

Statistical bulletin

Regional gross disposable household income, UK: 1997 to 2019

Annual estimates of regional gross disposable household income (GDHI) for the UK International Territorial Level (ITL) ITL1, ITL2, ITL3 regions, local and combined authorities, city regions and other economic and enterprise regions.



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1. Main points

- In 2019, the growth in gross disposable household income (GDHI) per head in the UK was 2.5% when compared with 2018; Scotland and Northern Ireland exceeded this with 2.8% and 2.6% respectively, while England's growth was the same as the UK and Wales grew by 1.1%.
- Of the countries and regions classified by <u>International Territorial Levels</u> (ITL1) in 2019, London had the highest GDHI per head where, on average, each person had £30,256 available to spend or save; the North East had the lowest at £17,096, which compares with a UK average of £21,433.
- Between 2018 and 2019, GDHI per head of population increased in all ITL1 countries and regions; the largest percentage increase was in London at 3.4% and the smallest was in Wales at 1.1%.
- In 2019, Kensington and Chelsea and Hammersmith and Fulham was the local area (ITL3) with the highest GDHI per head (£62,408), nearly three times the UK average; Nottingham had the lowest GDHI per head at £13,381.
- In terms of GDHI per head in 2019, all the top five ITL3 local areas were in London; the bottom five local areas were all within the North West, Yorkshire and The Humber, East Midlands, and West Midlands regions.

We have now adopted the new UK classification of <u>International Territorial Levels</u> (ITL) in place of the Nomenclature of Units for Territorial Statistics (NUTS) classification. This transition has not changed the names of regions, or the areas covered by them; it is simply a change to the codes used (for example, UKC1 is now TLC1).

2 . Gross disposable household income by UK constituent country and region

UK total gross disposable household income (GDHI) in 2019 was £1,432 billion. Of that, 86.4% was in England, 7.5% was in Scotland, 3.8% was in Wales and Northern Ireland had the lowest share of total GDHI in 2019 at 2.3%.

The 2019 growth in GDHI per head in the UK was 2.5% when compared with 2018; Scotland and Northern Ireland exceeded this with 2.8% and 2.6% respectively, while Wales grew by 1.1%. England's growth was the same as the UK with only the London region exceeding this at 3.4%

Table 1 provides an overview of GDHI for the four UK countries and International Territorial Levels (ITL1) regions.

Table 1: Gross disposable household income by UK and constituent countries and regions, UK, 2019

Countries and regions of the UK	Population	GDHI per head (£) ¹	GDHI per head growth on 2018 (%)	GDHI per head index (UK=100)	Total GDHI (£ million)	Total GDHI growth on 2018 (%)	Share of the UK population (%)	Share of UK total GDHI (%)
United Kingdom	66,796,807	21,433	2.5	100.0	1,431,678	3.1	100.0	100.0
England	56,286,961	21,978	2.5	102.5	1,237,085	3.1	84.3	86.4
North East	2,669,941	17,096	2.2	79.8	45,645	2.7	4.0	3.2
North West	7,341,196	18,601	2.2	86.8	136,553	2.9	11.0	9.5
Yorkshire and The Humber	5,502,967	17,959	2.2	83.8	98,829	2.6	8.2	6.9
East Midlands	4,835,928	18,635	2.4	86.9	90,117	3.1	7.2	6.3
West Midlands	5,934,037	18,350	2.2	85.6	108,891	2.8	8.9	7.6
East of England	6,236,072	22,392	2.2	104.5	139,636	2.8	9.3	9.8
London	8,961,989	30,256	3.4	141.2	271,155	4.0	13.4	18.9
South East	9,180,135	24,715	2.5	115.3	226,888	3.0	13.7	15.8
South West	5,624,696	21,222	2.4	99.0	119,370	2.9	8.4	8.3
Wales	3,152,879	17,263	1.1	80.5	54,427	1.5	4.7	3.8
Scotland	5,463,300	19,649	2.8	91.7	107,346	3.3	8.2	7.5
Northern Ireland	1,893,667	17,331	2.6	80.9	32,820	3.3	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.
- 2. Figures for the UK are consistent with those published in the UK National Accounts, The Blue Book: 2020.
- 3. 2019 estimates are provisional.
- 4. Population estimates are sourced from <u>Population estimates for the UK, England and Wales, Scotland and Northern Ireland: mid-2019.</u>

