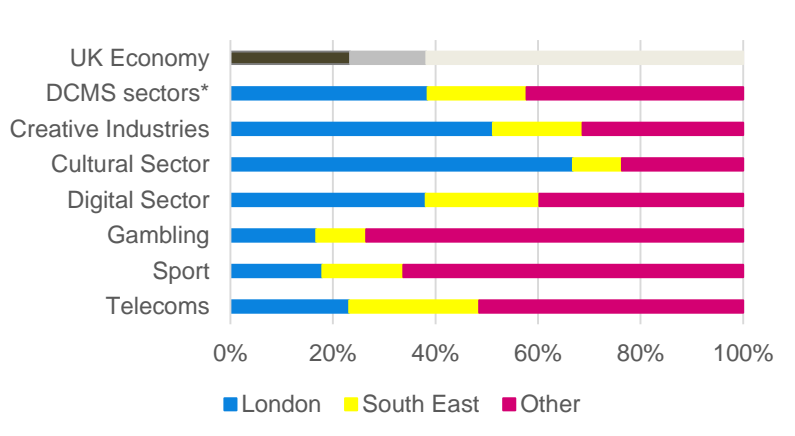




DCMS Sectors Economic Estimates 2016: Regional Gross Value Added (GVA) - Experimental statistics

- In 2016, over a third of GVA for DCMS Sectors* was accounted for in London (39%), whilst a further 19% was accounted for in the South East. This compared to 23% and 15% respectively for all sectors in these regions.
- The proportion of GVA in each region which was generated by DCMS Sectors* ranged from 6% in each of Yorkshire and The Humber, South West, Wales, Scotland and Northern Ireland, to 16% in London.
- Looking within each of the DCMS Sectors*, GVA from Creative Industries, Cultural Sector and Digital sectors is largely concentrated in London and the South East regions. By contrast, GVA from the Sport and Gambling sectors is more evenly distributed across the regions, although these are much smaller in value.

Figure 1: Proportion of GVA in DCMS Sectors*, by region: 2016



*Excluding Tourism and Civil Society

This release provides estimates of the regional gross value added by DCMS sectors (excluding Tourism and Civil Society). Other economic measures for DCMS sectors, such as business demographics, employment, and trade are available in separate publications. These releases enable stakeholders to evaluate the economic contribution of DCMS sectors, which are not traditional National Account sectors, and to understand how current and future policy interventions can be most effective. The DCMS sectors covered in this report are:

- Creative Industries
- Cultural Sector
- Digital Sector
- Gambling
- Sport
- Telecoms

Estimates are not available for Tourism or Civil Society as these are defined differently from the other DCMS sectors and it is therefore not possible to use the same method to identify regional GVA for these sectors.

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This publication was revised on

- 13 March 2018 to correct figures in the text on *DCMS GVA in region/Total GVA for the region*, in Chapter 2 Section 3 (page 8). All these figures should now be based on those quoted in Figure 2.3, and its underlying tables.

Chapter 1: Introduction

Code of Practice for Official Statistics

DCMS Sector Economic Estimates is an experimental Statistic and has been produced to the standards set out in the Code of Practice for Official Statistics.

Background

Released: 28 February 2018

Geographic Coverage: United Kingdom

This release provides estimates for the Regional Gross Value Added (GVA) shown in current prices (i.e. not adjusted for inflation) generated by DCMS Sectors. Estimates are available for 2010 to 2016. The same data sources are used for DCMS estimates as for national estimates, enabling comparisons to be made on a consistent basis. Data are available for each DCMS sector, and sub-sectors within the Creative Industries, Digital Sector and Cultural Sector.

The DCMS Sectors covered in this release are:

- Creative Industries
- Cultural Sector
- Digital Sector
- Gambling
- Sport
- Telecoms

Estimates are not available in this release for Tourism and Civil Society sectors. This is because these sectors are not defined in the same way as other DCMS Sectors and therefore regional estimates cannot be produced using the same method. We will continue to work with ONS to explore the possibility of including regional GVA estimates for Tourism in the Tourism Satellite Account.

A definition for each sector is available in the associated [methodology note](#), along with details of methods and data limitations. There is significant overlap between DCMS Sectors so users should be aware that the estimate for **“DCMS Sectors total”** is lower than the sum of the individual sectors.

