

Article

# GVA for Local Enterprise Partnerships: 1997 to 2014

Provides data on economic output, as measured by nominal gross value added, for each local enterprise partnership (LEP). A time series with data back to 1997 is included while the latest data available are for calendar year 2014.

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# 1. Main points

This release presents data on economic output (nominal gross value added) for each English local enterprise partnership (LEP). The data are consistent with the data in the existing ONS Regional GVA (Income Approach) release. Data are available for 1997 to 2014.

The highest growth in nominal GVA per head in 2014 occurred in London at 5.3% and the lowest in Cornwall and Isles of Scilly (a decline of 0.1%).

Over the period 2008 to 2014, which takes in the economic downturn and subsequent recovery, the highest average growth rate for nominal GVA was in Oxfordshire at 3.2% per annum. Swindon and Wiltshire had the lowest average annual growth at 0.9% per annum.

## 2. Introduction

Local enterprise partnerships (LEPs) are partnerships in England between local authorities and businesses. They were created in 2011 and their role is to help shape local economic priorities and undertake activities to encourage local economic growth and the creation of jobs. There are 39 LEPs. Every local authority in England belongs to at least 1 LEP. However, some local authorities belong to more than one LEP.

This release provides data on economic output (as measured by nominal gross value added (GVA)) for each LEP. A time series with data back to 1997 is included while the latest data available are for calendar year 2014 (including data by industry). The data have been produced to be consistent with our existing [regional gross value added \(income approach\)](#) data that are published annually in December for the nomenclature of territorial units for statistics NUTS geographies. As such, these LEP GVA data carry the National Statistics designation.

Of the 39 LEPs, data for 32 have been created from simple additions of currently published NUTS3 regions. The remaining 7 LEPs, which comprise parts of NUTS3 regions, have been calculated using methodology consistent with that used to implement NUTS boundary changes in estimates of regional GVA (income approach). More detail about this approach is available in the methodology section.

This output is published on an ad hoc basis, with this being the third annual release. The future publication schedule will be assessed based on demand for the release. If there continues to be strong user demand for these data, then we will continue to seek to provide an annual update.

Users of this release may also be interested to know that productivity data for LEPs (based on the GVA data in this publication) will be published in our forthcoming ONS subregional productivity output, due for release on 1 March 2016.

The remainder of this article includes a short methodology section followed by 3 results sections examining the data for total GVA, GVA per head and GVA by industry. In each case, it should be noted that the GVA data are based on a nominal measure in current prices, and have not been adjusted to account for the impacts of inflation.

For details of the LEP geography and a change made in the way that GVA is reported for Solent LEP please see the background notes section.

### 3. Methodology

The data in this release provide regional nominal gross value added data that are consistent with the data published in the December 2015 release of Regional GVA (Income Approach). For a detailed discussion of the methodology used to calculate GVA (I), you can consult the Quality and Methodology Information (QMI) report for Regional GVA published in March 2015.

In constructing the GVA data for the LEPs, for most of the LEP areas GVA data were created from simple additions of currently published NUTS3 regions. For details of the boundaries of the LEPs, please see the background notes section.

The remaining LEP areas, which have boundaries that divide NUTS3 regions, have been calculated using methodology consistent with that used to implement NUTS boundary changes in estimates of regional GVA(I). In particular:

- at component level (Compensation of Employees (CoE), Mixed Income, Gross Trading Profits and Surplus, Rental Income, Holding Gains, Non-Market Capital Consumption, and Taxes on Production), the data for incomplete NUTS3 regions have been split into NUTS4 regions (corresponding to local authority districts) - this has been done using proportions of employees (from the Business Register and Employment Survey (BRES)), estimates of total gross operating surplus and mixed income (derived from the variable 'Approximate GVA less CoE' from the Annual Business Survey (ABS)); or population (from ONS mid-year population estimates)
- proportions relating to the latest data sources available to us have been used to split the NUTS3 data for the whole time series. To this end, those components converted using BRES used real data for 2009 to 2014, with the 2009 proportions rolled back, while those converted using ABS used real data for 2012 and 2013, with the 2012 proportions rolled back - those using population used real data for all years.
- once split into NUTS4 regions, the component level data have been summed to form LEP areas, then the components have been summed to form estimates of GVA.

Please note that the estimates of GVA by LEP will not sum to England GVA as there is overlap between the LEP areas.

### Revisions

There were a number of methodological changes introduced this year in the calculation of regional GVA. The largest of these concerned the treatment of household rental income. Details of these changes are provided in the [Regional GVA](#) release.

