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Regional Economic Performance Indicators

Regional Competitiveness & State of the Regions

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Acknowledgements

I Introduction

This is the ninth edition of **Regional Economic Performance Indicators**, albeit only the third one under this title. It was previously known as *Regional Competitiveness and State of the Regions.*

There are 11 groups of indicators in this publication (covering all but one of the previous 17, but reorganised), intended to give a balanced picture of all the statistical information relevant to regional economic performance, competitiveness and the state of the regions.

II Brief History

Regional Competitiveness and State of the Regions, was itself formed through the amalgamation of two separate publications: the *Regional Competitiveness Indicators* and the Regional Development Agency (RDA) *'State of the Region' Core Indicators.*

The aim of the *Regional Competitiveness Indicators* was to present statistical information that illustrated the factors that contributed to regional competitiveness. They were not intended to measure the performance of the Government Offices or the devolved administrations, but were designed to assist those responsible for developing regional economic strategies. The *'State of the Region' Core Indicators* (as developed by the consultant SQW) were originally designed to measure progress towards sustainable economic development, skills and social regeneration and to provide monitoring and evaluation guidance for the RDAs.

When these two publications were combined, a number of changes were introduced. Consultants (SQW Ltd and Oxford Economic Forecasting) recommended 11 core indicators for RDA Evaluation and Performance Monitoring. Those included in the combined indicator set (with their table numbers) are:

Gross Value Added (on a workplace basis) per head of population   A(1)(iii)
Manufacturing GVA per head   A(3)
Business formations per 10,000 adults   E(1)(ii)
Unemployment rate (ILO definition)   G(2)(i)
Percentage of adults with NVQ level 4 skills/equivalent   D(1)(iv)
Percentage of adults with no qualifications   D(1)(i)
Percentage of residents within families dependent on Income Support benefits   I(2)
Road congestion   J(3)
Stock of derelict land   K(1)
Recommended for inclusion but not included in this set were:

Waste – volume of non-recycled waste

Wildlife – population of birds

Statistics which previously appeared in the *State of the Region Core Indicators*, but which do not appear in the combined set (either because they were not recommended by SQW for inclusion, or were not already part of the *Regional Competitiveness Indicators*) are:

Proportion of the population with above average living conditions

Percentage of dwellings built on previously developed land

Percentage of Employers with Current Hard to Fill Vacancies

Percentage of Employees undertaking work-related training in the last 13 weeks

Percentage of Medium/Large Organisations recognised as Investors in People (see below)

Following a consultation exercise carried out during winter 2001/2002 further small changes were made. The most significant change was dropping figures for Investors in People (IIP), which were reported to be among those least used.

In the autumn of 2008, BERR, the Department then responsible, conducted a National Statistics consultation on the publication, requesting views on the usefulness of the publication and seeking feedback and suggestions on ways in which it could be improved. 13 responses were received. Views expressed are summarised within the Government response, available at *http://www.bis.gov.uk/files/file51503.pdf*

The most important conclusions of the review were as follows.

- The publication should be supplemented with a continuously updated web site version where practicable.

- The main text of the publication added limited value and should be dropped. However, the Annex on definitions and sources were much more highly valued and should be retained.

- The publication should be retitled.

The last two of these conclusions were implemented within the 2009 edition whereas the first conclusion was implemented alongside the publication of the 2010 edition.

In 2010 a large change in government policy resulted in a shift in sub-national policy from regional to localism. Despite the shift in policy focus regions remain relevant for statistical purposes. The regional spatial scale is used at European level by Eurostat and is therefore a spatial scale many data producers will continue to use. In some cases data summarised in the Regional Economic Performance Indicators is not available below the regional level and where sub-regional data does exist region provides a bridge between the national and local picture.

Please note that alongside this publication, the Department for Business, Innovation and Skills is launching a National Statistics consultation on REPI to ensure the publication remains relevant to users.

III   Other sources

More up-to-date information is available through the "dynamic" Regional Economic Performance Indicators website, *http://stats.bis.gov.uk/repi/*, where Tables and Charts are updated as soon as possible after fresh source data becomes available. (There may however be occasions when the updating of these sites lags slightly behind updating of the original data sources on which they are based. In particular they are unlikely to be updated at 9.30am on the day of release.)

BIS also published *UK Productivity and Competitiveness Indicators.* These are designed to compare our economic performance with that of other advanced economies and to measure the UK's progress in meeting the challenges of raising productivity. They are used in BIS to inform policy analysis including policies aimed at meeting the joint HM Treasury and BIS target of reducing the productivity gap. The latest 2008 edition can be found at:

http://www.bis.gov.uk/publications/economicsstatistics/economics-directorate/page21913.html

A wide range of economic and social indicators can be found on the Sustainable Development area of the DEFRA web site at:

http://sd.defra.gov.uk/progress/regional/

IV   General Comments

Where data is available on a consistent basis, it is presented for English regions (former Government Office Regions), England as a whole, Wales, Scotland and Northern Ireland.

In the 2010 edition, figures were added for two combinations of English regions commonly used in analysis – the Greater South East (London, South East, East of England) and North, Midlands and West (the other six English regions), where it was possible to do so without imposing significant extra burden on data suppliers.