Estimates have been constructed from ONS Official Statistics which use international classifications. This is an important element of the methodology due to availability of data and to enable international comparability. The ability to produce consistent figures each year also allows trends over time to be measured. However, as a result there are substantial limitations to the underlying classifications. As the balance and make-up of the economy changes the international classifications are less able to provide the detail for important elements of the UK economy related to DCMS Sectors, and therefore best fit SIC codes have been used to produce these estimates.

Feedback and consultation

DCMS aims to continuously improve the quality of estimates and better meet user needs. In response to user requests, this release includes experimental statistics on regional GVA for the first time. Feedback and on this development should be sent to DCMS via email at evidence@culture.gov.uk by 31 March 2018.

The UK Statistics Authority (UKSA) are currently assessing the extent to which DCMS Sectors Economic Estimates statistics meet the professional standards set out in the statutory Code of Practice for Official Statistics. This assessment covers the Gross Value Added (GVA), Employment, Trade and Business Demographics estimates which were most recently published in 2017 and February 2018, as well as these Regional GVA estimates which are being released for the first time. This is the first time that this series of statistics have been assessed for National Statistics status. Further information on this consultation is available on the UKSA website. Responses should be sent directly to UKSA by 16th March 2018.

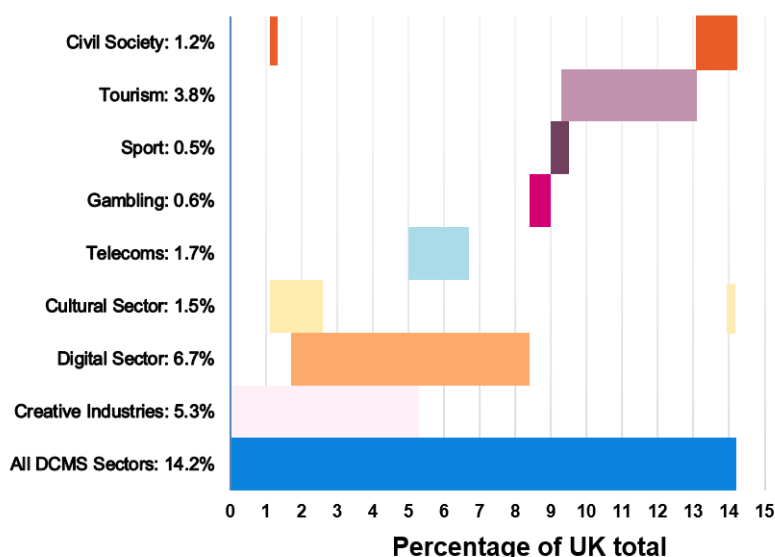
Chapter 2: Regional GVA for DCMS Sectors

This chapter presents regional GVA estimates for each DCMS sector (excluding Tourism and Civil Society). All estimates of GVA are shown in current prices (i.e. not adjusted for inflation). Regional GVA estimates are consistent with the Office for National Statistics [GVA\(B\)¹ estimates](#). Where data are not available directly from these ONS regional tables, the Annual Business Survey (ABS) has been used to allocate GVA within the categories available in the regional GVA tables. Further information on the methodology is available in the associated [methodology note](#).

1. Absolute numbers and growth

It is estimated that in 2016 the contribution of DCMS Sectors to the UK economy (GVA) was £249bn², or 14.2 per cent of UK GVA. Excluding Tourism and Civil Society, DCMS Sectors contributed £167bn, or 9.6 per cent of UK GVA. Figure 2.1 shows the overlap between DCMS Sectors, and their corresponding GVA contribution in 2016.

Figure 2.1: GVA of DCMS Sectors: 2016



GVA in DCMS Sectors (excluding Tourism and Civil Society) was consistently the largest in London (£64.4 billion in 2016), whilst the South East was the second largest (£32.3 billion in 2016).

¹ This is a “balanced estimate” of regional gross value added (GVA(B)); this “balances” the income and production approaches to measuring the economy into a single estimate at a regional level. The sum of the regional totals are constrained to the total UK GVA from national accounts Blue Book. Further information is available on [ONS website](#).

