

The 2007 Regional and Sub Regional Gross Disposable Household Income (GDHI) estimates are released today (2nd April 2009) by the Office for National Statistics. The latest release includes revisions to earlier years.

United Kingdom - 2007

- GDHI per head for the UK (excluding Extra-regio) increased from £14,053 in 2006 to £14,317 in 2007 (+1.9 per cent).

North of England GDHI – 2007

- GDHI for the North of England was £187.6 billion in 2007, an increase of 2.3 per cent from the revised 2006 value of £183.4 billion.
- GDHI per head in the North of England rose from £12,604 in 2006 to £12,845 in 2007, an increase of +1.9 per cent. GDHI per head relative to the UK (where UK=100) for the North of England in 2007 was 90, remaining at the same level since 2004.

Comparisons with NUTS 1 Regions/Nations (2006 to 2007)

- GDHI per head for the North of England increased by 1.9 per cent, a similar increase to the UK.
- All NUTS 1 regions showed an increase in GDHI per head between 2006 and 2007. London had the highest annual percentage increase in GDHI per head (+2.4 per cent). The region with the lowest percentage increase was the East of England (+1.5 per cent).

North of England Sub Regional GDHI (2006 to 2007)

- At NUTS 2 level, the region in the North of England with the highest GDHI per head in 2007 was North Yorkshire with £15,299, ranked 7th of the 37 UK NUTS 2 regions. The North of England NUTS 2 region with the lowest GDHI per head was Tees Valley and Durham with £11,978 in 2007, ranked 36th of 37 UK NUTS 2 regions.
- In index terms, the North of England NUTS 3 region with the highest GDHI per head relative to the UK in 2007 was North Yorkshire County Council at 111. The North of England NUTS 3 region with the lowest indexed GDHI per head was the City of Kingston upon Hull at 73.
- Between 2006 and 2007, the North of England NUTS 3 region with the largest increase in percentage terms to GDHI per head was North Yorkshire County Council (+3.4 per cent) and the lowest was Blackpool (+0.7 per cent).

Table 1: Regional GDHI, 2007 ^{1, 2, 3}

	Total GDHI 2007 (£m)	Increase on 2006 (%)	GDHI Per Head (£)	Increase on 2006 (%)	Per Head Index (UK=100)
North of England	187,611	2.3	12,845	1.9	90
Greater South East	354,609	2.7	16,473	1.9	115
Midlands & South West	201,485	2.5	13,469	1.8	94
North East	31,327	1.9	12,216	1.6	85
North West	89,495	2.2	13,038	2.0	91
Yorkshire and The Humber	66,789	2.6	12,901	1.9	90
East Midlands	58,376	2.6	13,268	1.8	93
West Midlands	69,646	2.2	12,941	1.9	90
East of England	85,383	2.5	15,083	1.5	105
London	135,502	3.0	17,931	2.4	125
South East	133,724	2.6	16,095	1.7	112
South West	73,462	2.6	14,187	1.6	99
England	743,704	2.6	14,556	1.9	102
Wales	37,470	2.2	12,574	1.7	88
Scotland	69,895	2.3	13,587	1.8	95
Northern Ireland	21,940	3.0	12,472	1.9	87
UK ⁴	873,008	2.5	14,317	1.9	100

