

Release of Regional and Sub Regional GDHI Estimates: 9th May 2008 South West England

Summary

- The 2006 Regional and Sub Regional Gross Disposable Household Income (GDHI) data are released today by the Office for National Statistics. The latest release includes revisions to earlier years. All estimates in this release are in current price terms and have not been adjusted for inflation.
- GDHI per head for the UK increased from £13,390 in 2005 to £13,778 in 2006 (+2.9%).

Regional GDHI – 2006

- GDHI for the South West was £70,061 million in 2006, an increase of 3.5% from the revised 2005 value, £67,698 million.
- GDHI per head in the South West rose from £13,309 in 2005 to £13,673 in 2006, an increase of 2.7%.
- GDHI per head relative to the UK (where UK=100) for the South West in 2006 was 99.2, this is slightly lower than the 2005 index value of 99.4.

Comparisons with other NUTS1 Regions (2005 to 2006)

- All NUTS 1 regions showed an increase in GDHI per head. The North East had the highest annual percentage increase in GDHI per head (+3.4%), whilst the East of England region had the lowest percentage increase (+2.4%). The South West increase (+2.7%) is similar to the UK average increase (+2.9%).
- Changes to indexed GDHI per head between 2005 and 2006 for NUTS1 regions were small, less than one index point. The regions that slightly improved their indexed GDHI per head, in order of increase to their index value in 2006, were North West, North East, Scotland and Wales. The region with the largest decline in their indexed GDHI per head was East of England. The (-0.2) change in the South West GDHI per head index was one of the smaller changes across regions.

Sub Regional GDHI (2005 to 2006)

- At NUTS 2 level, the greatest percentage increase in GDHI per head within the South West region occurred in Dorset and Somerset, where GDHI per head increased from £13,645 in 2005 to £14,046 in 2006(+2.9). The smallest increase at NUTS 2 level was in Cornwall and the Isles of Scilly, here GDHI per head rose from £11,872 in 2005 to £12,161 in 2006 (+2.4%). In the other NUTS 2 areas, the increase in GDHI per head was inline with the regional trend at +2.7%.
- In index terms the NUTS 3 sub regions with the highest GDHI per head are Wiltshire at 108.6 (marginally down from 108.7 in 2005) and Swindon at 107.4 (down from 107.9 in 2005). The sub regions with the lowest GDHI per head are Plymouth at 85.9 (down from 86.2 in 2005), and Cornwall and the Isles of Scilly at 88.3 (down from 88.7 in 2005)
- At NUTS 3 level, the greatest increase in GDHI per head in percentage terms was in Torbay (+3.4%) and the lowest in Bristol (+2.1%).

Table 1: Regional GDHI 2006 ^{1, 2, 3}

	Total GDHI 2006 (£m)	% Increase on 2005	Total GDHI Per Head (£) ³	% Increase on 2005	Per Head Index (UK=100)
North East	30,276	3.6%	11,846	3.4%	86.0
North West	86,726	3.6%	12,655	3.3%	91.8
Yorkshire and the Humber	64,302	3.6%	12,504	2.9%	90.8
East Midlands	56,093	3.5%	12,853	2.6%	93.3
West Midlands	67,329	3.3%	12,546	3.0%	91.1
East of England	81,764	3.2%	14,584	2.4%	105.8
London	127,253	3.8%	16,939	3.0%	122.9
South East	126,587	3.2%	15,367	2.5%	111.5
South West	70,061	3.5%	13,673	2.7%	99.2
England	710,390	3.5%	13,994	2.9%	101.6
Wales	36,517	3.5%	12,312	3.1%	89.4
Scotland	66,882	3.6%	13,071	3.1%	94.9
Northern Ireland	20,971	4.0%	12,041	2.9%	87.4
UK ⁴	834,760	3.5%	13,778	2.9%	100.0

Notes

- 1 Headline GDHI on current basic prices on residence basis, calculated as 5 point moving average
- 2 Figures may not sum due to rounding
- 3 2006 estimates are provisional
- 4 Excluding Extra Regio

Revisions to Previously Published Headline GDHI for South West

- The GDHI estimates for the South West have been revised back to 1995. For 2005, GDHI for the South West has been revised upwards from £67,186m to £67,698m, an increase of £512m or +0.8%.
- The increase in GDHI for 2005 has increased the estimated GDHI per head in the South West from £13,258 to £13,309 (£51, +0.4%).
- The above revisions have led to the indexed GDHI per head for 2005 being revised downwards from 99.8 to 99.4 (where UK=100).

