Statistical bulletin

Regional gross disposable household income (GDHI): 1997 to 2015

Annual estimates of regional gross disposable household income (GDHI). This release contains analysis of GDHI estimates for NUTS1, NUTS2, NUTS3 regions, local authorities and local enterprise partnerships (LEPs).

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1. Main points

In 2015 England was the only country with a gross disposable household income (GDHI) per head above the UK average but the strongest growth on 2014 was in Wales, at 3.3%.

Of the NUTS1 regions in 2015, London had the highest GDHI per head where, on average, each person had £25,293 available to spend or save. Northern Ireland had the lowest at £15,913. This compares with a UK average of £19,106.

GDHI per head of population increased in all NUTS1 regions. The largest percentage increase was in the North East at 3.9% and the smallest was in the West Midlands at 2.0%.

Kensington & Chelsea and Hammersmith & Fulham was the NUTS3 local area with the highest GDHI per head (£52,298), more than two and a half times the UK average. Nottingham had the lowest GDHI per head (£12,779).

In terms of GDHI per head in 2015, all of the top 10 NUTS3 local areas were in London or the South East NUTS1 regions. The bottom 10 were all within the north and midland regions of England.

Of the 391 local authorities and council areas, 359 grew in GDHI per head between 2014 and 2015. The largest growth was in Ribble Valley (North West region) and the largest decline was in Welwyn Hatfield (East of England region).

2. Things you need to know about this release

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.

In the national accounts a distinction can be made between the two stages of income distribution:

1. The allocation of primary income account shows the income of households generated from employment and ownership of assets. Incomings, or resources, in this account include: compensation of employees (income from employment) and operating surplus (mainly rental, imputed or otherwise). There is only one outgoing, or use, in this account, which is property income paid (for example, interest paid on mortgages or loans). Total incomings less total outgoings gives the balance of primary income.

2. The secondary distribution of income account mostly covers government redistribution of income. The incomings, or resources, in this account are: social benefits (for example, State Pension) and other current transfers received (such as non-life insurance claims). The outgoings, or uses, in this account include: current taxes on income and wealth, and social contributions paid (employee's pension and social security contributions). Total incomings less total outgoings gives the balance of secondary income.

GDHI is derived from summing the balances of primary and secondary income.

It should be noted that regional GDHI estimates relate to totals for all individuals within the household sector for a region rather than to an average household or family unit. The household sector comprises all individuals in an economy, including people living in traditional households as well as those living in institutions, such as retirement homes and prisons. The sector also includes sole trader enterprises (the self-employed) and non-profit institutions serving households (NPISH), for example charities and most universities.
These estimates are produced at current prices, which means the effect of inflation has not been removed.

These regional GDHI estimates update those published in May 2016 for the period 1997 to 2014, and are consistent with the National Accounts Blue Book 2016. National aggregates for the components of GDHI are allocated to regions using the most appropriate regional indicator available. Provisional estimates for the year 2015 are released for the first time. These figures are provisional as national estimates have not been through supply and use balancing at the time of this publication. Additionally, where regional data for the latest year are unavailable, for example in estimates of wages and salaries from HM Revenue and Customs (HMRC), a forecast method has been used.

Further information on the components that make up GDHI and the methodology used to compile regional GDHI can be found in chapter 4 of the UK regional accounts methodology guide.

GDHI estimates in this bulletin are available at four geographical levels, in accordance with the NUTS classification which came into force on 1 January 2015. The Nomenclature of Units for Territorial Statistics (NUTS) provides a single uniform breakdown for the production of regional statistics for the EU:

- NUTS1: Wales, Scotland, Northern Ireland and the nine English regions
- NUTS2: 40 sub-regions – mainly groups of counties and unitary authorities
- NUTS3: 173 local areas – principally individual counties and unitary authorities
- LAU1: 391 local authority units

This is the first publication in which local authority data for the UK are being published alongside the NUTS1, NUTS2 and NUTS3 estimates of GDHI.

