

Article

Gross disposable household income (GDHI) for local enterprise partnerships: 1997 to 2014

This article presents estimates of Gross disposable household income (GDHI) for Local Enterprise Partnerships (LEPs) in England. Data are available for 1997 to 2014. The data are consistent with data in the existing ONS Regional GDHI release and as such the LEP GDHI estimates carry the National Statistics Badge.



Contact:
Richard Prothero
better.info@ons.gsi.gov.uk

Release date:
2 August 2016

Next release:
To be announced

Table of contents

1. [Main points](#)
2. [Introduction](#)
3. [Total GDHI](#)
4. [GDHI per head](#)
5. [Analysis of the key components of GDHI](#)
6. [Background notes](#)

1. Main points

Buckinghamshire Thames Valley Local Enterprise Partnership (LEP) had the highest gross disposable household income (GDHI) per head at £23,778 in 2014. The LEPs with the highest GDHI per head were based around London and the South East. The average GDHI per head for England in 2014 was £18,315.

The majority of LEPs had GDHI per head below the average for England in 2014. The LEPs with the lowest GDHI per head were generally based in the Midlands and the North of England. Black Country LEP had the lowest GDHI per head in 2014 at £13,707.

Between 2009 and 2014, the LEPs with the highest average annual growth rate in total GDHI were London (3.9%), followed by West of England (3.4%). The lowest growth rate was in Lancashire (1.7%).

GDHI is calculated as the sum of the primary account (including wages and salaries, investment and property incomes) and the secondary account (including social benefits received and direct taxes and social contributions paid). The impact of the secondary account is to reduce the gap in relative incomes between the LEPs with the highest and lowest income levels.

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 drive 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 1 LEP (see Background notes).

This release provides data on gross disposable household income (GDHI) for each LEP. A time series with data back to 1997 is included, while the latest data available are for the calendar year 2014. The data have been produced to be consistent with our existing [regional GDHI](#) data that are published annually for the NUTS geographies. As such, these LEP GDHI data carry the National Statistics badge.

GDHI is the amount of money that all of the individuals in the household sector have available for spending or saving after income distribution measures (for example, direct taxes, social contributions and benefits) have taken effect. It should be noted that these estimates relate to totals for all individuals within the household sector for a region rather than to an average household or family unit. Figures quoted are at current prices, which include the effects of price changes (inflation).

Total GDHI estimates in millions of pounds (£ million) are divided by the resident population of a region to give GDHI per head in pounds (£). This can be a useful way of comparing regions of different sizes. GDHI per head are estimates of values for each person, not each household.

3. Total GDHI

Table 1 presents the LEP areas with the highest and lowest annual growth rate in GDHI in 2014. London LEP had the highest annual growth rate at 3.4%. By contrast, there were 7 LEP areas in the North and Midlands in which total GDHI declined between 2013 and 2014. The average growth rate for England in this period was 1.4%.

Table 1: LEPs with the highest and lowest annual growth rate in GDHI, 2014, England

Local Enterprise Partnership	%
London	3.4%
Solent	3.1%
Swindon and Wiltshire	2.5%
Leicester and Leicestershire	2.4%
West of England	2.3%
Stoke-on-Trent and Staffordshire	-1.0%
Liverpool City Region	-1.0%
Cumbria	-1.1%
York, North Yorkshire and East Riding	-1.1%
The Marches	-1.2%

Source: Office for National Statistics

Table 2 shows the LEPs with the highest and lowest average annual growth rate in GDHI between 2009 and 2014. The table shows that the average GDHI growth (in current prices) has been positive for all LEPs. The figures show that the LEPs with the highest average annual growth rate over this period were in London and the South, while the lowest growth rates were recorded for LEPs in the North of England.

Table 2: LEPs with the highest and lowest average annual growth rate in GDHI, 2009 to 2014, England

Local Enterprise Partnership	%
London	3.9%
West of England	3.4%
Greater Cambridge and Greater Peterborough	3.3%
Dorset	3.3%
Cornwall and Isles of Scilly	3.3%
Cumbria	2.0%
Tees Valley	1.9%
Liverpool City Region	1.8%
York, North Yorkshire and East Riding	1.8%
Lancashire	1.7%

Source: Office for National Statistics

4. GDHI per head

Table 3 shows the LEPs which had the highest and lowest total GDHI in 2014.