Each of the indicators is described in turn, including explanations as to how it is compiled and what it measures. Technical and methodological issues associated with the indicators are described in *Definitions* (Annex 1).

The various Tables are contained in a separate Excel file, and are organised as shown in the following Table.

Alongside the May 2011 publication an additional paper has been published aiming to help users understand why BIS is interested in the Indicators and explain the relationship between a selection of the key indicators and growth.

Further comments on the content and layout of *Regional Economic Performance Indicators* are welcome and should be sent to Anna Dedecjus, at the address given on the first page of this report.

Section

Definitions ANNEX 1

A. Gross Value Added, Gross Disposable Household Income and labour productivity

Gross Value Added (GVA)

The estimates published here have been calculated on the basis of the European System of Accounts 1995 (ESA95). GVA is the major component of gross domestic product (GDP). Under ESA95 the difference between GVA and Gross Domestic Product (GDP) is that GDP (at market prices) includes taxes (less subsidies) on products (mainly Value Added Tax) while GVA (at basic prices) does not. ONS does not presently attempt to apportion taxes on products to regions.

These indicators contain two separate measures of economic activity that fall under the broad definition of 'GVA'. The data in Section A is taken from the regional economic accounts, produced by ONS, which are calculated from a series of economic and labour market surveys. The same source is used for the denominators in Tables B(3)(i)-(iv), C(1)(i), C(1)(ii) and F(1)(ii). This edition of the publication uses data from the December 2010 Regional Accounts release.

The second set of GVA data that appears in Section B is based on a single survey: approximate GVA from the Annual Business Survey (ABS). The GVA estimates taken from the regional economic accounts cover a greater portion of the economy and are thus a much broader measure of regional economic activity than the ABS series. In particular, the ABS SIC (2007) financial data does not cover Farming (i.e. Divisions 01.1, 01.2, 01.3, 01.4, 01.5) in Section A (Agriculture, Forestry and Fishing), Section K (Financial and Insurance Activities), and Section O (Public Administration and Defence; Compulsory Social Security). In Sections P (Education), and Q (Human Health and Social Work Activities), central and local government are excluded. Section Q also excludes public sector hospitals, medical and dental practices and some charitable sociable work.

There are also some discontinuities in coverage over time; before 2000 ABS did not include SIC (2003) Section A, (Agriculture, Hunting and Forestry) and Section B (Fishing). From 2000 coverage was extended to include Division 02 (Forestry, Logging and Related Service Activities) of Section A and Section B (Fishing). From 2001 coverage of Section A was further extended to include Groups 01.4 (Agricultural and animal husbandry service activities, except veterinary activities; landscape gardening) and 0.15 (Hunting, trapping and game propagation including related service activities). More information on ABS coverage, variables and methodology can be obtained from *www.statistics.gov.uk/abs*.

Most regional GVA estimates presented in this publication are workplace-based (though Tables A(2)(i)/(ii), introduced in 2010, use residence-based data). For workplace-based estimates, the earnings of employees who commute across regions are allocated to the region where they work and not where they live. In practice, residence and workplace-based GVA differ only in London, the South East, and the East of England, as ONS does not make adjustments for other regions. However the statistics provided here are on a per head basis and therefore are divided by the population which is on a residence basis.

Regional GVA data is subject to adjustments in three key areas: adjustments for coverage; adjustments needed to move the accounts onto an ESA 95 basis; and adjustments for balancing purposes. For 2004 data and subsequent years the New Earnings Survey was replaced by the Annual Survey of Hours and Earnings. Estimates of average weekly pay using the ASHE methodology are higher than those previously taken directly from NES for 1998 to 2003. GVA estimates used in UK figures include

extra-regio. The GVA for Extra-Regio comprises compensation of employees and gross operating surplus which cannot be assigned to regions, based mainly on offshore activities (oil and gas extraction along with the activities of UK embassies and armed forces overseas).

Gross disposable household income (GDHI)

Gross disposable household income (GDHI) is the amount of money that individuals (i.e. the household sector) have available for spending or saving. This is money left after expenditure associated with income, e.g. taxes and social contributions, property ownership and provision for future pension income. The series is compiled under the latest ESA95 framework.

The household sector includes traditional households within the UK, in addition to people living in institutions such as retirement homes, hospitals and prisons. This sector also includes the activity of the non-profit making units that provide a service to households, for example charities and most universities.

It should be noted that neither GVA nor GDHI are the same as 'wealth'. It is possible for a household to possess substantial material wealth and assets while receiving a comparatively low level of income.

Labour Productivity

Regional labour productivity in manufacturing and other industries is calculated by dividing workplace-based GVA for manufacturing, services and the 'other industries' section or subsection (as defined in SIC(2003)) by the number of workforce jobs within section or subsection. The estimates of GVA are drawn from the regional economic accounts produced by the Regional Accounts branch in ONS. Estimates of the total number of workforce jobs are calculated by summing employee jobs (mainly collected through postal surveys of employers), self-employment jobs from the Labour Force Survey, those in HM Forces and Government-supported trainees. The count of jobs includes both full- and part-time jobs.

