**Correction Note:** The regional GVA statistics were updated on 21st February 2019 to correct an error in the 2013 data for individual DCMS sector figures and the 2016 data for the Cultural and Digital sub-sectors. These changes do not affect results included in this report.

DCMS Sectors Economic Estimates 2017 (provisional): Regional Gross Value Added (GVA)

London and the **North East** were the fastest growing regions for DCMS sectors since 2010.
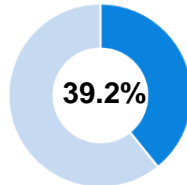
39.2% of DCMS sector GVA accounted for in London.

- In terms of GVA, London and the North East were the fastest growing UK regions for DCMS sectors (excluding Tourism and Civil Society), increasing by 58.0% and 46.1% respectively since 2010.

- Between 2010 and 2017, DCMS sector GVA in the North East grew 2.2 times faster than the GVA for the total UK economy in this region (46.1% compared to 21.4%), although DCMS sector GVA in this region was relatively small compared to other regions. Telecoms Sector GVA largely contributed to this increase.

- 39.2% of DCMS sectors GVA was accounted for in London compared to 23.7% for the total UK economy.

- GVA from the Creative Industries, Cultural, Digital and Telecoms sectors was largely concentrated in London and the South East. By contrast, GVA from the Sport and Gambling sectors was distributed more evenly across the UK, although these sectors are much smaller in value.

Figure 1: Proportion of GVA in DCMS sectors, by region: 2017
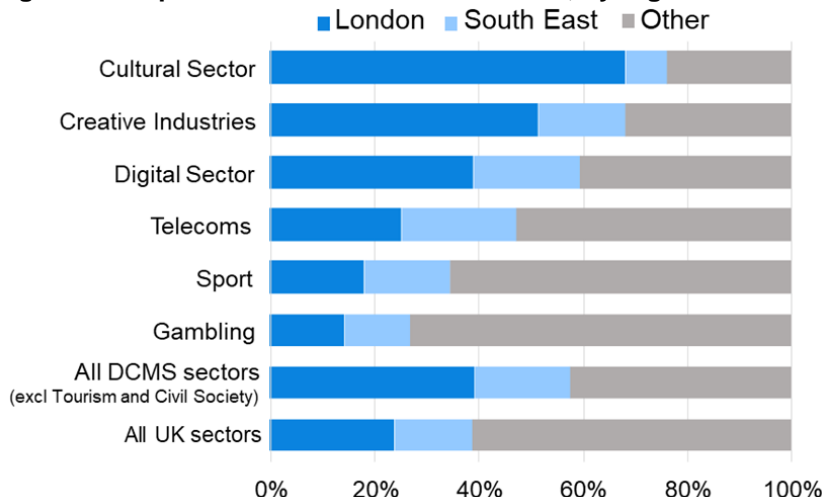
This release provides estimates of the economic activity within a region, measured by Gross Value Added (GVA) for DCMS sectors (excluding Tourism and Civil Society). This release enables stakeholders to evaluate the economic contribution of DCMS sectors, which are not traditional National Account sectors, 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

Note, the 2017 estimates are provisional and subject to change when National Accounts are published in summer 2019. 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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Contents

Chapter 1:   Introduction

Code of Practice for Statistics

DCMS Sector Economic Estimates series is an Official Statistic and has been produced to the standards set out in the Code of Practice for Statistics. The statistical series underwent National Statistics assessment in 2018. The Office for Statistics Regulation published a report[1] outlining their findings from the assessment in December 2018.

Background

Released: 13 February 2019

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 2017. 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 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 Standard Industrial Classification codes – an internationally recognised classification system for industries. 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, 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 required detail for important elements of the UK economy related to DCMS Sectors. Therefore best fit SIC codes have been used to produce these estimates.

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[1] https://www.statisticsauthority.gov.uk/publication/dcms-sectors-economic-estimates/

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 (nominal) prices i.e. not adjusted for inflation. Regional GVA estimates are consistent with the Office for National Statistics GVA(B)[2] 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.