Table 3: LEPs with the highest and lowest total GDHI, 2014, England

Local Enterprise Partnership	Total GDHI (£ millions)
London	201,574
South East	76,857
Leeds City Region	46,895
Coast to Capital	41,458
Greater Manchester	41,351
The Marches	11,164
Worcestershire	10,331
Tees Valley	9,756
Cornwall and Isles of Scilly	9,234
Cumbria	8,539

Source: Office for National Statistics

Total GDHI is affected by the population size of the area. GDHI per head data is a useful way of comparing areas of different sizes. It allows us to examine growth in incomes within the household sector over time relative to changes in the size of the population¹.

Table 4 shows the LEPs which had the highest and lowest GDHI per head in 2014. Buckinghamshire Thames Valley LEP had the highest GDHI per head in 2014 at £23,778, with the other LEPs in the top 5 also based around London and the South East.

The Black Country LEP had the lowest GDHI per head at £13,707. The England average GDHI per head in 2014 was £18,315.

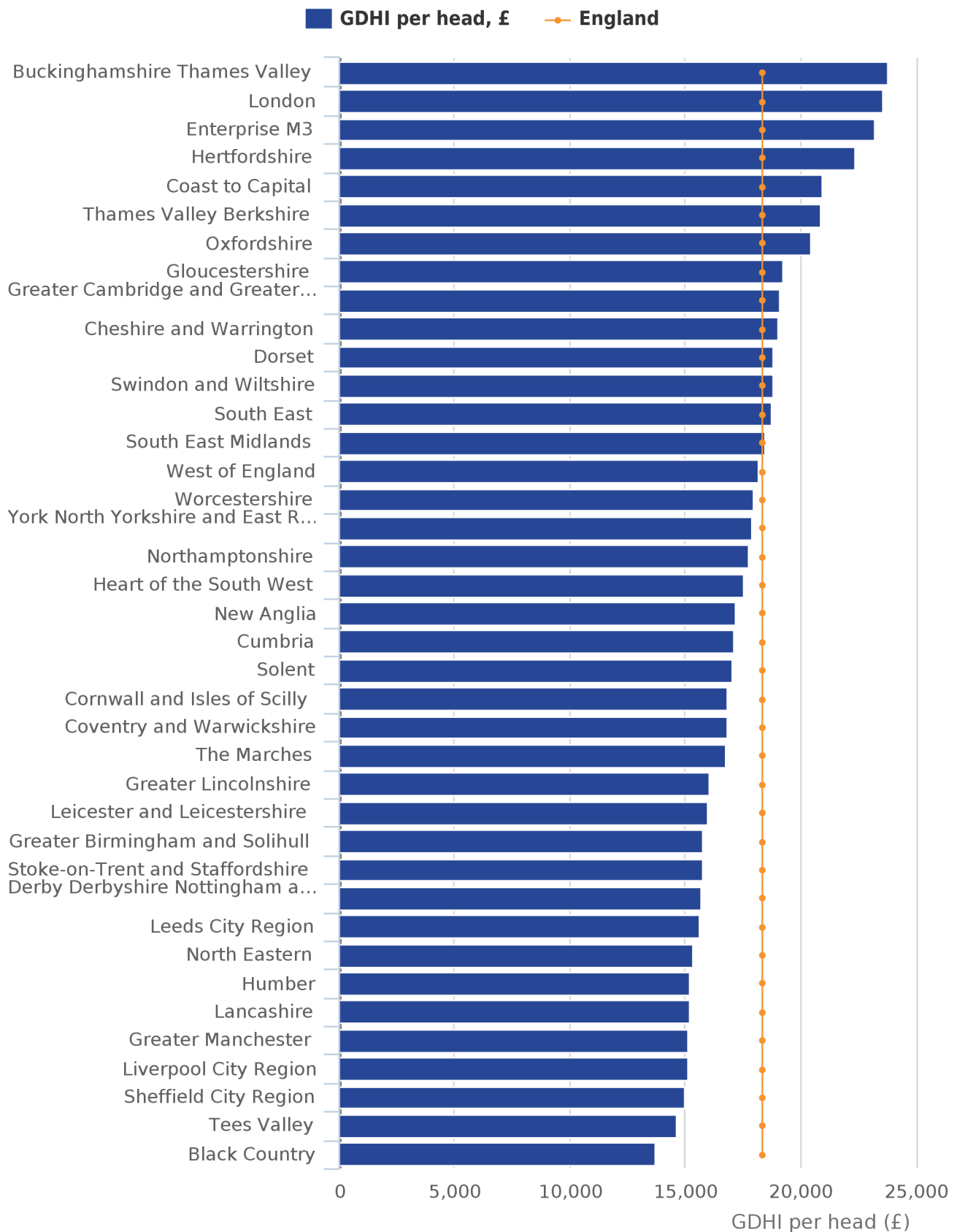
Table 4: LEPs with the highest and lowest GDHI per head, 2014, England