Regional estimates of GVA per filled job and GVA per hour worked have been calculated using GVA figures as published in the regional accounts. The annual hours figure that is used in the compilation of the GVA per hour worked index is an average of the four quarters' Labour Force Survey (LFS) data for Employees and Self employed, and annual data for Government Supported Trainees (from Workforce Jobs and the LFS), and HM Forces data provided by the Ministry of Defence. It is important to note that from the 2009 edition of this publication, ONS introduced a change in the methodology used to produce these indicators, with unsmoothed rather than smoothed GVA data being used as the numerator. This is conceptually more consistent with the jobs and hours data, which is not smoothed, though it risks introducing greater volatility. For a fuller discussion of the issues involved see the article at *http://www.statistics.gov.uk/cci/article.asp?id=1945*.

B. Investment

Manufacturing investment and output by UK and foreign owned companies

Gross Value Added (GVA) from the Annual Business Survey is used to differentiate the output of UK owned and foreign owned companies. For a further description of GVA, please refer to section A of the *Definitions*. Estimates of Gross Value Added shown here will not be exactly the same as those published in the Regional Accounts, the basis of tables in Section A.

Net Capital Expenditure is used as a proxy for investment and is calculated by adding the value of new building work, plus the difference between acquisitions and disposals of land, existing buildings, vehicles and plant and machinery.

Since 1998 the data is taken from the Annual Business Survey (ABS), an integrated survey of financial information from UK businesses and other related establishments. ABS does not cover the whole of the economy (see section 1 of *Definitions* for details). For data up to and including 2007 the broad industry breakdowns are based on SIC (2003) and data from 2008 based on SIC (2007).

Investment as a percentage of GVA (Tables B(3)(i)-(iv)) has been calculated using the GVA data produced by the Regional Accounts branch of the ONS. The reader should note that although regional net capital expenditure data has been provided by the ONS, they (and the derived percentages) do not meet the ONS quality standards and consequently do not have National Statistics status. They are therefore subject to a higher level of potential inaccuracy than other data provided in this publication.

C.   Research & Development, and employment in high and medium-high technology industries

Research & Development

The R&D data in tables C(1)(i) and C(1)(ii) is drawn from the survey of Business Enterprise Research & Development (BERD), conducted by the ONS annually. The survey is based on a sample of around 4,800 businesses across the UK that are identified as performing Research & Development (R&D) activity by the Annual Business Inquiry. Included are all 'large' R&D performers, plus a sample of smaller businesses that are deemed as 'lesser' R&D performers. Government organisations, higher education establishments and registered charities are not included within the survey sample. Gross Domestic Expenditure on Research and Development (GERD) is the most reliable estimate of national R&D spending, drawing together information on R&D spending in the public and private sectors.

It is important to note that this survey assesses the value of R&D performed by businesses in the UK, irrespective of where the funding for the R&D activity came from (i.e. business, government or foreign funding). It also covers the R&D activity by UK firms on UK territory outside of the mainland (i.e. North Sea oil exploration). The sample size and response rates (at around 93 per cent) are sufficient to allow estimation of R&D activity within businesses down to regional and sector level.

Co-operation and new/improved products

The Community Innovation Survey (CIS) is a survey conducted periodically by EU member states. The survey covers aspects of innovation including the constraints faced by businesses, the impact of innovation on businesses and features of the wider innovation process.

Most questions are asked about innovation activities over a long period (2006 to 2008 for CIS 6, for example). The data on the percentage of turnover attributable to new/improved/novel products presented in Table C(2)(ii) is an exception, the question relating to the final year only (2008 for CIS6, for example).

The sectoral coverage of the Innovation Survey was widened considerably in 2005 to include a larger portion of the service sector. The additional sectors are: Sale, Maintenance and Repair of Motor Vehicles, Retail Trade, Hotels and Restaurants. For the 2007 Survey, motion picture and video activities, and radio and television activities have also been added. Furthermore, other differences with the previous survey; such as in the sample design, questionnaire routing and weighting methodology, implies that results from successive iterations of CIS are not strictly comparable.

High and medium-high technology industry employee jobs

There are two major methodological changes which affect this indicator. First of all, from 2009 onwards, employee jobs estimates have been drawn from the Business Register Employment Survey (BRES) which uses an improved methodology compared to the Annual Business Inquiry (ABI)/Northern Ireland Census of Employment and Quarterly Employment Survey(NICES & NIQES), from which Great Britain/Northern Ireland estimates were drawn previously. A detailed description of BRES methodology and comparisons with ABI can be found in the following article http://www.statistics.gov.uk/downloads/theme_labour/bres/bres-sqr.pdf.

In table C3 estimates for 1998–2007 are still based on the ABI and NICES and NIQES surveys. For the 9 English regions, England as a whole, Wales and Scotland, two sets of 2008 estimates are given: one set of 2008 estimates processed using the ABI and NICES and NIQES surveys which are comparable with the 1998-2007 figures, and 2008 BRES estimates processed using BRES methodology which are discontinuous with the 1997-2007 estimates. The 2008 BRES estimates are given solely for comparison with the new 2009 estimates.[1] 2008 BRES estimates are unavailable for Northern Ireland. The 2009 estimates (for British regions as well as Northern Ireland) are based on BRES and are not comparable with the corresponding 1998–2007 figures.

