



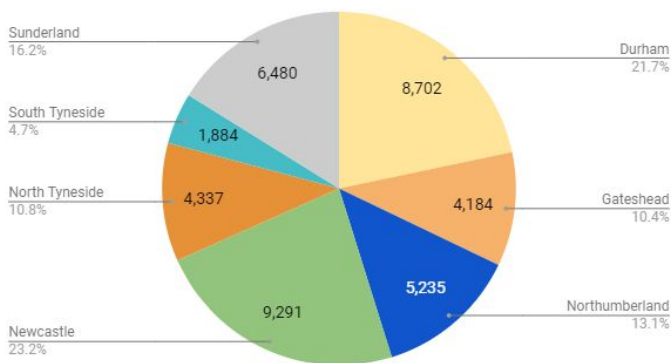
# North East Economic Growth - GVA (Balanced)

## Northumberland Knowledge Research Summary

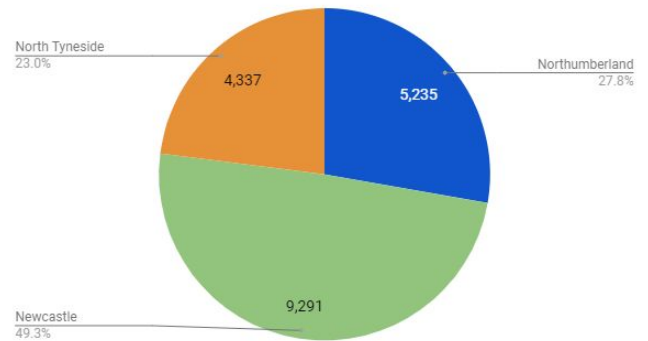
Gross Value Added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. GVA plus taxes (less subsidies) on products is equivalent to Gross Domestic Product (GDP). The most recent release (December 2018) by the Office for National Statistics is for 2017.

**The total GVA(B) for Northumberland in 2017 is £5,235m**, which represents 9.8% of the total GVA for the North East region (£53,235m), 13.1% of the North East LEP total (£40,113m) and 27.8% of the North of Tyne Combined Authority (£18,863m). Between 1998 and 2017, the total GVA for Northumberland increased at an average nominal rate of 2.6% per year. This is less than both the regional (3.3%) and national averages (3.9%), but it has more recently increased its' overall share of both regional and LEP GVA.

Share of North East LEP GVA 2017

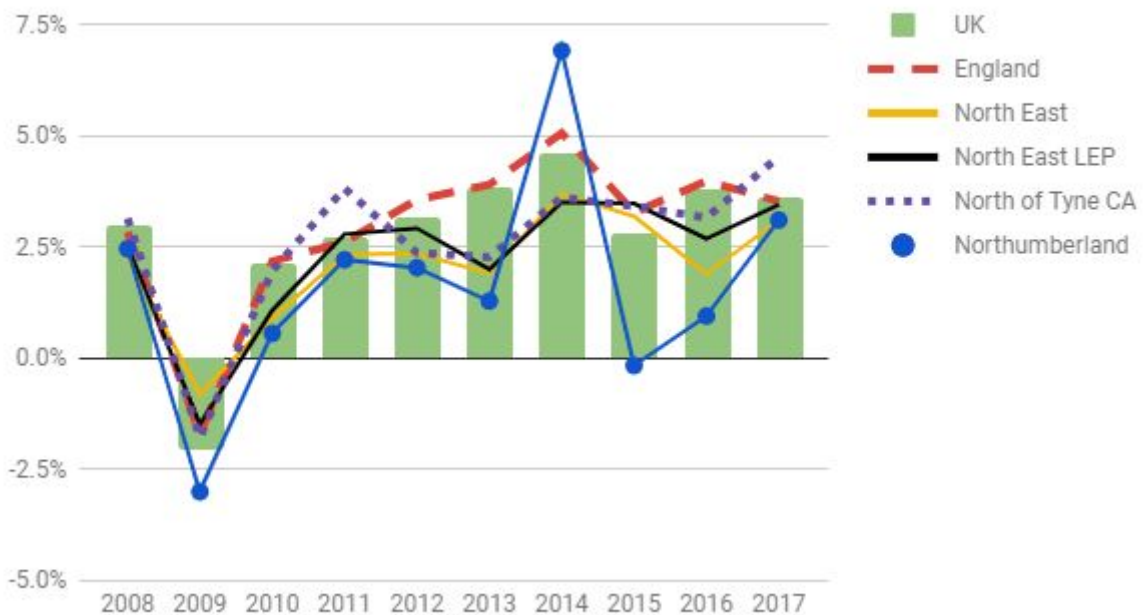


Share of North of Tyne CA GVA 2017



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 combined authority and the rest of the country.

