Tees Valley Unlimited - Release of Regional and Local Gross Value Added Estimates

December 2015

Summary

2014 Regional and Local Gross Value Added (GVA) estimates are released today by the Office for National Statistics (ONS). The latest release includes significant revisions to earlier years.

Estimates of GVA by industry up to 2013 are also published. All estimates in this release are in current price terms and have not been adjusted for inflation.

GVA represents the incomes generated by economic activity within the UK economy. GVA presented at regional and local level uses the income approach and mainly comprises:

- Compensation of employees (includes wages and salaries, NI and pension contributions, redundancy payments)
- Gross operating surplus (includes self-employment income, gross trading profits and rental income)

Tees Valley headlines

- Tees Valley GVA in 2014 totalled £12.3bn compared to the revised total of £11.8bn in 2013, an increase of £564m or 4.8%. The annual percentage increase for the UK was 4.6%.

- GVA per head in the Tees Valley rose from a revised £17,706 in 2013 to £18,525 in 2014, an increase of 4.6%. The annual percentage increase in UK GVA per head was 3.4%.

- Indexed GVA per head (where UK=100) for the Tees Valley in 2014 was 75.3, up significantly on the revised 2013 index value of 74.6 (the previous estimate for 2013 was 73.5, released in Dec'14).

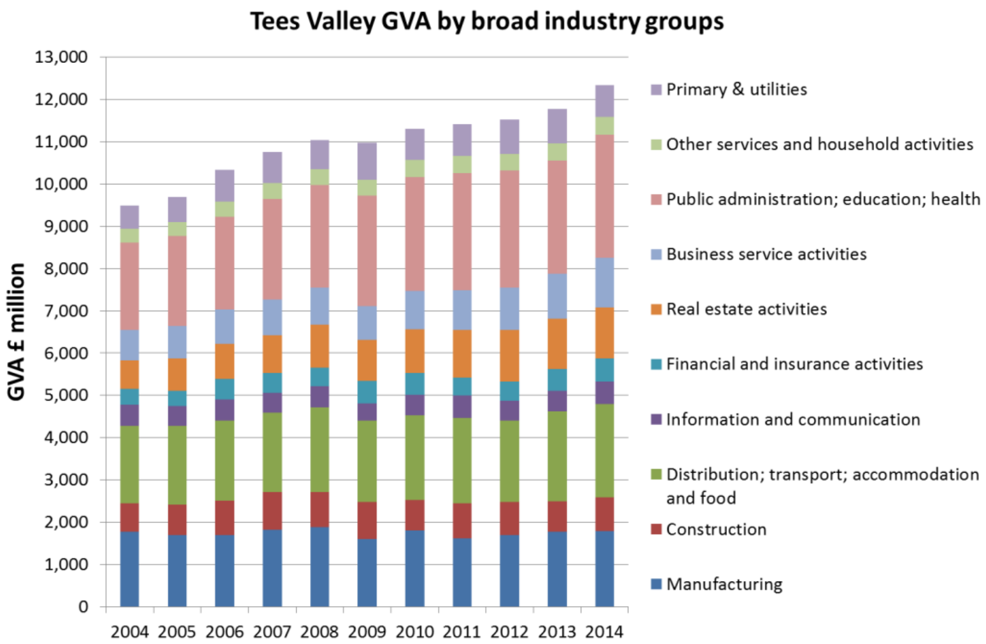
- These figures are shown in the table below alongside regional and national comparators.

Gross Value Added 2014, Tees Valley, North East and UK

	Total GVA 2014 £m	Increase on 2013 %	GVA per head 2014 £	Increase on 2013 %	GVA per head index, 2014 UK=100
Tees Valley	**12,342**	**4.8**	**18,525**	**4.6**	**75.3**
North East region	47,702	3.3	18,216	2.9	74.0
UK	1,618,346	4.6	24,616	3.4	100.0

Source: ONS

At the local level, data are available for the broad industry groups outlined in the graph below. Industry estimates lag headline figures by one year so the latest estimates here are for 2013.



Four broad sectors accounted for the over £0.5bn of the Tees Valley GVA increase for 2014. Public administration, education and health was up by £226m, business service activities up by £108m, distribution, transport and accommodation and food up by £91m and construction up by £78m. All other sectors saw smaller rises except primary & utilities which fell by £57m.

GVA at Nomenclature of Territorial Units for Statistics (NUTS) 3 level

The smallest geography that GVA data is available at is the European NUTS 3 level. Estimates are also available at NUTS 2 (sub-regional) and NUTS 1 (regional) levels with the larger geographies enabling more detailed sectoral breakdown in particular.