Furthermore, a new definition of high and medium-high technology industries, based on SIC 2007 was used in this edition of REPI. In previous editions, the high and medium-high technology sector was defined using the 2003 Standard Industrial Classification, which was revised in 2007 (SIC 2007) to reflect changes in the economy.

The old high and medium-high technology sector definition (used in previous editions of REPI) was based on that specified by the OECD in 1997. The new one was developed by mapping those industries that were high and medium-high tech according to the old definition (SIC 2003), onto corresponding ones based on SIC 2007 (5 digit level), using conversion tables provided by the ONS.

Table 1 gives a list of industries classified as high or medium-high tech under the new definition SIC 2007.

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[1] Caution should be taken when comparing the 2009 BRES estimates with 2008 since the 2008 "BRES estimates" are largely based on ABI 2008 data processed using the BRES methodology.

Table 1 - High and medium high tech sector – new definition.

High and medium-high tech sector	SIC 2007 code
Chemicals and chemical products	20.0
Basic pharmaceutical products	21.0
Computer, electronic and optical products	26.0
Electrical equipment	27.0
Other machinery and equipment	28.0
Motor vehicles	29.0
Other transport equipment (excluding manufacture of ships and boats)	30.0 (excluding 30.1)
Repair and installation of machinery and equipment	33.0

The 2009 and 2008 (BRES) high and medium-high tech employment estimates provided in this edition of REPI are based on the new SIC 2007 definition, whereas the 1998-2007 estimates are based on the old SIC 2003 definition.

D.   Education and Skills

The statistics for this section have been supplied by the Department for Business, Innovation and Skills (BIS) and the Department for Education. As part of the 2004 public spending review a number of Public Service Agreement objectives and targets were implemented, including objective 3, that all young people were to reach age 19 ready for skilled employment or higher education, and objective 4, to tackle the adult skills gap.

The data presented in tables D(1)(i)-(iv) is from the Labour Force Survey (LFS). Please note that a new improved method of calculation of these statistics has been adopted by BIS, for further information on the changes in methodology refer to the following article:

http://www.thedataservice.org.uk/NR/rdonlyres/1AACBFA4-F05A-478E-B15B-B0237ABD4F7E/0/summary_of_lfs_methodology_for_sfr.pdf

The 2006 – 2010 estimates for the 9 English regions and England as a whole published in REPI 2011 are based on the new methodology and they are not directly comparable with the figures published in the previous editions. Furthermore, they are not directly comparable with the estimates for Wales, Scotland and Northern Ireland, which are based on the old methodology.

In REPI 2011 these three indicators related to young people's skills previously published:
Percentage of 16 to 19 year olds qualified to NVQ level 2 or higher
Percentage of 19 to 21 year olds qualified to NVQ level 2 or higher
Percentage of 19 to 21 year olds qualified to NVQ level 3 or higher

are replaced with the following two:

Table D(2)(i) - Percentage of 19 year olds qualified to Qualifications Curriculum Framework (QCF) level 2 or 3
Table D(2)(ii) - Percentage of 19 year olds qualified to QCF level 3

A revised series going back to 2005 is provided.

The new indicators are based on an improved methodology which uses a number of different administrative data sources. As a result, the estimates are subject to a much lower level of potential inaccuracy than was previously the case.

The figures in tables D(2)(i) and D(2)(ii) have been taken from the Statistical First Release (SFR) "Level 2 and 3 Attainment by Young People in England Measured Using Matched Administrative Data: Attainment by Age 19 in 2010" published on 31/3/2011 by the Department for Education, available via the following link: (http://www.education.gov.uk/rsgateway/DB/SFR/s000995/index.shtml).

Regional estimates are aggregated up from local authority (LA) level. The numerator is the number of young people studying at schools in the LA in year 11 who reach Level 2/3 at 19 (even if they reach this level in a different LA). The denominator is the Annual School Census figure for the number of young people attending all schools in the given LA at academic age 14 (including Pupil Referral Units and independent schools).

The methodology for the LA figures differs from the national figures in the SFR, in that achievements for young people entering the data after academic age 15 are not counted towards the LA numerators. Therefore the England figures appearing in tables D(2)(i) and D(2)(ii), obtained by aggregating up from LA level, do not equate with the overall England figures published elsewhere in the SFR.

Please note that the new indicators only cover the nine English regions and there are no plans to extend it to the rest of the UK. As a result, estimates for Wales, Scotland and Northern Ireland are not available.

Table D(3) is based on a sample extracted from the new quarterly calendar based LFS. The table is subject to some level of sampling error, though it covers all regions within the UK. Here employees are defined as all males aged 16-64 and females aged 16-59 in employment excluding the self-employed, unpaid family workers and those on government programmes.