We define GVA as being the measure of the value of goods and services produced in an area, industry or sector of the UK economy as a whole. This is calculated by estimating the value of an output (goods and services) minus the value of inputs used in that output's production process. GVA plus taxes (less subsidies) on products is equivalent to gross domestic product (GDP). When we talk about the overall UK economy, we refer to all UK sectors based on the Standard Industrial Classification 2007.

Data tables accompanying this release are available at: http://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2017-regional-gva

1. Understanding DCMS sector overlaps

DCMS sectors (excluding Tourism and Civil Society) contributed £182.5bn, or 9.9% of UK GVA in 2017[3].

For each DCMS sector, definitions were developed individually based on internal, UK or international best practice/standards for that sector. These definitions are based on the Standard Industrial Classification 2007 (SIC) codes. In some cases, these SIC codes are included in more than one sector, and bringing the sectors together creates overlap between them.

Figure 2.1 below shows the overlap between DCMS sectors, and their corresponding GVA contribution in 2017. Due to these overlaps, adding up the individual sector GVA proportions would give a total greater than the actual value.

For example, 38.4% of the DCMS sector GVA is within both the Creative Industries and the Digital sector. These overlaps include activities such as Computer programming and software publishing. When calculating the DCMS sector total, the GVA from industries within the overlap is counted once.

How accurate are these data?

1. The supply and use tables are currently constructed from various data sources, some of which are not based on random samples or do not have published sampling and non-sampling errors available, making it difficult to measure both error aspects and their impact on GVA. A measure of the sampling and non-sampling error associated with National Accounts (supply and use tables) are therefore not available.

2. As in all surveys, the estimates from the ABS are subject to various sources of error. Sampling errors are available at a 4 digit level. Further information on the quality of the ABS data is published by the ONS.

3. Alongside this report, DCMS have also published a quality assurance report, detailing how quality is built in to the data collection, analysis and dissemination of these data.

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[2] 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.

[3] These figures are different to the estimates in the DCMS sectors Economic Estimates: GVA statistics published in November 2018. The estimates in the November release include the Tourism and Civil Society sector, whilst the estimates in this release exclude these sectors.

Figure 2.1: GVA of DCMS sectors (excluding Tourism and Civil Society): 2017 (provisional)
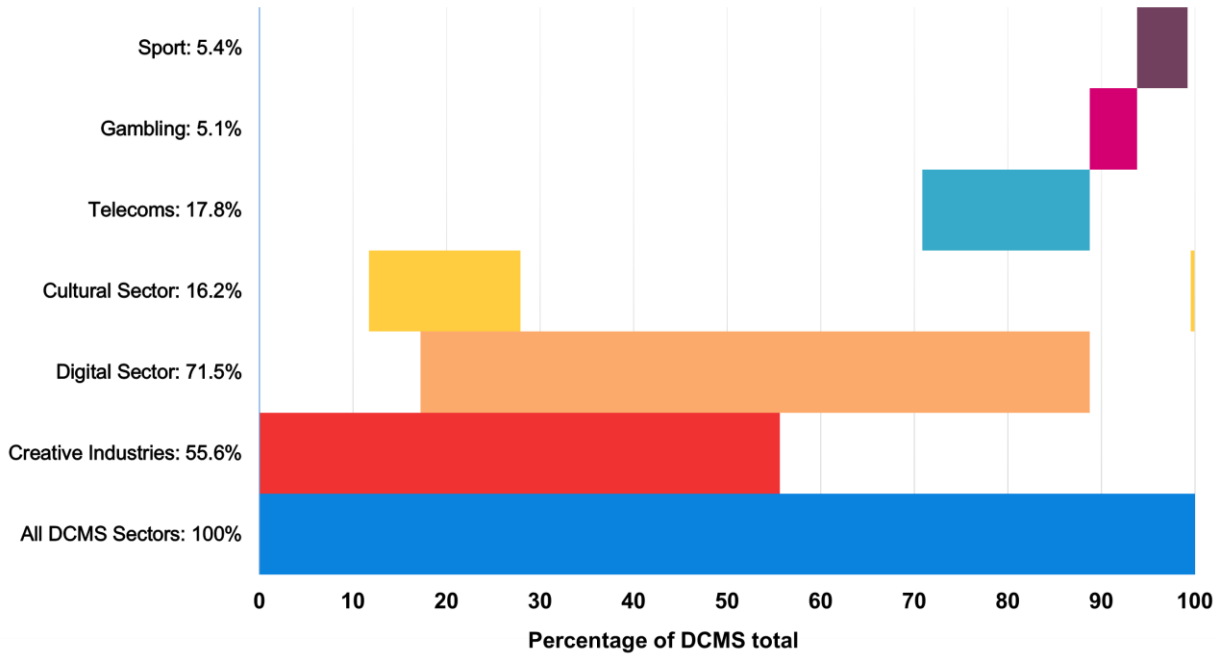