² All estimates of GVA in this chapter are shown in current prices (i.e. not adjusted for inflation). For the UK, GVA in current prices (ABML, nominal GVA, not adjusted for inflation) increased by 22.9 per cent between 2010 and 2016 and 3.7 per cent between 2015 and 2016, compared with an increase of 12.2 per cent for GVA in constant prices (ABMM, real GVA, adjusted for inflation) between 2010 and 2016 and 1.6 per cent between 2015 and 2016.

Figure 2.2: GVA (£million) in DCMS Sectors (excluding Tourism and Civil Society), by region: 2010 and 2016

Figure 2.3: Gross Value Added (£m) by region and DCMS sector: 2016

Sector	Creative Industries	Cultural Sector	Digital Sector	Gambling	Sport	Telecoms	All DCMS Sectors*	% of total GVA	Total GVA (All sectors)
North East	983	266	2,545	583	304	1,579	3,774	7.5	50,582
North West	5,195	1,004	7,937	1,227	1,126	2,797	12,299	7.4	166,236
Yorkshire and The Humber	2,572	442	4,223	552	617	1,679	6,276	5.6	111,988
East Midlands	1,993	330	3,633	1,097	355	782	5,786	5.8	99,903
West Midlands	3,199	705	5,576	1,121	618	1,742	8,611	6.8	126,356
East of England	5,064	903	8,114	1,087	928	2,488	11,669	7.9	147,111
London	46,994	17,878	44,384	1,782	1,618	6,937	64,348	15.8	407,728
South East	16,041	2,564	25,818	1,040	1,430	7,591	32,285	12.5	258,426
South West	4,055	891	5,377	351	773	1,620	8,254	6.5	127,138
Wales	1,056	403	2,136	271	379	752	3,288	5.5	59,475
Scotland	3,664	1,165	5,368	1,268	680	1,634	8,578	6.4	133,792
Northern Ireland	1,012	214	1,382	268	208	355	2,099	5.6	37,169
UK total	91,828	26,766	116,494	10,647	9,035	29,955	167,266	9.6	1,744,435

Notes

*Excluding Tourism and Civil Society

1. Data are in current prices (i.e. have not been adjusted for inflation).
2. DCMS sector total is lower than the sum of individual DCMS Sectors because of overlap between sectors.
3. Estimates are not available in this release for Tourism and Civil Society sectors. This is because these sectors are not defined in the same way as other DCMS Sectors and therefore regional estimates cannot be produced using the same method.

There has been growth in absolute GVA for the DCMS Sectors in all regions. London saw the greatest growth from 2010 to 2016 (46.4% to £64.3 billion), whilst the North East saw a 35.1 per cent increase (to £3.8 billion) over this period (although it did experience a 5.6 per cent decrease between 2015 and 2016). This compared to a 32.3 per cent increase in London and a 14.9 per cent increase in the North East in total GVA (for all sectors) over the same time period.

DCMS Sectors (excluding Tourism and Civil Society) grew at a faster rate between 2010 and 2016 than the all sector total in the North East, North West, London, South East and Wales.

All regions, except the North East, saw a growth in GVA for DCMS Sectors (excluding Tourism and Civil Society) between 2015 and 2016, with London experiencing a 7.7 per cent increase and Northern Ireland a 6.7 per cent increase over this time period.

Figure 2.4: Indexed growth in GVA (expressed in current prices, 2010 =100) in DCMS Sectors and all UK Sectors, by region: 2010-2016