3. The North East was the fastest growing NUTS1 region in the UK in 2015

UK total gross disposable household income (GDHI) in 2015 was £1,244 billion. Of that, 85.6% was in England, 7.9% was in Scotland, 4.1% was in Wales and Northern Ireland had the lowest share of total GDHI in 2015 at 2.4%. Table 1 provides an overview of GDHI for the four UK countries.
Table 1: Countries of the UK gross disposable household income\(^1\), 2015\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>GDHI per head (£)</th>
<th>GDHI per head growth on 2014 (percentage)</th>
<th>GDHI per head index (UK=100)</th>
<th>Total GDHI (£ million)</th>
<th>Total GDHI growth on 2014 (percentage)</th>
<th>Share of UK total GDHI (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>19,106</td>
<td>2.9</td>
<td>100.0</td>
<td>1,243,970</td>
<td>3.7</td>
<td>100.0</td>
</tr>
<tr>
<td>England</td>
<td>19,447</td>
<td>2.9</td>
<td>101.8</td>
<td>1,065,454</td>
<td>3.8</td>
<td>85.6</td>
</tr>
<tr>
<td>Wales</td>
<td>16,341</td>
<td>3.3</td>
<td>85.5</td>
<td>50,642</td>
<td>3.6</td>
<td>4.1</td>
</tr>
<tr>
<td>Scotland</td>
<td>18,315</td>
<td>2.7</td>
<td>95.9</td>
<td>98,408</td>
<td>3.2</td>
<td>7.9</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>15,913</td>
<td>3.0</td>
<td>83.3</td>
<td>29,466</td>
<td>3.6</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Source: Office for National Statistics

Notes:
1. Figures may not sum to totals as a result of rounding.
2. 2015 estimates are provisional.

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. The working population and the economically inactive are included therefore 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.

The UK per head figure in 2015 was £19,106. Of the four UK countries, only England had a higher GDHI per head value at £19,447. Despite this, the strongest growth on 2014 was in Wales, at 3.3%. Northern Ireland had the lowest GDHI per head at £15,913, but of the four countries the lowest growth on 2014 was seen in Scotland at 2.7%.

Table 2 provides an overview of GDHI for each of the NUTS1 regions.
### Table 2: NUTS1 gross disposable household income (GDHI)\(^1\), UK, 2015\(^2\)

<table>
<thead>
<tr>
<th>NUTS1 Regions</th>
<th>GDHI per head (£)</th>
<th>GDHI per head growth on 2014 (percentage)</th>
<th>GDHI per head index (UK=100)</th>
<th>Total GDHI (£ million)</th>
<th>Total GDHI growth on 2014 (percentage)</th>
<th>Share of UK total GDHI (percentage)</th>
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<tbody>
<tr>
<td>United Kingdom</td>
<td>19,106</td>
<td>2.9</td>
<td>100.0</td>
<td>1,243,970</td>
<td>3.7</td>
<td>100.0</td>
</tr>
<tr>
<td>North East</td>
<td>16,197</td>
<td>3.9</td>
<td>84.8</td>
<td>42,512</td>
<td>4.2</td>
<td>3.4</td>
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<tr>
<td>North West</td>
<td>16,915</td>
<td>2.9</td>
<td>88.5</td>
<td>121,344</td>
<td>3.5</td>
<td>9.8</td>
</tr>
<tr>
<td>Yorkshire and The Humber</td>
<td>16,267</td>
<td>2.9</td>
<td>85.1</td>
<td>87,691</td>
<td>3.5</td>
<td>7.0</td>
</tr>
<tr>
<td>East Midlands</td>
<td>16,935</td>
<td>2.5</td>
<td>88.6</td>
<td>79,206</td>
<td>3.3</td>
<td>6.4</td>
</tr>
<tr>
<td>West Midlands</td>
<td>16,559</td>
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<td>86.7</td>
<td>95,234</td>
<td>2.7</td>
<td>7.7</td>
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<tr>
<td>East of England</td>
<td>19,796</td>
<td>3.0</td>
<td>103.6</td>
<td>120,292</td>
<td>4.0</td>
<td>9.7</td>
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<tr>
<td>London</td>
<td>25,293</td>
<td>2.7</td>
<td>132.4</td>
<td>219,386</td>
<td>4.3</td>
<td>17.6</td>
</tr>
<tr>
<td>South East</td>
<td>21,808</td>
<td>2.8</td>
<td>114.1</td>
<td>195,138</td>
<td>3.7</td>
<td>15.7</td>
</tr>
<tr>
<td>South West</td>
<td>19,128</td>
<td>3.5</td>
<td>100.1</td>
<td>104,651</td>
<td>4.4</td>
<td>8.4</td>
</tr>
<tr>
<td>Wales</td>
<td>16,341</td>
<td>3.3</td>
<td>85.5</td>
<td>50,642</td>
<td>3.6</td>
<td>4.1</td>
</tr>
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<td>3.0</td>
<td>83.3</td>
<td>29,466</td>
<td>3.6</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Source: Office for National Statistics