Local Enterprise Partnership	GDHI per head (£)	Total GDHI (£ millions)
Buckinghamshire Thames Valley	23,778	12,410
London	23,607	201,574
Enterprise M3	23,217	38,648
Hertfordshire	22,380	25,844
Coast to Capital	20,951	41,458
Greater Manchester	15,131	41,351
Liverpool City Region	15,106	22,922
Sheffield City Region	15,013	27,504
Tees Valley	14,644	9,756
Black Country	13,707	15,895

Source: Office for National Statistics

Figure 1 shows the distribution of GDHI per head in 2014 across all 39 LEPs in England. There were 14 LEPs with GDHI per head above the England average, mostly based around London and the South of England but also including Cheshire and Warrington LEP and South East Midlands LEP. The lowest GDHI per head in the South of England was in Cornwall and Isles of Scilly. However, there were 16 LEPs in the North and Midlands with lower GDHI per head than Cornwall, with the lowest levels typically found in major urban centres such as the Black Country, Tees Valley and Sheffield City Region.

Figure 1: GDHI per head for local enterprise partnerships (LEPs), England 2014



Source: Office for National Statistics

Notes for GDHI per head

1. For data on economic output by LEPs, ONS has published LEP data for [GVA](#) and [labour productivity](#).

5. Analysis of the key components of GDHI

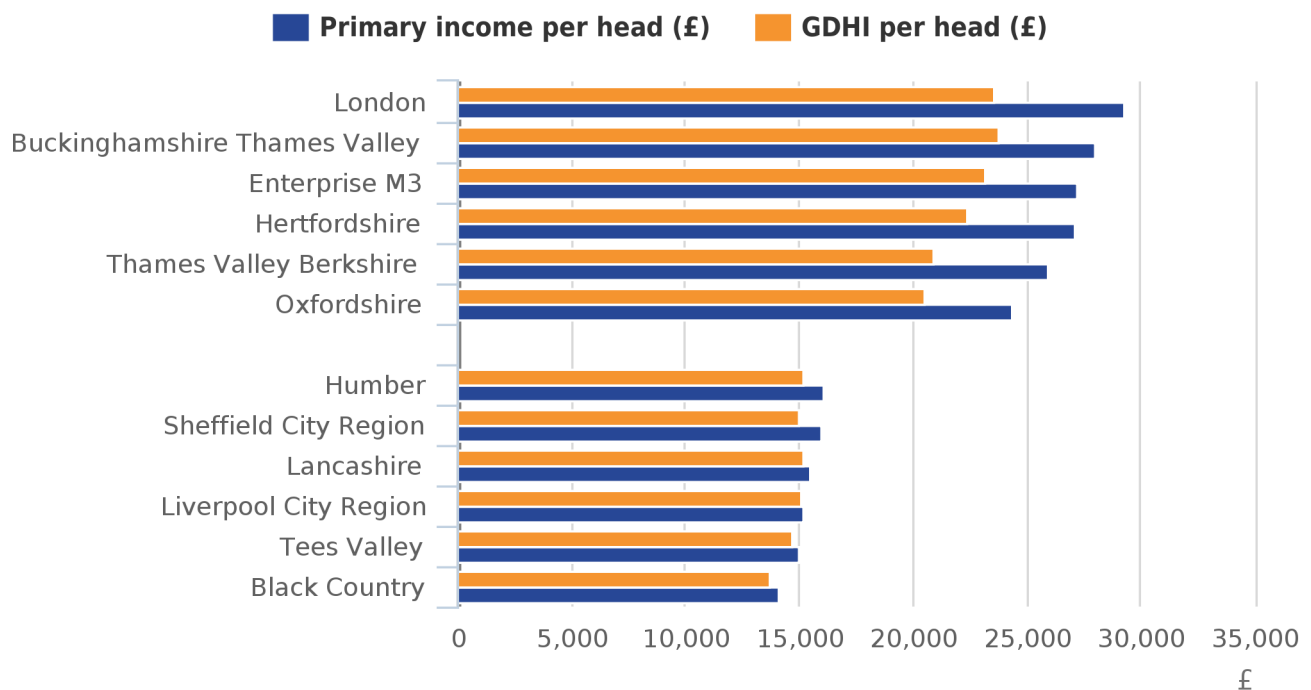
The calculation of gross disposable household income (GDHI) can be traced back to its component parts. In such an analysis, GDHI is calculated as the sum of the primary account and the secondary account of the household and non-profit institutions serving households (NPISH) economic sector. In turn, both of these accounts are made up of resources (incomings) and uses (outgoings).