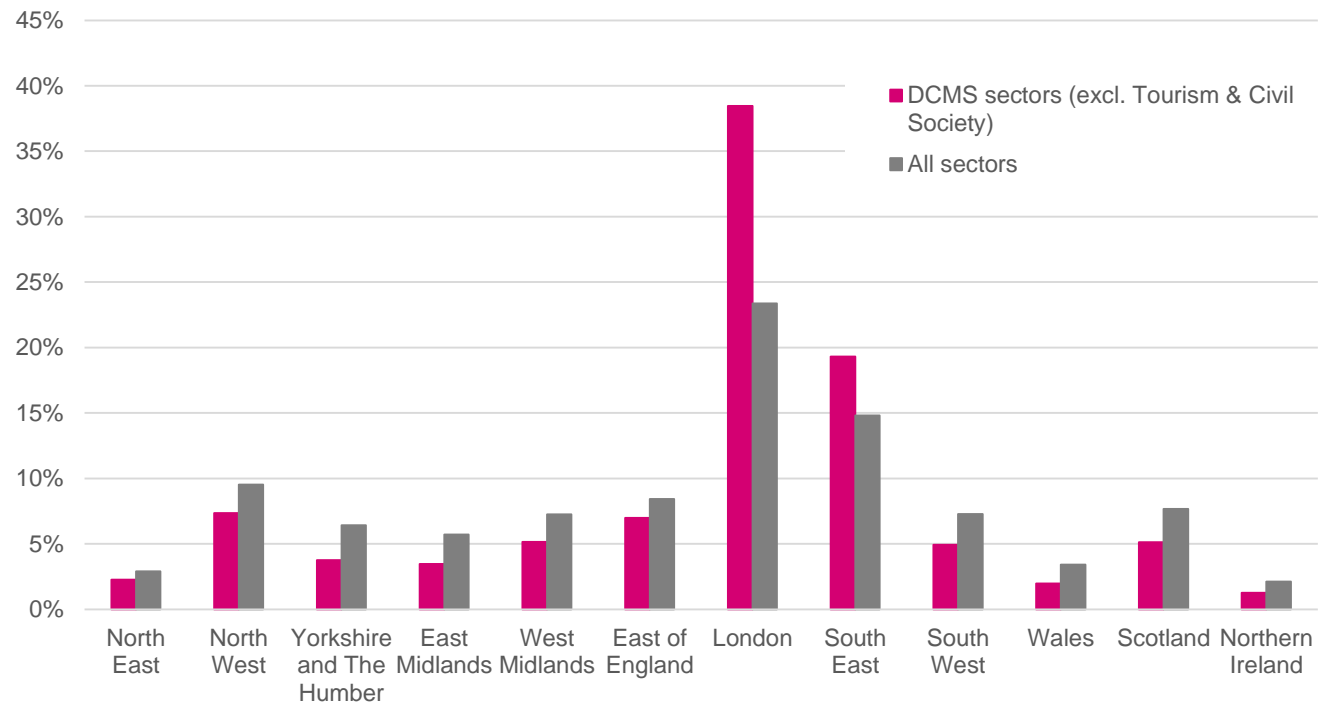


2. Proportion of DCMS Sector GVA by region

(i.e. aggregating all the regions equals 100% for each sector)

In 2016, London accounted for the greatest proportion of GVA in DCMS Sectors (excluding Tourism and Civil Society); 38.5 per cent compared to 23.4 per cent for the UK economy as a whole. The South East accounted for a further 19.3 per cent in the South East (compared to 14.8% in the UK economy as a whole). These are similar proportions for each year from 2010.

Figure 2.5: Proportion of GVA for DCMS Sectors (excluding Tourism and Civil Society) and All sectors, by region: 2016



3. DCMS Sectors as a percentage of the total GVA of all sectors in the region.

DCMS Sectors (excluding Tourism and Civil Society) accounted for 15.8 per cent of total GVA in London and 12.5 per cent in the South East. By contract DCMS Sectors (excluding Tourism and Civil Society) accounted for a relatively low proportion of GVA in Wales (5.5%), Northern Ireland (5.6%), Yorkshire and The Humber (5.6%) and the East Midlands (5.8%).

DCMS Sectors (excluding Tourism and Civil Society) accounted for a similar proportion of the total regional GVA in 2010 as in 2016, except for London where there was a 2 percentage point increase and in the North East where there was a 1 percentage point increase.

Figure 2.6: Proportion of GVA in DCMS Sectors (excluding Tourism and Civil Society), by region: 2010 and 2016



Chapter 3: Regional GVA by sector

This chapter builds on the “All DCMS Sectors (excluding Tourism and Civil Society)” analysis in chapter 2, and looks at the regional growth and values for each individual sector. There is significant overlap between DCMS Sectors so users should be aware that the estimate for “DCMS Sectors total” is lower than the sum of the individual sectors. It is also worth noting that those larger SIC codes within multiple sectors, for example in Creative Industries and Cultural Sector, are likely to drive the trends in the same way for both sectors.

Summary

In 2016, the Digital Sector and the Creative Industries were the DCMS Sectors which contributed most to GVA in each region except for the North East where the Digital Sector and Telecoms were the largest.