Notes:
1. Figures may not sum to totals as a result of rounding.
2. 2015 estimates are provisional.

In 2015 GDHI per head was above the UK average of £19,106 in four of the 12 NUTS1 regions:

- London, at £25,293
- the South East, at £21,808
- the East of England, at £19,796
- the South West, at £19,128

The lowest GDHI per head was in Northern Ireland at £15,913. This pattern of highest and lowest regions was unchanged from 2014.
GDHI per head of population increased in all NUTS1 regions. The largest percentage increase was in the North East at 3.9%, followed by the South West at 3.5%. The West Midlands had the smallest percentage increase at 2.0%, followed by the East Midlands at 2.5%.

To understand what is driving the difference between regions in these GDHI figures we can look at the components of income. These form two stages, the allocation of primary income and the distribution of secondary income.

Figure 1 shows the components of the allocation of primary income account on a per head of population basis and how they varied across NUTS1 regions in 2015. The allocation of primary income account shows how the household and NPISH sector generated income. Incomings are from compensation of employees (income from employment), mixed income (from self-employment), operating surplus (mainly rental, imputed or otherwise) and property income received from financial assets. There is only one outgoing (represented as negatives in Figure 1) in this account, property income paid (for example, mortgage interest payments, rent on land).
As with GDHI, London received the largest incomings in the form of primary income. Compensation of employees was by far the largest component of primary income and accounted for £19,915 per head in London. Northern Ireland, the region with the lowest GDHI per head, received £11,127 per head from compensation of employees. Wales had a similar balance of primary income to Northern Ireland, having a similar contribution from compensation of employees, a smaller amount from mixed income but a larger amount from operating surplus. The outgoing in this account, property income paid, accounted for only a very small amount in each region.
Following the allocation of primary income account comes the secondary distribution of income account; this is shown in Figure 2. The secondary distribution of income account mostly relates to government redistribution of income. Incomings are from social benefits (for example, State Pension, Jobseeker’s Allowance) and other current transfers received (such as financial gifts or non-life insurance claims). The outgoings (represented as negatives in Figure 2) in this account are current taxes on income and wealth, social contributions paid (employee’s pension and social security contributions) and other current transfers paid (such as non-life insurance premiums).
Figure 2: Components per head of the distribution of secondary income account, UK, 2015

As this account shows government redistribution of income, we would expect to see the outgoings of this account (such as current taxes on income) strongly correlated with the incomings in the allocation of primary income account. The region paying the largest amount of current taxes on income and wealth was London at £5,366 per head, while Northern Ireland paid the least at £2,039 per head.
The main incoming of this account was social benefits. This component saw very little variation across regions; the South West received the largest amount, at £5,951 per head, and London received the least, at £4,510 per head. One factor contributing to this is the fact that London has the lowest proportion of retired people in its population, whereas the South West has the highest proportion of all the regions.

4. What was the average disposable income in your local area?

Use this interactive map to see how gross disposable household income (GDHI) per head varied across NUTS3 local areas in the years 1997 to 2015.

5. Highest GDHI NUTS3 local areas remain in London and South East

The 10 NUTS3 local areas with the highest gross disposable household income (GDHI) per head and the 10 with the lowest GDHI per head in 2015 are displayed in Table 3.
### Table 3: NUTS3 top 10 and bottom 10\(^1\) gross disposable household income (GDHI) per head, UK, 2015\(^2\)