The primary account is mostly made up of resources into the household sector including wages and salaries, income from self-employment, income from the ownership of financial assets and also net rental income from buildings.

The secondary account reflects some of the elements that re-distribute primary income. It includes incomings such as social benefits received and other current transfers such as monetary gifts balanced against outgoings such as direct taxes (for example, income tax) and social contributions (for example, national insurance contributions).

Figure 2 shows the LEPs with the highest and lowest level of primary income per head, alongside each LEPs level of GDHI per head. The difference between the two values reflects the impact of the secondary account, which includes (direct) taxes and social benefits. It should be noted that (by definition) the calculation of GDHI does not include any impact of indirect taxes or of benefits in kind (for example, from consumption of state provision of education or health services). They also do not account for differences in the cost of living between different areas.

Figure 2: Balance of primary incomes per head (£) and gross disposable household income per head (£) for local enterprise partnerships, 2014, England

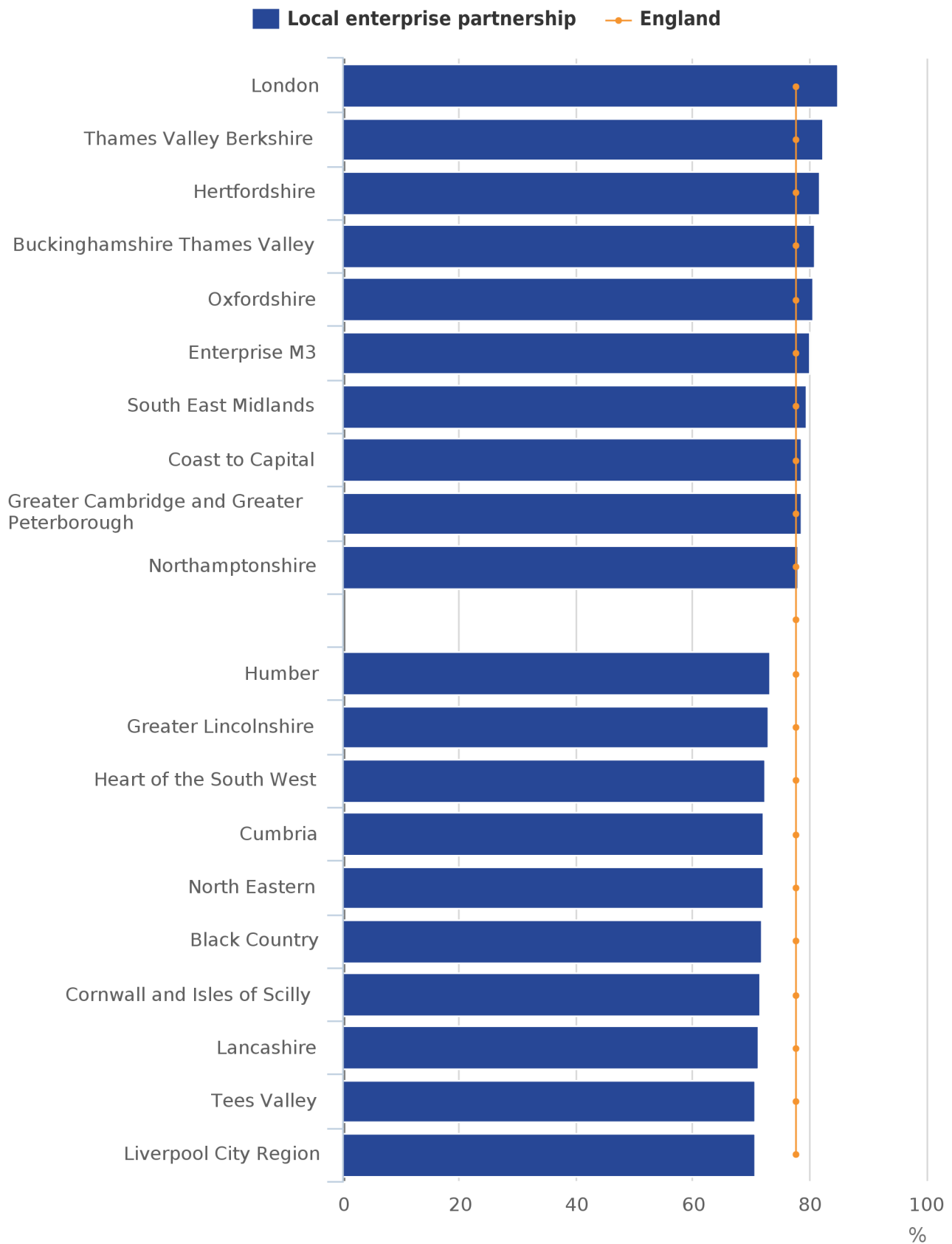


Source: Office for National Statistics

Figure 2 shows that the impact of the taxes (direct) and benefits included within the secondary account is a reduction in size of the household income gap per person between the richest and poorest areas. Therefore, while the average primary income per head in London in 2014 was more than double (107%) that of the LEP with the lowest level of primary income (Black Country), the gap between the LEP with the highest GDHI (Buckinghamshire Thames Valley) and lowest GDHI (Black Country) was lower at 73%.

Examining just the resources (incomings) flowing into the household and non-profit institutions serving households (NPISH) sector, Figure 3 shows the LEPs with the highest and lowest proportions of primary resources as a percentage of total resources (primary plus secondary) in 2014, with the England average shown for comparison.

Figure 3: Top 10 and bottom 10 primary resources as a percentage of total resources, LEPs, 2014, England



