

Statistical bulletin

Regional gross disposable household income, UK: 1997 to 2022

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

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1. Main points

- In 2022, gross disposable household income (GDHI) in the UK grew by 6.3% when compared with 2021; GDHI in England grew by 6.5%, while GDHI in Northern Ireland, Scotland, and Wales grew by 6.3%, 5.5% and 4.4%, respectively.
- Of the countries and regions classified by International Territorial Level (ITL) 1, London had the highest GDHI per head in 2022 where, on average, each person had £32,330 available to spend or save; the North East had the lowest at £18,388, which compares with a UK average of £22,789.
- In 2022, Westminster was the local area (ITL3) with the highest GDHI per head at £69,058, which was over three times the UK average; Leicester had the lowest GDHI per head at £15,075.
- The ITL3 local areas showing the largest increases in total GDHI in 2022 were Greater Manchester South West (8.4%) and Bristol (8.2%); the local areas with the smallest increases were Aberdeen City and Aberdeenshire (3.3%) and Powys (3.8%).

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

UK total gross disposable household income (GDHI) in 2022 was over £1.5 trillion. Of that, 86.5% was in England, 7.4% was in Scotland, 3.8% was in Wales and 2.3% was in Northern Ireland. When compared with the size of each country's population, only England had a GDHI per head above the UK average.

Total GDHI in the UK increased by 6.3% between 2021 and 2022. Of the four countries of the UK, only England exceeded this growth, with 6.5%. The smallest increase between 2021 and 2022 was in Wales, where total GDHI grew by 4.4%.

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

Of the 12 ITL1 regions, the region with the strongest growth in total GDHI in 2022 was the South West with 7.1%, followed by the South East with 6.9%. The lowest growths were in Wales and Scotland, with 4.4% and 5.5%, respectively.

Countries and regions of the UK	Population (million)	GDHI per head (£)	Growth in GDHI per head (%)	GDHI per head index (UK=100)	Total GDHI (£ million)	Total GDHI growth on 2021 (%)	
UK	67.6	22,789	5.3	100.0	1,540,631	6.3	100.0
England	57.1	23,338	5.4	102.4	1,332,896	6.5	86.5
North East	2.7	18,388	4.5	80.7	49,319	5.9	3.2
North West	7.5	19,752	5.0	86.7	148,447	6.3	9.6
Yorkshire and The Humber	5.5	19,249	4.9	84.5	106,606	6.0	6.9
East Midlands	4.9	19,879	5.0	87.2	98,101	6.1	6.4
West Midlands	6.0	19,480	5.3	85.5	117,212	6.3	7.6
East	6.4	23,661	5.7	103.8	151,461	6.6	9.8
London	8.9	32,330	5.4	141.9	286,734	6.2	18.6
South East	9.4	26,058	5.9	114.3	244,613	6.9	15.9
South West	5.8	22,612	6.1	99.2	130,402	7.1	8.5
Wales	3.1	18,652	3.5	81.8	58,432	4.4	3.8
Scotland	5.4	20,854	4.9	91.5	113,605	5.5	7.4
Northern Ireland	1.9	18,685	6.0	82.0	35,698	6.3	2.3

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

Notes

- 1. Figures may not sum to totals because of rounding; figures per head (£) 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: 2023.
- 3. Estimates for 2022 are provisional.
- 4. Population estimates are sourced from our Population estimates for the UK, England and Wales, Scotland and Northern Ireland: mid-2022 bulletin.

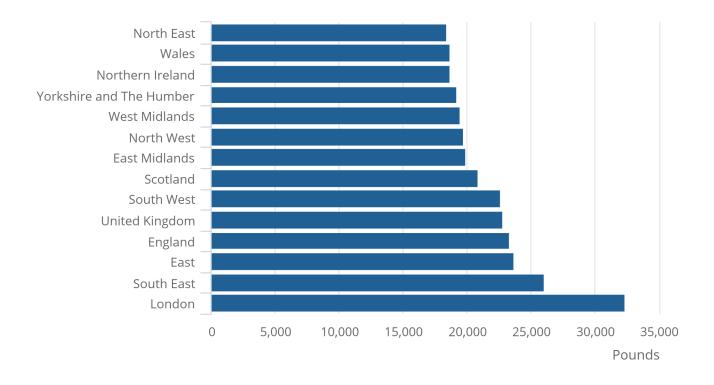
Three ITL1 regions had GDHI values above the UK per head value of £22,789. These were London (£32,330 per head), the South East (£26,058 per head) and the East of England (£23,661 per head). The lowest value was in the North East (£18,388 per head).