<table>
<thead>
<tr>
<th>NUTS3 Areas</th>
<th>GDHI per head (£)</th>
<th>GDHI per head growth on 2014 (percentage)</th>
<th>GDHI per head index (UK=100)</th>
<th>Total GDHI(^3) (£ million)</th>
<th>Total GDHI growth on 2014 (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>19,106</td>
<td>2.9</td>
<td>100.0</td>
<td>1,243,970</td>
<td>3.7</td>
</tr>
<tr>
<td>Top 10 GDHI per head</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kensington &amp; Chelsea and Hammersmith &amp; Fulham</td>
<td>52,298</td>
<td>-0.4</td>
<td>273.7</td>
<td>17,631</td>
<td>0.4</td>
</tr>
<tr>
<td>Westminster</td>
<td>44,027</td>
<td>-2.8</td>
<td>230.4</td>
<td>10,668</td>
<td>0.9</td>
</tr>
<tr>
<td>Camden and City of London</td>
<td>42,277</td>
<td>1.4</td>
<td>221.3</td>
<td>10,562</td>
<td>4.3</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>34,337</td>
<td>2.3</td>
<td>179.7</td>
<td>10,800</td>
<td>3.1</td>
</tr>
<tr>
<td>Hounslow and Richmond upon Thames</td>
<td>27,801</td>
<td>1.9</td>
<td>145.5</td>
<td>12,886</td>
<td>2.9</td>
</tr>
<tr>
<td>West Surrey</td>
<td>27,473</td>
<td>2.4</td>
<td>143.8</td>
<td>21,254</td>
<td>3.1</td>
</tr>
<tr>
<td>Haringey and Islington</td>
<td>27,153</td>
<td>2.7</td>
<td>142.1</td>
<td>13,592</td>
<td>5.2</td>
</tr>
<tr>
<td>East Surrey</td>
<td>26,215</td>
<td>2.1</td>
<td>137.2</td>
<td>10,359</td>
<td>2.7</td>
</tr>
<tr>
<td>Bromley</td>
<td>25,665</td>
<td>3.3</td>
<td>134.3</td>
<td>8,337</td>
<td>4.5</td>
</tr>
<tr>
<td>Buckinghamshire CC</td>
<td>25,312</td>
<td>2.6</td>
<td>132.5</td>
<td>13,375</td>
<td>3.9</td>
</tr>
<tr>
<td>Bottom 10 GDHI per head</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wolverhampton</td>
<td>14,194</td>
<td>1.7</td>
<td>74.3</td>
<td>3,611</td>
<td>2.2</td>
</tr>
<tr>
<td>Walsall</td>
<td>14,186</td>
<td>0.9</td>
<td>74.2</td>
<td>3,917</td>
<td>1.6</td>
</tr>
<tr>
<td>Birmingham</td>
<td>14,053</td>
<td>0.4</td>
<td>73.6</td>
<td>15,617</td>
<td>1.3</td>
</tr>
<tr>
<td>Stoke-on-Trent</td>
<td>13,804</td>
<td>-0.9</td>
<td>72.2</td>
<td>3,474</td>
<td>-0.6</td>
</tr>
<tr>
<td>Kingston upon Hull, City of</td>
<td>13,642</td>
<td>3.7</td>
<td>71.4</td>
<td>3,533</td>
<td>4.2</td>
</tr>
<tr>
<td>Sandwell</td>
<td>13,408</td>
<td>2.5</td>
<td>70.2</td>
<td>4,283</td>
<td>3.3</td>
</tr>
<tr>
<td>Manchester</td>
<td>13,307</td>
<td>2.1</td>
<td>69.6</td>
<td>7,057</td>
<td>4.0</td>
</tr>
<tr>
<td>Blackburn with Darwen</td>
<td>13,033</td>
<td>2.7</td>
<td>68.2</td>
<td>1,914</td>
<td>2.8</td>
</tr>
<tr>
<td>Leicester</td>
<td>12,877</td>
<td>2.3</td>
<td>67.4</td>
<td>4,412</td>
<td>3.8</td>
</tr>
<tr>
<td>Nottingham</td>
<td>12,779</td>
<td>1.6</td>
<td>66.9</td>
<td>4,075</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Source: Office for National Statistics

Notes:

1. Data for all NUTS3 local areas are included in Table 2.
2. 2015 estimates are provisional.
3. Figures may not sum to totals as a result of rounding.
Of the 173 NUTS3 local areas, Kensington & Chelsea and Hammersmith & Fulham was the NUTS3 area with the highest GDHI per head, more than two and a half times the UK average. Westminster and then Camden and City of London followed, each with more than double the UK average GDHI per head. Each of these regions showed positive growth in the total operating surplus component.