E. Enterprise

Business registration and survival rates

In the 2010 edition, the coverage of this group of indicators was broadened to cover businesses registered for one or both of Value Added Tax (VAT) and Pay as You Earn (PAYE) systems. In previous years it was restricted to businesses registered for Value Added Tax (VAT). Businesses with an annual turnover below the VAT threshold (£68,000 from 1 May 2009) may decide not to register for VAT for a variety of reasons, and so would not have been included in the estimates in previous editions (if they do not have a PAYE scheme they will also be excluded under the new wider definition). The change in the 2010 edition brought any business with a PAYE scheme into scope, though most were already registered for VAT.

For more details of the differences involved between old and new approaches, see

http://www.statistics.gov.uk/cci/article.asp?ID=2096.

The data is compiled from the Inter-Departmental Business Register (IDBR). The IDBR is a structured list of nearly 2.2 million enterprises in the UK available for the selection, mailing and grossing of statistical inquiries. It is maintained by ONS and is mainly used as a sampling frame for official business surveys.

In tables E(1)(i) – E(1)(iii), a birth is identified as a business that was present in year t, but did not exist in year t-1 or t-2. Births are identified by comparing annual active

business population files and identifying those present in the latest file, but not the two previous ones.

The estimates are based on the location of the head office or main centre of business activity. If a new factory owned by a business is located elsewhere in the UK then it does not appear as a new registration. Industry sectors in table E(1)(i) have been divided using Standard Industrial Classification[2] (SIC) codes, using SIC(2007) for 2008 onwards and SIC(2003) for earlier years. The definitions of the broad industries in each classification are shown below.

	SIC(2003) Sections (used up to 2007)	SIC(2007) Sections (used from 2008)
Manufacturing	D	C
Services	G to O	G to S
Other	A to C, E, F	A, B, D to F

Figures in Table E(1)(ii) – Births of new enterprises per 10,000 of adult population are calculated by dividing the total number of births in table E(1)(i) by mid-year population estimates (age 16 and over) provided by Office for National Statistics, General Register Office for Scotland and Northern Ireland Statistics and Research Agency.

Care should be taken when comparing the rates of business registrations/population or stock of businesses between regions since the estimates can be influenced by variations in commuting, industry mix and differences in the profile of businesses between regions as well as 'actual' changes over time. In addition, there are areas where the stock of businesses is relatively low, so a relatively small increase in the number of registrations can lead to a large increase in rates.

Entrepreneurship

The Global Entrepreneurship Monitor UK (GEM UK) is part of a study comparing rates of Total Entrepreneurial Activity (TEA) internationally. The survey interviews a stratified representative sample of individuals across the UK on various aspects of entrepreneurship.

The survey takes a broad definition of entrepreneurship as 'any attempt at new business or new venture creation, such as self-employment, a new business organisation or the expansion of an existing business by an individual, teams of individuals, or established business'.

In 2010, for the first time, a sample of households with mobile phone access only was included (previously only households with a landline number were sampled.) As a result, tables E(3)(i) and E(3)(ii) have two entries for 2010:
1. estimates for landline only households, which are comparable with the previous years
2. estimates based on the total sample of 90% landline households and 10% mobile only households
Due to the different nature of mobile only households compared to those with a landline the second set of 2010 results is not comparable with the rest of the series.

Furthermore, since smaller than usual samples were drawn in 2010, it was not possible to produce reasonable estimates of entrepreneurial activity at regional level. Therefore only 2010 estimates for England, Scotland, Wales and Northern Ireland West are available.

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[2] More detail on SIC codes available at http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14012

F. Exports

Exports of goods

The counts in Table F(2)(ii) of companies exporting goods to EU and outside the EU are not fully comparable. Company details for businesses' export transactions with non-EU countries are mandatory and are automatically recorded by HM Revenue and Customs. The counts for exports to non-EU countries are taken from these. However, since the introduction of the Single European Market, declarations for companies exporting to the EU are recorded through the *Intrastat* system, which only picks up businesses exporting goods with a value in excess of £270,000 (during 2009) to the EU. Hence, the company counts of EU exporters will be artificially low compared to the count for exporters to the rest of the world. Note that companies who export to both EU countries and the rest of the world will appear more than once in the company count, that is, in both parts of the table F(2)(ii).

Aspects of the Customs administrative data source used in the compilation of the Regional Trade Statistics have changed, This is likely to have had some impact from the third quarter of 2009. More detail can be found on the UK TradeInfo website at https://www.uktradeinfo.com/pagecontent/downloads/RTS_EORI_web.pdf.

Comparisons between regions should be interpreted with care because the *value added* of an export product may have been generated in areas other than the region from which the item was actually exported.

Export trade is assigned to a region through the postcode associated with a company's VAT registration. Some adjustments have been necessary for exports to the EU to ensure that manufacturing that takes place at branch premises is properly allocated to the region where the branch is situated. Exports to countries outside the EU already contain a regional coding. The statistics shown here have been affected by VAT missing trader fraud. Fraudsters obtain VAT registration to obtain goods from other EU member states and then subsequently sell on the goods at VAT inclusive prices and disappear without paying over the VAT paid to the tax authorities. For further background information on VAT missing trader fraud please use the link provided here:

http://www.statistics.gov.uk/articles/economic_trends/ETAug03Ruffles.pdf

Exports of goods per workforce job are BIS estimates using HM Revenue and Customs data for value of exports of goods and the number of workforce jobs as a denominator. Workforce jobs is the sum of employee jobs measured primarily by employer surveys (predominantly the Short-Term Employment Surveys and the Quarterly Public Sector Employment Survey), self-employment jobs from the Labour Force Survey (LFS), and government-supported trainees and Her Majesty's Forces from administrative sources.

