

## Core Liverpool City Region Economy – GVA Briefing

### Introduction

On 15<sup>th</sup> December 2016 the Office for National Statistics released the latest Regional Gross Value Added data series. These tables provide estimates of Gross Value Added (GVA) measured using the “income approach”, which shows economic activity for NUTS1, NUTS2 and NUTS3 regions of the UK.

Date is available in total, and per capita terms. All data from the release is “workplace based”, therefore GVA is allocated to the area where economic activity takes place.

### Headline

*“Over the last two years the core Liverpool City Region economy has recorded the strongest growth of any Northern Powerhouse core city region, in both overall GVA and per capita terms (based on NUTS2).”*

### Core Liverpool City Region Economy - GVA

In 2015 the core Liverpool City Region economy was worth £29.5bn, or 1.8% of the UK<sup>1</sup> economy. To place these figures in context, Table 1 compares the Liverpool City Region economy to other selected NUTS2 economies in the North of England.

Table 1: Comparative GVA, £bn

	2005	2008	2010	2011	2012	2013	2014	2015
<b>Liverpool City Region</b>	<b>23.1</b>	<b>26.4</b>	<b>27.0</b>	<b>26.8</b>	<b>26.1</b>	<b>27.0</b>	<b>28.4</b>	<b>29.5</b>
Greater Manchester	45.8	50.9	51.5	51.3	53.2	55.9	57.4	59.6
Cheshire	19.8	23.2	22.9	22.8	24.4	25.5	26.7	27.6
Lancashire	23.5	25.8	25.3	25.3	26.1	27.2	27.9	29.0
South Yorkshire	19.2	21.5	21.6	21.8	22.3	22.9	23.6	24.3
West Yorkshire	38.5	43.4	42.6	43.6	44.7	46.2	47.3	49.0
East Yorkshire & Northern Lincolnshire	15.0	16.6	16.7	16.7	17.0	17.0	17.5	17.8
Tees Valley & Durham	16.2	18.5	18.7	18.6	18.9	19.6	20.3	20.7
Northumberland & Tyne & Wear	23.2	25.0	24.4	25.4	26.2	26.7	27.9	29.0

Source: Office for National Statistics, GVA Release 2016

### Core Liverpool City Region Economy – GVA per capita

Total GVA of Liverpool City Region relative to its population, results in GVA per capita of £19,319 compared to the UK average of £25,351 (76.2%). Since 2012 the Core City Region has, year on year, marginally narrowed the gap to the UK average.

Table 2: Comparative GVA per capita, £s

	2005	2008	2010	2011	2012	2013	2014	2015
UK <sup>1</sup>	20,157	22,361	22,109	22,495	23,101	23,838	24,833	25,351
<b>Liverpool City Region</b>	<b>15,489</b>	<b>17,707</b>	<b>17,959</b>	<b>17,779</b>	<b>17,283</b>	<b>17,883</b>	<b>18,734</b>	<b>19,319</b>
Greater Manchester	17,852	19,409	19,363	19,097	19,682	20,578	20,996	21,626
Cheshire	22,541	25,913	25,497	25,285	26,985	28,065	29,217	30,099
Lancashire	16,327	17,764	17,376	17,281	17,830	18,548	18,969	19,628
South Yorkshire	14,885	16,324	16,230	16,218	16,520	16,843	17,277	17,688
West Yorkshire	17,952	19,880	19,266	19,592	19,949	20,536	20,873	21,457
East Yorkshire & Northern Lincolnshire	16,637	18,247	18,232	18,232	18,462	18,468	18,920	19,243
Tees Valley & Durham	14,039	15,869	15,956	15,830	16,069	16,601	17,142	17,419
Northumberland & Tyne & Wear	16,646	17,808	17,210	17,857	18,381	18,714	19,463	20,173

Source: Office for National Statistics, GVA Release 2016

<sup>1</sup> UK refers to less extra region, excludes output that cannot be assigned to regions, throughout this document

If the core City Region's per capita GVA matched the national average, the total economic value of the area would be £9.2bn higher at £38.6bn.

### Change & Trends

Latest figures show that over the last year the core Liverpool City Region economy grew by 3.6%, above the UK average of 2.9% and on a par with other comparator northern NUTS2 regions. This follows marginally stronger growth than the UK average in 2014, and builds on a relatively robust increase in the size of the economy over the last decade of 28%.

GVA growth across the northern NUTS2 areas provides encouraging news for the Northern Powerhouse.

Table 3: GVA growth % per annum over selected time periods

	2014-15	2013-14	2005-2010	2010-2015	2005-2015
UK	2.9	5.0	13.9	19.0	35.5
<b>Liverpool City Region</b>	<b>3.6</b>	<b>5.1</b>	<b>16.9</b>	<b>9.3</b>	<b>27.7</b>
Greater Manchester	3.9	2.7	12.6	15.6	30.2
Cheshire	3.5	4.6	15.7	20.3	39.2
Lancashire	3.9	2.5	7.7	14.6	23.4
South Yorkshire	3.0	3.2	12.4	12.4	26.3
West Yorkshire	3.6	2.2	10.8	14.9	27.3
East Yorkshire & Northern Lincolnshire	1.8	2.6	11.3	6.7	18.8
Tees Valley & Durham	1.9	3.5	15.7	10.6	28.0
Northumberland & Tyne & Wear	3.8	4.4	4.8	19.0	24.8

Source: Office for National Statistics, GVA Release 2016

From 2006 onwards the core Liverpool City Region economy showed strong GVA per capita growth, which continued even as the recession affected national performance. The three years from 2009-10 through to 2011-12 showed stagnation in the core City Regions activity, but latest figures suggest a return to strong growth.

