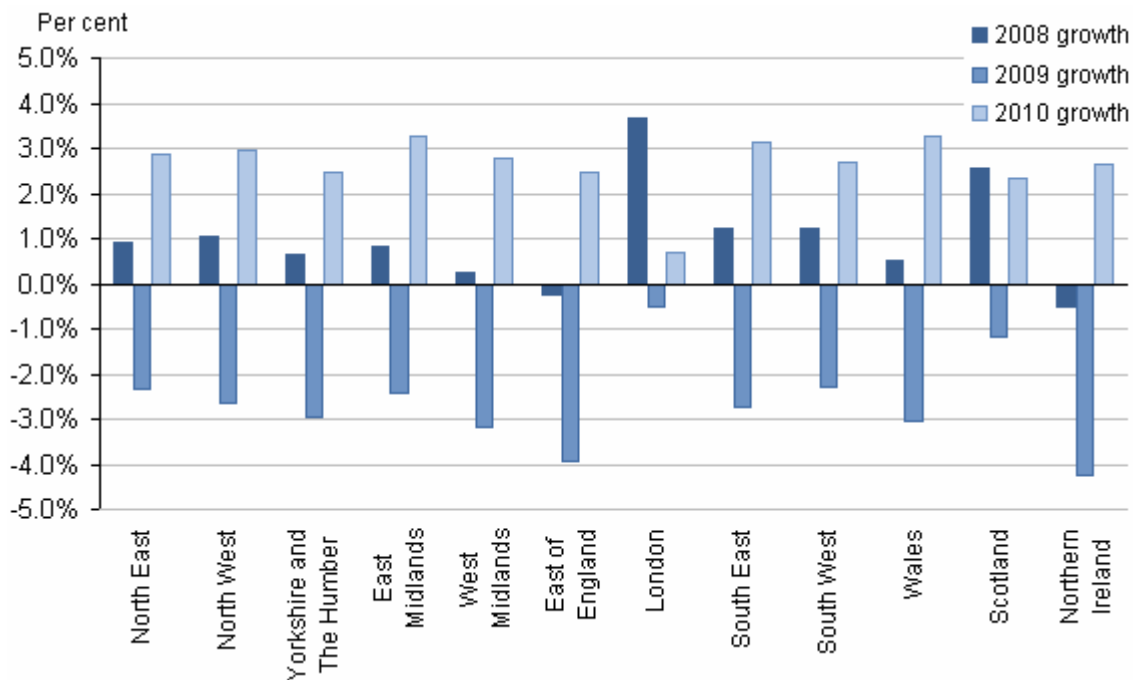
Business deaths exceeded businesses births during 2010. This was the case across all countries and English regions of the UK except for Northern Ireland where the births and deaths (to the nearest thousand) were equal. The gap to which business deaths exceeded business births was greatest in the North West.

The unemployment rate was fairly constant during 2010, having risen sharply in 2008 and 2009. The only places to have a statistically significant change in the employment rate during 2010 were Scotland, which experienced a small increase in unemployment, and the North West, which experienced a small decline in unemployment. In terms of the numbers claiming Jobseekers Allowance, only in Northern Ireland and Scotland were claimant count rates higher at the end of 2010 than at the beginning of the year. In Wales and all of the English regions, claimant count rates fell during the year.

NUTS1 GVA per head of population

In 2010, GVA per head of population increased in all NUTS1 regions. The largest increase was in East Midlands and Wales at 3.3 per cent. The smallest increase was seen in London (0.7 per cent), followed by Scotland (2.4 per cent).

NUTS1: GVA per head growth on previous year, 2008, 2009 and 2010



Source: ONS

In 2010 positive growth occurred in every NUTS1 region, following negative growth during 2009. The rate of annual growth increased most in Northern Ireland (from -4.3 per cent in 2009 to 2.6 per cent in 2010). The smallest increase in the rate of growth was in London (from -0.5 per cent in 2009 to 0.7 per cent in 2010).

The UK was in recession for a significant part of 2008 and 2009 and all regions were affected. London (3.7 per cent) and Scotland (2.6 per cent) had the largest increases in GVA per head in 2008 and the smallest decreases in 2009 (-0.5 per cent and -1.2 per cent respectively). This suggests that in terms of GVA per head growth, London and Scotland were the regions least affected by the recession.