### 4. Results

Table 1 shows the LEPs with the highest and lowest growth in nominal GVA per head in 2014. It shows the highest growth occurring in London at 5.3% and the lowest in Cornwall and Isles of Scilly where nominal GVA declined by 0.1%.

**Table 1: Local enterprise partnerships with highest and lowest gross value added per head growth rates, 2013 to 2014, England**

Local Enterprise Partnership	%
London	5.3
Hertfordshire	5.1
West of England	4.8
Tees Valley	4.6
Leicester and Leicestershire	4.6
Thames Valley Berkshire	1.9
Northamptonshire	1.9
Black Country	1.9
Coventry and Warwickshire	1.8
Cornwall and Isles of Scilly	-0.1

Source: Office for National Statistics

The industry tables give more detail to these headline figures. The data for London show that the growth in GVA in 2014 was led by the real estate sector, the financial and insurance activities sector and the construction sector. Hertfordshire, meanwhile, also had strong growth in both construction and finance and insurance activities. In Cornwall, there were declines year-on-year in GVA in real estate and in the mostly public sector activities of public administration, health and education.

Table 2 shows the LEPs with the highest and lowest growth in GVA per head over the period 2008 to 2014. This takes in the period of the economic downturn and subsequent recovery. The highest growth has occurred in Oxfordshire where nominal GVA per head has grown at an average of 3.2% per annum over this period. Swindon and Wiltshire had the lowest average annual growth at 0.9% per annum.

**Table 2: Local enterprise partnerships with highest and lowest gross value added per head average annual growth rates, 2008 to 2014, England**

Local Enterprise Partnership	%
Oxfordshire	3.2
Enterprise M3	2.9
London	2.8
Coventry and Warwickshire	2.7
Cumbria	2.7
Black Country	1.4
Northamptonshire	1.2
Hertfordshire	1.1
Humber	1.0
Swindon and Wiltshire	0.9

Source: Office for National Statistics

In Oxfordshire, strong growth in the information and communication sector and the real estate sector contributed to the overall strong GVA growth. By contrast, in Swindon and Wiltshire, the lack of growth in production activities (manufacturing and utilities) and the (mostly) public sector activities of public administration, health and education were contributing factors to its lower GVA growth over this period.

Data for each of the 39 LEPs can be found in the dataset published with this output. These tables provide data for each LEP for Total GVA, GVA per head and GVA split into 11 industrial sectors. Productivity data for LEPs is not available in this release but will be published in our forthcoming ONS Subregional Productivity release.

## 5. Background notes

1. The GVA estimates presented here are on a workplace basis (allocated to the location where the economic activity takes place).

GVA estimates are presented in current basic prices. They do not allow for different regional price levels or changes in prices over time (inflation). The income approach to calculating GVA produces only current price estimates because some income components cannot easily be converted into prices and volume (for example gross operating surplus).

As with the national accounts, regional, sub-regional and local GVA estimates (including LEP GVA estimates) are calculated as reliably as possible. There is no easy way to measure the reliability of the estimates but we carry out consistency checks on data inputs, applies methods consistently and makes use of local knowledge through consultation with key users. The estimates are partly based on sample surveys and the quality of the results therefore varies according to sample size. This means that the results for smaller regions are subject to a greater degree of uncertainty than those for larger regions.

2. Geography - Table B1 in the reference table accompanying this publication shows the LEPs boundaries used to compile the data in this report. In each case, the LEP boundaries used have been an amalgamation of one or more local authority. In other words, for each local authority associated with a LEP, data covering the whole of that local authority are included within the LEP data.

There are 2 cases, however, where the working boundaries of a LEP cut through existing local authority boundaries. These are Enterprise M3 and Solent LEPs where parts of the local authorities of New Forest, Test Valley, Winchester and East Hampshire are in the Enterprise M3 LEP while parts are in the Solent LEP.

At present, it is only possible to provide data for LEPs built up from full local authorities. In the February 2015 release of this output, the method used was to allocate data for each of the local authorities affected to both the Enterprise M3 LEP and the Solent LEP. However, in this release, the method adopted is the same as that used in the September 2015 release of gross disposable household income (GDHI) for LEPs, which is that data for the local authorities of New Forest, Test Valley, Winchester and East Hampshire is allocated only to the Enterprise M3 LEP. Therefore, compared with last year's release, data for Enterprise M3 remains on the same basis but for Solent LEP the data no longer covers the local authorities listed above.

3. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)