

GROSS VALUE ADDED 2006 BRIEFING – CUMBRIA

Background

The 2006 Gross Value Added (GVA) data were released by the Office for National Statistics in December 2008. *The data for Cumbria covers the period to the end of 2006 and therefore does not include the period of economic instability experienced through 2008.*

GVA represents the incomes generated by economic activity within the UK economy and comprises:

- compensation of employees (wages and salaries, national insurance contributions, pension contributions, redundancy payments etc);
- gross operating surplus (self-employment income, gross trading profits of partnerships and corporations, gross trading surplus of public corporations, rental income etc).

Key Findings

The numbers paint a mixed picture for the county depending on the timescale over which we assess change and the geographical area we focus on. The bullet points below identify the key points of relevance to Cumbria:

- Over the long term Cumbria remains the slowest growing (1995-2006) of the 37 county-type areas in the UK, with an overall growth rate of 41.2% compared to 66.0% in the Northwest region and 80.0% for the UK as a whole.
- The growth rate for the county since 2000 is 31.4% (NW = 32.6%, UK = 36.2%).
- Since 2005 Cumbria has grown at around the same rate as the region (5.0% vs 5.2% respectively) and a little slower than the UK (5.6%). Cheshire is fastest growing part of NW at 6.5%
- GVA per head of population in the county now stands at £14,044 compared with £16,482 in the NW and £19,430 in the UK (74% of the UK average – the same index as we have seen every year since 2001)
- There is significant disparity between West (Allerdale, Copeland, Barrow) and East (Carlisle, Eden, South Lakeland) Cumbria
- Overall East Cumbria has grown by 51.8% since 1995 compared with 29.0% in West Cumbria. West Cumbria's growth rate since 1995 is the slowest of any of the 133 sub-county areas in the UK.
- Since 2000 the growth rate for East Cumbria is 38.8% compared with 22.5% in West Cumbria
- Over the latest year (2005-2006) East Cumbria's growth rate stands at 5.5% (joint fastest in NW with Halton and Warrington) while West Cumbria's is 4.4%.
- GVA per head of population in East Cumbria now stands at £15,450 (82% of the UK average) while for West Cumbria it is £12,498 (66% of the UK average).

Summary

So, to summarise, over the long term the county's economic productivity is improving, but very slowly. Within the county East Cumbria is growing faster than West Cumbria. More recently, however, we have seen an economic recovery to the extent that since 2001 the productivity per head in Cumbria has grown at the same rate as the UK as a whole. Again, though, there are significant variations between East and West.

More details can also be found here: <http://www.statistics.gov.uk/pdfdir/gva1208.pdf>

For more information please contact Ginny Murphy – 01768 895363, ginnym@investincumbria.co.uk or Dan Bloomer – 01228 226684, Daniel.bloomer@cumbriacc.gov.uk. More reports and analysis can be found on the Cumbria Intelligence Observatory website – www.cumbriaobservatory.org.uk.