

Statistical bulletin

Regional gross disposable household income, UK: 1997 to 2018

Annual estimates of regional gross disposable household income (GDHI) for the UK NUTS1, NUTS2, NUTS3 regions, local and combined authorities, city regions and other economic and enterprise regions.



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1. Main points

- In 2018, England was the only country of the UK with a gross disposable household income (GDHI) per head above the UK average.
- In 2018, the growth in GDHI per head in the UK compared with 2017 was 4.6%; Scotland and Northern Ireland exceeded this with 5.1% and 4.7% respectively, while England's growth was the same as the UK and Wales grew by 4.4%.
- Of the countries and regions classified by the <u>Nomenclature of Units for Territorial Statistics</u> (NUTS1) in 2018, London had the highest GDHI per head where, on average, each person had £29,362 available to spend or save; the North East had the lowest at £16,995, which compares with a UK average of £21,109.
- Between 2017 and 2018, GDHI per head of population increased in all NUTS1 regions; the largest positive percentage increase was in London at 5.2% and the smallest was in the East Midlands at 3.6%.
- In 2018, Kensington and Chelsea and Hammersmith and Fulham was the local area (NUTS3) with the highest GDHI per head (£63,286), nearly three times the UK average; Nottingham had the lowest GDHI per head at £13,138.
- In terms of GDHI per head in 2018, all the top 10 NUTS3 local areas were in London or the South East NUTS1 regions, the top six of which were in London; the bottom 10 local areas were all within the North West, Yorkshire and The Humber, East Midlands, West Midlands, and Northern Ireland regions.

2. GDHI per head by UK constituent country and region

UK total gross disposable household income (GDHI) in 2018 was £1,402 billion. Of that, 86.3% was in England, 7.6% was in Scotland, 3.8% was in Wales and Northern Ireland had the lowest share of total GDHI in 2018 at 2.3%.

Table 1 provides an overview of GDHI for the four UK countries and <u>Nomenclature of Units for Territorial Statistics</u> (NUTS1) regions.

Table 1: Gross disposable household income¹, UK and constituent countries and regions, 2018²

Countries and regions of the UK	Population ³	nor	GDHI per head growth on 2017 (percentage)	GDHI per head index (UK=100)	Total GDHI (£ million)	Total GDHI growth on 2017 (percentage)	Share of the UK population (percentage)	Share of UK total GDHI (percentage)
UK	66,435,550	21,109	4.6	100.0	1,402,367	5.3	100.0	100.0
England	55,977,178	21,609	4.6	102.4	1,209,637	5.3	84.3	86.3
North East	2,657,909	16,995	3.9	80.5	45,171	4.4	4.0	3.2
North West	7,292,093	18,362	4.4	87.0	133,897	4.9	11.0	9.5
Yorkshire and The Humber	5,479,615	17,665	4.5	83.7	96,796	5.0	8.2	6.9
East Midlands	4,804,149	18,277	3.6	86.6	87,804	4.3	7.2	6.3
West Midlands	5,900,757	18,222	4.7	86.3	107,526	5.4	8.9	7.7
East of England	6,201,214	22,205	4.9	105.2	137,698	5.5	9.3	9.8
London	8,908,081	29,362	5.2	139.1	261,562	6.1	13.4	18.7
South East	9,133,625	24,318	4.1	115.2	222,113	4.7	13.7	15.8
South West	5,599,735	20,907	5.0	99.0	117,071	5.8	8.4	8.3
Wales	3,138,631	17,100	4.4	81.0	53,669	4.8	4.7	3.8
Scotland	5,438,100	19,572	5.1	92.7	106,433	5.4	8.2	7.6
Northern Ireland	1,881,641	17,340	4.7	82.1	32,627	5.3	2.8	2.3

Source: Office for National Statistics - Regional gross disposable household income (GDHI)

Notes

- 1. Figures may not sum to totals as a result of rounding; per head (£) figures are rounded to the nearest pound sterling. <u>Back to table</u>
- 2. 2018 estimates are provisional. Back to table
- 3. Population estimates are sourced from the Population estimates for UK. Back to table

Total GDHI estimates in millions of pounds (£ million) are divided by the resident population of a region to give GDHI per head in pounds (£). Per head data take account of the entire resident population of regions, sub-regions and local areas including both the working population and the economically inactive. GDHI per head are estimates of values for each person, not each household. This can be a useful way of comparing regions of different sizes.