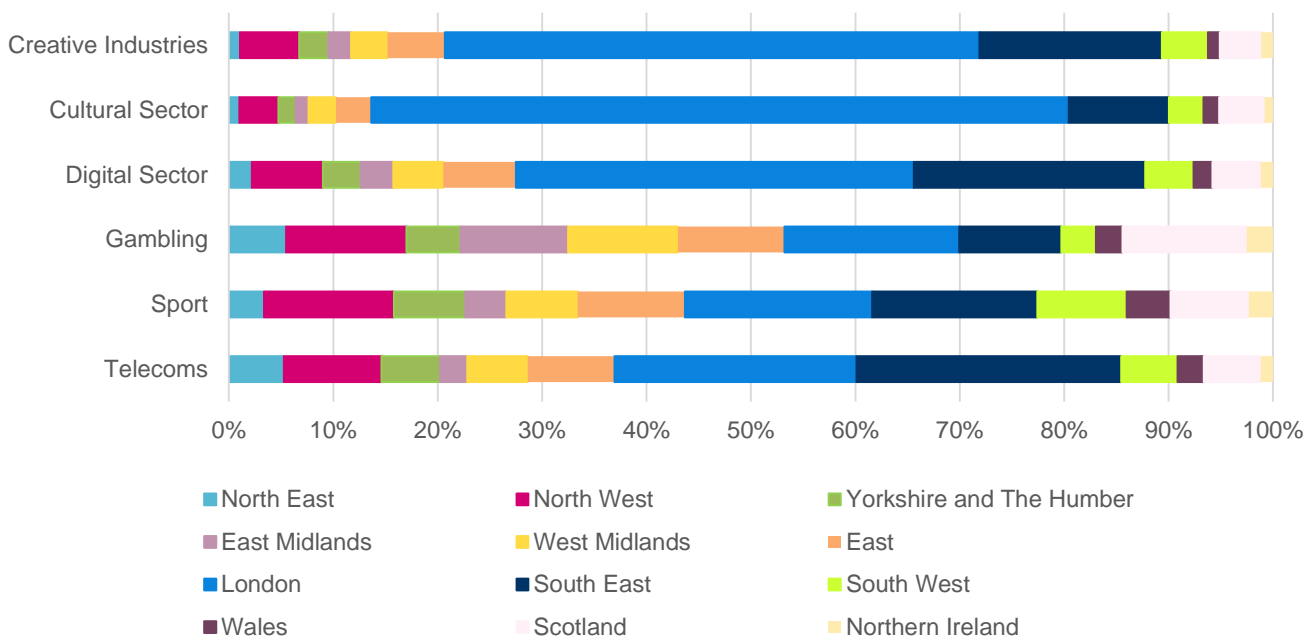
The Creative Industries and Cultural Sector generated a majority of their GVA in London (51.2% and 66.8% respectively in 2016). The South East accounted for a further 17.5 per cent and 9.6 per cent of these sectors respectively.

GVA from the Digital sector was also concentrated in London (which accounted for 38.1%) and the South East (22.2%). Nearly half of GVA from the Telecoms sector was also generated in these two regions with the South East contributing 25.3% compared to 23.2% from London.

By comparison, 23.4 per cent of GVA for the UK economy as a whole was generated in London in 2016 and 14.8 per cent in the South East.

GVA for the Sport and Gambling sectors was however more evenly spread across the UK’s regions.

Figure 3.1: GVA in DCMS Sectors (excluding Tourism and the Civil Society sector), by region: 2016