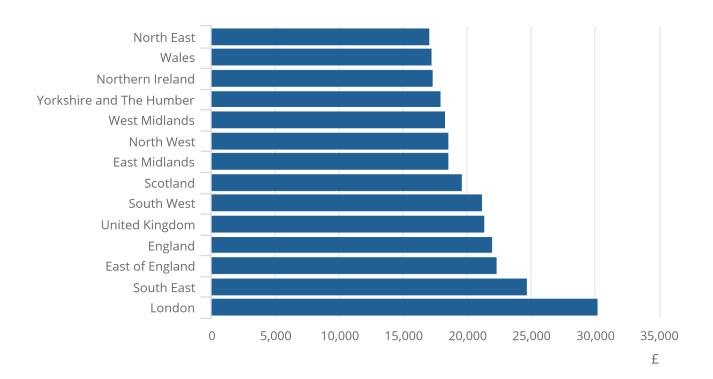
When ordered by GDHI per head, three ITL1 regions reported a value above UK GDHI per head. These were: London, the South East and East of England (Figure 1). The lowest GDHI per head was seen in the North East region.

Figure 1: London reported the highest gross disposable household income per head in the UK in 2019

Gross disposable household income (GDHI) per head, UK and constituent countries and regions, 2019

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Gross disposable household income (GDHI) per head, UK and constituent countries and regions, 2019



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

Notes:

- 1. Figures are rounded to the nearest pound sterling and may not sum to totals as a result.
- 2. 2019 estimates are provisional.
- 3. Figures for the UK are consistent with those published in the UK National Accounts, The Blue Book: 2020.

3. Gross disposable household income for ITL3 local areas

At the International Territorial Level 3 (ITL3) area, the five places with the highest gross disposable household income (GDHI) per head in 2019 were all in London (Table 2). The area with the highest GDHI per head was Kensington and Chelsea and Hammersmith and Fulham where, on average, each person had £62,408 to spend or save. This is nearly three times the UK average of £21,433.

The ITL3 area with the lowest GDHI per head was Nottingham where, on average, each person had £13,381 to spend or save.

Table 2: Top five and bottom five ITL3 areas by gross disposable household income per head, 2019

GDHI per head (£) GDHI per head growth³ (%)

0.6

0.0

1.1

3.3

Kensington & Chelsea and Hammersmith & Fulham 62,408 Westminster 53,670

Kingston upon Hull, City of 14,908

Camden and City of London 49,467

Wandsworth 40.851

Wandsworth 40,851 3.4

Hounslow and Richmond 33,655 3.6

upon Thames

Bottom five

Top five

 Blackburn with Darwen
 14,484
 2.9

 Sandwell
 14,454
 2.8

 Leicester
 13,802
 2.1

 Nottingham
 13,381
 2.8

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

Notes:

- 1. Top five and bottom five ITL3 areas have been ranked by GDHI per head.
- 2. 2019 estimates are provisional.
- 3. Growth between 2018 and 2019.

At the ITL3 level, all areas except two saw an increase in GDHI per head between 2018 and 2019. This is to be expected as the GDHI figures include the effect of price inflation. Of the 179 ITL3 areas, 156 showed GDHI per head growth equal to or greater than the Consumer Prices Index including owner occupiers' housing costs (CPIH) annual growth rate of 1.7%. The remaining 23 ITL3 areas showed growth lower than the CPIH annual growth rate, which might be interpreted as a decrease in the real terms value of disposable income. However, it is important to recognise that the CPIH does not account for any regional variation in the cost of living.

