

GROSS VALUE ADDED IN CUMBRIA - 2005

Background

The latest Gross Value Added (GVA) data have been released by the Office for National Statistics this morning. The data for Cumbria covers the period to 2005.

GVA represents the incomes generated by economic activity within the UK economy and comprises:

- compensation of employees (wages and salaries, national insurance contributions, pension contributions, redundancy payments etc);
- gross operating surplus (self-employment income, gross trading profits of partnerships and corporations, gross trading surplus of public corporations, rental income etc).

Key Findings

The numbers paint a mixed picture for the county depending on the timescale over which we assess change and the geographical area we focus on. The bullet points below identify the key points of relevance to Cumbria:

- Over the long term Cumbria remains the slowest growing (1995-2005) of the 37 county-type areas in the UK, with an overall growth rate of 35.8% compared to 57.7% in the Northwest region and 70.4% for the UK as a whole.
- The growth rate for the county since 2000 is 26.0% (NW = 26.3%, UK = 29.5%).
- Since 2004 Cumbria is the second fastest growing part of the region with 3.7% growth compared with 3.4% in the NW and 2.4% in the UK (Cheshire is fastest growing part of NW at 3.8%)
- GVA per head in the county now stands at £13,491 compared with £15,571 in the NW and £18,205 in the UK (76% of the UK average – the same index as we have seen every year since 2001)
- There is significant disparity between West (Allerdale, Copeland, Barrow) and East (Carlisle, Eden, South Lakeland) Cumbria
- Overall East Cumbria has grown by 49.5% since 1995 compared with 20.0% in West Cumbria. West Cumbria's growth rate since 1995 is the slowest of any of the 133 sub-county areas in the UK.
- Since 2000 the growth rate for East Cumbria is 37.3% compared with 12.7% in West Cumbria (second slowest in UK after Flintshire and Wrexham, 11.8%).
- Over the latest year (2004-2005) East Cumbria's growth rate stands at 4.3% (joint fastest in NW with Halton and Warrington) while West Cumbria's is 2.7%.
- GVA per head in East Cumbria now stands at £15,187 (85% of the UK average) while for West Cumbria it is £11,629 (65% of the UK average).

Summary

So, to summarise, over the long term (last 10 years) the county's economic productivity is improving, but very slowly. Within the county East Cumbria is growing more than twice as fast as West Cumbria. More recently, however, we have seen an economic recovery to the extent that since 2001 the productivity per head in Cumbria has grown at the same rate as the UK as a whole. Again, though, there are significant variations between East and West.

More details can also be found here: <http://www.statistics.gov.uk/pdfdir/gva1207.pdf>

We will do more analysis over the coming weeks to look in more detail about what is driving these changes. If you have any immediate queries in the meantime please don't hesitate to get in touch.

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