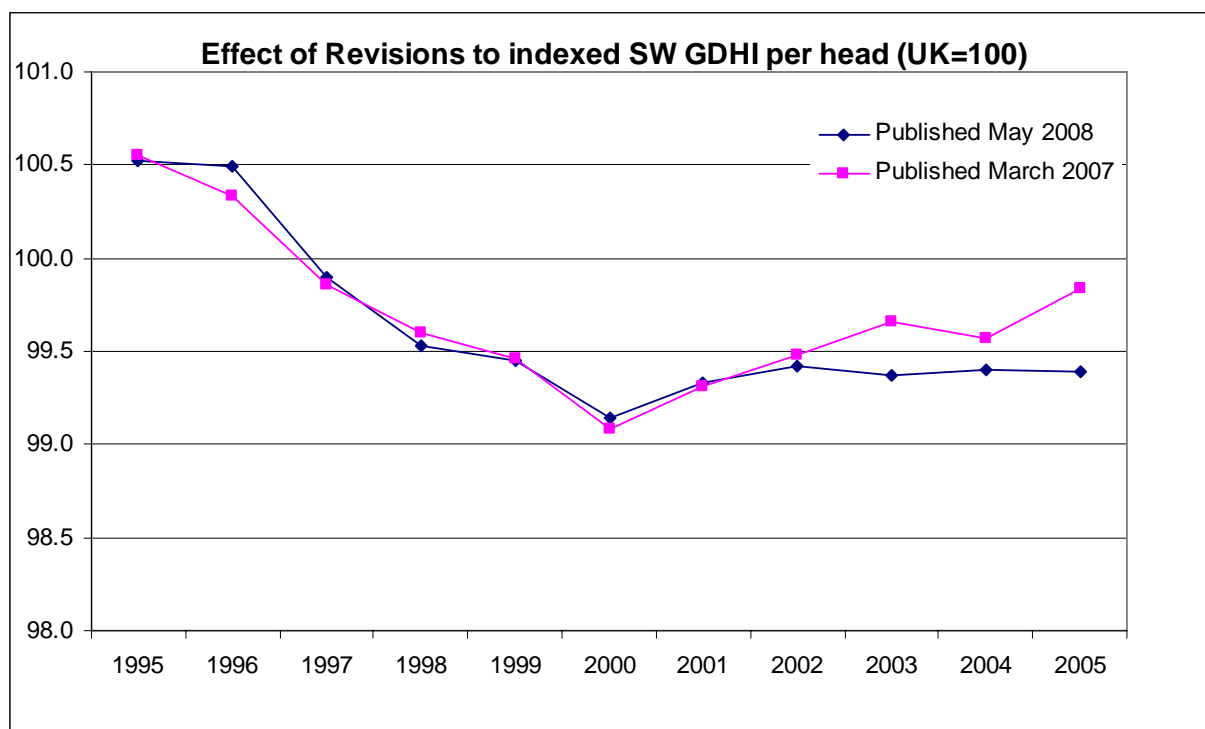
**Table 2: Revisions to Published Headline GDHI: South West
1995 - 2005**

Year	Total GDHI Released March 2007 (£ m)	Total GDHI Released May 2008 (£ m)	Total Revision (£ m)	Total Revision %
1995	41,145	41,131	-14	0.0%
1996	43,428	43,495	66	0.2%
1997	46,184	46,206	22	0.0%
1998	48,038	48,007	-31	-0.1%
1999	50,280	50,274	-6	0.0%
2000	53,132	53,166	34	0.1%
2001	56,887	56,902	15	0.0%
2002	58,955	58,991	36	0.1%
2003	61,825	61,716	-109	-0.2%
2004	64,074	64,003	-71	-0.1%
2005	67,186	67,698	512	0.8%

Notes

- 1 GDHI on current basic prices
- 2 Figures may not sum due to rounding

Chart 1: Indexed GDHI Per Head Published in May 2008 compared to Previously Published Index (UK=100)