Westminster, and Cardiff and Vale of Glamorgan had zero percentage growth in 2019. The top two performing areas, Na h-Eileanan Siar (the Western Isles) and East Lothian and Midlothian, are both in Scotland and showed an increase in GDHI per head in 2019 of 7.1% and 5.6% respectively.

4 . Average gross disposable household income in your local area

Figure 2 allows users to explore how gross disposable household income (GDHI) per head has varied among local authorities between 1997 and 2019.

Figure 2: Gross disposable household income (GDHI) per head for UK local authorities, 1997 to 2019

Notes:

- 1. The City of London is not shown on the map because its GDHI per head is a large outlier value.
- 2. Natural breaks have been used to classify the data into ranges.

Download the data

5. Gross disposable household income data

Regional gross disposable household income: all ITL level regions

Dataset | Released 14 October 2021

Annual estimates of UK regional gross disposable household income (GDHI) at current prices for ITL1, ITL2 and ITL3 regions.

Regional gross disposable household income: city regions

Dataset | Released 14 October 2021

Annual estimates of UK regional GDHI for combined authorities and city regions.

Regional gross disposable household income: enterprise regions

Dataset | Released 14 October 2021

Annual estimates of UK regional GDHI for other economic and enterprise regions.

Regional gross disposable household income: local authorities by ITL1 region

Dataset | Released 14 October 2021

Annual estimates of UK regional GDHI for local authorities.

6. Glossary

Gross disposable household income (GDHI)

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. The household sector includes residents of traditional households, as well as those living in communal establishments. GDHI also includes the business income of self-employed people.

International Territorial Levels (ITL)

International Territorial Levels (ITL) is the new UK geographies classification system. This has superseded the Nomenclature of Units for Territorial Statistics (NUTS) classification system. The ITL areas have initially been set to be an exact copy of the current NUTS areas for the UK.

Per head

Estimates can be divided by the resident population of a country, region, or area to give a value per head. This can be a useful way of comparing regions of different sizes. Because GDHI is measured according to the residence of the person, not their place of work, GDHI per head is not subject to distortion from commuting. It does, however, include the entire population of an area, including children and retired people.

7. Measuring the data

Methodology information

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

Methodology information on how the data were created and appropriate uses is available in the <u>regional GDHI</u> QMI.

A guide to sources of data on income and earnings is available outlining the different data sources and outputs that feed into the analysis of income and earnings within the UK. Further information on income and earnings statistics produced by the Office for National Statistics (ONS) and other government departments is also available.

Revisions

GDHI estimates in this release show revisions for the period 1997 to 2018.

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.

Users can monitor revisions to the published figures over time via the regional GDHI revisions triangles.

8. Strengths and limitations

National Statistics

Data included in this release are designated as <u>National Statistics</u>, which means they have been assessed by the Office for Statistics Regulation as fully compliant with the Code of Practice for Statistics.

Quality information

Figures for 2019 are provisional as national estimates have not been through supply and use balancing at the time of this publication.

Quality information on the strengths and limitations of the data is available in the regional GDHI QMI.

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</u>: 2020.

9. Related links

Regional and sub-regional productivity

Article | Released 23 July 2021

Estimates for measures of labour productivity, produced by the Office for National Statistics (ONS).

Consumer price inflation

Bulletin | Released 15 September 2021

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 26 May 2021

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

Development of regional household expenditure measures

Article | Released 20 July 2020

Further developments to our experimental estimates of household spending and saving in the countries, regions and sub-regions of the UK, 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

Bulletin | Released 5 March 2020

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

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

Article | Released 23 June 2021

Experimental small area estimates of gross and net income using data from HM Revenue and Customs' (HMRC) Pay As You Earn (PAYE), Self-Assessment and the Department for Work and Pensions' (DWP) benefit systems, produced by the ONS.

UK National Accounts, The Blue Book: 2020

Compendium | Released 30 October 2020

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