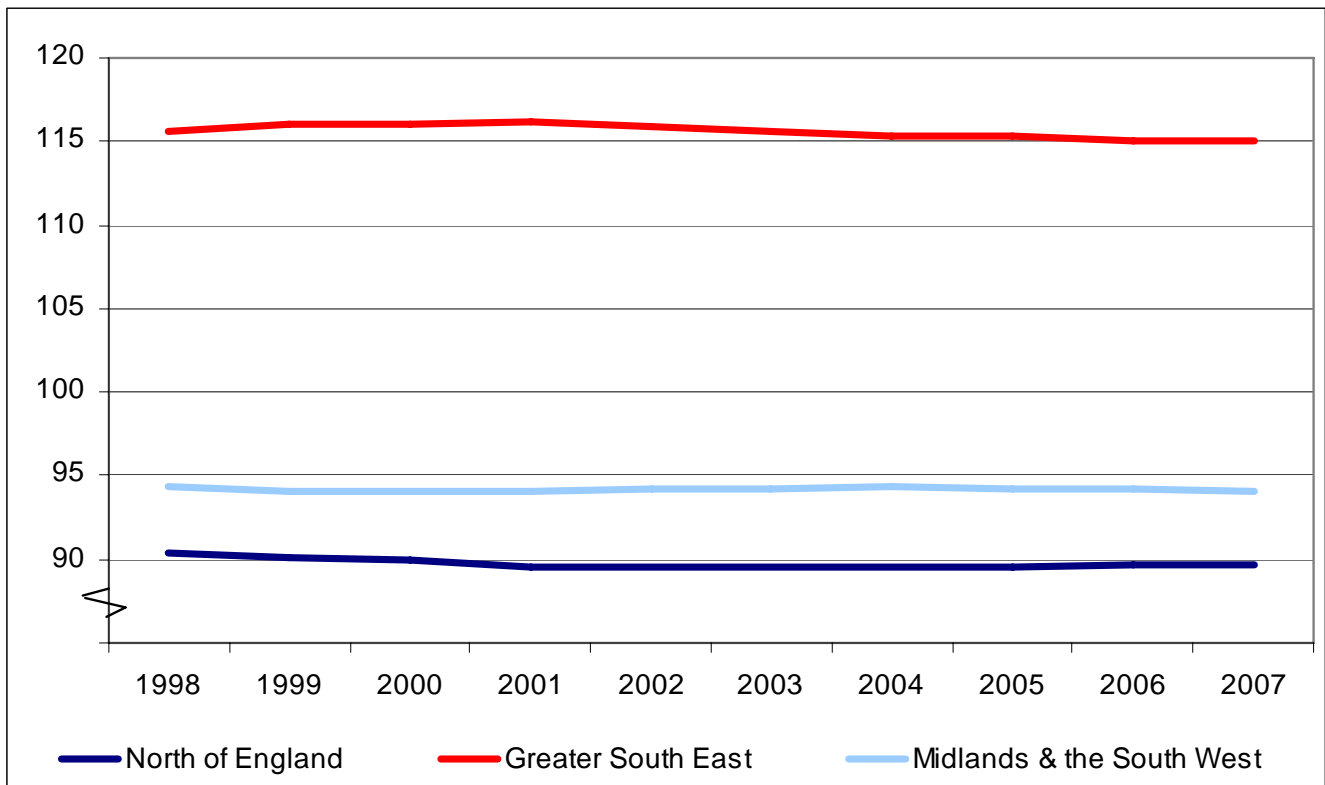
Notes:

1 Headline GDHI in current prices on residence basis, calculated as 5 point moving average.

2 Figures may not sum due to rounding.

3 2007 estimates are provisional.

4 Excluding Extra-Regio.

Figure 1: Indexed GDHI per head (UK¹=100)

Notes: 1 Excluding Extra-Regio.

Revisions to Previously Published Headline GDHI for North of England

In addition to the normal revisions to recent years arising from updated survey and other data underlying the estimates, some components of GDHI have been revised back to 1995 in line with the new methodology for allocating Financial Intermediation Services Indirectly Measured (FISIM) introduced in the National Accounts for the 2008 Blue Book. The overall effect is to increase GDHI.

The most significant changes are as follows;

- Operating surplus and mixed income resource decreased,
 - Property income interest received resource increased,
 - Attributed property income of insurance policy holders resource decreased,
 - Property income paid uses decreased,
 - Miscellaneous current transfers resources and uses decreased.
- For 2006, GDHI for the North of England has been revised upwards from £181.3 billion to £183.4 billion, an increase of £2.1 billion or +1.2 per cent. The increase in GDHI for 2006 has increased the estimated GDHI per head in the North of England from £12,460 to £12,604 (+£144, +1.2 per cent).