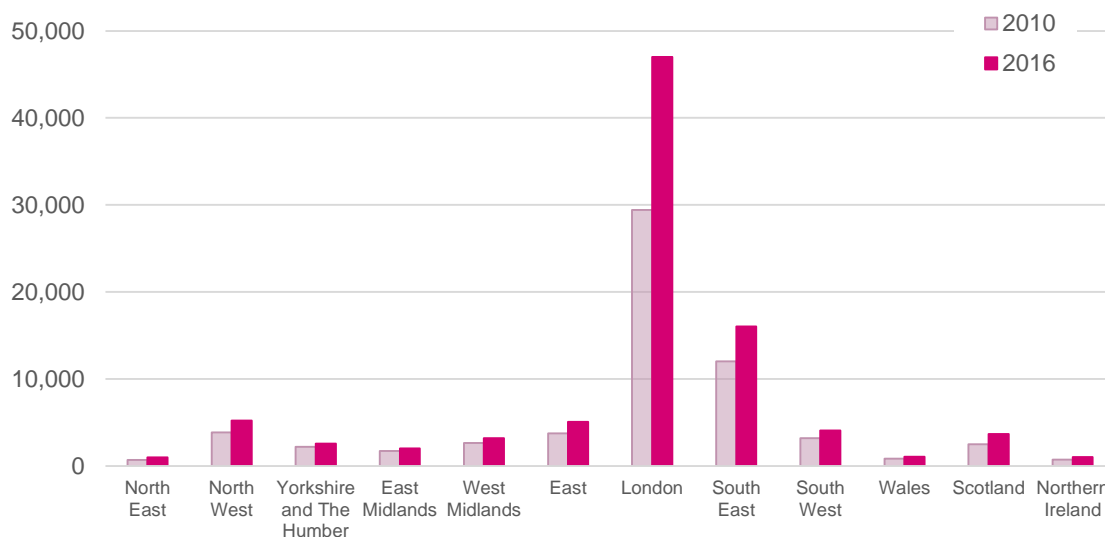


Whilst the split of GVA between regions in DCMS Sectors has remained fairly similar over the past seven years, there has been growth in each of the sectors over this time.

Creative Industries

- London accounted for 51.2 per cent of the GVA generated by the Creative Industries with the South East accounting for a further 17.5 per cent.
- The Creative Industries accounted for 11.5 per cent of the total GVA in London and 6.2 per cent of the GVA for the South East.
- For the other regions and devolved administrations in the UK, the Creative Industries accounted for between 2 and 3 per cent of their total GVA.
- Between 2010 and 2016, London saw the largest percentage increase in GVA in the Creative Industries at 59.8 per cent, followed by the North East and Scotland, both of which saw a 47 per cent increase in Creative Industries GVA between 2010 and 2016. There was growth in all regions over this time period.
- The growth in the GVA generated by the Creative Industries appears to have noticeably outstripped the growth over this time period in the UK economy as a whole in all regions except the East Midlands and West Midlands, and was the same for Yorkshire and The Humber.
- The IT, software and computer services sub-sector drove this growth in the Creative Industries, with a 52.8 per cent increase since 2010. This sub-sector contributed over a third (37.8%) of the Creative Industries GVA in 2016. Compared to other sub-sectors within London, this sub-sector actually contributed a lower proportion – 31.0 per cent compared to 51.2 per cent for the Creative Industries in total within London.
- The GVA for the ‘Film, TV, Video, Radio and Photography’ sub-sector was over three quarters in London (75.6%), with a further 5.6 per cent in the South East and 4.0 per cent in Scotland.

Figure 3.2: GVA (£m) in the Creative Industries, by region: 2010 and 2016



Cultural sector

Note: the Cultural sector almost sits entirely within the Creative Industries (see Figure 2.1 [i.e. overlap chart])

- London accounted for two thirds (66.8%) of GVA for the Cultural Sector with the South East generating a further 9.6 per cent.

- The Cultural sector accounted for 4.4 per cent of London's GVA but 1.5 per cent or less of the GVA for all other regions.
- Between 2010 and 2016 growth in GVA for the Cultural Sector was strongest in the North East (up 43.7%), Scotland (up 36.8%) and London (up 33.7%).
- Nearly three fifths (59.1%) of the Cultural Sector GVA was in the Film, TV and music sub-sector, where GVA increased by 23.9 per cent since 2010. Over three quarters of the GVA for this sub-sector was accounted for in London (78.7% compared to 23.4% for GVA in the total London economy).