For more information, Chapter 2 of the underlined methodology note visually outlines the overlap between SIC codes in DCMS sectors, but not the value of GVA within these overlaps.

2. DCMS sector GVA by region

Within DCMS Sectors (excluding Tourism and Civil Society), London consistently had the highest GVA out of all regions (£71.6 billion in 2017), whilst the South East was the second highest (£33.5 billion in 2017). Together, both these regions accounted for 57.5% of DCMS sector GVA in the UK.

Figure 2.2: Proportion and value of GVA for DCMS sectors (excluding Tourism and Civil Society), by region: 2017 (provisional)
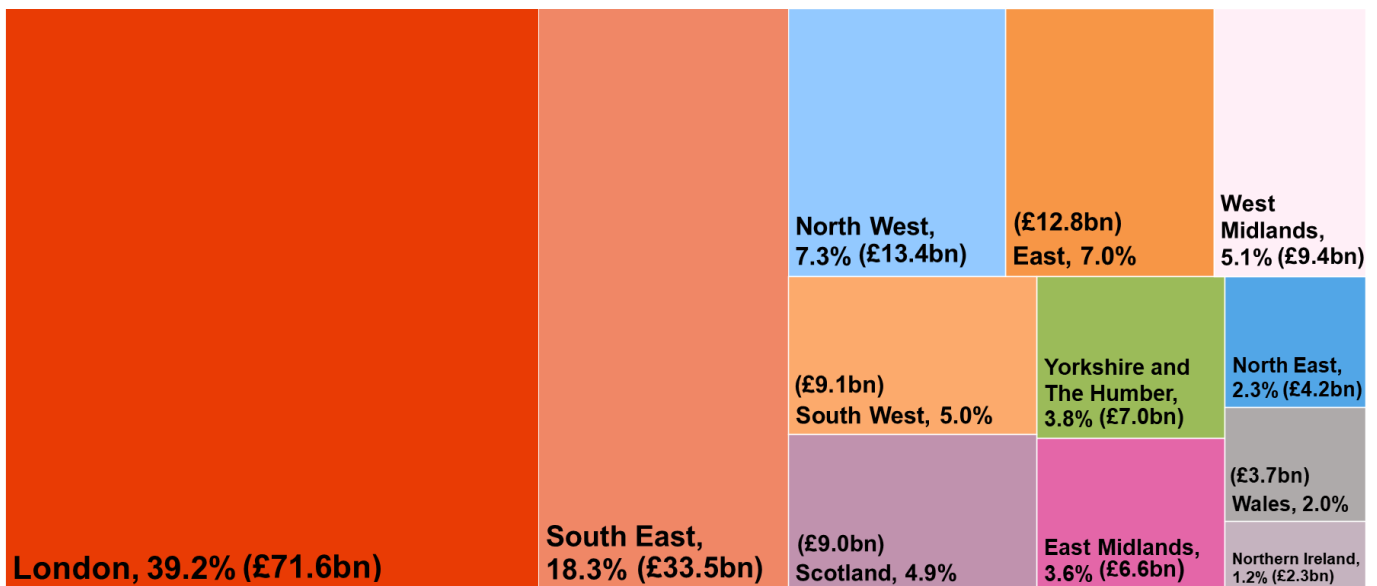
London accounted for 39.2% of DCMS sectors GVA in 2017, compared to 38.3% in 2016. DCMS sector GVA in this region increased by 8.3% since 2016, from £66.1bn in 2016 to £71.6bn in 2017, based on current prices.