Please note that in previous editions of REPI, the first part of table F(1)(i) gave the value of exports per employee job rather than workforce job. Given that the number of workforce jobs is a more complete measure of jobs, this has now been changed.

Exports of Services

The analysis is based on ONS data from the International Trade in Services (ITIS) survey and covers about 30 per cent of all UK service exports. The analysis allocates export data which is collected at the enterprise level to regions on a local unit basis using IDBR employment data. The resulting regional export data has been subjected to disclosure checking using ONS procedures. From the 2007 reference year, the analysis includes a number of improvements from that reported in previous years. These arise from extended coverage of the ITIS products, better consistency with Pink Book

categories and a change in the method of allocating export data across the regions when the business has a large number of local units.

The regional figures have been adjusted to be consistent with UK totals published in the UK Balance of Payments Pink Book. The data can be used to show the relative size of exports between regions for a particular product or between products within a region. Some of the figures can show considerable variability between years. This can be due to changing patterns in export services, where individual enterprises obtain new or end existing export contracts. It may also reflect the level of reliability of this data, partly due to the procedure of apportioning data across the companies' local units.

Data for export services such as travel, transportation and financial services is not currently provided to BIS in a format which allows a regional allocation to be undertaken. For these services allocation to a region may be less meaningful since the geographic location of the sales transaction and of the service activity may differ.

G. Employment and Unemployment

Employment and employee jobs

Tables G(1)(i) and G(1)(ii) provide details of the number and percentage of people aged 16-64 in employment who are resident in each region or country. The data contained in both tables is drawn from the Labour Force Survey (LFS) and has been seasonally adjusted. People aged 16 or over are classed as "in employment" (as an employee or self-employed) by the LFS, if they have worked for at least one hour in the reference week or if they have a job that they are temporarily away from (e.g. on holiday). People who do unpaid work in a family business and people on Government-supported training and employment programmes are also included, in accordance with the International Labour Organisation (ILO) convention.

Please note that in previous editions of REPI (up to 2010) employment figures were based on 'working age' population defined as women aged 16-59 and men aged 16-64. However, due to the state pension age for women gradually increasing from 60 to 65 between 2010 and 2020, there was a need for the Office for National Statistics (ONS) to reconsider the headline employment figures. From August 2010, the ONS has replaced the 'working age' employment rates with the ones based on those aged 16-64 for both men and women. As a result, the employment figures contained in REPI 2011 are based on people aged 16-64. (Tables G(1)(i) and G(1)(ii) give a consistent time series going back to 1999 Q1.) An article on implications of the change in female state pension age for key labour market statistics can be accessed from the following link:

http://www.statistics.gov.uk/cci/article.asp?ID=2346&Pos=2&ColRank=1&Rank=1

The data contained in Table G(1)(iii) shows the number and percentage of employee jobs on a workplace basis. The main source of this data is the Short-Term Employment Surveys (STES) carried out by ONS. Employee jobs are a count of jobs not people. In a jobs measure a person with two jobs would be counted twice, whereas for employment, which counts people, this person would only be counted once. Employee jobs do not cover HM armed forces, self–employed and persons on government–supported training schemes.

Unemployment

This is based on the International Labour Organisation (ILO) definition of unemployment which includes as unemployed all those who are out of work, want a job, have actively sought work in the last four weeks prior to interview and are available to start work within

the next fortnight, or are out of work and have accepted a job they are waiting to start in the next fortnight. The data is seasonally adjusted.

The unemployment rate is the percentage of economically active people who are unemployed. To be economically active, a person must either be in employment (see definition under **Employment and employee jobs**) or unemployed (ILO definition). The unemployment rate is based on the population aged 16 and over. Therefore the change in female state pension age has no implications for the unemployment rate.

Claimant count

The claimant count is based on the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits at Jobcentre Plus local offices on a particular day each month. People claiming JSA must declare they are out of work, available for, capable of and actively seeking employment during the week in which the claim is made. Claimant count rates express the number of JSA claimants as a percentage of the sum of claimants and workforce jobs in the area. The number of workforce jobs is comprised of employee jobs, agricultural jobs, HM armed forces, self–employed and persons on government–supported training schemes.

The figures for long-term JSA claimants (12 months or more) only account for computerised claims – around 1 per cent of claims are dealt with manually, and these are excluded.

H. Average earnings

Estimates of average earnings to 2003 were drawn from the New Earnings Survey (NES) and include remuneration for overtime worked during the survey period and shift pay, but not other payments such as profit shares or annual bonuses. NES data was collected in April of each year. The estimates may be affected by seasonality.