NUTS1 GVA per head indices

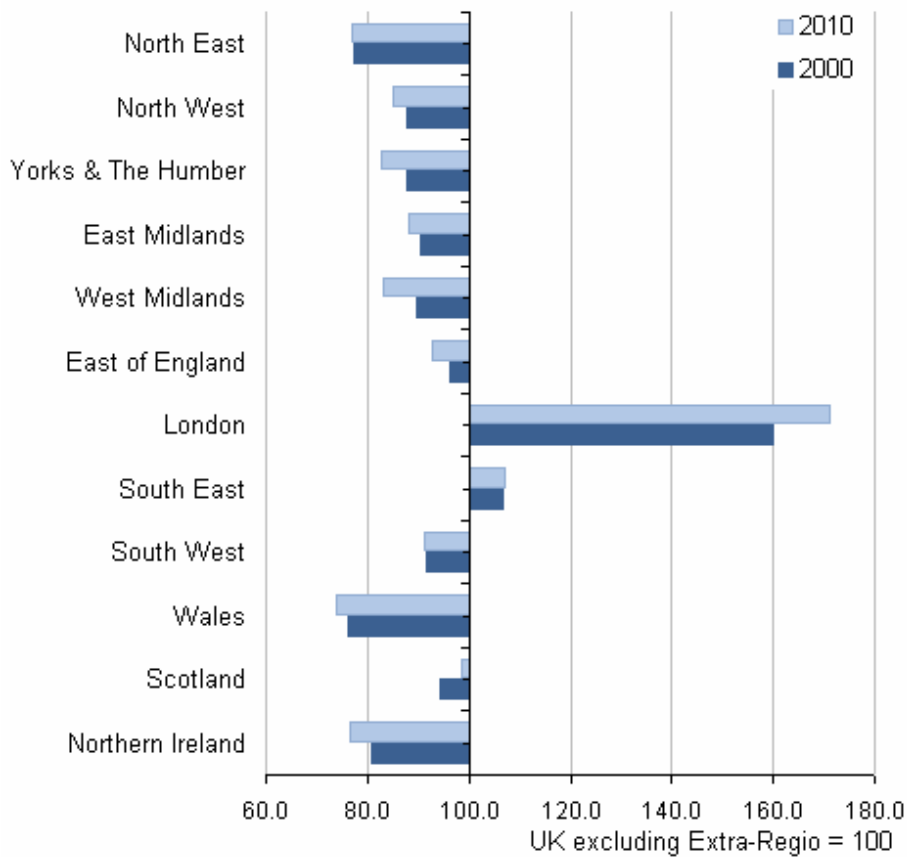
NUTS1: GVA per head indices¹, 1997 to 2010

UK = 100	1997	2000	2007	2008	2009	2010 ²
United Kingdom	100.0	100.0	100.0	100.0	100.0	100.0
North East	78.4	77.2	77.1	76.6	76.5	76.9
North West	88.6	87.9	85.2	84.8	84.4	84.9
Yorkshire and The Humber	89.7	87.6	83.9	83.2	82.6	82.6
East Midlands	93.3	90.3	88.4	87.8	87.6	88.3
West Midlands	90.5	89.8	84.9	83.8	83.0	83.3
East of England	96.4	96.2	96.0	94.3	92.7	92.8
London	156.2	159.8	167.4	171.0	173.9	171.1
South East	104.8	106.8	107.2	106.9	106.3	107.1
South West	92.6	91.7	91.3	91.0	90.9	91.2
England	102.4	102.7	102.5	102.5	102.5	102.4
Wales	78.2	76.3	74.7	73.9	73.3	74.0
Scotland	96.2	94.2	96.8	97.8	98.8	98.7
Northern Ireland	80.8	80.7	79.5	77.9	76.2	76.4

1. GVA per head indices at current basic prices on workplace basis, based on weighted 5-year moving average (see background note 3).
2. 2010 estimates are provisional.

Source: ONS

NUTS1: GVA per head index comparison with UK average, 2000 and 2010



Source: ONS

Of the NUTS1 regions, only London, Scotland and the South East had an increased per head index between 2000 and 2010.

Wales had the lowest per head index figure in both 2000 and 2010 with 76.3 and 74.0 respectively.

When compared with the UK average, in 2000 and 2010, only London and the South East had per head indices above the UK value.

NUTS1 Total GVA

In 2010, total GVA increased in all NUTS1 regions. The largest increase occurred in the South East (4.2 per cent). The smallest increase was in London (1.6 per cent), followed by Scotland (2.9 per cent).

Shares of total GVA

NUTS1: Shares of total GVA, 2000 and 2010



Source: ONS

London, Scotland, the South East and the South West are the only regions to have increased their share of UK GVA in the period 2000 to 2010.

London (21.5 per cent) and the South East (14.7 per cent) had the largest regional shares of UK GVA in 2010. London had the largest increase in share of GVA between 2000 and 2010, from 19.6 per cent to 21.5 per cent.

Northern Ireland (2.2 per cent) and the North East (3.2 per cent) had the smallest shares of UK GVA in 2010.

Sub-regional (NUTS2) and Local (NUTS3) estimates

Economic overview of 2009

The UK economy entered 2009 in recession following three quarters of declining GDP growth during 2008. The economy began to grow slowly from Q3 2009. In March 2009 interest rates were reduced to 0.5 per cent and quantitative easing was introduced to the economy for the first time. Inflation fluctuated during 2009, ending the year at 2.8 per cent.

Exports declined during 2009. West Midlands, Northern Ireland, Yorkshire and The Humber, Wales, and the North East of England all experienced a decline of over 15 per cent year-on-year in the value of goods exported. Imports into the UK fell by more than exports declined, so overall net trade made a positive contribution to GDP growth during the year. However, this was more than offset by sharply lower household consumption and gross capital investment in the UK economy during the year.