All of the top 10 NUTS3 local areas were in London or the South East NUTS1 regions, the top five of which were in London. The bottom 10 local areas were all within the north and midland regions of England.

Nottingham had the lowest GDHI per head in 2015, at 33.1% below the UK average. This was followed by Leicester and Blackburn with Darwen.

Despite being the highest performing local area in terms of GDHI per head, Kensington & Chelsea and Hammersmith & Fulham showed a decline in growth between 2014 and 2015 of 0.4%. GDHI per head increased in 165 of the 173 NUTS3 local areas between 2014 and 2015. The largest percentage increases were in:

- Enfield (London region), 6.1%
- Northumberland (North East region), 5.9%
- South Nottinghamshire (East Midlands region), 5.4%

There was strong growth in the compensation of employees component in each of these regions, which contributed to their growth in GDHI per head.

One local area, East Ayrshire and North Ayrshire mainland, remained unchanged in terms of GDHI per head between 2014 and 2015.

GDHI per head decreased in seven local areas. The largest decreases were in:

- Westminster (London region), negative 2.8%
- Stoke-on-Trent (West Midlands region), negative 0.9%
- Tower Hamlets (London region), negative 0.5%

The fall in Westminster and Tower Hamlets was caused by an increase in the mid-year population estimates between 2014 and 2015. In terms of total GDHI both regions showed growth between these years.

6. GDHI now available for local authorities across the UK

Gross disposable household income (GDHI) estimates for local authorities and council areas are included as part of this publication for the first time.

The methodology for creating these local authority estimates works by breaking down the main components of GDHI to the local authority level using the best regional indicator data that is available, for example, population or employment. These estimates therefore lack the quality of the standard NUTS estimates because they are compiled using a vastly simplified process.

The production of these local authority GDHI estimates is part of the flexible geography project, described in the article Supporting devolution: developments in regional and local statistics.
Of the 391 local authorities and council areas, 359 showed growth in GDHI per head between 2014 and 2015. Figure 3 displays the local authorities within each NUTS1 region with the highest growth in GDHI per head between 2014 and 2015.

**Figure 3: Gross disposable household income per head growth highest local authority within each NUTS1 region, UK, 2015**

Source: Office for National Statistics
Each of the top performing local authorities showed strong positive growth between 2014 and 2015, with the largest growth in Ribble Valley (North West region) at 13.0%. This increase was driven by strong growth in the compensation of employees component. Following Ribble Valley was Rossendale (also North West region) at 10.5%, Adur (South East region) at 10.0% and Bolsover (East Midlands region) at 9.7%.

Figure 4 displays the opposite picture, showing the local authorities within each NUTS1 region with the lowest growth in GDHI per head between 2014 and 2015.
Welwyn Hatfield (East of England region) showed the largest decline in GDHI per head between 2014 and 2015 at 6.8%. This came from a decline in several components, most notably mixed income and compensation of employees. Following Welwyn Hatfield, the next largest decline was in Boston (East Midlands) at 3.6% and in Westminster at 2.8%.
Scotland and six English regions contained local authorities that declined in GDHI per head between 2014 and 2015.

In Northern Ireland, Wales and three English regions (North East, Yorkshire and The Humber, and the South West) every local authority grew between 2014 and 2015.

These local authority estimates can be aggregated to form other geographic breakdowns such as local enterprise partnerships (LEPs). Estimates of GDHI for LEPs have also been published alongside this release. These data are also available on the Nomis website.

7. Links to related statistics

Regional gross value added

While gross disposable household income (GDHI) estimates can be considered a measure of wealth, regional gross value added (GVA) data provide an indication of the economic activity happening within a region.

Estimates of GVA calculated using the income approach (GVA(I)) for NUTS1, NUTS2 and NUTS3 levels of geography are published annually in December. GVA(I) data for NUTS geographies are also available on the Nomis website, alongside alternative geographic breakdowns including local authority, local enterprise partnership and combined authority.