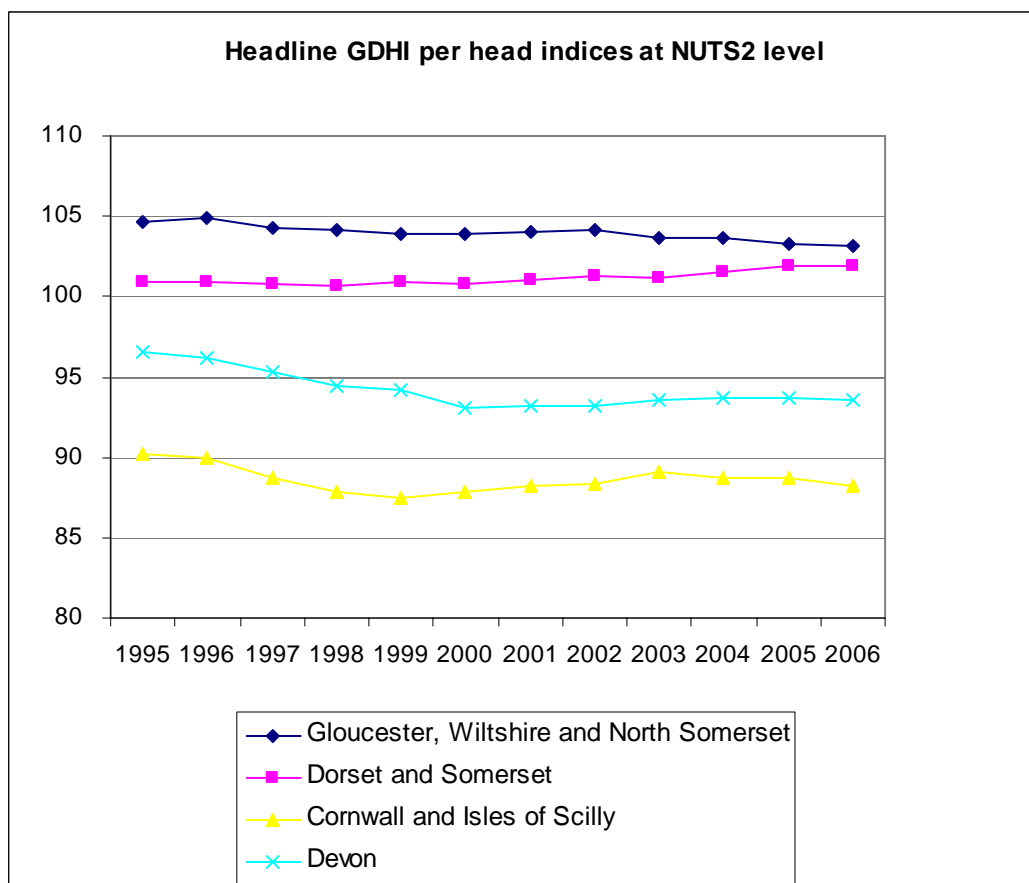


Sub Regional GDHI Per Head Indices 1995 - 2006

NUTS 2 Geography

- The South West has four NUTS 2 sub regions: Gloucestershire Wiltshire and North Somerset, Dorset and Somerset, Devon, and Cornwall and the Isles of Scilly.
- In the late 1990s the GDHI per head index was falling in both Devon, and Cornwall and the Isles of Scilly. However figures have stabilised in these areas since 2000.
- GDHI per head in Gloucestershire, Wiltshire and North Somerset, and in Dorset and Somerset, has been slightly higher than the national average throughout the period 1995-2006.

Chart 2: Headline GDHI Per Head Indices at NUTS2 level



NUTS 3 Geography

- The South West contains twelve NUTS 3 sub regions:
 - Bristol, City of
 - North and North East Somerset, South Gloucestershire
 - Gloucestershire
 - Swindon
 - Wiltshire CC
 - Bournemouth and Poole
 - Dorset CC
 - Somerset
 - Cornwall and Isles of Scilly
 - Plymouth
 - Torbay
 - Devon CC

- In 2006 Wiltshire CC retained their position as the South West sub-region with the highest GDHI per head index (108.6), followed closely by Swindon (107.4), Gloucestershire (105.4) and Dorset CC (105.0).

- Three of the NUTS 3 sub regions continued to have GDHI per head indexes of less than 90 in 2006. These were Plymouth (85.9), Cornwall and the Isles of Scilly (88.3), and Torbay (89.1).

