

Article

# GVA for Local Enterprise Partnerships: 1997-2013

This release 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 2013. The data have been produced to be consistent with the existing ONS regional gross value added (income approach) data that are published annually in December for the NUTS geographies. These LEP GVA data carry the National Statistics badge.

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# 1. Correction

Thursday 14th May at 10:30

We have discovered some minor errors affecting the GVA for Local Enterprise Partnerships (LEPs) figures for 2013. The issue affects data for Tees Valley, Lancashire, Derby & Nottingham, The Marches and Coventry & Warwickshire. These errors have now been corrected.

## 2. Key points

- This output 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 2013.
- The three largest English cities, London, Birmingham and Manchester, were among the LEP areas with the highest growth in nominal GVA in 2013.
- Over the decade from 2003 to 2013, the LEP area with the highest average annual GVA growth rate was London at 5.0% per annum. The lowest growth rate was in Lancashire at 2.5% per annum.
- Gross value added by industry data for 2012 show that the 'Information and communication' sector accounted for 23% of GVA in Thames Valley Berkshire in 2013, but no more than 11% in any other LEP area. Similarly, the 'Financial and insurance activities' sector accounted for 19% of GVA in London but no more than 9% in any other LEP.
- Cumbria and Humber were the LEPs for which manufacturing provided the highest share of overall GVA, 25% and 23% respectively in 2012.

## 3. 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 drive local economic growth and the creation of jobs. There are thirty nine LEPs. Every local authority in England belongs to at least one 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) for each LEP. A time series with data back to 1997 is included while the latest data available are for calendar year 2013 (data by industry breakdown is available to 2012). The data have been produced to be consistent with the existing [ONS regional gross value added \(income approach\)](#) data that are published annually in December for the NUTS geographies. As such, these LEP GVA data carry the National Statistics badge.

Of the 39 LEPs, data for 30 have been created from simple additions of currently published NUTS3 regions. The remaining nine 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 second 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 ONS will continue to seek to provide an annual update.

Users of this release may also be interested in the [subregional productivity release](#) which is being published on the same day as this release. The latest edition of the subregional productivity release includes LEPs data on labour productivity for the first time alongside data for NUTS geographies.

The remainder of this article includes a short methodology section followed by three 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.

## 4. Methodology

The data in this release provide regional nominal gross value added data that are consistent with the data published in the December 2014 release of Regional GVA (Income Approach). For a detailed discussion of the methodology used to calculate GVA (I), users can consult the Quality and Methodology Information (QMI) report for Regional GVA published in April 2014.

In constructing the GVA data for the LEPs, for 30 of the 39 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 nine 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 non-provisional year (currently 2012) have been used to split the NUTS3 data for the whole time series. 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.

## 5. Total GVA

Table 1 presents those LEP areas that had the highest and lowest annual growth rate in nominal GVA in 2013. The three largest English cities, London, Birmingham and Manchester were amongst the areas with the highest nominal GVA growth rates in 2013. The LEP with the lowest growth rate in 2013 was The Marches.

**Table 1: LEPs with highest and lowest annual growth rate, 2013**

Local Enterprise Partnership	%
Greater Manchester	4.6%
Black Country	4.5%
Greater Birmingham and Solihull	4.3%
South East Midlands	4.0%
London	4.0%
Humber	2.3%
Enterprise M3	2.0%
Tees Valley	1.7%
Worcestershire	1.6%
The Marches	-1.1%

Source: Office for National Statistics

Table 2 presents data over a longer time period, in this case showing the LEPs with the highest and lowest average annual growth rates from 2008 to 2013. As such, it gives some indication of how areas have performed since the early stages of the economic downturn. The highest annual average growth rates over this period were to be found in Oxfordshire followed by other LEP areas in the South and West of England, namely London, Worcestershire, Buckinghamshire Thames Valley and Gloucestershire. Areas that had the lowest growth in this period included four northern LEPs (Cheshire and Warrington, Tees Valley, Humber and Lancashire) and Hertfordshire.