Figure 1: London had the highest gross disposable household income per head in the UK in 2022

Gross disposable household income (GDHI) per head, UK and constituent countries and regions, 2022

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

Notes:

- 1. Estimates for 2022 are provisional.
- 2. Figures for the UK are consistent with those published in the UK National Accounts, The Blue Book: 2023.

3 . Gross disposable household income for ITL3 local areas

At the International Territorial Level 3 (ITL3), the 10 places with the highest gross disposable household income (GDHI) per head in 2022 were all in London and the South East of England, with the top seven all in London (Table 2). The area with the highest GDHI per head was Westminster where, on average, each person had £69,058 to spend or save. This is over three times the UK average of £22,789.

The 10 places with the lowest GDHI per head were all in four ITL1 regions of England: the East Midlands, the West Midlands, Yorkshire and The Humber, and the North West. The ITL3 area with the lowest GDHI per head was Leicester where, on average, each person had £15,075 to spend or save.

A full breakdown of the income components flowing into and out of households, showing which components are having the greatest impact on household finances for each area, is available in the data tables linked from <u>Section</u> <u>5: Data on gross disposable household income</u>.

	Parent ITL1 region	GDHI per head (£)	GDHI per head index (UK=100)	Growth in GDHI per head (%)	Total GDHI growth on 2021 (%)
Top ten					
Westminster	London	69,058	303.0	4.9	7.0
Kensington & Chelsea and Hammersmith & Fulham	London	67,493	296.2	4.8	6.2
Camden and City of London	London	62,428	273.9	1.0	5.2
Wandsworth	London	43,701	191.8	6.1	6.4
Haringey and Islington	London	35,815	157.2	4.9	5.0
Hounslow and Richmond upon Thames	London	34,220	150.2	6.4	7.1
Barnet	London	33,730	148.0	7.6	8.0
West Surrey	South East	33,338	146.3	6.1	7.1
Lambeth	London	32,669	143.4	5.3	4.9
East Surrey	South East	31,358	137.6	6.2	7.1
Bottom ten					
Birmingham	West Midlands	16,950	74.4	5.5	6.6
Walsall	West Midlands	16,853	74.0	5.0	5.7
East Lancashire	North West	16,820	73.8	4.8	5.6
Bradford	Yorkshire and The Humber	16,274	71.4	4.2	5.4
Stoke-on-Trent	t West Midlands	15,900	69.8	3.6	4.4
Blackburn with Darwen	North West	15,884	69.7	5.3	5.9
Kingston upon Hull, City of	Yorkshire and The Humber	15,818	69.4	4.9	5.7
Nottingham	East Midlands	15,434	67.7	3.9	6.3
Sandwell	West Midlands	15,305	67.2	5.2	6.0
Leicester	East Midlands	15,075	66.2	4.4	6.0

Table 2: Top 10 and bottom 10 ITL3 areas by gross disposable household income per head, 2022

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

Notes

- 1. Top 10 and bottom 10 International Territorial Level 3 (ITL3) areas have been ranked by GDHI per head.
- 2. Estimates for 2022 are provisional.

At the ITL3 level, all 179 areas saw an increase in total GDHI between 2021 and 2022. Total GDHI in the UK increased by 6.3% in 2022, with 70 of the ITL3 areas showing stronger growth, and 98 areas showing weaker growth, than the UK total.

The areas showing the largest increases in total GDHI were Greater Manchester South West (8.4%), the City of Bristol (8.2%), Buckinghamshire County Council (8.1%) and Brent (8.1%). The areas showing the smallest increases were Aberdeen City and Aberdeenshire (3.3%), and Powys (3.8%).

GDHI figures include the effect of price inflation. Of the 179 ITL3 areas, only seven showed growth equal to, or greater than, the Consumer Prices Index including owner occupiers' housing costs (CPIH) annual growth rate of 7.9%. The remaining 172 ITL3 areas showed growth lower than the CPIH annual growth rate. This might be interpreted as a decrease in the real-terms value of disposable income. However, the CPIH does not account for any regional variation in the cost of living.

4 . Average gross disposable household income in your local area

Figure 2: Gross disposable household income per head for UK local authorities, 1997 to 2022

Notes:

1. The City of London is not shown on the map because its GDHI per head is a large outlier value.

5. Data on gross disposable household income

Regional gross disposable household income: all ITL level regions Dataset | Released 4 September 2024 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 4 September 2024 Annual estimates of UK regional GDHI for combined authorities and city regions.

Regional gross disposable household income: enterprise regions Dataset | Released 4 September 2024 Annual estimates of UK regional GDHI for other economic and enterprise regions.