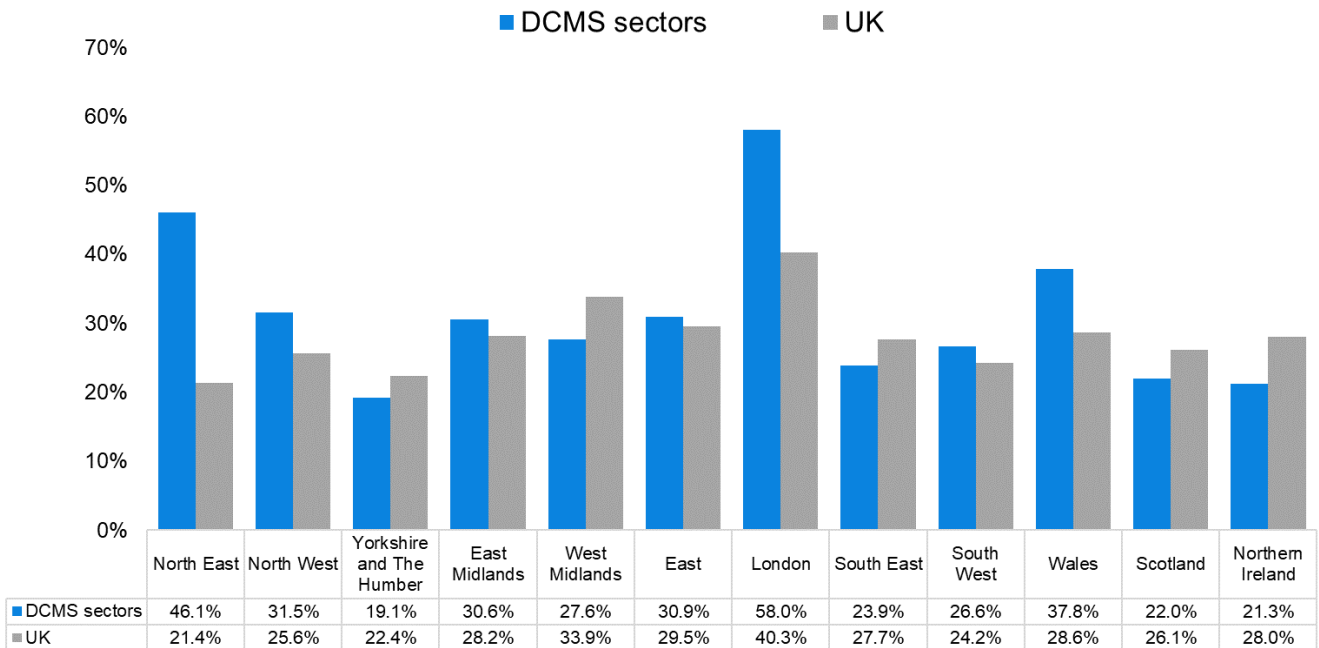
There has been growth in absolute GVA for the DCMS sectors in all UK regions since 2010. London and the North East were the fastest growing UK regions for DCMS sectors (excluding Tourism and Civil Society), increasing by 58.0% and 46.1% respectively since 2010. This compares to an increase of 40.3% in London and 21.4% in the North East for the total UK economy over the same period.

The Telecoms sector contributed to the GVA growth in the North East region the most, contributing nearly double the value from £1.1bn in 2010 to £2.2bn in 2017. On the other hand, growth since 2010 in GVA for all UK sectors was higher than growth in GVA for DCMS sectors in Scotland, Northern Ireland, South East, West Midlands and Yorkshire and The Humber.