Estimates of GVA(I) do not allow for different regional price levels or changes in prices over time (inflation) because some income components cannot easily be converted into prices and volume (for example, gross operating surplus). We have developed a measure of regional GVA calculated using the production approach to allow estimates of real regional GVA to be published in chained volume measures.

Regional and sub-regional productivity

Gross value added (GVA) per head can be a useful way of comparing regions of different sizes. This is particularly the case where there are no large net-commuting effects, when GVA per head can act as a good proxy for measures of economic performance such as productivity. However, it is not such a good proxy for those areas with high net in-commuting or out-commuting. This is because it compares a workplace measure of economic output (GVA), which includes the contribution of in-commuters, with a residence-based denominator (population). For such areas it is advisable to refer to ONS regional and sub-regional productivity data for a direct measure of economic performance.

Economic statistics for devolved administrations

The devolved administrations of Wales, Scotland and Northern Ireland each produce economic statistics for their countries. Scottish Government publishes household disposable income as part of the Scottish National Accounts Programme (SNAP). We work with the devolved administrations through the Inter Administration Committee (IAC) and its subsidiary the Devolved Economic Statistics Co-ordination group (DESC).

Small area income estimates

The small area model-based income estimates provide average weekly household income at the middle layer super output area (MSOA) level in England and Wales. They are calculated using a model-based method, which uses a combination of data from the Family Resources Survey, the 2011 Census and a number of administrative data sources.
A guide to source of data on earnings and income

There is a guide available that outlines the different data sources and outputs that feed into the analysis of earnings and income within the UK.

8. What’s changed in this release?

In keeping with the UK National Accounts’ commitment to meeting the European Commission definition of Gross National Income and the new European System of Accounts (ESA 2010), there have been changes made to the UK National Accounts measure of gross disposable household income (GDHI). These impact upon the regional GDHI estimates in the form of different national totals for the various components of income, even where no explicit changes to the regional allocation have been needed. Of these, a change to the treatment of owner-occupied imputed rental has resulted in the greatest impact on the national figures.

The owner-occupied imputed rental change in the UK National Accounts used regional (NUTS1) rental data from the Valuation Office Agency (VOA). We have been able to use this regional data source in the compilation of these regional estimates of GDHI. Below the NUTS1 level we continue to use our previous methodology of housing stock multiplied by median house prices to allocate owner-occupied imputed rental to sub-regions, local areas and local authorities.

For regions that previously underwent boundary changes that were implemented in regional GDHI in 2015, there have been some revisions. Some of the administrative data that we receive from HM Revenue and Customs (HMRC) have now been supplied in line with these boundary changes, so we have realigned our previous estimates for these regions with the actual values from HMRC.

For the first time, this release includes estimates of GDHI for local authorities and council areas within the UK. The methodology used to calculate these local authority estimates is a simplified process, in which the components of GDHI at NUTS3 are broken down to local authorities according to proportions calculated from several different sources. It is important to note that local authority level data are only available for the latest years in some of these datasets. The proportions calculated from these available years are used to apportion the back series. Calculated this way, the time series assumes a lack of change in the regional distribution of local authorities within a NUTS3 region. Going forward, each subsequent year will be apportioned using the latest available local authority level data.

The ONS Data Explorer service closed on 12 May 2017. The ONS digital blog provides details surrounding the closure. A replacement service is under development and is at an early stage. Regional GDHI and regional GVA explorable datasets will be available on this new platform in due course. An alpha is an early stage development aiming to test user reactions in preparation for a more robust beta iteration, which is due in a few months. The Data Discovery blog is one of a series of blogs that details the alpha project development.

9. Upcoming work to be aware of

There are two main changes that will affect the next regional gross disposable household income (GDHI) publication:
1. **In January 2018 a new set of NUTS boundaries will be released.** These changes will affect Scotland and Northern Ireland NUTS2 and NUTS3 regions. We plan to publish our next release of regional GDHI in spring 2018 based on these new boundaries.

2. Blue Book 2017 will see the **split of the household and non-profit institutions serving households (NPISH) sectors.** The initial motivation for this was a requirement to follow new international standards. However, it has also allowed the opportunity to review and significantly improve the measurement of both sectors. The next release of regional GDHI follows this change in the national accounts and will relate solely to the household sector.