Figure 3.3: GVA (£m) in the Cultural Sector, by region: 2010 and 2016



Digital Sector

- London accounted for 38.1 per cent of GVA for the Digital Sector with the South East generating a further 22.2 per cent.
- The Digital sector accounted for 10.9 per cent of London's GVA, 10.0 per cent of GVA in the South East and 5.5 per cent in the East of England.
- In the other regions and countries of the UK, the digital sector accounted for between 3 and 5 per cent of total GVA.
- Between 2010 and 2016 growth in GVA for the Digital Sector was strongest in Northern Ireland (up 33.7%), London (up 31.2%) and the North East (up 26.7%). There was however growth in each of the regions over this time period.
- The 'Computer programming, consultancy and related activities' sub-sector contributed over a third (36.1%) of the Digital Sector GVA in 2016, and increased by 40.6 per cent since 2010. The sub-sector 'Film, TV, video, radio and music' had a greater proportion in London (78.5%) than for the Digital Sector as a whole (38.1%).

Figure 3.4: GVA (£m) in the Digital Sector, by region: 2010 and 2016



Telecoms

Note: the Telecoms sector sits within the Digital sector (see Figure 2.1 [i.e. overlap chart])

- The South East accounted for a quarter of GVA for the Telecoms Sector (25.3%) with London generating a further 23.2 per cent.
- The North West and the East of England generated 10 per cent and 9 per cent of Telecoms GVA respectively.
- The Telecoms sector accounted for 3.1 per cent of total GVA in the North East and 2.9 per cent in the South East.
- In the other regions and devolved administrations of the UK, the Telecoms sector accounted for around 1 to 2 per cent of total GVA.
- Between 2010 and 2016, growth in GVA for the Telecoms Sector was strongest in the North East (up 56.6%), Wales (up 35.7%) and the South East (up 34.1%).

Figure 3.5: GVA (£m) in the Telecoms Sector, by region: 2010 and 2016



Gambling

- Compared to other DCMS Sectors presented above, GVA for the Gambling sector was more evenly spread across the UK regions and countries.
- London accounted for 16.7 per cent of GVA for the Gambling Sector, the North West and Scotland each generated 12 per cent, the West Midlands a further 11 per cent and the East of England, the East Midlands and the South East each accounted for 10 per cent.
- GVA for the Gambling sector is relatively small, accounting for around 1 per cent or less of total GVA in most regions.
- Between 2010 and 2016, growth in GVA for the Gambling Sector roughly doubled in the West Midlands (up 128.3%), the East Midlands (up 99.4%) and the North East (up 91.1%). Over the same period GVA fell in the East of England (down 9.0%) and Scotland (down 6.4%). Note: due to the size of the sector, the trend data for Gambling is more volatile than for the larger sectors and should be interpreted with caution.

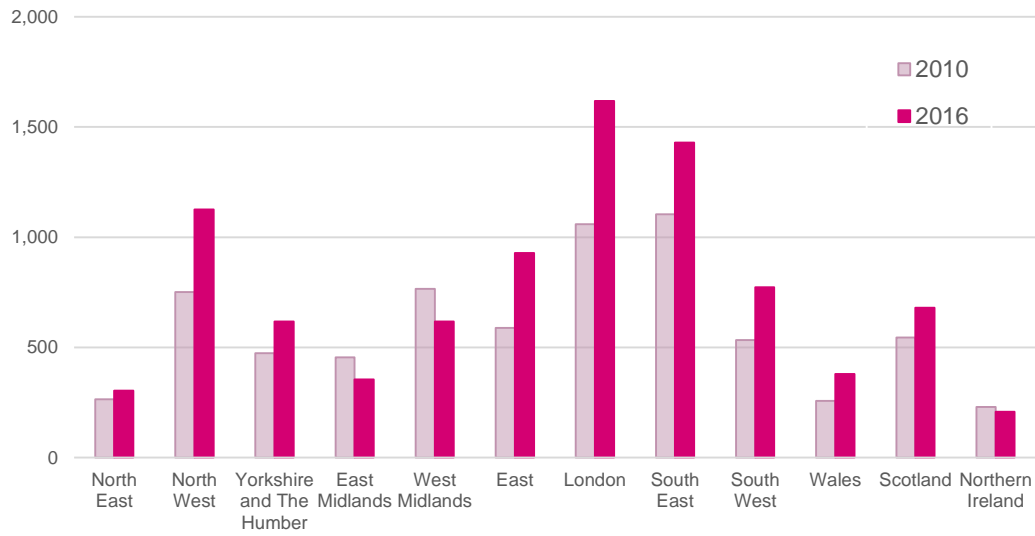
Figure 3.6: GVA (£m) in the Gambling Sector, by region: 2010 and 2016