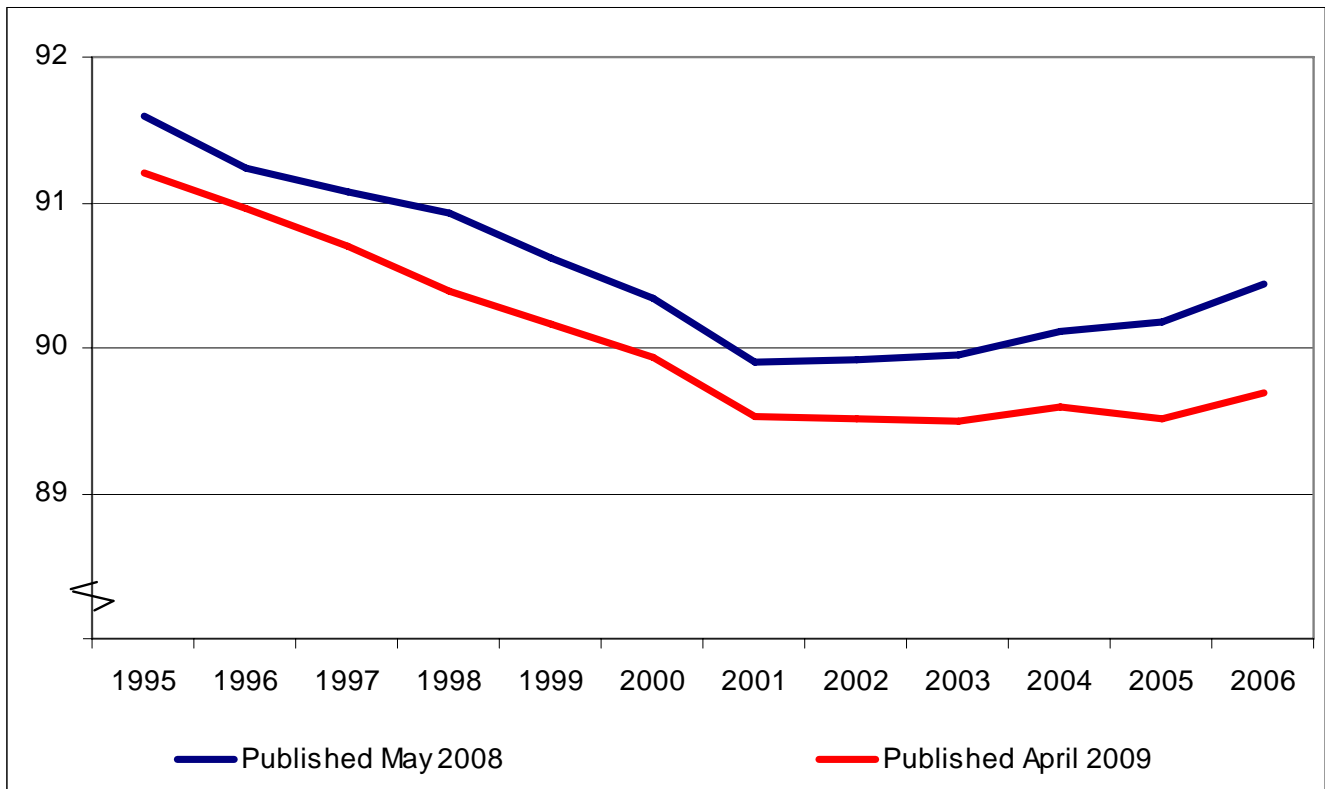
Table 2: Revisions to Published Headline GDHI¹: North of England

Year	Total GDHI Released				GDHI per head Released			
	May-08	Apr-09	Revision		May-08	Apr-09	Revision	
	(£m)	(£m)	(£m)	(%)	(£)	(£)	(£)	(%)
1995	112,633	113,566	933	0.8	7,837	7,902	65	0.8
1996	118,208	120,290	2,082	1.8	8,239	8,384	145	1.8
1997	124,967	127,487	2,520	2.0	8,727	8,903	176	2.0
1998	129,410	132,322	2,912	2.3	9,043	9,246	204	2.3
1999	134,009	136,636	2,627	2.0	9,385	9,569	184	2.0
2000	140,648	143,107	2,459	1.7	9,852	10,024	172	1.7
2001	148,885	151,303	2,418	1.6	10,419	10,588	169	1.6
2002	153,634	156,503	2,869	1.9	10,728	10,928	200	1.9
2003	160,379	164,074	3,695	2.3	11,161	11,418	257	2.3
2004	166,026	168,104	2,078	1.3	11,509	11,653	144	1.3
2005	175,036	176,632	1,596	0.9	12,074	12,184	110	0.9
2006	181,303	183,405	2,102	1.2	12,460	12,604	144	1.2

Notes:

1 Headline GDHI on current prices on residence basis, calculated as 5 point moving average.

Figure 2: Impact of revisions on North of England Indexed GDHI¹ Per Head (UK²=100)



Notes

- 1 Headline GDHI on current prices on residence basis, calculated as 5 point moving average.
- 2 Excluding Extra-Regio.