**Table 3: Headline¹ GDHI per Head at Sub Regional Level in South West: NUTS 3
1995 – 2006 (UK²=100)**

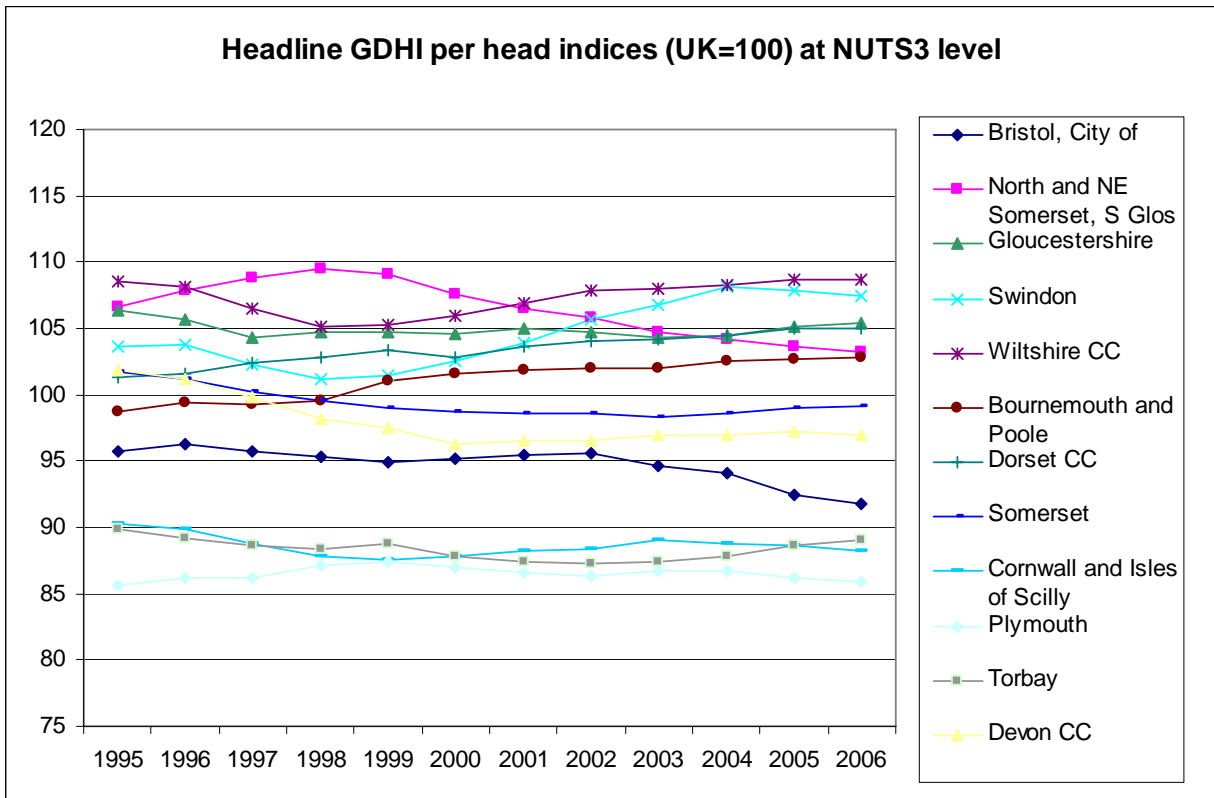
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bristol, City of	95.8	96.2	95.8	95.3	94.8	95.1	95.5	95.6	94.7	94.0	92.5	91.8
North and NE Somerset, S Glos Gloucestershire	106.7	107.8	108.9	109.6	109.1	107.6	106.5	105.8	104.8	104.2	103.6	103.3
Swindon	106.3	105.7	104.4	104.7	104.7	104.6	105.0	104.8	104.3	104.5	105.1	105.4
Wiltshire CC	103.7	103.7	102.2	101.1	101.5	102.6	103.9	105.7	106.8	108.2	107.9	107.4
Bournemouth and Poole	108.5	108.1	106.5	105.1	105.3	106.0	106.9	107.9	108.0	108.2	108.7	108.6
Dorset CC	98.8	99.4	99.3	99.6	101.1	101.6	101.8	102.0	102.0	102.6	102.7	102.9
Somerset	101.4	101.6	102.5	102.8	103.4	102.8	103.6	104.1	104.2	104.5	105.0	105.0
Cornwall and Isles of Scilly	101.7	101.2	100.2	99.5	99.0	98.7	98.6	98.6	98.3	98.5	99.0	99.1
Plymouth	90.3	89.9	88.8	87.8	87.5	87.8	88.2	88.4	89.1	88.7	88.7	88.3
Torbay	85.6	86.2	86.2	87.1	87.4	86.9	86.6	86.4	86.7	86.8	86.2	85.9
Devon CC	89.8	89.2	88.7	88.4	88.7	87.9	87.4	87.3	87.4	87.9	88.7	89.1
	101.9	101.2	99.8	98.2	97.6	96.2	96.5	96.6	97.0	97.0	97.2	96.9