Business deaths exceeded businesses births during 2009. This was the case across all countries and English regions of the UK. The gap to which business deaths exceeded business births was greatest in the North West of England and lowest in Scotland.

Unemployment, which had begun to rise sharply in the second half of 2008, continued to rise in the first half of 2009 before stabilising during the second half of the year. All regions witnessed increases, with the unemployment rate rising most in Northern Ireland and least in the East Midlands, East of England and South East regions. The claimant count, which measures the numbers claiming Jobseekers Allowance, also rose in all regions during 2009.

NUTS2 sub-regions

NUTS2 sub-regions: Top five and bottom five GVA¹ per head, 2009

Sub-region	Per head (£) ²	Per head growth on 2008 (%)	Per head index (UK=100)	Total GVA (£m) ²	Total GVA growth on 2008 (%)
United Kingdom³	20 000	-2.2	100.0	1 235 840	-1.6
Top five GVA per head					
Inner London	60 842	0.8	304.2	186 243	1.8
North Eastern Scotland	28 731	1.1	143.7	13 139	2.3
Berkshire, Buckinghamshire and Oxfordshire	26 259	-3.1	131.3	58 442	-2.0
Bedfordshire and Hertfordshire	21 194	-4.1	106.0	36 044	-3.1
Gloucestershire, Wiltshire and Bristol/Bath area	21 099	-2.4	105.5	49 081	-1.6
Bottom five GVA per head					
Merseyside	14 545	-1.6	72.7	19 645	-1.5
Lincolnshire	14 296	-2.8	71.5	9 978	-2.5
Tees Valley and Durham	14 171	-1.7	70.9	16 535	-1.4
Cornwall and Isles of Scilly	13 129	-2.9	65.6	7 001	-2.6
West Wales and The Valleys	12 561	-2.8	62.8	23 806	-2.7

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2. Figures may not sum due to rounding in totals, per head (£) figures are rounded to the nearest pound.

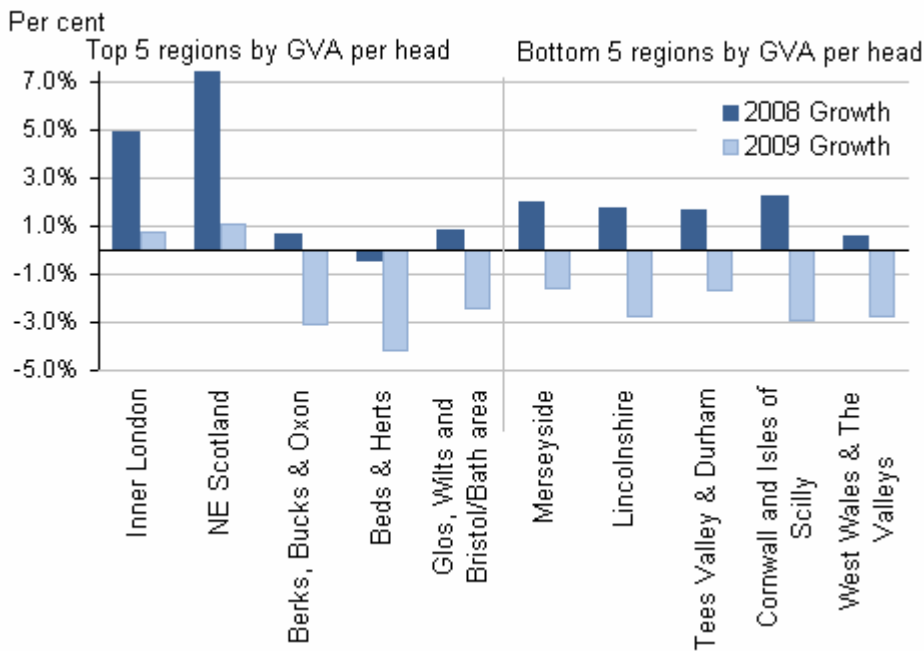
3. Excluding statistical discrepancy and Extra-Regio: off-shore contribution to GVA that cannot be assigned to any region (see background note 1).

Source: ONS

NUTS2 GVA per head of population

In 2009, within the 37 NUTS2 sub-regions, Inner London had the largest GVA per head (£60,842). West Wales and The Valleys had the lowest (£12,561). These figures compare with the UK average (excluding Extra-Regio) of £20,000. GVA per head decreased in all NUTS2 sub-regions in 2009 except for North Eastern Scotland and Inner London.

NUTS2 GVA per head growth on previous year, 2008 and 2009



Source: ONS

In 2009, a slowdown in the rate of annual growth was apparent in all NUTS2 sub-regions. The rate of annual growth decreased most in North Eastern Scotland, from 7.7 per cent in 2008 to 1.1 per cent, followed by Cornwall and Isles of Scilly, from 2.2 per cent in 2008 to -2.9 per cent.

NUTS2 Total GVA

In 2009, total GVA decreased in all NUTS2 sub-regions except for North Eastern Scotland and Inner London, where total GVA increased by 2.3 per cent and 1.8 per cent respectively. The largest decrease was in Northern Ireland at -3.5 per cent.