Annual growth in total GVA

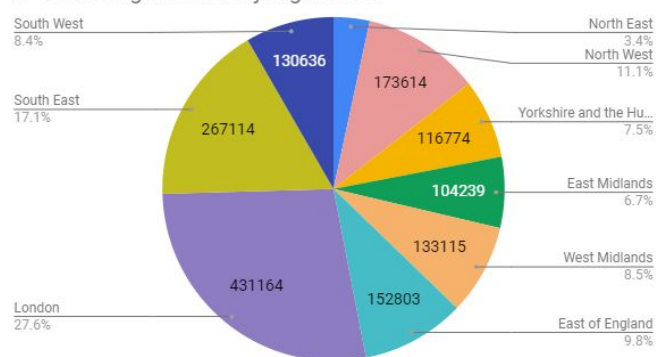


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
UK	3.0%	-2.1%	2.1%	2.7%	3.2%	3.8%	4.6%	2.8%	3.8%	3.6%
England	2.8%	-1.7%	2.2%	2.6%	3.6%	3.9%	5.1%	3.3%	4.0%	3.5%
North East	2.3%	-0.8%	0.9%	2.3%	2.4%	1.9%	3.7%	3.2%	1.9%	3.1%
NEast LEP	2.6%	-1.5%	1.1%	2.8%	2.9%	2.0%	3.5%	3.5%	2.7%	3.5%
NorthofTyne CA	3.2%	-1.8%	2.0%	3.8%	2.4%	2.3%	3.6%	3.4%	3.2%	4.5%
Northumberland	2.5%	-3.0%	0.6%	2.2%	2.0%	1.3%	6.9%	-0.2%	1.0%	3.1%

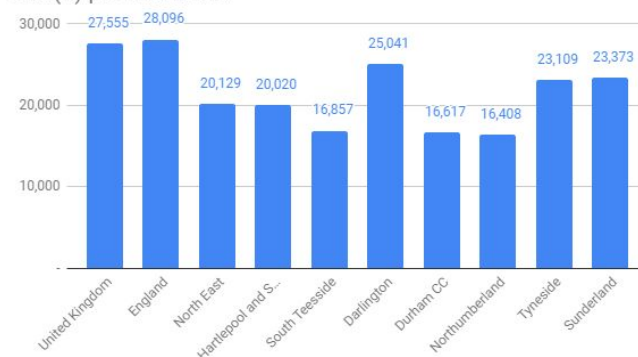
Growth is slightly higher for the North East LEP area than the region at 3.5% compared to 3.1% and strongest at the Combined Authority level (4.5%). Northumberland’s growth is picking up (3.1%) having had a very weak performance in the previous two years.

The **North East has the lowest total GVA of all English regions** (£53,235m, equivalent to a 3.4% share of England’s GVA).

Share of England GVA by region 2017



GVA(B) per head 2017



GVA per head can be a useful way of comparing areas of different size as it uses the total resident population of an area, however it is not such a good indicator for those areas with high net in- or out-commuting because it compares a workplace measure of economic output (GVA), which includes the contribution of in-commuters, with a residence-based denominator (population). Northumberland has always lagged behind in this measure for this reason and most recently has ranked at its’ lowest, in the bottom 5 in England.

Bottom five GVA per head	£	Top five GVA per head	£
Torbay	15,512	Camden and City of London	342,183
Wirral	15,590	Westminster	258,214
Sefton	16,207	Tower Hamlets	97,735
Northumberland	16,408	Kensington & Chelsea and Hammersmith & Fulham	74,598
Durham CC	16,617	Milton Keynes	49,516

General notes on GVA: 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.