Figure 2.3: Indexed growth in GVA (expressed in current prices, 2010 =100) in DCMS sectors (excluding Tourism and Civil Society) and all UK sectors, by region: 2010-2017 (provisional)
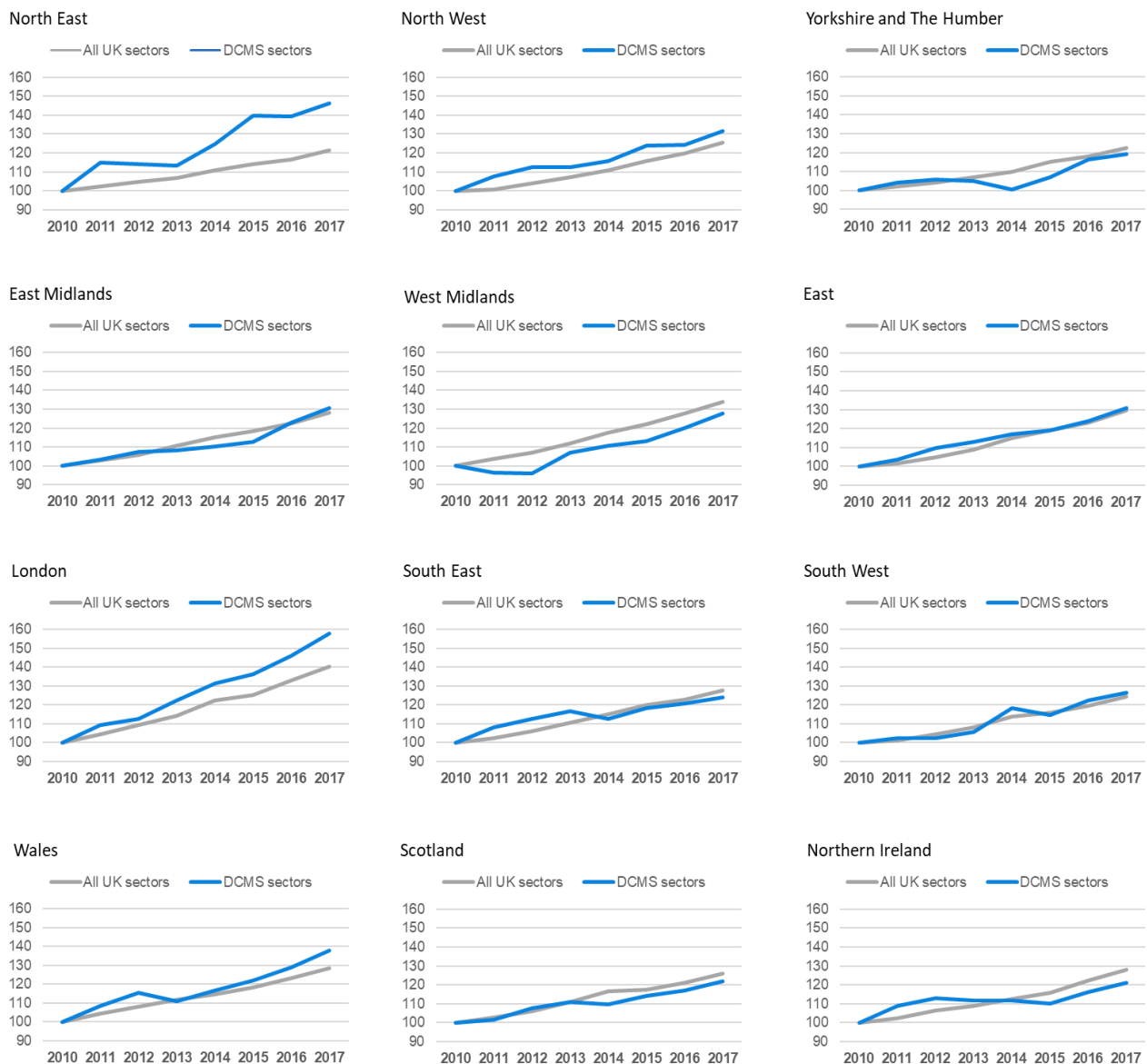
Figure 2.4: Percentage change in GVA for DCMS sectors (excluding Tourism and Civil Society) and all UK sectors, by region: 2010 to 2017 (provisional)