NUTS3 local areas

NUTS3 local areas: Top five and bottom five GVA¹ per head, 2009

Local area	Per head (£) ²	Per head growth on 2008 (%)	Per head index (UK=100)	Total GVA (£m) ²	Total GVA growth on 2008 (%)
United Kingdom³	20 000	-2.2	100.0	1 235 840	-1.6
Top five GVA per head					
Inner London - West	109 278	0.6	546.4	122 214	1.5
Edinburgh, City of	34 950	-0.5	174.8	16 694	0.7
Inner London - East	32 958	1.2	164.8	64 029	2.3
Berkshire	31 057	-3.8	155.3	26 522	-2.5
Belfast	29 816	-3.3	149.1	8 003	-3.2
Bottom five GVA per head					
Blackpool	11 809	-1.9	59.0	1 653	-2.3
Sefton	11 692	-2.0	58.5	3 196	-2.3
Isle of Anglesey	11 441	-2.0	57.2	787	-2.0
Wirral	10 736	-2.9	53.7	3 312	-2.9
Gwent Valleys	10 654	-3.1	53.3	3 538	-3.0

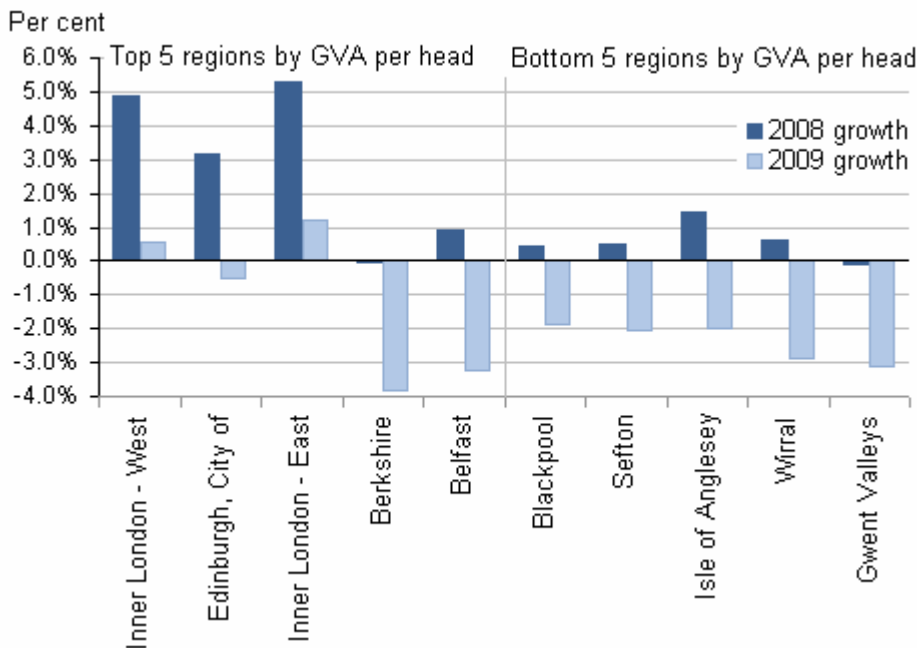
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3. Excluding statistical discrepancy and Extra-Regio: off-shore contribution to GVA that cannot be assigned to any region (see background note 1).

Source: ONS

NUTS3 GVA per head of population

Within the 133 NUTS3 areas, Inner London - West had the largest GVA per head (£109,278) in 2009. Gwent Valleys had the smallest (£10,654). These figures compare with the UK average (excluding Extra-Regio) of £20,000.

NUTS3 GVA per head growth on previous year, 2008 and 2009



Source: ONS

Of the five NUTS3 regions with the highest GVA per head in 2009, only Inner London - West and Inner London - East had positive growth in both 2008 and 2009.

In 2009, a slowdown in the rate of annual growth was evident in all 133 NUTS3 areas. The largest decrease was in Aberdeen City and Aberdeenshire, from 7.7 per cent in 2008 to 1.1 per cent in 2009.

NUTS3 Total GVA

In 2009, total GVA decreased in all NUTS3 areas except for Aberdeen City and Aberdeenshire (2.3 per cent), Inner London - East (2.3 per cent), Inner London - West (1.5 per cent) and City of Edinburgh (0.7 per cent). The largest decrease on 2008 was in Powys (-5.3 per cent) followed by West and South of Northern Ireland (-4.4 per cent).

Domestic use of regional, sub-regional and local GVA estimates

These statistics provide an overview of economic performance at regional and sub-regional level, allowing comparison between the countries and regions of the UK. They provide information about regional economic diversity and the relative importance of different industries to regional economies.

They are used by the UK Government and the Devolved Administrations of Northern Ireland, Scotland and Wales to formulate and monitor economic policy and allocate resources. These statistics are used in the development of the 'Programme for Government' and the 'Economic Strategy for Northern Ireland'. They are also used in respect of Public Service Agreement (PSA) targets for several Northern Ireland government departments. The Scottish Government uses regional GVA estimates in the compilation of the national indicator 'Grow exports at a faster rate than GDP'. They are also used in the Scottish Quarterly GDP(I) system which is part of the Scottish National Accounts Project (SNAP). These estimates are also used by the Welsh Government as an economic measure in its 'Programme for Government', which sets out and monitors economic policy for Wales.