**Table 2: LEPs with highest and lowest average annual growth rate, 2008-2013**

Local Enterprise Partnership	%
Oxfordshire	4.2%
London	3.4%
Worcestershire	3.2%
Buckinghamshire Thames Valley	3.1%
Gloucestershire	3.1%
Hertfordshire	1.1%
Lancashire	1.1%
Humber	1.0%
Tees Valley	0.7%
Cheshire and Warrington	0.6%

Source: Office for National Statistics

The final table in this section summarises average annual growth rates over the full decade to 2013 thereby capturing economic performance both prior to the economic downturn as well as performance during the downturn and subsequent economic recovery. The highest average annual growth rate for nominal GVA over this ten year period was in London where nominal growth rates averaged 5.0% per annum. The lowest growth rate was in Lancashire at 2.5% per annum.

**Table 3: LEPs with highest and lowest average annual growth rate, 2003-2013**

Local Enterprise Partnership	%
London	5.0%
Dorset	4.0%
Greater Cambridge and Greater Peterborough	3.8%
Derby, Derbyshire, Nottingham and Nottinghamshire	3.8%
Enterprise M3	3.7%
Tees Valley	2.8%
Humber	2.8%
Gloucestershire	2.8%
Hertfordshire	2.6%
Lancashire	2.5%

Source: Office for National Statistics

## 6. GVA per head

GVA per head data can be a useful way of comparing regions of different sizes. It allows us to examine growth in economic output over time relative to changes in the size of the population. GVA per head data can be considered to provide an indicative guide to the relative economic performance of an area, but it should be noted that it is not strictly a direct measure of either labour productivity or of household incomes.

LEPs data on labour productivity, which can be considered a direct measure of economic performance, can be found in the latest [ONS subregional productivity publication](#) which includes LEPs data for the first time. LEPs data for incomes within the household sector will follow later in 2015 with the publication of Gross Disposable Household Income data.

For the latest 2013 data, Table 4 (calculated on an index basis, UK=100) lists the LEP areas with the highest levels of GVA per head. London and Thames Valley Berkshire have GVA per head output substantially above that for other LEP areas. Among the remainder of the top 10 LEP areas, only Cheshire and Warrington LEP is located in the north of England.

**Table 4: LEPs with highest and lowest GVA per head, 2013**

Local Enterprise Partnership	GVA per head (UK1 =100)
London	171.9
Thames Valley Berkshire	166.4
Enterprise M3	123.5
Oxfordshire	123
Buckinghamshire Thames Valley	116.6
Tees Valley	73.5
Black Country	72.5
Stoke-on-Trent and Staffordshire	72.3
Sheffield City Region	71.8
Cornwall and Isles of Scilly	65.8

Source: Office for National Statistics

Notes:

1. Indices based on UK less extra regio = 100

Table 5 presents the data for the LEPs with the highest and lowest annual growth rates in GVA per head in 2013. It is similar to Table 1 which presented equivalent data for Total GVA.

**Table 5: LEPs with highest and lowest annual growth rate, GVA per head, 2013**

Local Enterprise Partnership	%
Greater Manchester	4.1%
Black Country	3.9%
Greater Birmingham and Solihull	3.7%
North Eastern	3.3%
Cheshire and Warrington	3.1%
Thames Valley Berkshire	1.5%
Tees Valley	1.4%
Enterprise M3	1.4%
Worcestershire	1.1%
The Marches	0.1%

Source: Office for National Statistics

Table 6 presents the data for the LEPs with the highest and lowest average annual growth rates in GVA per head over the period 2008 - 2013. It is similar to Table 2 which presented equivalent data for Total GVA.

**Table 6: LEPs with highest and lowest GVA per head average annual growth rate, 2008-2013**

Local Enterprise Partnership	%
Oxfordshire	3.3%
Worcestershire	2.7%
Gloucestershire	2.4%
Buckinghamshire Thames Valley	2.3%
Derby, Derbyshire, Nottingham and Nottinghamshire	2.0%
Northamptonshire	0.7%
Tees Valley	0.5%
Swindon and Wiltshire	0.4%
Cheshire and Warrington	0.3%
Hertfordshire	0.1%

Source: Office for National Statistics

Table 7 presents the data for the LEPs with the highest and lowest average annual growth rates in GVA per head over the period 2003 - 2013. It is similar to Table 3 which presented equivalent data for Total GVA. Even after accounting for the effects of population growth, London remains the LEP area with the highest growth rate over this period.