	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
DCMS sectors	46.1%	31.5%	19.1%	30.6%	27.6%	30.9%	58.0%	23.9%	26.6%	37.8%	22.0%	21.3%
UK	21.4%	25.6%	22.4%	28.2%	33.9%	29.5%	40.3%	27.7%	24.2%	28.6%	26.1%	28.0%

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

DCMS sectors (excluding Tourism and Civil Society) accounted for 16.4% of total GVA in London and 12.4% in the South East in 2017. By contrast, these sectors accounted for a relatively low proportion of GVA in Wales (5.9%), Northern Ireland (5.7%) and Yorkshire and The Humber (5.9%).

DCMS sectors (excluding Tourism and Civil Society) accounted for a similar proportion of the total regional GVA in 2010 as in 2017, 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 2.5: Proportion of DCMS sectors (excluding Tourism and Civil Society) GVA to all UK sectors, by region: 2017 (provisional)
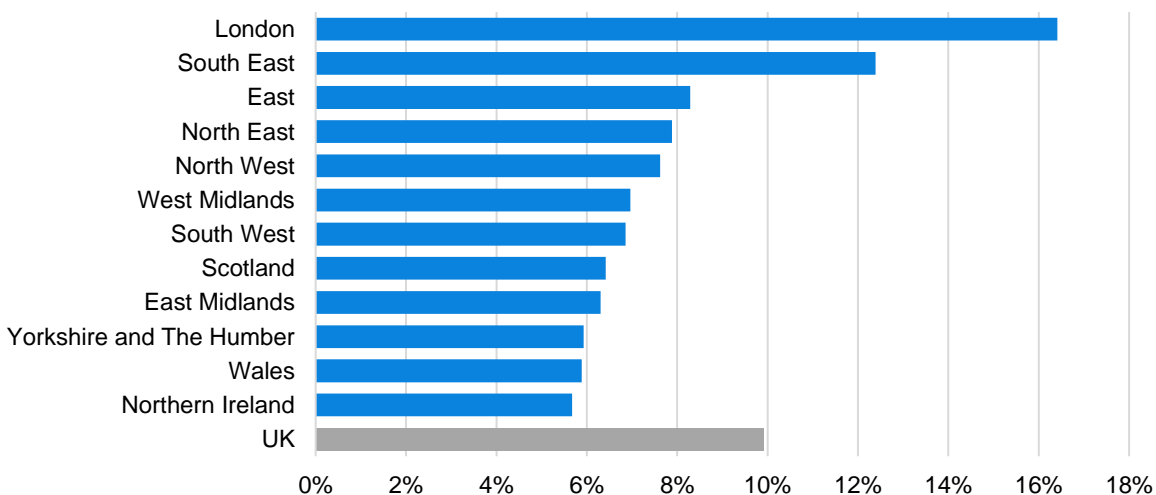
Chapter 3: Regional GVA by sector

This chapter builds on the 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. Also, 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
Of all DCMS sectors (excluding Tourism and Civil Society), the Digital Sector and the Creative Industries contributed the most in GVA in each region in 2017, except in the North East where the value of GVA for the Digital (£3.1bn) and Telecoms (£2.2bn) sectors was the largest.

The Creative Industries and Cultural Sector generated a majority of their GVA in London (51.4% and 68.1% respectively in 2017). The South East accounted for a further 16.7% and 7.9% of these sectors respectively.

GVA from the Digital Sector was also concentrated in London (which accounted for 39.0%) and the South East (20.5%). Nearly half of GVA from the Telecoms Sector was generated in these two regions with the South East contributing 22.0% compared to 25.3% from London. GVA from the Sport and Gambling sectors were distributed more evenly across the regions, although these are much smaller in value.