1 Headline GDHI calculated using 5-point moving average

2 Excluding extra-regio

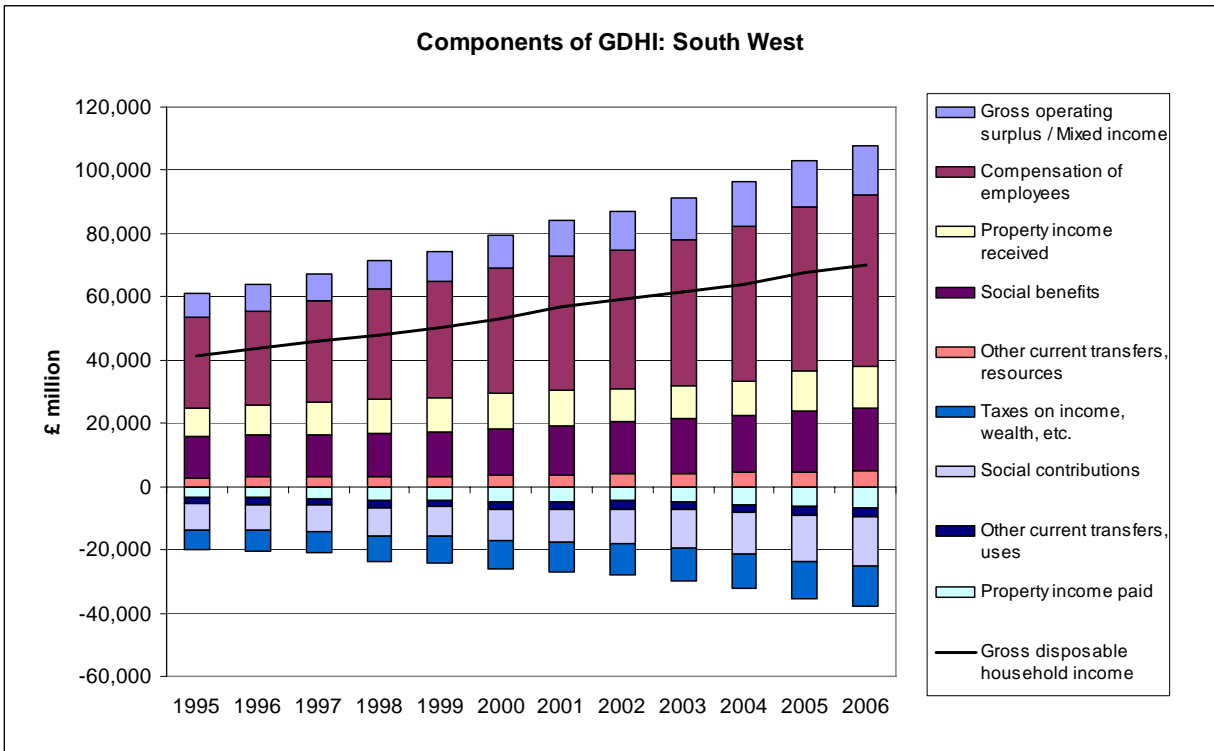
3 Provisional

Chart 3: Headline GDHI Per Head Indices at NUTS3 level