3. Average disposable household income in your local area

Figure 1 shows how gross disposable household income (GDHI) per head varied across <u>Nomenclature of Units</u> for <u>Territorial Statistics</u> (NUTS3) local areas in the years 1997 to 2018.

Figure 1: The NUTS3 area with the highest gross disposable household income (GDHI) per head in 2018 was Kensington and Chelsea and Hammersmith and Fulham.

Gross disposable household income (GDHI) per head for NUTS3 local areas, UK, 1997 to 2018

4. Regional gross disposable household income data

Regional gross disposable household income: all NUTS level regions Dataset | Released 4 June 2020 Annual estimates of UK regional gross disposable household income (GDHI) at current prices for NUTS1, NUTS2 and NUTS3.

Regional gross disposable household income: city regions Dataset | Released 4 June 2020 Annual estimates of UK regional GDHI for combined authorities and city regions.

Regional gross disposable household income: enterprise regions Dataset | Released 4 June 2020 Annual estimates of UK regional GDHI for other economic and enterprise regions.

Regional gross disposable household income: local authorities by NUTS1 region. Dataset | Released 4 June 2020 Annual estimates of UK regional GDHI for local authorities.

5. Glossary

Gross disposable househould income

Gross disposable household income (GDHI) is the amount of money that all of the individuals in the household sector have available for spending or saving after they have paid direct and indirect taxes and received any direct benefits. GDHI is a concept that is seen to reflect the "material welfare" of the household sector.

6. Measuring the data

Geographic levels for gross domestic product estimates

Estimates in this bulletin are available at four geographic levels, in accordance with the <u>Nomenclature of Units for</u> <u>Territorial Statistics (NUTS) classification</u> that came into force on 1 January 2018. Local authority estimates include the changes introduced in April 2019.

Methodology

This year, we have introduced further enhancements to the data and methods we use to break gross disposable household income (GDHI) components down to local authorities. For the first time, we now have data on earnings, Income Tax, and employees' and employers' National Insurance contributions from Pay As You Earn (PAYE) schemes at this level of geography as well as the income of self-employed people from self-assessment records and income from investments and pension schemes from the Survey of Personal Incomes. All of these data have been provided by HM Revenue and Customs (HMRC) and are consistent with the data provided for larger geographic regions. These data allow us to better allocate the primary income components of mixed income, compensation of employees and property income received as well as the secondary components of social contributions and taxes on income and wealth. Together, they represent a significant improvement to the quality of local authority estimates.

Various <u>guidance and methodology</u> documents relating to regional GDHI are available. The <u>regional accounts</u> <u>methodology guide</u> provides an overview of the methodology used to compile regional accounts outputs.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the <u>Regional GDHI QMI</u>.

You can monitor revisions to the published figures over time by looking at the Regional GDHI revisions triangles.

The figures in the accompanying datasets are all in current prices, which include the effect of price inflation, and are consistent with those published in the <u>UK National Accounts</u>, <u>The Blue Book: 2019</u>.

7. Related links

Regional and sub-regional productivity

Article | Released 28 February 2020 Estimates for measures of labour productivity, produced by the Office for National Statistics (ONS).

Consumer price inflation

Bulletin | Released 20 May 2020 Price indices, percentage changes and weights for the different measures of consumer price inflation, produced by the ONS.

Regional economic activity by gross domestic product

Bulletin | Released 19 December 2019 Annual estimates of economic activity by UK country, region and local area using gross domestic product (GDP), produced by the ONS.

<u>Development of regional household expenditure measures</u> Article | Released 26 September 2018 Experimental regional estimates of household spending, produced by the ONS.

Scottish national accounts programme: primary income account and gross national income for Scotland Article | Released 19 December 2019

Estimates of gross national income (GNI) for Scotland, produced by the Scottish Government.

Income estimates for small areas, England and Wales

Article | Released 5 March 2020

Small area model-based income estimates covering Middle-layer Super Output Areas (MSOAs) in England and Wales, produced by the ONS.

Admin-based income statistics, England and Wales: tax year ending 2016

Article | Released 14 December 2018

Brings together data from the Pay As You Earn (PAYE) and benefits systems to derive experimental estimates of gross and net income, produced by the ONS.

UK National Accounts, The Blue Book: 2019

Compendium | Released 31 October 2019

National accounts statistics including national and sector accounts, industrial analyses and environmental accounts, published by the ONS.