In 2004, a new survey was developed by ONS to replace the NES called the Annual Survey of Hours and Earnings (ASHE).   The ASHE included improvements to the coverage of employees and to the weighting of earnings estimates. The data variables collected remain broadly the same, although an improved questionnaire was introduced for the 2005 survey. The change in methodology means that statistics on pay and hours published from the ASHE, including the calculation of ONS's low pay statistics, are discontinuous with previous NES surveys.

To improve coverage and make the survey more representative, supplementary information was collected for the 2004 ASHE on businesses not registered for VAT and for people who changed or started new jobs between sample selection and the survey reference period. The 2004 ASHE results are therefore discontinuous with the results for 2003, for which no supplementary information was collected. However, for 2004 two sets of results are available; the headline results that include supplementary information and results that exclude this information. These second set of results are given solely for comparison to earlier results. Growth rates between 2004 and 2003 are only given for the data that excludes supplementary information. There are also two sets of results available for 2006 data, which reflects changes to the sample design to improve the quality of the estimates. In tables H(1)(i) – H(1)(iii) the top data for 2006 is comparable with 2005, which also includes supplementary surveys, whilst the bottom data for 2006 reflects the latest changes to the sample design and is directly comparable with data for 2007 and beyond.

The headline statistics for ASHE are based on the median rather than the mean. The median is the value below which 50 per cent of employees fall. It is ONS's preferred measure of average earnings as it is less affected by a relatively small number of very

high earners and the skewed distribution of earnings. It therefore gives a better indication of typical pay than the mean.

I. Deprivation

Proportion of Claimants for Income Support

Income Support (IS) claimants can be grouped into Disabled, Lone Parents and Other. IS is paid to a person who is between age 16 and the age when they can get Pension Credit, is not working 16 hours or more a week and whose income is less than what is considered necessary to live on.

Please note that from October 2008, for new claims, a new type of benefit - Employment & Support Allowance (ESA) replaced Incapacity Benefit and Income Support paid on the grounds of incapacity.

Furthermore, from November 2008 Lone Parents (LPs) with a youngest child aged 12 or over were no longer able to make a new or repeat claim for IS solely on the basis of their parental status. Existing IS LPs with a youngest child aged 12 or over had their eligibility removed over a period of time commencing 2nd March 2009. From October 2009 this policy was extended to LPs with a youngest child aged 10 or 11 and from October 2010 - to LPs with a youngest child aged 7 or over. Although these Lone Parents will not be automatically transferred to Jobseeker's Allowance, many are expected to make a claim for it.

The policy changes discussed above will affect estimates in tables I(1)(i), I(1)(iii) and I(1)(iv).

In addition, a person with a low income who has reached the minimum qualifying age may be entitled to Pension Credit. The qualifying age is gradually increasing to 65 in line with women's State Pension Age (SPA) (rising from 60 to 65 between 6 April 2010 and 5 April 2020). In order to ensure time series consistency, the indicator in Table 1(1)(ii) has been changed to 'Pension Credit claimants as a proportion of the **65+** population' (since changes in the number of people receiving Pension Credit in this age group over time will not be driven by the changes in the qualifying age – for more details please refer to the 'Pre-announcement of changes' note available from REPI 2011 web page _http://stats.bis.gov.uk/sd/repi/repi2011.asp_).

Benefits statistics for the GB regions have been sourced from the Work and Pensions Longitudinal Survey (WPLS) based on 100% of claimants. Background data for the featured tables can be accessed via the online Tabulation Tool, using the following link: _http://www.dwp.gov.uk/asd/tabtool.asp_. Northern Ireland data is currently based on a 5% sample of claimants, though this is not directly comparable with the rest of the UK.

Income deprivation

Table I(2) provides the percentage of the population living within families where at least one member is receiving one of the following key benefits: Jobseeker's Allowance, Employment and Support Allowance and Incapacity Benefits as well as Lone Parent, Carer, Disabled, Bereaved and other types of income related benefits. The percentage for each of the English regions is included, together with the proportion for the 20% of the population living within 'most deprived' areas within each region. The corresponding figures for England as a whole are also presented.

For this indicator, deprivation has been defined at lower layer Super Output Area (SOA), according to the Indices of Multiple Deprivation 2010 (IMD 2010). The IMD 2010 is an index for areas in England consisting of 37 indicators of deprivation that fall under 7 broad dimensions: income, employment, health and disability, education and

training/skills, barriers to housing and services, crime and living environment. The majority of the data underpinning the IMD 2010 is for 2008, although some data covers a number of years, for example an average of 2004-2008.

The figures are derived by BIS using working age benefit claimants data at May 2009 (from Neighbourhood Statistics web site) and the number of dependent children from the DWP publication Children in Out-of-Work Benefits Households, 2009. This figure is divided by the total 2009 mid-year population (taken from the ONS web site).

Please note that problems with the methodology used to derive figures for previous versions of table I(2) have been discovered. As a result, it is not recommended to compare figures in the 2011 publication with previous versions. We aim to revise previously published figures where data exists as soon as possible.

J. Transport

2009 data in table J(1) is not directly comparable with previously published data. 2009 data is residence based, previous data is workplace based. Furthermore some of the categories have changed, i.e. data on taxi journeys has been incorporated into Other method.