The Department for Business Innovation and Skills (BIS) uses regional and sub-regional GVA estimates in monitoring regional economic performance. They are currently used in the BIS publication 'Regional Economic Performance Indicators'. Local authorities and regional observatories use these statistics to facilitate evidence-based policy making and economic intervention, e.g. assisting Local Enterprise Partnership (LEP) applications and regional growth funding bids.

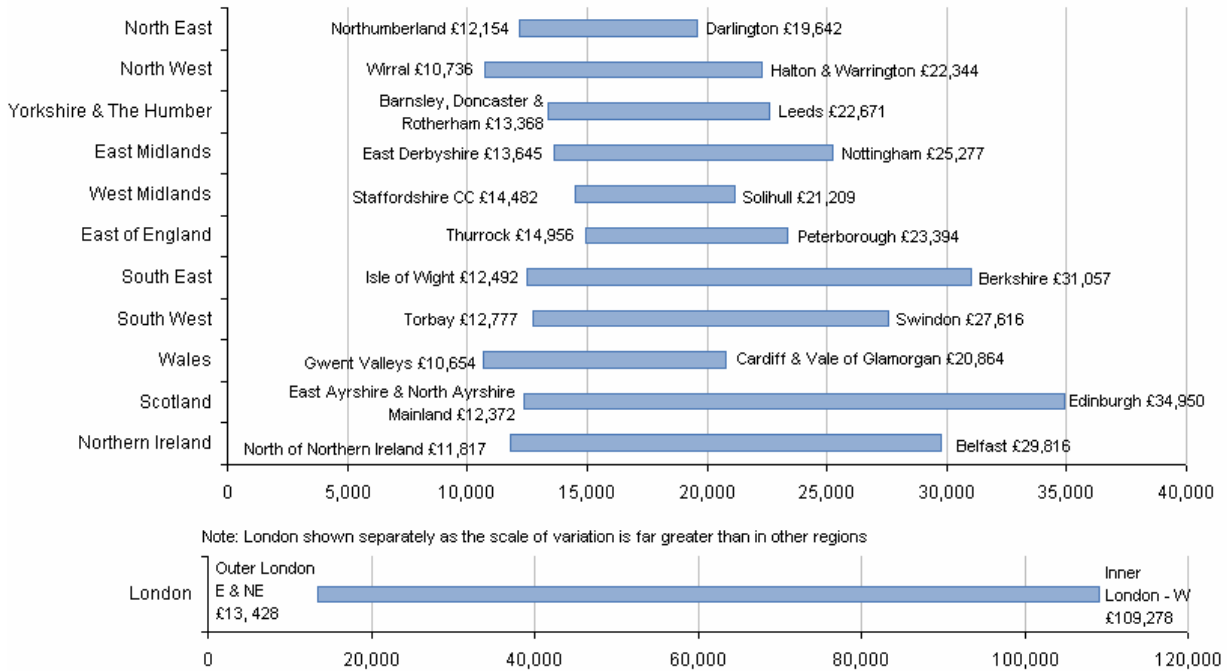
These statistics inform the general public about the state of the economy and provide insight into the relative economic positions of local areas and issues such as the 'North-South divide'. The House of Commons Library produces a standard note about these statistics and they are frequently the subject of parliamentary questions raised by Members of Parliament.

The ONS Regional Accounts team also receives general enquiries relating to these estimates from a diverse range of bodies including the Bank of England, other government departments, local authorities, business analysts, consultancy firms, financial institutions, economists and the media (provincial and national). These statistics also facilitate academic research by individuals and universities within the UK and abroad.

The countries and regions of the UK have differing demographic characteristics, industrial structure and economic performance. There is also a wide variation in the size and population of the regions which makes it difficult to compare regional economic performance using cash totals. Estimates on a per head basis allow for the comparison of regions significantly different in absolute size.

There is significant variation in the range of GVA per head within NUTS1 regions of the UK. Variation in 2009 is illustrated in the following chart. The NUTS3 local areas with the highest and lowest GVA per head within each NUTS1 region determine the range of GVA per head within that region.

NUTS3 GVA per head variation within NUTS1 region, 2009



Source: ONS

London has the most variation, ranging between Outer London - East and North East (£13,428) and Inner London - West (£109,278). Scotland has the next highest amount of variation, between East Ayrshire and North Ayrshire Mainland (£12,372) and City of Edinburgh (£34,950). The region with the least variation is the West Midlands, between Staffordshire C.C. (£14,482) and Solihull (£21,209).

European Union use of UK sub-regional GVA estimates

The production of regional GVA is a legal requirement under the European System of Accounts. The sub-regional (NUTS2) estimates are used to inform European Union (EU) structural funding decisions. GDP is calculated in the currencies of the member states and converted initially into Euros and then into an artificial common currency called the Purchasing Power Standard (PPS). This makes it possible to compare the purchasing power of different national currencies.