North of England Sub Regional GDHI

NUTS 2 Regions

- The North of England has eleven NUTS 2 sub regions;

North East

- Tees Valley and County Durham
- Northumberland and Tyne & Wear

North West

- Cumbria
- Cheshire
- Greater Manchester
- Lancashire
- Merseyside

Yorkshire and The Humber

- East Yorkshire & Northern Lincolnshire
- North Yorkshire
- South Yorkshire
- West Yorkshire.

- In 2007, North Yorkshire was the highest ranked NUTS 2 region in the North of England; ranked 7th out of the 37 UK NUTS 2 regions in terms of indexed GDHI per head. Tees Valley and County Durham ranked 36th in 2007, a position occupied since swapping the lowest position with West Midlands in 2004.

Table 3: North of England Indexed Headline GDHI¹ per Head, NUTS 2 regions (UK²=100)

NUTS 2 Region	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
North East													
Tees Valley and Durham	88	87	86	85	84	84	84	84	84	84	84	84	84
Northumberland and Tyne and Wear	87	87	87	86	86	85	85	86	86	86	86	87	87
North West													
Cumbria	94	94	94	93	93	93	93	94	94	94	95	96	96
Cheshire	100	101	101	102	102	102	102	103	103	104	105	105	105
Greater Manchester	91	91	91	91	90	90	90	89	89	89	88	88	89
Lancashire	90	90	89	88	88	88	88	87	87	87	87	87	87
Merseyside	91	90	90	89	89	88	87	88	88	88	87	88	88
Yorkshire and The Humber													
East Yorkshire & Northern Lincolnshire	88	88	88	88	88	88	87	87	87	88	88	88	88
North Yorkshire	108	107	107	107	106	104	103	101	102	103	105	106	107
South Yorkshire	87	86	86	86	86	86	86	87	87	87	86	86	86
West Yorkshire	91	91	91	91	90	90	90	89	89	89	88	88	87

Notes

1 Headline GDHI on current prices on residence basis, calculated as 5 point moving average.

2. Excluding Extra-Regio.

NUTS 3 Regions

- The North of England contains thirty NUTS 3 regions:

North East

- Hartlepool and Stockton-On-Tees
- South Teesside
- Darlington
- Durham County Council
- Northumberland
- Tyneside
- Sunderland

Yorkshire and The Humber

- Kingston Upon Hull, City Of
- East Riding of Yorkshire
- North and North East Lincolnshire
- York
- North Yorkshire County Council
- Barnsley, Doncaster and Rotherham
- Sheffield
- Bradford
- Leeds
- Calderdale, Kirklees And Wakefield

North West

- West Cumbria
- East Cumbria
- Halton and Warrington
- Cheshire County Council
- Greater Manchester South
- Greater Manchester North
- Blackburn with Darwen
- Blackpool
- Lancashire County Council
- East Merseyside
- Liverpool
- Sefton
- Wirral

- In 2007, North Yorkshire County Council replaced Cheshire County Council as the North of England NUTS 3 region with the highest indexed GDHI per head at 111 (UK=100), and was ranked 13th out of the 133 UK NUTS 3 regions. The indexed GDHI for Cheshire County Council remained at the 2005 level of 109, ranking 16th of the 133 UK NUTS 3 regions.
- The North of England sub region with the lowest GDHI per head relative to the rest of the UK was the City of Kingston upon Hull with an index of 73 in 2007, ranking 132nd of 133 UK NUTS 3 regions (the lowest ranking NUTS 3 region in the UK in 2007 was Nottingham with an index of 72).

