



North East Economic Growth - GVA (Balanced)

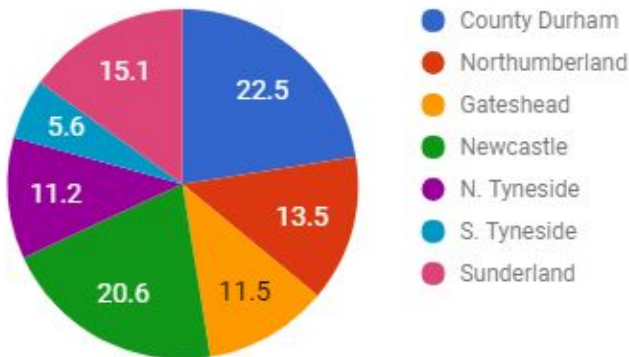
Northumberland Knowledge Research Summary

Gross Value Added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. GVA plus taxes (less subsidies) on products is equivalent to Gross Domestic Product (GDP). The most recent release (December 2017) by the Office for National Statistics is for 2016.

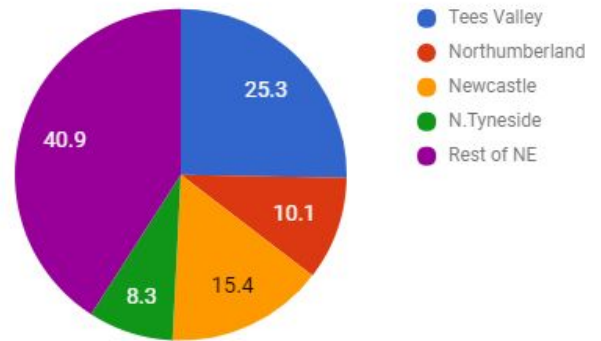
The total GVA(B) for Northumberland in 2016 is £5,100m, which represents 10.1% of the total GVA for the North East region (£50,675m) or 13.5% of the North East LEP total (£37,871m).

Between 1998 and 2016, the total GVA for Northumberland increased at an average nominal rate of 2.6% per year. This is less than both the regional (3.2%) and national averages (3.9%), but it has most recently increased its' overall share of both regional and LEP GVA.

Share of North East LEP GVA 2016

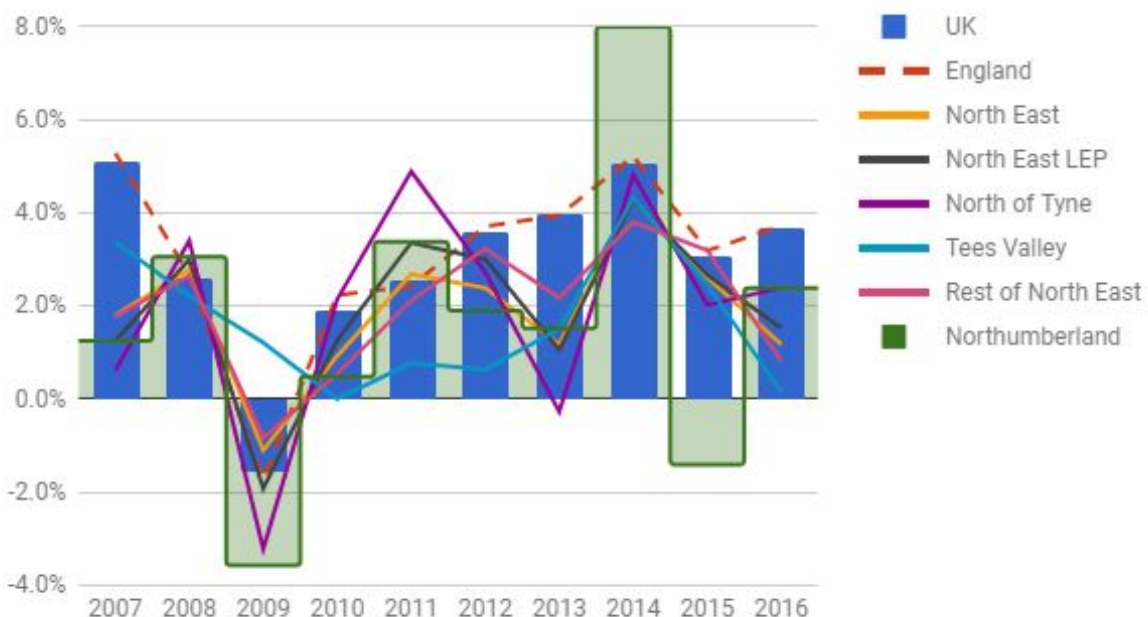


Share of North East GVA 2016



The following chart and table provide a breakdown of the revised annual growth rates in total GVA over the last 10 years for Northumberland, the North East LEP, the various regional authorities and the rest of the country.