The resulting GDP per inhabitant estimates (expressed in terms of PPS) provide a measure of the total economic activity in a region and may be used to monitor and compare the economic development of regions over time.

The purpose of EU structural funding is to redress regional imbalances by supporting the development and structural adjustment of regional economies. Convergence funding provided by the European Regional Development Fund (ERDF) and the European Social Fund (ESF) is allocated to promote growth-enhancing conditions and factors leading to economic convergence for the least developed EU Member States and regions.

Where the average GDP per inhabitant of a region (in PPS), over an agreed three year period, falls below 75% of the average for the 27 EU member states (EU-27), full convergence funding is allocated to promote economic development. A 'phasing-out' element of the funding is allocated to regions with GDP per inhabitant just above the threshold. Within the current round of funding (covering the period 2007 to 2013), the UK receives full convergence assistance for Cornwall and the Isles of Scilly and West Wales and The Valleys, while Highlands and Islands receives 'phasing-out' support.

The most recently published Eurostat GDP per inhabitant estimates (expressed in PPS) were released in February 2011. In 2008, of the 271 NUTS2 regions within the EU, Inner London had the highest GDP per inhabitant (PPS 85,800), which was 343 per cent of the EU-27 average (25,100). For a detailed summary of these NUTS2 estimates see Eurostat news release:

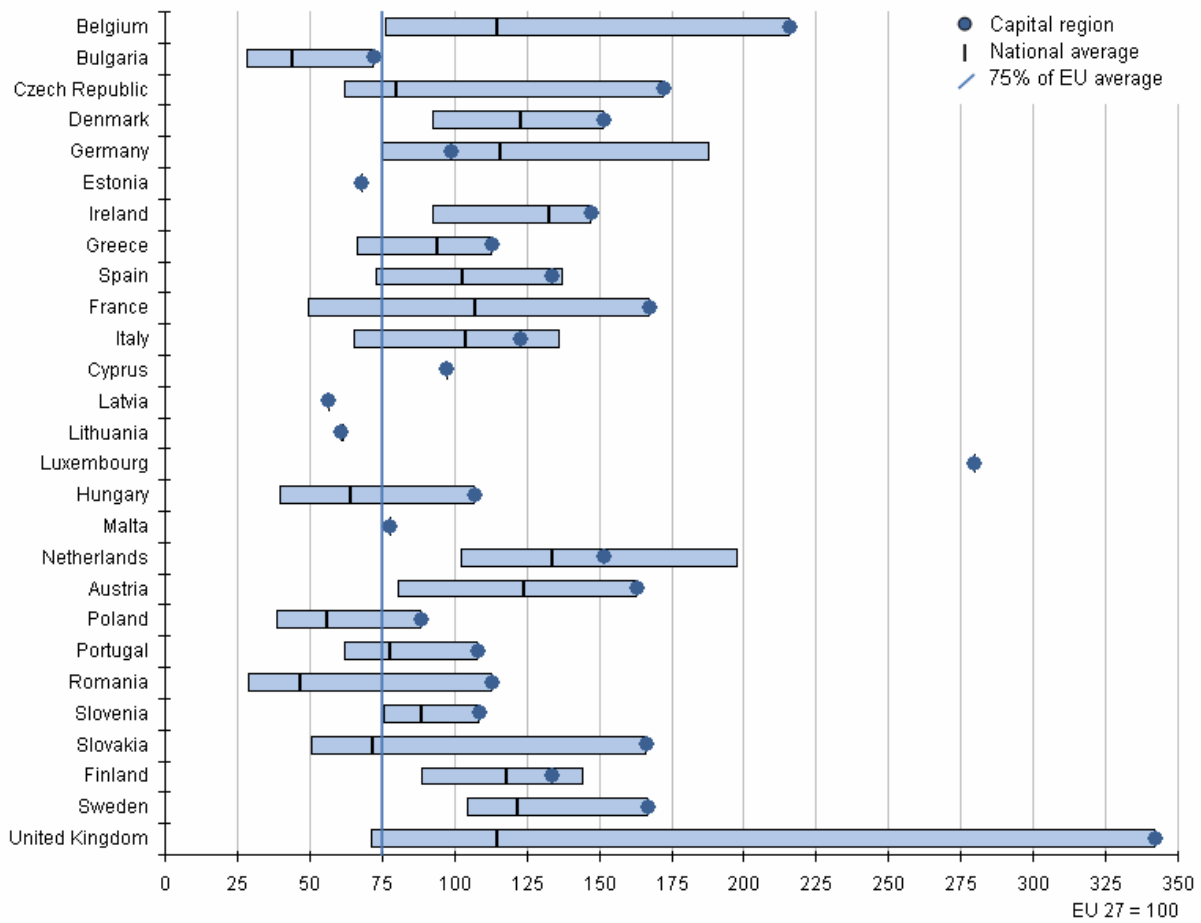
http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/1-24022011-AP/EN/1-24022011-AP-EN.PDF

Further information relating to the compilation of EU regional GDP statistics can be found on the Eurostat website:

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/GDP_at_regional_level

Variance across the European Union, 2008

(GDP per inhabitant in purchasing power standard, highest and lowest NUTS2 region within each country)



Source: Eurostat

Future work plans

- ONS plans to publish estimates of regional GVA for 1997 to 2011 and sub-regional and local GVA for 1997 to 2010 in December 2012.
- The publication of Regional Gross Disposable Household Income (GDHI) estimates for the period 1995 to 2010 is currently planned for April 2012.
- A project is underway to develop estimates of real regional GVA growth using a production approach. A report of progress to date and plans for these statistics will be published in spring 2012.
- The changes to NUTS areas proposed by the UK during the 2010 NUTS Review have been accepted by the European Commission and will come into force on 1 January 2012. There will be seven changes to the NUTS3 areas in England. One of these changes impacts upon the NUTS2 level, with Halton moving from Cheshire to be included within Merseyside.
<http://www.ons.gov.uk/ons/guide-method/geography/products/names--codes-and-look-ups/names-and-codes-listings/names-and-codes-for-eurostat-geography/index.html>
- Regional Accounts plans to publish updated Summary Quality Reports for Regional GVA and Regional GDHI outputs in April 2012, detailing methods used to produce these statistics.
- ONS Methodology Directorate is reviewing the methods used to produce smoothed (headline) GVA and GDHI estimates and to take account of commuting in the workplace-based GVA estimates. It is planned to publish the findings of these reviews in spring 2012 and consult users prior to implementing any changes.

Background Notes

1. The Nomenclature of Units for Territorial Statistics (NUTS) provides a single uniform breakdown for the production of regional statistics for the EU. These regional GVA estimates are compiled at three levels of NUTS geography:
 - NUTS1: Wales, Scotland, Northern Ireland and the 9 English regions.
 - NUTS2: 37 areas – mainly groups of counties and unitary authorities; can be referred to as sub-regions.
 - NUTS3: 133 areas – principally individual counties and unitary authorities; also known as local areas.
 - Some areas appear at more than one level, for example Northern Ireland appears at NUTS1 and NUTS2 level.

The NUTS classification was established by Eurostat in the early 1970s as a single, coherent system for dividing up European Union territory in order to produce regional statistics for the EU. Since 2003, any changes to boundaries to account for local changes in, for instance, local authority boundaries, have needed to go through a formal process of application to the EU, with any changes being implemented at the end of pre-set periods of enforced stability.

The contribution to GVA of UK embassies abroad and UK forces stationed overseas is included in Extra-Regio, along with the elements relating to activities taking place on the continental shelf. As these cannot be assigned to specific regions they are assigned as Extra-Regio GVA.

2. These estimates are presented in current basic prices. They do not allow for different regional price levels or changes in prices over time (inflation). The income approach to calculating GVA produces current price estimates because income cannot easily be converted into prices and volume.
3. The headline regional GVA series have been calculated using a 5-year, weighted moving average technique. These adjusted series remove some year to year volatility in the unadjusted series. The unadjusted series are also provided for information on the Office for National Statistics website.
4. The NUTS1 GVA estimates presented here are on a workplace basis (allocated to the location where the economic activity takes place). Residence based estimates, where earnings of individuals are allocated to the region in which they live, are also published at NUTS1 level.

5. Regional GVA estimates are being published for the first time using the revised Standard Industrial Classification 2007 (SIC 2007), in keeping with EU regulations. Key changes in SIC07 include a number of new sections giving more service sector detail. The new SIC reflects the move towards more services based economies over the past 20 years.

The new industrial breakdown presented in these regional GVA estimates is as follows:
20 sections at NUTS1 and NUTS2 level.
10 sections at NUTS3 level.

Many of the sections have been re-constituted, including the following:

Section J - Information and communication

Section L - Real estate activities

Section M - Professional, scientific and technical activities

Section N - Administrative and support service activities

Section R - Arts, entertainment and recreation

For more detail see: <http://www.ons.gov.uk/ons/rel/elmr/economic-and-labour-market-review/no--8--august-2008/sic-2007--implementation-in-ons.pdf>

6. GVA per head is a useful way of comparing regions of different sizes. It is not, however, a measure of regional productivity as the population estimates used to calculate it include the economically inactive population. ONS produces estimates of regional GVA per filled job and GVA per hour worked in the Productivity Statistical Bulletin.

<http://www.ons.gov.uk/ons/rel/productivity/productivity-measures/q3-2010/index.html>

For information on sub-regional productivity see the article containing experimental statistics (Prothero R 2011: Sub-regional Productivity).

http://www.ons.gov.uk/ons/dcp171766_234891.pdf

Quality

7. A Summary Quality Report for regional GVA describes in detail the intended uses of the statistics presented in this publication, their general quality and the methods used to produce them.

<http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-information/economic-statistics/summary-quality-report-for-regional-gva.pdf>

8. Figures for 2010 are provisional as national estimates had not been through Supply and Use balancing at the time of this publication.

The statistical discrepancy is the difference between the sum of the national income components and the definitive national estimate of GVA.