Table 4: North of England Indexed Headline GDHI¹ per Head, NUTS 3 regions (UK²=100)

NUTS 3 Region		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
North East														
<i>Tees Valley and Durham</i>	Hartlepool and Stockton-On-Tees	88	87	85	84	83	83	83	83	84	84	85	85	85
	South Teesside	83	83	82	81	80	80	80	80	80	80	81	81	81
	Darlington	88	87	86	85	85	85	87	87	88	87	87	87	87
	Durham County Council	90	89	88	87	87	86	86	85	85	85	84	84	83
<i>Northumberland and Tyne and Wear</i>	Northumberland	95	95	95	94	95	95	95	96	96	96	97	99	99
	Tyneside	87	87	86	85	85	84	84	84	84	85	84	85	84
	Sunderland	80	80	79	79	79	79	78	79	79	79	79	80	80
North West														
<i>Cumbria</i>	West Cumbria	87	86	86	86	86	87	86	87	87	86	87	88	88
	East Cumbria	102	102	101	100	100	100	99	100	101	101	102	103	103
<i>Cheshire</i>	Halton and Warrington	92	92	93	94	95	95	95	95	94	94	95	95	95
	Cheshire County Council	104	105	105	106	106	105	105	107	108	108	109	109	109
<i>Greater Manchester</i>	Greater Manchester South	92	92	92	92	92	91	91	90	90	90	90	90	90
	Greater Manchester North	90	90	89	89	89	89	89	88	88	87	87	87	88
<i>Lancashire</i>	Blackburn with Darwen	82	81	80	78	78	76	74	73	73	73	74	75	75
	Blackpool	89	89	89	89	88	87	86	84	82	81	79	79	78
	Lancashire County Council	91	91	90	90	89	89	90	89	89	89	89	89	89
<i>Merseyside</i>	East Merseyside	79	78	77	76	77	79	80	81	81	81	80	81	82
	Liverpool	84	83	82	81	81	80	81	81	82	83	82	84	84
	Sefton	109	109	109	108	105	101	96	94	94	93	93	94	94
	Wirral	96	97	97	97	97	97	97	98	98	97	96	96	96
Yorkshire and The Humber														
<i>East Yorkshire & Northern Lincolnshire</i>	Kingston Upon Hull, City Of	74	74	73	73	74	76	77	77	76	76	74	74	73
	East Riding of Yorkshire	100	100	100	100	100	99	98	97	98	99	100	101	102
	North and North East Lincolnshire	89	89	88	88	86	86	85	86	86	86	86	86	87
<i>North Yorkshire</i>	York	102	101	100	100	101	101	100	99	98	96	95	95	95
	North Yorkshire County Council	109	109	110	109	107	105	103	102	103	105	108	109	111
<i>South Yorkshire</i>	Barnsley, Doncaster and Rotherham	84	84	84	84	84	85	85	85	85	85	85	85	85
	Sheffield	90	89	89	89	89	89	89	89	90	90	89	88	87
<i>West Yorkshire</i>	Bradford	87	87	87	87	87	87	85	84	84	83	82	81	81
	Leeds	97	96	96	95	95	95	95	94	94	93	92	91	90
	Calderdale, Kirklees And Wakefield	89	89	89	88	88	88	88	88	88	89	88	88	88

Notes: 1 Headline GDHI on current prices on residence basis, calculated as 5 point moving average.

2. Excluding Extra-Regio

Components of headline GDHI

The charts in this section illustrate the make up of GDHI in the North of England, Greater South East and The Midlands and South West groupings of English regions. The Notes and Definitions section includes further information about these components.