Annual growth in total GVA

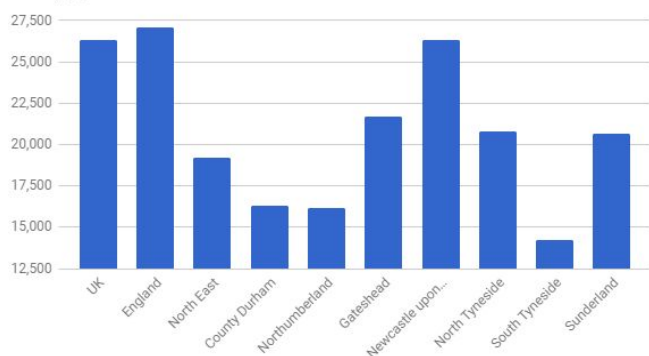


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
UK	5.1	2.6	-1.6	1.9	2.5	3.6	4.0	5.0	3.1	3.7
England	5.3	2.7	-1.7	2.2	2.4	3.7	3.9	5.2	3.2	3.7
North East	1.8	2.8	-1.1	0.9	2.7	2.4	1.2	4.3	2.6	1.2
NEast LEP	1.3	3.0	-1.9	1.3	3.4	3.0	1.1	4.3	2.7	1.5
North of Tyne	0.6	3.4	-3.2	2.1	4.9	2.7	-0.3	4.8	2.0	2.4
Tees Valley	3.4	2.2	1.2	0.0	0.8	0.6	1.5	4.3	2.5	0.1
Rest of NEast	1.8	2.7	-0.8	0.6	2.1	3.2	2.2	3.8	3.2	0.8
Northumberland	1.2	3.1	-3.6	0.5	3.4	1.9	1.5	8.0	-1.4	2.4

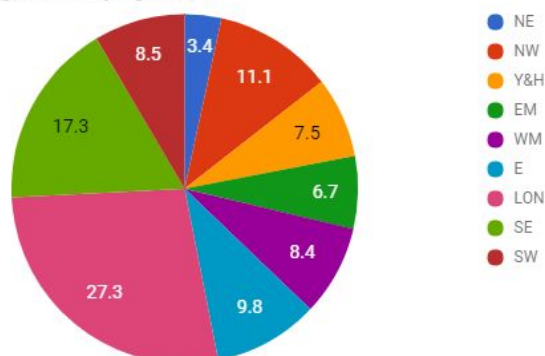
Growth is slightly higher for the North East LEP area than the region at 1.5% compared to 1.2%. Northumberland’s growth is picking up (2.4%) having had a very weak performance in the previous 12 months.

The **North East has the lowest total GVA of all English regions** (£50,675m, equivalent to a 3.4% share of England’s GVA).

GVA (£B) per head 2016



Share of England GVA by region 2016



Northumberland has the second lowest GVA **per head** in the LEP area (£16,140), only South Tyneside is lower at £14,236. GVA per head can be a useful way of comparing areas of different size as it uses the total resident population of an area, but comparisons can be affected by commuting flow.

GVA per head compares a workplace measure of economic output which includes the contribution of in-commuters, with a residence-based denominator (population). When ordered by GVA per head, **Northumberland actually appears in the bottom 10 local areas in the UK.**

NUTS3 ¹ local areas	GVA per head (£)3,5	Annual growth in GVA per head (%)3	Population 6	Total GVA (£m)2	Annual growth in total GVA (%)2
United Kingdom	26,339	2.8	65,648,054	1,747,647	3.7
Top ten GVA per head					
Camden and City of London	318,673	6.3	255,582	81,447	8.7
Westminster	238,506	3.4	247,614	59,057	5.7
Tower Hamlets	91,378	-2.2	304,854	27,857	1.0
Kensington & Chelsea and Hammersmith & Fulham	68,675	3.7	336,380	23,101	3.4
Haringey and Islington	46,880	2.4	511,316	23,971	4.6
Milton Keynes	46,780	7.1	264,479	12,372	8.2
Hounslow and Richmond upon Thames	43,463	8.2	466,985	20,297	9.0
Berkshire	41,685	3.3	896,823	37,384	4.1
Edinburgh, City of	39,321	2.9	507,170	19,942	4.6
Belfast	35,791	1.9	285,689	10,225	2.1
Bottom ten GVA per head					
Northumberland	16,140	2.2	316,002	5,100	2.4
Lancaster and Wyre	16,083	-2.3	253,778	4,081	-1.6
Sefton	15,730	1.8	274,261	4,314	2.0
Dudley	15,597	1.5	317,634	4,954	1.9
North of Northern Ireland	15,488	2.2	293,667	4,548	2.6
East Ayrshire and North Ayrshire mainland	15,376	1.7	252,230	3,878	1.7
Wirral	15,237	2.1	321,238	4,895	2.2
Torbay	14,888	-0.2	133,883	1,993	0.2
Gwent Valleys	14,759	4.3	342,142	5,050	4.5
Isle of Anglesey	13,655	2.8	69,723	952	2.4

Source: Office for National Statistics

Notes:

1. Data for all NUTS3 local areas are included in reference tables 1 to 5, in dataset titled Nominal regional GVA(B) per head and income components.
2. GVA at current basic prices on workplace basis.
3. Figures may not sum due to rounding in totals; per head (£) figures are rounded to the nearest pound.
4. 2016 estimates are provisional.
5. Per head figures exclude Extra-Regio: the off-shore contribution to GVA that cannot be assigned to any region.

[6. Population estimates are sourced from Population Estimates for UK.](#)

General notes on GVA:

For the 'Income' approach it is measured at current basic prices, which include the effect of inflation, excluding taxes (less subsidies) on products (for example Value Added Tax). It involves adding up the income generated by UK resident individuals or corporations in the production of goods and services.

For the 'Production' approach it measures at both current prices and in chained volume measures (CVM) which allows for different time periods, inflation and deflation. It is the total value of all goods and services produced (output), less goods and services used up or transformed in the production process.

For the first time in 2017, the Office for National Statistics has released a "balanced estimate" (GVA(B)) which provides a single estimate using both the income and production approach which is intended to remove confusion from having two estimates of the same thing. The GVA(B) estimates are compiled on a workplace basis, allocated to the location where the economic activity takes place.