

Statistical bulletin

Small area gross value added estimates, UK: 1998 to 2022

Breaking down local authority level gross value added to lower levels of geography. These are official statistics in development.

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Next release: To be announced

Notice

21 August 2024

All publications on small area gross value added estimates will be published in this series from August 2024.

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1. Main points

- This release is a secondary breakdown of gross value added (GVA) data published in April 2024; it
 provides granular data for Lower-layer Super Output Area (LSOA), Data Zone (DZ), and Super Output
 Area (SOA) levels, called "building blocks".
- These building blocks can be aggregated to build larger geographical areas for analysis and comparison; we have provided a range of additional areas in common use across the UK, and a small number of bespoke areas.
- We have also included labour productivity estimates (GVA per job filled) for towns, cities, and travel to work areas.
- We have updated Westminster parliamentary constituencies to the new boundaries introduced in 2024 in this release.
- These statistics are based on 2011 Census geography codes, because not all input datasets have been updated to Census 2021 geography codes.
- All estimates are in current prices, because the main use for these data is aggregating the building blocks
 to larger areas, including the effect of price inflation; constant price chained volume measures are nonadditive, so cannot be aggregated in this way.

2. Data on small area gross value added

UK small area gross value added (GVA) estimates

Dataset | Released 21 August 2024

Breaking down GVA to lower-level geographies (building blocks) to improve granularity, which allows the construction of bespoke geographical areas.

UK gross value added (GVA) and productivity estimates for other geographies

Dataset | Released 21 August 2024

GVA estimates for travel to work areas (TTWA), towns and cities, health board areas, parliamentary and devolved administrations' constituencies, wards, highlands and islands area offices, and bespoke areas. Productivity estimates are for TTWAs, and towns and cities.

3. Data sources and quality

Value Added Tax (VAT) turnover data

Turnover from Value Added Tax (VAT) administrative returns, collected by HM Revenue and Customs, provides the main dataset used for apportioning gross value added (GVA) from local authorities to smaller areas. Revisions and annual updates of the VAT turnover data affect both local authority and small area GVA statistics. Revisions can apply to the whole time series, which may cause discrepancies with previous publications.

Other data sources

VAT records do not include turnover for households with employees and own-account production, imputed rental of owner-occupied dwellings, and non-market activities of public sector industries. To fill these gaps and provide a complete economic picture, these additional data sources are used:

- Mid-year population estimates (households with employees and own-account production)
- Dwelling stock estimates (imputed rental of owner-occupied dwellings)
- Business Register and Employment Survey (BRES) public sector employment estimates (non-market activities of public sector industries)
- Ministry of Defence (MoD) armed forces employment estimates (public administration and defence)

To calculate the jobs data used in our productivity (GVA per job filled) estimates, local authority productivity jobs data, published along with our <u>Regional and subregional labour productivity</u>, <u>UK: 2022 bulletin</u>, are apportioned to the building block geographies based on proportions of employment calculated from the BRES. This approach ensures consistency with the jobs data used in our subregional and regional productivity calculations.

Quality

We perform quality checks, outlier detection and treatment, and statistical disclosure testing and treatment on the GVA statistics, to produce stable and non-disclosive series at Lower-layer Super Output Area (LSOA), Data Zone (DZ) and Super Output Area (SOA) levels.

We advise a degree of caution when making comparisons between data at the most granular (building block) level, such as for neighbourhood analysis within a local authority. This is because data at the lowest levels are more volatile than larger aggregated geographies. The economic composition of these small areas varies hugely, from largely residential areas to areas of heavy industry. They may also have been adjusted to deal with the perceived risk of statistical disclosure. When these building blocks data are used to construct larger geographies for analysis and comparison, these risks lessen because larger areas will tend to contain a more balanced mix of activities.

In some cases, it will not be possible to perfectly match the boundaries of the area required and a "best fit" approach must be used. This involves aggregating all building blocks whose centroid lies within the target area. For larger areas, relatively small inaccuracies tend to balance out, leaving results that are still generally reliable. For smaller aggregate areas, like wards, these approximations can result in considerable GVA activity being assigned to the wrong ward. We advise additional caution in interpreting results for wards included in this bulletin.

Our methodology constrains the LSOA, DZ and SOA data to local authority GVA totals. These data are consistent with our <u>Regional economic activity by gross domestic product, UK: 1998 to 2022 estimates</u> and the <u>UK National Accounts</u>, The Blue Book: 2023.

Geography

The current statistics are based on 2011 Census geography codes. We have not updated to Census 2021 geography codes because some input datasets, like the BRES employment data, still reflect the 2011 Census geography codes. We plan to update to Census 2021 codes before the next release of these data.

Managing the perceived risk of statistical disclosure

Granular GVA data at lower levels of geography have a perceived risk of statistical disclosure. This arises because of differences in the distribution of economic activities in small geographical areas, and the economic dominance of some industries or enterprises in local areas. We comply with regulations governing statistical disclosure of data, in line with our <u>statistical disclosure control strategy</u>.

We assess all LSOA, DZ and SOA for the presence of dominant enterprises. We treat the data for the perceived risk by averaging the GVA of each disclosive building block with another area in the same Middle-layer Super Output Area (MSOA), Intermediate Zone, or District Electoral Area. This method allows the entire set of UK building blocks to be made available, without the suppression of any data.

Fewer than 1% of all LSOA, DZ and SOA were treated for perceived risk of disclosure. However, users should be aware that some areas have been adjusted in this way and will not have the correct GVA if used in isolation.

Official statistics in development

These statistics are labelled as "official statistics in development". Until September 2023, these were called "experimental statistics". Read more about the change in the guide to official statistics in development.

4. Related links

Regional economic activity by gross domestic product, UK: 1998 to 2022

Statistical Bulletin | Released 24 April 2024

Annual estimates of economic activity by UK country, region and local area using gross domestic product (GDP). Estimates are available in current market prices and in chained volume measures and include a full industry breakdown of balanced regional gross value added (GVA(B)).

Regional and subregional labour productivity, UK: 2022

Statistical Bulletin | Released 17 June 2024

Regional and subregional output per hour and output per job performance levels.

Subnational indicators explorer

Interactive tool | Last updated 21 March 2024

Compare a local authority and the UK average (median) local authority by different indicators. You can also add and compare up to three additional local authorities.

Open Geography Portal

Portal | Last updated August 2024

The Office for National Statistics (ONS) Open Geography Portal provides free access to our definitive source of geographic products, web applications, story maps, services, and APIs. All content is available under the Open Government Licence version 3.0, unless stated otherwise.

5. Cite this statistical bulletin

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