Over recent years GVA per capita growth has largely tracked changes in overall GVA growth. Over the two years 2013-2015 core City Region GVA per capita growth was higher than all comparator northern NUTS2 regions.

Table 4: GVA per capita growth % per annum over selected time periods

	2014-15	2013-14	2005-2010	2010-2015	2005-2015
UK	2.1	4.2	9.7	14.7	25.8
<b>Liverpool City Region</b>	<b>3.1</b>	<b>4.8</b>	<b>15.9</b>	<b>7.6</b>	<b>24.7</b>
Greater Manchester	3.0	2.0	8.5	11.7	21.1
Cheshire	3.0	4.1	13.1	18.0	33.5
Lancashire	3.5	2.3	6.4	13.0	20.2
South Yorkshire	2.4	2.6	9.0	9.0	18.8
West Yorkshire	2.8	1.6	7.3	11.4	19.5
East Yorkshire & Northern Lincolnshire	1.7	2.4	9.6	5.5	15.7
Tees Valley & Durham	1.6	3.3	13.7	9.2	24.1
Northumberland & Tyne & Wear	3.6	4.0	3.4	17.2	21.2

Source: Office for National Statistics, GVA Release 2016

### Within core Liverpool City Region Economy

Latest figures show that within the core City Region economy Liverpool contributed 37.0% of output in 2015 followed by East Merseyside 33.4%, Wirral 15.8% and Sefton 13.7%.

Table 5: Core Liverpool City Region GVA Contribution, £bn

	2000	2005	2010	2011	2012	2013	2014	2015
<b>Liverpool City Region</b>	<b>17,968</b>	<b>23,061</b>	<b>26,951</b>	<b>26,785</b>	<b>26,121</b>	<b>27,050</b>	<b>28,428</b>	<b>29,452</b>
East Merseyside	5,242	7,009	8,438	8,593	8,311	8,798	9,474	9,843
Liverpool	6,197	8,382	10,435	10,019	9,961	10,093	10,613	10,907
Sefton	3,113	3,787	3,990	3,901	3,793	3,885	3,915	4,042
Wirral	3,132	3,883	4,088	4,271	4,056	4,274	4,427	4,661

Source: Office for National Statistics, GVA Release 2016

Within the core City Region, the highest GVA per capita is found in Liverpool £22,790, however figures are workplace based and Liverpool benefits from commuting flows from other parts of the core City Region and beyond.

Table 6: Core Liverpool City Region GVA per capita, £s

	2000	2005	2010	2011	2012	2013	2014	2015
<b>Liverpool City Region</b>	<b>12,033</b>	<b>15,489</b>	<b>17,959</b>	<b>17,779</b>	<b>17,283</b>	<b>17,883</b>	<b>18,734</b>	<b>19,319</b>
East Merseyside	11,719	15,763	18,903	19,222	18,562	19,626	21,055	21,806
Liverpool	14,531	18,532	22,615	21,517	21,208	21,438	22,433	22,790
Sefton	10,986	13,673	14,573	14,240	13,859	14,220	14,312	14,769
Wirral	9,894	12,330	12,813	13,354	12,665	13,345	13,795	14,523

Source: Office for National Statistics, GVA Release 2016

### Change & Trends

Over the last decade the strongest overall GVA and GVA per capita growth has been recorded in East Merseyside, whilst Sefton has recorded the weakest growth rates. Differences in growth rates in Liverpool for the first and second half of the decade 2005-15 are evident.

Table 7: GVA growth % per annum within core Liverpool City Region over selected time periods

	2014-15	2013-14	2005-2010	2010-2015	2005-2015
<b>Liverpool City Region</b>	<b>3.6</b>	<b>5.1</b>	<b>16.9</b>	<b>9.3</b>	<b>27.7</b>
East Merseyside	3.9	7.7	20.4	16.7	40.4
Liverpool	2.8	5.2	24.5	4.5	30.1
Sefton	3.2	0.8	5.4	1.3	6.7
Wirral	5.3	3.6	5.3	14.0	20.0

Source: Office for National Statistics, GVA Release 2016

Table 8: GVA per capita growth % per annum within core Liverpool City Region over selected periods

	2014-15	2013-14	2005-2010	2010-2015	2005-2015
<b>Liverpool City Region</b>	<b>3.1</b>	<b>4.8</b>	<b>15.9</b>	<b>7.6</b>	<b>24.7</b>
East Merseyside	3.6	7.3	19.9	15.4	38.3
Liverpool	1.6	4.6	22.0	0.8	23.0
Sefton	3.2	0.6	6.6	1.3	8.0
Wirral	5.3	3.4	3.9	13.3	17.8

Source: Office for National Statistics, GVA Release 2016