Components of GDHI

Chart 4: NUTS1: South West



Components of GDHI

Chart 5a: NUTS2: Gloucestershire, Wiltshire and North Somerset

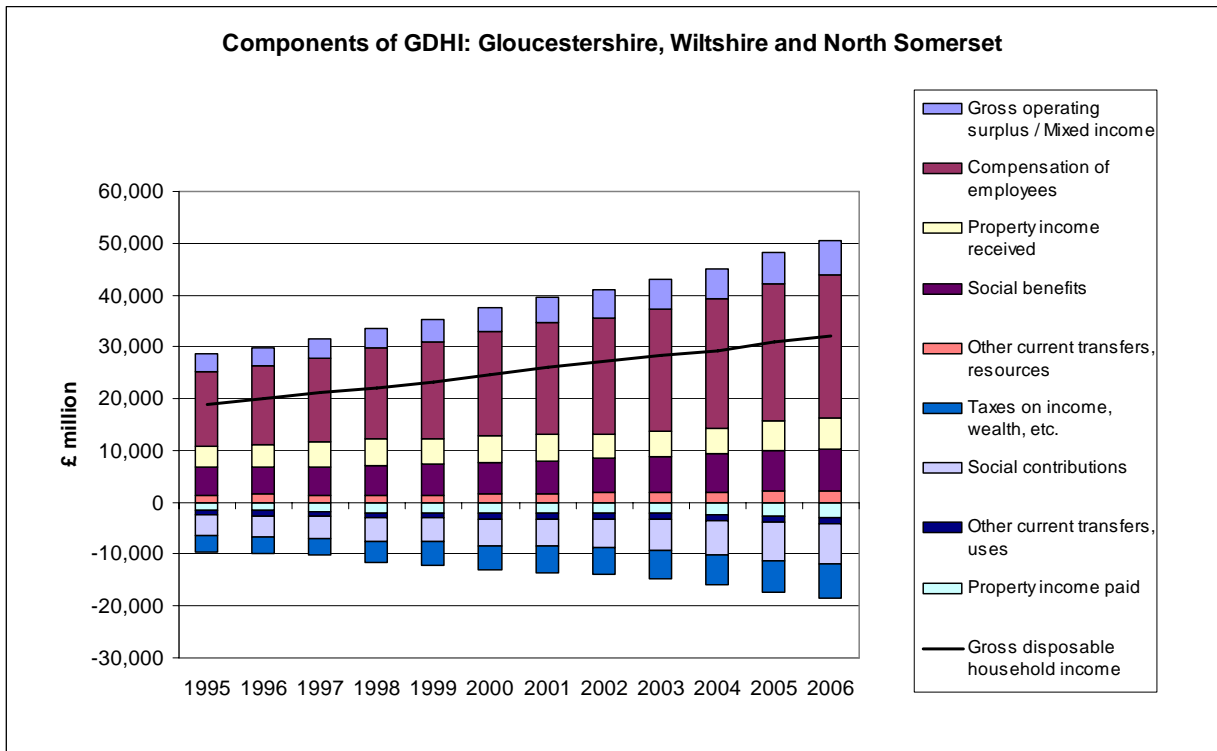