Regional gross disposable household income: local authorities by ITL1 region Dataset | Released 4 September 2024 Annual estimates of UK regional GDHI for local authorities.

6. Glossary

Gross disposable household income

Gross disposable household income (GDHI) is the amount of money that all 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

The UK geographies classification system, <u>International Territorial Level (ITL)</u>, 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. The first update to the ITL classification is expected to take effect next year.

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. Data sources and quality

Accredited official statistics

These accredited official statistics were independently reviewed by the Office for Statistics Regulation in October 2012. They comply with the standards of trustworthiness, quality and value in the <u>Code of Practice for Statistics</u> and should be labelled "accredited official statistics".

Coherence and comparability

Figures for 2022 are provisional, as national estimates have not been through supply and use balancing at the time of this publication.

Some of the regional data sources we use also have considerable time lags. This means that the latest year is an estimate modelled on the previous year's distribution. While these estimates only affect certain components of income, they can be more important in some areas than others.

Because the previous year (2021) was affected by the coronavirus (COVID-19) pandemic, patterns seen in 2021 may be less reliable as a model for 2022 activity. We therefore advise caution, particularly in the interpretation of estimates of mixed income for 2022. These estimates may be subject to greater revision than usual next year.

This year we have updated the population estimates for all UK nations to include rebased estimates covering the years between the censuses (2012 to 2020 in England and Wales and 2012 to 2021 in Scotland).

As a result, there is no longer any discontinuity in the population estimates in this release. However, we do not yet have updated estimates for the additional breakdown of the Scottish areas needed to create estimates for some International Territorial Level areas of Scotland (ITL2 and ITL3). We have therefore suppressed any estimates of gross disposable household income (GDHI) per head for 2012 to 2022 in those areas from this release.

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: 2023</u>.

Quality and methodology information

See our <u>Regional accounts methodology</u> for guidance and methodology relating to regional gross disposable household income (GDHI). Our <u>regional accounts methodology guide</u> provides an overview of the methodology used to compile regional accounts outputs.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our regional GDHI QMI.

Our <u>guide to sources of data on income and earnings</u> outlines the different data sources and outputs that feed into the analysis of income and earnings within the UK. Further information on <u>income and earnings statistics</u> 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 2021.

All our estimates are subject to uncertainty. We revise our estimates annually for previous years to incorporate new information, correct statistical errors, and to adopt and test new statistical techniques.

More information on how we measure and communicate uncertainty for our surveys is available.

All revisions to our estimates follow our <u>Revisions and corrections of errors policies</u>. The main causes of revisions in this release are changes to our methods, and revised figures published in the <u>UK National Accounts</u>, <u>The Blue</u> <u>Book: 2023</u>. Regional GDHI is consistent with Blue Book 2023 and we will publish revised estimates next year to align with Blue Book 2024.

In line with Blue Book 2023, we have incorporated two new taxes into our estimates for the household sector: visa charges and registration of land title (Scotland). For visa charges, we use a combination of local area migration statistics and National Insurance Number registrations. This is in line with our <u>Country and regional public sector finances methodology</u>. For registration of land title (Scotland), we use the number of residential property sales from Registers of Scotland.

In addition to Blue Book changes, this year we have changed our source of private and public sector employment figures from the Labour Force Survey (LFS) to the Annual Population Survey (APS). The APS has a larger sample size than the LFS, with approximately 320,000 individuals and 150,000 households on its annual datasets. This has reduced volatility and improved our method used to apportion:

- employer's social contributions
- gross property income
- imputed social contributions
- social benefits
- employee's social contributions

Revisions to the published figures over time are available in our regional GDHI revisions triangles datasets.

8. Related links

Disaggregating UK subnational gross disposable household income to lower levels of geography: 2002 to 2021

Article | Released 26 March 2024

Gross disposable household income (GDHI) statistics at Lower-layer Super Output Area (LSOA) and equivalent geographies. These are official statistics in development.

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

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)).

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

Bulletin | Released 21 August 2024 Breaking down local authority level gross value added to lower levels of geography. These are official statistics in development.

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.

Income estimates for small areas, England and Wales: financial year ending 2020

Dataset | Released 11 October 2023

Estimates of annual household income for the four income types for Middle-layer Super Output Areas (MSOAs), or local areas, in England and Wales.

Admin-based income statistics, England and Wales: tax year ending 2018

Article | Released 20 December 2022 Experimental gross and net, individual and occupied address income statistics for small areas using administrative data from Pay As You Earn, Self Assessment and benefit systems.

Consumer price inflation, UK: July 2024

Bulletin | Released 14 August 2024

Price indices, percentage changes and weights for the different measures of consumer price inflation.

9. Cite this bulletin

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