In Table J(2), the estimates are for those roads surveyed in all three years shown, rather than the full sample for each individual year.

K. Derelict and vacant land

The information covering previously developed land now vacant or derelict are drawn from the National Land Use Database (NLUD) (*http://www.homesandcommunities.co.uk/nlud-pdl-results-and-analysis*). This data is based on an annual survey of unitary and local authorities covering vacant and derelict sites and other previously developed land and buildings that may be available for redevelopment.

Table K(1) covers several distinct types of vacant or derelict land:

Previously developed vacant land: Land previously developed and is now vacant which could be developed without treatment. Treatment includes: demolition, clearing of fixed structures, foundations levelling etc.

Derelict land and buildings: Land so damaged by previous industrial or other development that it is incapable of beneficial use without treatment. This includes abandoned or unoccupied buildings in an advanced state of disrepair.

All land that is unused or may be available for redevelopment: Comprises previously developed vacant and derelict land: vacant buildings; land or buildings currently in use, which are allocated in a local plan for any developed use, have planning permission for any use (including single residential dwellings with planning permission for at least one additional dwelling) or with known potential for redevelopment.

Sources   ANNEX 2

Section A (excluding Tables A(1)(iv) and A(1)(v))

Regional Accounts, Office for National Statistics (ONS)

www.statistics.gov.uk/cci/nscl.asp?ID=6008

Tables A(1)(iv) and A(1)(v)

Employment, Earnings and Productivity Division, ONS

www.statistics.gov.uk/StatBase/Product.asp?vlnk=7476

Section B

Annual Business Survey (ABS), ONS

www.statistics.gov.uk/abs/default.asp

Section C

Tables C(1)(i) and C(1)(ii)

Business Enterprise R&D survey, ONS

www.statistics.gov.uk/StatBase/Product.asp?vlnk=8206

Tables C(2)(i) and C(2)(ii)

Community Innovation Survey, BIS

www.bis.gov.uk/policies/science/science-innovation-analysis/cis

Table C(3)

Annual Business Inquiry, Office for National Statistics;

www.statistics.gov.uk/abi/default.asp

Northern Ireland Census of Employment and Quarterly Employment Survey, Department of Enterprise, Trade & Investment (Northern Ireland)

www.detini.gov.uk/stats-pubs-19

www.detini.gov.uk/deti-stats-index/stats-surveys/stats-qes.htm

Business Register and Employment Survey

http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15390

Section D

Tables D(1)(i)-(iv) and D3

http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

Tables D(2)(i)-(ii)

http://www.education.gov.uk/rsgateway/DB/SFR/s000995/index.shtml

Section E

Tables E(1)(i) to E(2)

Business Registers Section, ONS

www.statistics.gov.uk/statbase/product.asp?vlnk=15186

Tables E(3)(i) and E(3)(ii)

GEM UK

www.gemconsortium.org/

Section F

Tables F(1)(i) to F(3)

Statistics and Analysis of Trade Unit, HM Revenue and Customs

www.uktradeinfo.com

Table F(4)

BIS analysis of International Trade in Services data, ONS

http://www.statistics.gov.uk/articles/elmr/elmr-oct10-brook.pdf

Section G

Tables G(1)(i) to G(1)(iii)

Labour Market Division, ONS

www.statistics.gov.uk/cci/nscl.asp?ID=6584

Tables G(2)(i) to G(2)(iii)

Labour Market Division, ONS

www.statistics.gov.uk/cci/nscl.asp?ID=6682

Claimant count data can be downloaded free of charge from *https://www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?theme=24*

Section H

New Earnings Survey, ONS

www.statistics.gov.uk/STATBASE/Source.asp?vlnk=428

Annual Survey of Hours and Earnings, ONS

www.statistics.gov.uk/CCI/article.asp?ID=985&Pos=1&ColRank=2&Rank=704

Department of Enterprise, Trade & Investment (Northern Ireland)

www.statistics.detini.gov.uk

Information can be downloaded free of charge from *https://www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?theme=25*

Section I

Tables I(1)(i) to I(1)(v)

Department for Work and Pensions

www.dwp.gov.uk/asd/tabtool.asp.

Department for Social Development (Northern Ireland)

www.dsdni.gov.uk/index/stats_and_research/benefit_publications.htm

Table I(2)

Benefits data: Working age Client Group, Neighbourhood Statistics

http://83.244.183.180/NESS/WACG/wacg.htm

Children in Out-of-Work Benefits Households, Department for Work and Pensions

http://statistics.dwp.gov.uk/asd/asd1/ben_hholds/index.php?page=child_ben_hholds

Mid-year population estimates, ONS

http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14357

Section J

Table J(1)

Labour Market Division, ONS

www.statistics.gov.uk/CCI/nscl.asp?ID=5001

Tables J(2) and J(3)

Department for Transport

http://www.dft.gov.uk/pgr/statistics/datatablespublications/roads/

Section K

National Land Use *Database*

http://www.homesandcommunities.co.uk/nlud-pdl-results-and-analysis