Chart 5b: NUTS2: Dorset and Somerset

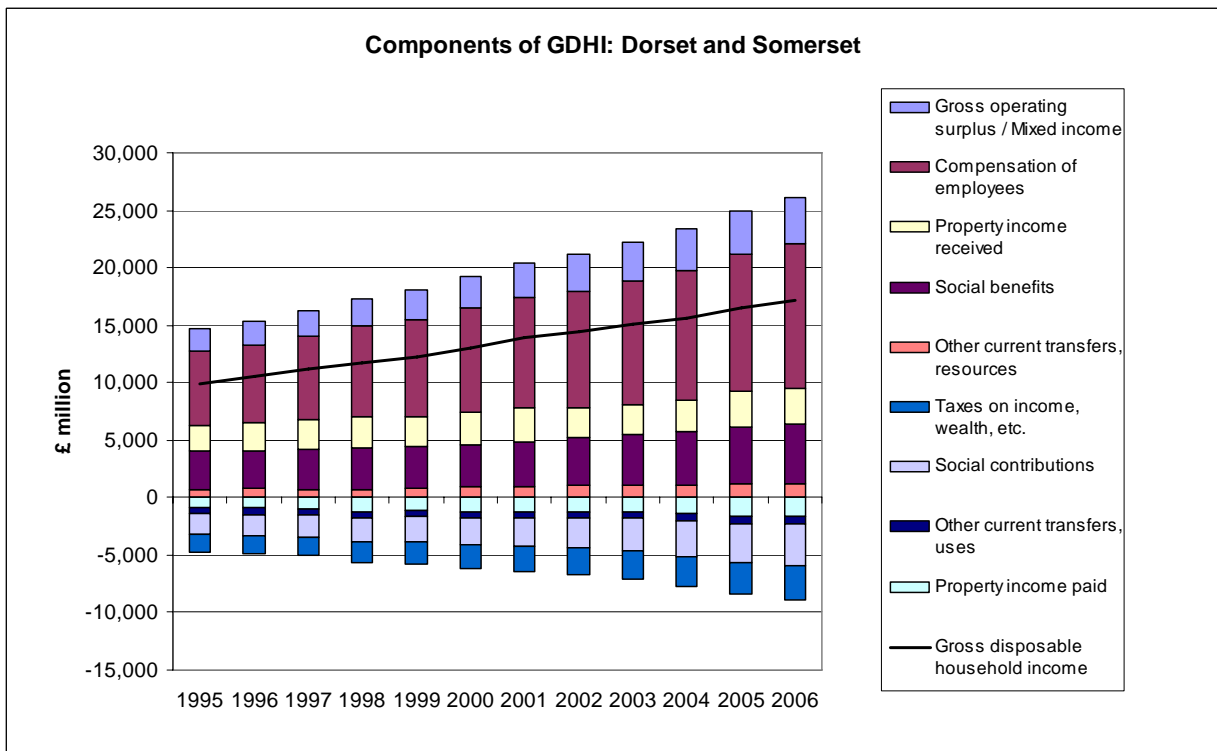


Chart 5c: NUTS2: Cornwall and Isles of Scilly

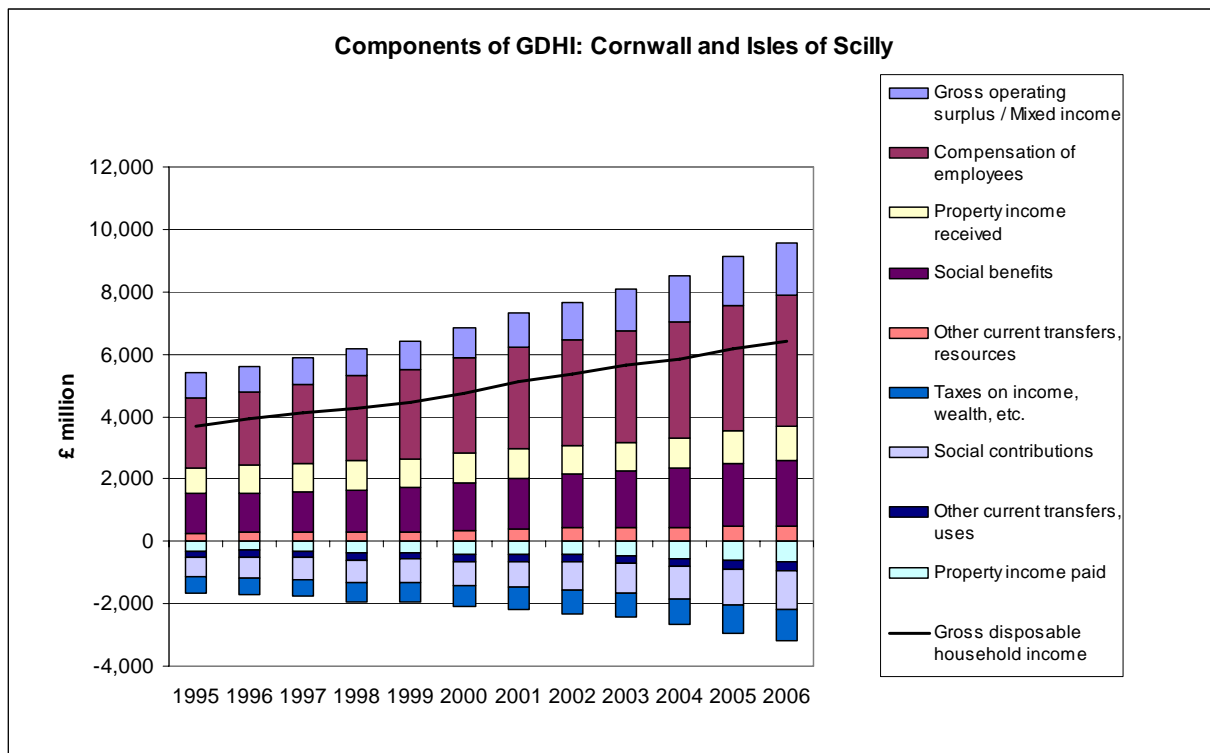
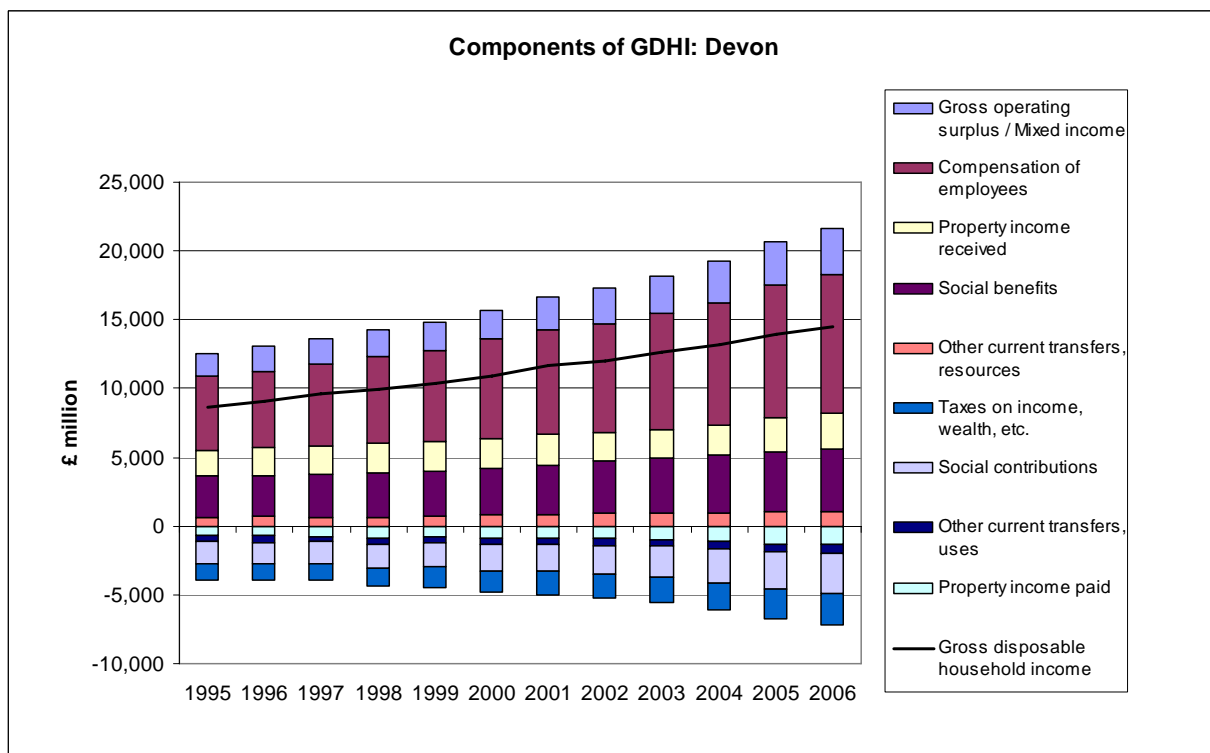