**Table 7: LEPs with highest and lowest GVA per head average annual growth rate, 2003-2013**

Local Enterprise Partnership	%
London	3.60%
Dorset	3.20%
Derby, Derbyshire, Nottingham and Nottinghamshire	3.20%
Cumbria	3.20%
North Eastern	3.00%
Lancashire	2.20%
Greater Lincolnshire	2.20%
Thames Valley Berkshire	2.10%
Gloucestershire	2.10%
Hertfordshire	1.70%

Source: Office for National Statistics

## 7. GVA by industry

For each local enterprise partnership, the GVA data are available broken down into 11 industry groups for the 1997 to 2012 period, with these data available in the reference tables associated with this release. Different industries are more or less important to different areas of the country. This is examined in Table 8 which shows for each industry in 2012, the three LEPs in which the industry accounted for the highest share of that LEP's GVA.

For example, in Table 8, it can be seen that Agriculture, forestry and fishing accounted for 4% of the GVA of 'The Marches' LEP and 3% of total GVA in York and North Yorkshire and in Cornwall and the Isles of Scilly. These are the three LEPs to which Agriculture, forestry and fishing provided the biggest share of total GVA in 2011.

Large industry sectors shown in Table 8 include Manufacturing which for example accounted for 25% of GVA in Cumbria; the 'Wholesale & Retail; Transport; and Accommodation' industry grouping which for example accounted for 26% of GVA in Stoke-on-Trent and Staffordshire; and the 'Public Administration, Health and Education' industry grouping which accounted for 27% of GVA in North Eastern LEP.

Table 8 also shows that some industries are vastly more important to the economic output of a particular LEP area than they are for other areas. For example, the 'Information and communication' sector accounted for 23% of GVA in Thames Valley Berkshire in 2012, but no more than 11% in any other LEP area. Similarly, the 'Financial and insurance activities' sector accounted for 19% of GVA in London but no more than 9% in any other LEP.

**Table 8: LEPs with highest share of their GVA by industry, 2012**

Industry	Local Enterprise Partnership	%
Agriculture, forestry and fishing	The Marches	4%
	York and North Yorkshire	3%
	Cornwall and the Isles of Scilly	3%
Mining; Gas & Electricity; Water Supply	Tees Valley	6%
	Leicester and Leicestershire	5%
	Black Country	5%
Manufacturing	Cumbria	25%
	Humber	23%
	Greater Lincolnshire	18%
Construction	South East	9%
	Cornwall and the Isles of Scilly	9%
	Hertfordshire	8%
Wholesale & Retail; Transport; Accommodation	Stoke-on-Trent and Staffordshire	26%
	Cornwall and the Isles of Scilly	25%
	Northamptonshire	24%
Information and communication	Thames Valley Berkshire	23%
	Enterprise M3	11%
	London	10%
Financial and insurance activities	London	19%
	Dorset	9%
	Coast to Capital	8%
Real estate activities	Dorset	16%
	Buckinghamshire Thames Valley	16%
	Hertfordshire	15%
Professional & scientific; Administrative & support	London	17%
	Enterprise M3	16%
	Hertfordshire	15%
Public admin; Education; Health	North Eastern	27%
	Sheffield City Region	26%
	Liverpool City Region	25%
Arts, entertainment; Other services; Households	Stoke-on-Trent and Staffordshire	6%
	Hertfordshire	5%
	Northamptonshire	5%

Source: Office for National Statistics

## 8. 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 (e. g. 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 ONS carries 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 two 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 and Winchester and East Hampshire are in the Enterprise M3 LEP while parts are in the Solent LEP. Providing GVA data for LEP boundaries that do not follow local authority boundaries is, however, currently not possible. For this release, therefore, data have only been provided based upon allocating full local authorities to one or more LEPs as detailed in Table B1.
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)

These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.