As with the national accounts, regional, sub-regional and local GVA estimates are calculated as reliably as possible. There is no easy way to measure the reliability of the estimates but ONS carries out consistency checks on data inputs, applies methods consistently and makes use of local knowledge for England, Scotland, Wales and Northern Ireland through consultation with key users in the Devolved Administrations and other government departments. The estimates are partly based on sample surveys and the quality of the results therefore varies according to sample size. This means that the results for smaller regions are subject to a greater degree of uncertainty than those for larger regions.

Revisions

9. Revisions to NUTS1 regional GVA estimates in this statistical bulletin cover the period 1997 to 2009. Revisions to NUTS2 and NUTS3 estimates cover the period 1997 to 2008.

Very few statistical revisions arise as a result of errors in the popular sense of the word. All estimates, by definition, are subject to statistical error but in this context the word refers to the uncertainty in any process or calculation that uses sampling, estimation or modelling. Most revisions reflect either the adoption of new statistical techniques or the incorporation of new information which allows the statistical error of previous estimates to be reduced. Only rarely are there avoidable errors such as human or system errors and such mistakes are made clear when they are discovered and corrected.

The main reasons for revisions are detailed below:

Data are subject to revisions in light of revised National Accounts Blue Book data. The National Accounts Blue Book 2011 was published for the first time using new industrial and product classifications. The impact of these changes upon the Supply and Use tables has contributed to revisions in the period 1997 to 2006. In Blue Book 2011, the balancing process was applied to the years 2007 to 2009. These changes lead to revisions in the regional data, which are constrained to the national figures.

For more detail of the Blue Book 2011 changes see the following articles:

(Everett G 2011: Methods changes in the 2011 Blue Book).

<http://www.ons.gov.uk/ons/rel/naa1-rd/united-kingdom-national-accounts/method-changes-in-blue-book-2011/ard-method-changes-in-blue-book-2011.pdf>

(Patterson, Lee and Myers 2011: Impact of changes in the National Accounts and Economic Commentary for 2011 quarter 2).

<http://www.ons.gov.uk/ons/rel/naa2/quarterly-national-accounts/impact-of-changes-in-national-accounts-and-economic-commentary-for-q2-2011/index.html>

Final estimates for 2009 became available from various data providers. Source data are delivered by suppliers for the first time in accordance with the new Standard Industrial Classification of All Economic Activities (UK SIC 2007).

Where key source surveys did not revise their back data to SIC07, data had to be converted using SIC07 conversion factors compatible with those used in the National Accounts. The changes between classifications will impact differently on regions depending on their individual industrial make-up.

Employment numbers for GB regions have been sourced from the new Business Register and Employment Survey (BRES) for the first time, in place of data previously provided from the Annual Business Inquiry (ABI1). This represents a significant improvement in the quality of regional estimates, since the BRES collects data for individual sites (local units) instead of for the business as a whole. More information is available here:

<http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-information/business-statistics/summary-quality-report-for-the-business-register-employment-survey.pdf>

PAYE data from Her Majesty's Revenue and Customs (HMRC), used in the compilation of compensation of employees estimates, were revised for 2008/9 and new estimates supplied for 2009/10.

Revisions to GVA estimates for both 2008 and 2009 are shown in the tables overleaf. The total change has been broken down to show the revision due to the changes to the national figures introduced in the Blue Book 2011, and the revision due to the other changes described in this section. Revisions to both years are shown because the impact of the change in industrial classification (affecting both national and regional results) has significantly altered the picture of regional GVA, particularly across the period of the recession.

Percentage revisions to workplace-based headline GVA in 2009 by NUTS1 region

2009	Revision due to Blue Book changes (%)	Revision excluding Blue Book changes (%)	Total Revision (%)
UK	-0.1	n/a	-0.1
North East	-0.2	-1.8	-2.0
North West	-0.4	-1.8	-2.2
Yorkshire and The Humber	0.3	-0.6	-0.3
East Midlands	0.2	0.8	1.0
West Midlands	0.2	-1.3	-1.1
East of England	1.2	-1.4	-0.3
London	0.4	1.3	1.7
South East	-0.3	1.9	1.6
South West	-0.6	0.5	-0.1
Wales	-1.0	-0.2	-1.2
Scotland	0.5	-0.5	0.1
Northern Ireland	0.4	-3.8	-3.4
Extra-Regio	-9.8	-0.3	-10.0

2008	Revision due to Blue Book changes (%)	Revision excluding Blue Book changes (%)	Total Revision (%)
UK	-0.9	n/a	-0.9
North East	-0.4	-1.3	-1.7
North West	-0.3	-1.2	-1.5
Yorkshire and The Humber	-0.4	-0.4	-0.8
East Midlands	-0.2	0.5	0.2
West Midlands	-0.1	-1.0	-1.1
East of England	0.8	-1.2	-0.4
London	-1.4	1.0	-0.4
South East	-0.3	1.2	0.8
South West	-0.6	0.2	-0.4
Wales	-0.5	-0.2	-0.7
Scotland	-0.1	-0.1	-0.2
Northern Ireland	-0.1	-1.8	-1.9
Extra-Regio	-18.0	-0.1	-18.1

Source: ONS

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