Chart 5d: NUTS2: Devon



Sources and Contacts

The latest regional Gross Disposable Household Income (GDHI) data can be found via:

www.statistics.gov.uk/statbase/Product.asp?vlnk=14651

This includes a 'First Release' highlighting the key data and definitions, and a full document giving detailed tables (which are also available as Excel files).

This briefing note has been issued by the ONS Regional Team for the South West
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Notes and Definitions

Definition of Gross Disposable Household Income

Gross Disposable Household Income (GDHI) is the balancing item of the secondary distribution of income account, and can be compared with the concept of income as generally understood in economics, where income is often defined as the maximum amount that a household can consume without reducing its real worth.

The UK level estimate can also be found in Table 6.1.4 of the UK National Accounts (the Blue Book).

GDHI is calculated as:

- compensation of employees (wages and salaries, national insurance contributions, pension contributions, redundancy payments etc), plus;
- gross operating surplus (rental income from buildings, including imputed rental of owner-occupied dwellings) and mixed income (income from self-employment related to sole traders), plus
- pension income (state retirement and privately funded), plus
- other social benefits (including child benefit, disability living allowance, unemployment and jobseeker benefits and incapacity benefits), plus
- property income (return on ownership of financial assets e.g. rent on land, interest, dividends, etc), plus
- other current transfers (e.g. claims made under non-life insurance policies, gifts received from abroad, grants and unrequited payments from central government).

Less

- taxes on income and other current taxes on wealth (e.g. council tax, motor vehicle duty), plus
- social contributions (national insurance contributions by employees, employers and social contributions by the self and non-employed), plus
- other outgoings (payments of interest, rent, insurance policies, charity donations, gifts made abroad).

GDHI can also be shown as the sum of the balances of Primary and Secondary incomes. Primary incomes are compensation of employees, gross operating surplus and mixed income and property income (resources less uses). Secondary incomes are taxes on income and wealth, pensions, social benefits, social contributions and other current transfers (resources less uses).

Estimates are at current basic prices and do not allow for inflation or differences in regional price levels. Headline GDHI series have been calculated using a 5-year moving average to remove some volatility. Unadjusted series are also available on the ONS website.

Indexed GDHI per head (UK=100) is calculated as a region's GDHI as a percentage of UK GDHI excluding Extra-Regio (the contribution of UK embassies abroad and UK forces stationed overseas, which cannot be allocated to specific regions).

The methodology used to compile Regional GDHI can be found in the Regional Accounts Methodology Guide.

www.statistics.gov.uk/downloads/theme_economy/RegionalAccountsMethodologyGuide.pdf

Estimates of GDHI at NUTS 2 level are supplied to Eurostat. These data are not directly used to inform funding decisions, but are used to inform debate around the relative welfare of regions across the EU.

Geographical Units & NUTS Levels

The Nomenclature of Units for Territorial Statistics (NUTS) provides a single uniform breakdown for the production of regional statistics for the European Union. There are three levels of NUTS in the UK:

NUTS1: Government Office Regions and Wales, Scotland, Northern Ireland.

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.

National Statistics

National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.