Figure 3: North of England

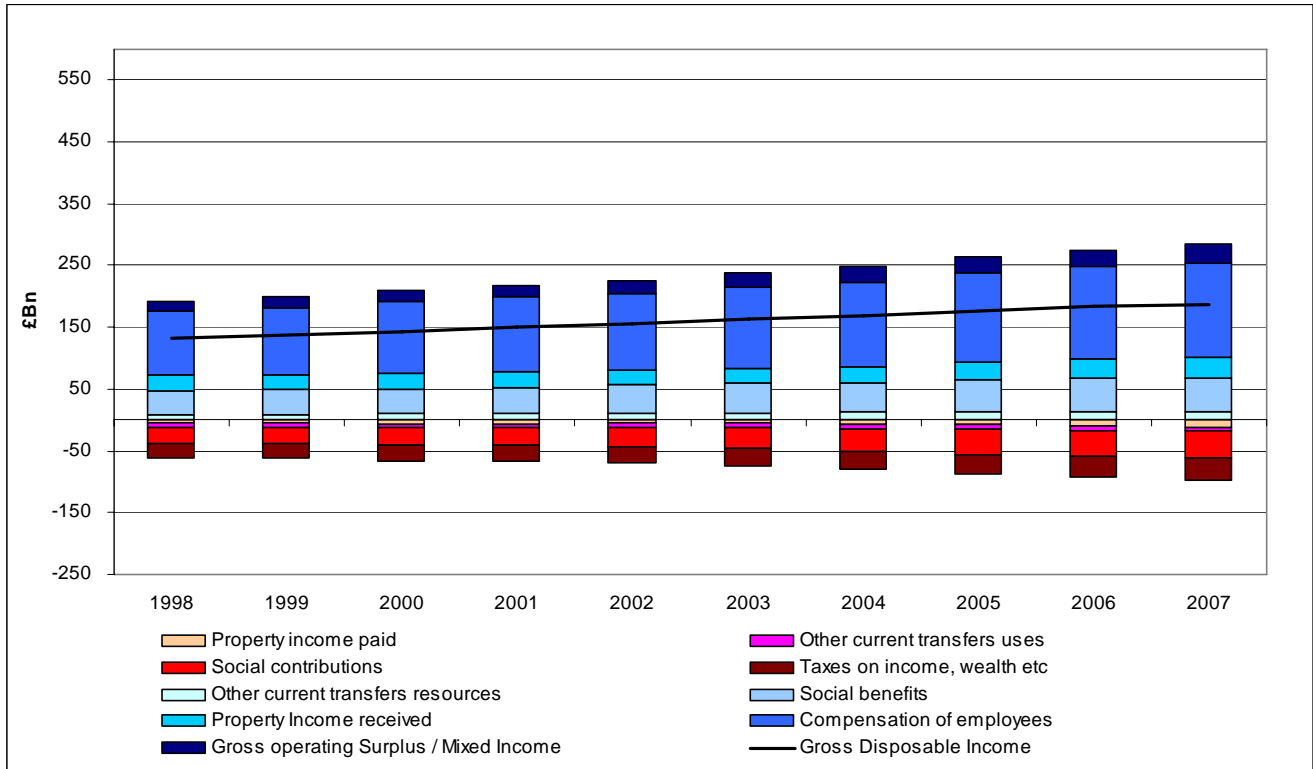


Figure 4: Greater South East

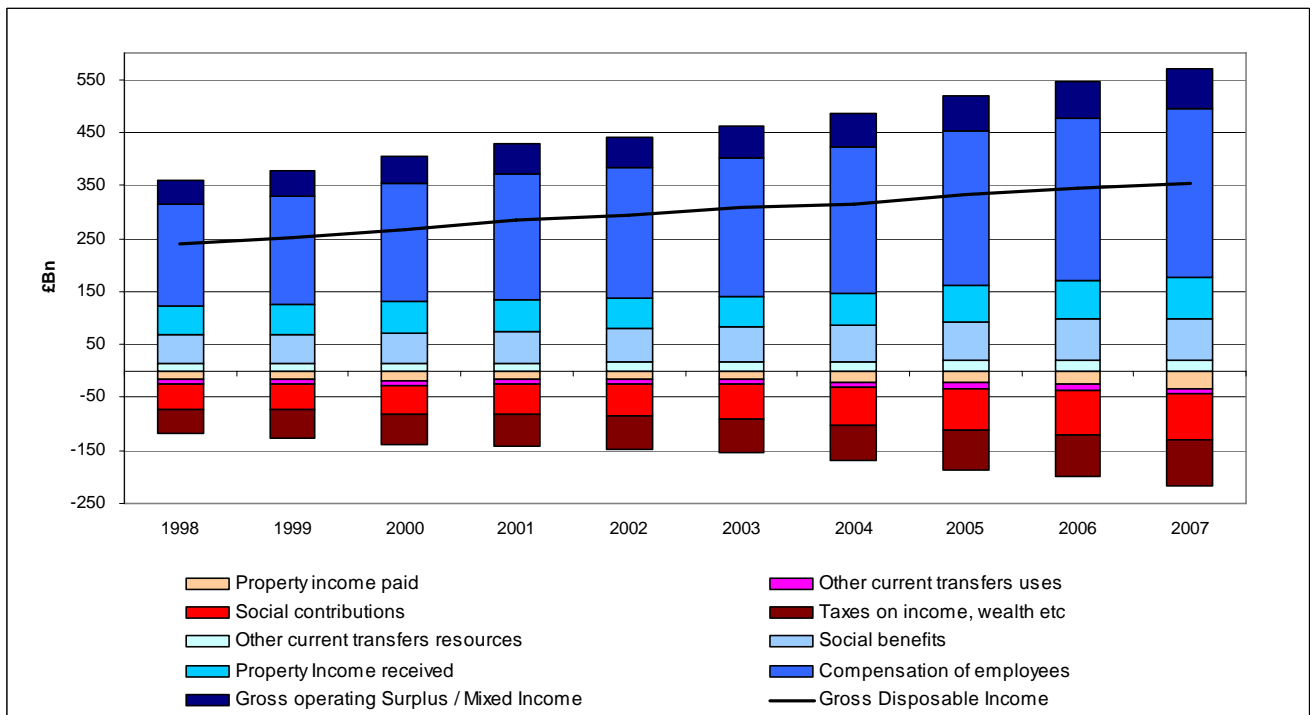
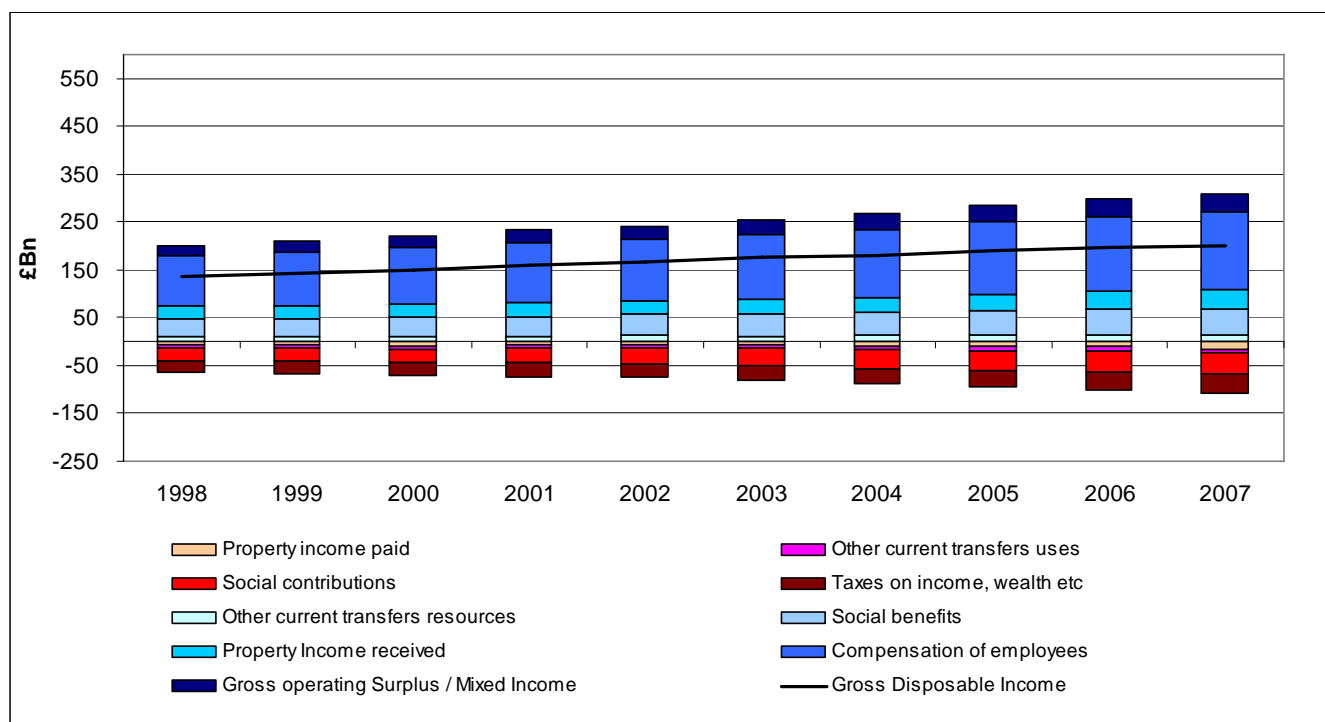


Figure 5: Midlands and South West



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). The statistician responsible is Pete Lee (Pete.Lee@ons.gsi.gov.uk), head of Regional Accounts Branch.