Sport

- In 2016, four regions each accounted for more than 10 per cent of GVA for the Sport sector; London (17.9%), the South East (15.8%), the North West (12.5%) and the East of England (10.3%).
- In all regions and devolved administrations, the Sport sector accounted for less than 1 per cent of total GVA. (Note: these figures are based on a narrow definition of sport. The [Sport Satellite Account](#) presents estimates based on a wider definition but these cannot currently be produced by region.)
- A number of regions saw strong growth in Sport sector GVA between 2010 and 2016 including the East of England (up 57.5%), London (up 52.9%), the North West (up 49.9%), Wales (up 46.9%) and the South West (up 45.0%).
- Over the same period, there were falls in Sport GVA in the East Midlands (down 21.9%), the West Midlands (down 19.3%) and Northern Ireland (down 9.2%).

Figure 3.7: GVA (£m) in the Sport Sector, by region: 2010 and 2016



Chapter 4: Next Steps

DCMS have developed a suite of economic estimates which help support policy and understand the economic impact our sectors have on the UK economy. The regional GVA estimates in the release have been published for the first time. It is expected that they will be used by customers both within and outside the government. In combination with other economic indicators, regional GVA estimates help build a comprehensive picture of the UK economy. DCMS will continue to work with ONS to pursue the possibility of producing regional GVA estimates for the Tourism sector as part of the Tourism Satellite Account.

The next publication of DCMS Sectors Economic Estimates will be in May 2018 and will cover trade in DCMS Sectors.

Annex A: Limitations

This annex outlines the limitations of the data used within DCMS Sectors Economic Estimates: Regional GVA. Further information is available in the [methodology note](#).

The estimates set out in this report are robust but there are some limitations which users should be aware of:

Sport - For the purposes of this publication the statistical definition of sport has been used. This incorporates only those 4 digit Standard Industrial Classification (SIC) codes which are predominately sport (see methodology note Table 2.1). DCMS also publishes estimates of sport based on the EU agreed Vilnius definition. The Vilnius definition is a more comprehensive measure of sport which considers the contribution of sport across a range of industries, for example sport advertising, and sport related construction. The methodology for the DCMS Sport Satellite Account is currently being reviewed and therefore has not been used in these estimates.

Heritage – The heritage sector is defined in our estimates by one SIC code “91.03 Operation of historical sites and building and similar visitor attractions”. DCMS use standard industrial classification (SIC) codes to construct these estimates, which enables international comparability as well as comparability with national estimates. As the balance and make-up of the economy changes, the international SIC codes used here are less able to provide the detail for important elements of the UK economy related to DCMS Sectors. It is therefore recognised that the published estimates are likely to be an underestimate for the Heritage sector.

GVA – These data are taken from ONS “balanced estimate” of regional gross value added (GVA(B)). These estimates “balance” the income and production approaches to measuring the economy into a single estimate at a regional level. This is a new approach that was introduced in [December 2017](#). These estimates are consistent with the [UK National Accounts, The Blue Book: 2017](#). National aggregates for the components of GVA are allocated to regions using the most appropriate regional indicator available.

However, as the DCMS Sectors are defined at 4 digit SIC level, and the GVA(B) figures are at a higher level, a method for breaking down the regional estimates of GVA was applied. This was done using approximate Gross Value Added (aGVA) data from the [UK non-financial business economy \(Annual Business Survey\)](#).

Both the regional GVA and ABS data sources are subject to revisions, as they are re-balanced each year.

More details of limitations are available in the [methodology note](#).

Annex B: Further information

1. The next update to these statistics will be published in February 2019.
2. The responsible statistician for this release is Rishi Vaidya. For enquiries on this release, please contact Rishi on 0207 211 2320 or email evidence@culture.gov.uk.
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4. DCMS statisticians can be followed on Twitter via [@DCMSInsight](https://twitter.com/DCMSInsight).
5. The Economic estimates of DCMS Sectors release is an Official Statistics publication and has been produced to the standards set out in the Code of Practice for Official Statistics. For more information, see <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/code-of-practice-for-official-statistics.pdf>. Details of the pre-release access arrangements for this dataset have been published alongside this release.



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