Source: Office for National Statistics

As would be expected, the areas with high GDHI per head also tend to have the higher shares of total incomings from primary income sources. London LEP had the largest proportion at 84.9%, followed by Thames Valley Berkshire LEP at 82.3%. By contrast, for some LEPs, only around 70% of incoming resources were from primary sources as opposed to secondary sources. Liverpool City Region LEP had the smallest share of primary resources as a proportion of total household incomings in 2014, at 70.6%. This was followed by Tees Valley LEP at 70.7%.

6. Background notes

1. GDHI estimates presented here relate to totals for all individuals within the household sector for a region rather than to an average household or family unit. GDHI per head are estimates of values for each person, not each household. GDHI estimates are in current basic prices. They do not allow for different regional price levels or changes in prices over time (inflation).
2. As with the national accounts, regional, sub-regional and local GDHI 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, apply methods consistently and make use of local knowledge through consultation with main 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.
3. For further details on GDHI, including methodology information and results for NUTS geographies, please see the May 2016 [ONS release of Regional GDHI](#).
4. Geography – Table 5 in the reference table accompanying this publication shows the LEP boundaries used to compile the data in this report. In each case, the LEP boundaries used have been an amalgamation of 1 or more local authority. For each local authority associated with a LEP, data for the whole of that local authority are included within the LEP estimates.

The exception to this is the Solent and Enterprise M3 LEPs. In these cases, the working boundaries of the LEP cut through existing local authority boundaries. Specifically, parts of the local authorities of New Forest, Test Valley, Winchester and East Hampshire are in the Enterprise M3 LEP and parts are in the Solent LEP. For this release, it has been decided that the whole of these affected local authorities should be allocated to the Enterprise M3 LEP, and to not include them in the estimates for the Solent LEP.

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