This briefing note has been issued by the ONS Regional Teams for the North West, North East and Yorkshire and The Humber. Their contact details are:

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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 (or has available at its disposal to) 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, resources:

- 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;
- Property income (return on ownership of financial assets e.g. rent on land, interest, dividends, etc), plus;
- Social benefits (including child benefit, disability living allowance, unemployment and jobseeker benefits and incapacity benefits) & pension income (state retirement and privately funded), 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, uses;

- Taxes on income, wealth etc (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 current transfers (payments of interest, rent on land, insurance policies, charity donations, gifts made abroad)
- Property income paid (interest, rent on land).

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).

Balance of Primary Income = Primary Resources – Primary Uses	
Primary Resources	Primary Uses
Compensation of employees	Property income paid
Gross operating surplus/ Mixed income	
Property income received	
Balance of Secondary Income = Secondary Resources – Secondary Uses	
Secondary Resources	Secondary Uses
Social benefits	Taxes on income, wealth etc
Other current transfers resources	Social contributions
	Other current transfers uses
GDHI = Balance of Primary Income + Balance of Secondary Income	

The Household Sector

The household sector covers people living in traditional households as well as those living in institutions. The latter includes people living in retirement homes etc. This sector also includes sole trader enterprises and non-profit institutions serving households (NPISHs), examples of the latter being charities and most universities.

The estimates presented in this article are consistent with the national accounts published in the 2008 edition of the UK National Accounts, *The Blue Book*, which also defines the terms used (www.statistics.gov.uk/statbase/Product.asp?vlnk=1143).

General

The headline GDHI series have been calculated using a five-period 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 National Statistics website.

Unadjusted GDHI estimates and components at the NUTS2 level are to be supplied to the statistical office of the European Union, Eurostat. These data are not directly used to inform funding decisions but may be used to support arguments in the debate around the relative welfare of regions across the UK and the EU area.

The estimates of regional household income and GDHI are published at current prices and do not take into account the impact of price inflation or price differentials at either a national or regional level.

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

For a statement of the latest position on measuring regional economic performance, see the National Statistician's article (January 2009). www.statistics.gov.uk/cci/article.asp?ID=2103

Geographical Units & NUTS regions

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:

NUTS 1: Government Office Regions and Wales, Scotland, Northern Ireland.

NUTS 2: 37 areas – mainly groups of counties and unitary authorities; can be referred to as sub-regions.

NUTS 3: 133 areas – principally individual counties and unitary authorities; also known as local areas.

The three English super-regions referred to in this briefing note are an aggregation of NUTS 1 Regions as follows;

Northern England:

North East
North West
Yorkshire and The Humber

Midlands and South West

East Midlands
West Midlands
South West

Greater South East

East of England
London
South East

Extra-Regio

Extra-Regio includes offshore economic activity and the contribution of UK embassies abroad and UK forces stationed overseas, which cannot be allocated to specific regions.

Useful Links

- Regional GDHI data and April 2009 First release
www.statistics.gov.uk/statbase/Product.asp?vlnk=14651
- Regional GDHI May 2008 – First release
www.statistics.gov.uk/pdfdir/gdhi0508.pdf
- The National Accounts Blue Book
www.statistics.gov.uk/statbase/Product.asp?vlnk=1143
- Regional Accounts Methodology Guide
www.statistics.gov.uk/downloads/theme_economy/RegionalAccountsMethodologyGuide.pdf
Nomenclature of Units for Territorial Statistics (NUTS)
www.statistics.gov.uk/geography/nuts.asp
- National Statistician's article: measuring regional economic performance
www.statistics.gov.uk/cci/article.asp?ID=2103

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.