Tees Valley comprises three NUTS 3 geographies namely:

- Hartlepool and Stockton-on-Tees
- South Teesside (Middlesbrough and Redcar & Cleveland)
- Darlington

Due to sample size, the estimates for these smaller geographies may be subject to a greater degree of uncertainty than regional figures (e.g. note the high degree of annual fluctuation in Darlington in the graph below). Therefore looking at figures over a period of years rather than one year in isolation may provide a more accurate picture of underlying trends. Having said that, the table below details 2014 GVA, GVA per head and change on revised 2013 estimates across the Tees Valley NUTS 3 geographies.

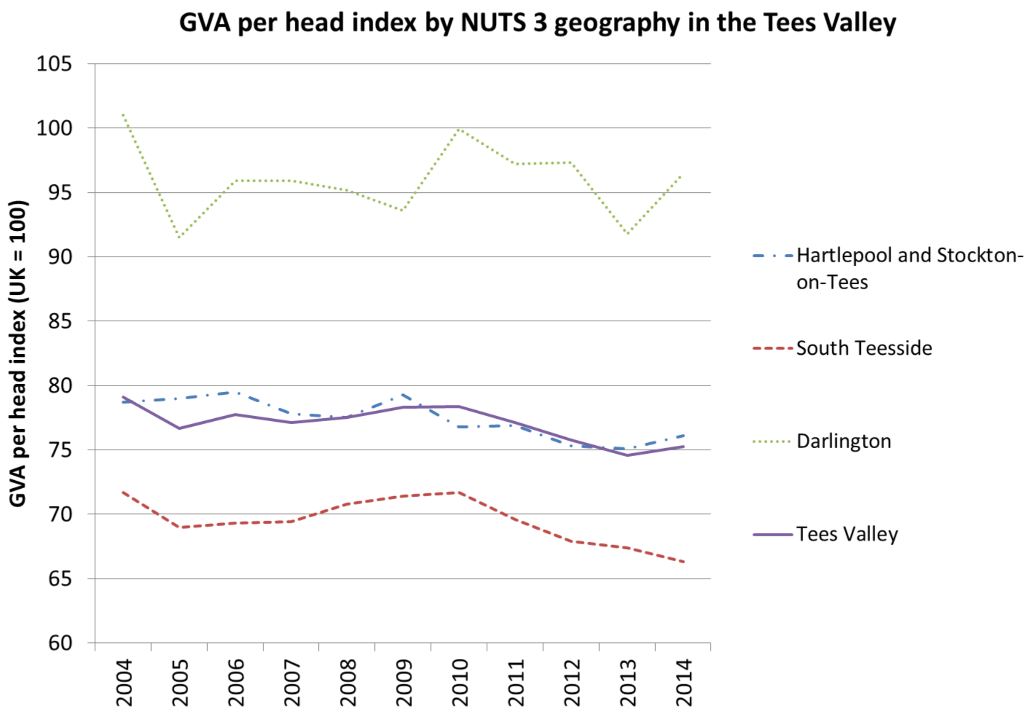
Gross Value Added 2014, Tees Valley NUTS 3

	Total GVA 2014 £m	Increase on 2013 %	GVA per head 2014 £	Increase on 2013 %	GVA per head index, 2014 UK=100
Hartlepool & Stockton	5,368	5.3	18,723	5.0	76.1
South Teesside	4,472	2.0	16,312	1.9	66.3
Darlington	2,502	8.9	23,745	8.9	96.5
Tees Valley	**12,342**	**4.8**	**18,525**	**4.6**	**75.3**

Source: ONS

Both Darlington and Hartlepool & Stockton posted robust growth rates in 2014 whilst South Teesside grew less strongly. Note that there have some significant revisions to previous year's data. In broad terms this has resulted in a smoothing of historical GVA estimates with Darlington numbers somewhat higher than previously, South Teesside's a little lower and Hartlepool & Stockton (along with Tees Valley as a whole) seeing little change aside from slightly higher estimates for both 2012 and 2013.

Finally, the graph below shows how local GVA per head indices have changed over the past decade with GVA per head in the Tees Valley remaining fairly stable in relation to the UK at between 75 and 80% of the national rate.



The detailed datasets are available at: http://www.ons.gov.uk/ons/rel/regional-accounts/regional-gross-value-added--income-approach-/december-2015/stb-regional-gva-dec-2015.html

For more information or analysis, please contact:

Will Haywood
Business & Economic Intelligence Officer
Economic Strategy and Intelligence
Tees Valley Unlimited

Tel: (01642) 524414
Email: will.haywood@teesvalleyunlimited.gov.uk

Website: https://www.teesvalleyunlimited.gov.uk/tees-valley-unlimited/tees-valley-statistics.aspx