Alongside our regular releases, we have an ambitious development programme:

1. We have published GDHI and regional gross value added (income approach) (GVA(I)) for local authorities covering all of the UK for the first time this year. Further work in 2017 and 2018 will look into the viability of disaggregating these local authority data further down into output areas for GDHI and workplace zones for GVA. During 2018 we also plan to consider the viability of producing “real” measures of GVA for local authorities and will consult users on this.

2. In 2016 we published a **feasibility study on regional household final consumption expenditure (HFCE).** Producing this at a regional level would complete the suite of household accounts by measuring spending on consumer goods and services. It will also pave the way for a regional savings ratio. Work is being carried out throughout 2017 to further examine data sources and concepts, with a consultation planned for 2018.

3. Historically we have produced regional gross value added (GVA) by both the income approach (as National Statistics) and the production approach (as Experimental Statistics). We plan to take the strengths from both measures and use them to produce a new balanced measure of regional GVA. This will give users a single measure of economic activity within a region. A first set of test results is planned to be published for consultation in summer 2017. Depending on the results of that consultation, we hope to publish all three measures alongside each other in December 2017, with the balanced data being the lead series.

Further details about our development programme are available in the article [Supporting devolution: developments in regional and local statistics](#).

### 10. Quality and methodology

#### Quality

The [Regional gross disposable household income (GDHI) Quality and Methodology Information document](#) contains important information on:

- the strengths and limitations of the data and how they compare with related data

- uses and users of the data

- how the output was created

- the quality of the output including the accuracy of the data

Figures for 2015 are provisional as national estimates have not been through supply and use balancing at the time of this publication. The figures used in this process are consistent with those published in the [National Accounts Blue Book 2016](#).
Methodology

Various guidance and methodology documents relating to regional GDHI are available. The regional accounts methodology guide provides an overview of the methodology used to compile regional accounts outputs. Quality and methodology information (QMI) reports are available, covering the relevance, accuracy, timeliness, accessibility and coherence of each of the regional accounts outputs. Other historical guidance and methodology documents are also available.

Revisions

Revisions to regional GDHI estimates in this statistical bulletin cover the period 1997 to 2014. Very few statistical revisions arise as a result of errors in the popular sense of the word. All estimates, by definition, are subject to statistical error but in this context the word refers to the uncertainty in any process or calculation that uses sampling, estimation or modelling. Most revisions reflect either the adoption of new statistical techniques or the incorporation of new information which allows the statistical error of previous estimates to be reduced. Only rarely are there avoidable errors such as human or system errors and such mistakes are made clear when they are discovered and corrected.

The main reasons for revisions are detailed in the “What’s changed in this release?” section of this statistical bulletin.

Revisions to regional GDHI estimates for 2014 are shown in Table 4. Further detail is available in the revisions triangles.

Table 4: Percentage revisions to gross disposable household income in 2014 by UK NUTS1 region

<table>
<thead>
<tr>
<th>2014</th>
<th>Total revision (percentage)</th>
<th>Revision due to national estimates (percentage)</th>
<th>Revision due to other regional dataset changes (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>3.3</td>
<td>3.3</td>
<td>0.0</td>
</tr>
<tr>
<td>North East</td>
<td>2.6</td>
<td>2.9</td>
<td>-0.3</td>
</tr>
<tr>
<td>North West</td>
<td>4.2</td>
<td>3.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Yorkshire and The Humber</td>
<td>2.0</td>
<td>3.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>East Midlands</td>
<td>1.9</td>
<td>3.2</td>
<td>-1.2</td>
</tr>
<tr>
<td>West Midlands</td>
<td>4.0</td>
<td>3.1</td>
<td>0.9</td>
</tr>
<tr>
<td>East of England</td>
<td>1.7</td>
<td>3.5</td>
<td>-1.8</td>
</tr>
<tr>
<td>London</td>
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<td>0.7</td>
</tr>
<tr>
<td>South East</td>
<td>3.8</td>
<td>3.8</td>
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</tr>
<tr>
<td>South West</td>
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<td>3.7</td>
<td>-1.7</td>
</tr>
<tr>
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<td>3.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Scotland</td>
<td>4.3</td>
<td>2.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>5.5</td>
<td>2.4</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Source: Office for National Statistics