By comparison, 23.7% of GVA for the total UK economy was generated in London in 2017 and 14.7% in the South East. Therefore, DCMS sectors tend to generate more GVA in these regions (39.2% and 18.3% respectively) compared to the UK economy overall.

Figure 3.1: Proportion (%) of GVA in DCMS Sectors (excluding Tourism and Civil Society), by region: 2017 (provisional)
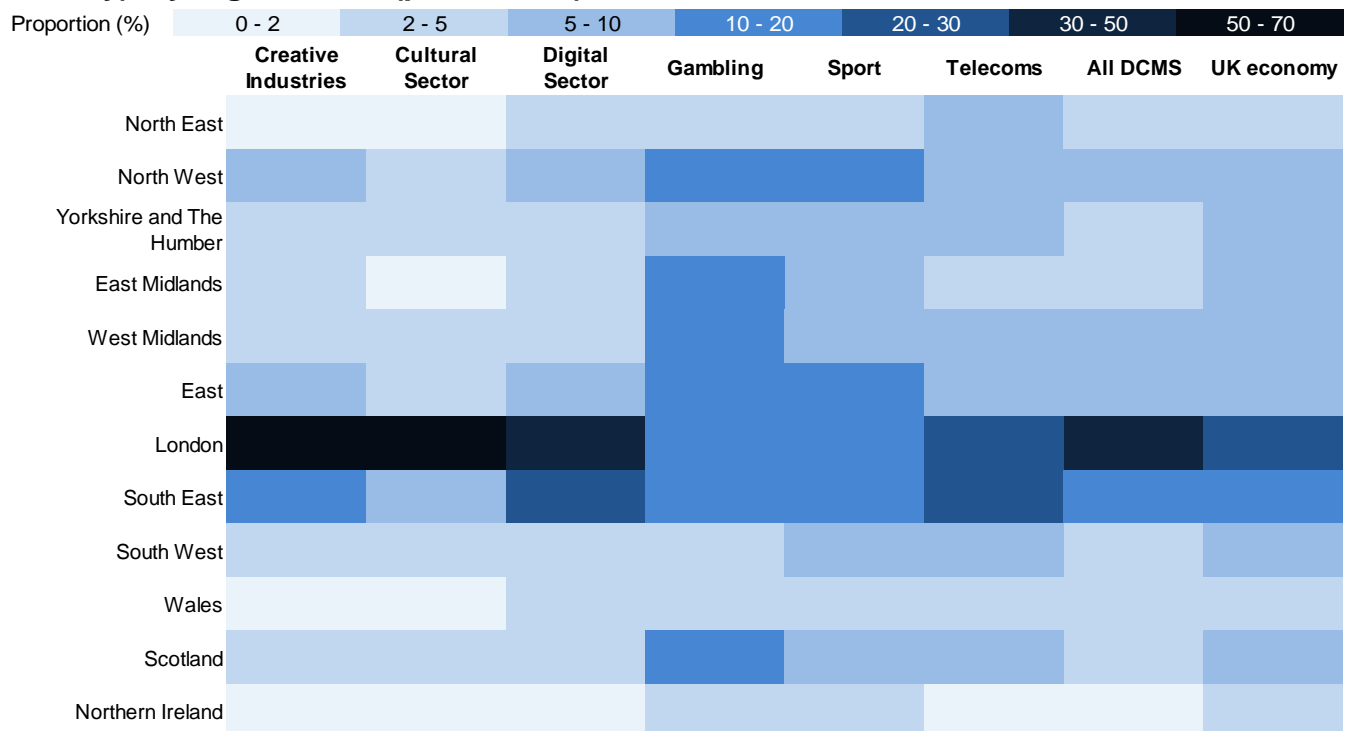
Creative Industries

£101.5bn to the UK economy in 2017.

London accounted for 51.4% of the Creative Industries GVA

- Of all DCMS sectors across all regions, the Creative Industries GVA in London alone generated the largest contribution to any region, at £52.2bn in 2017. This region accounted for 51.4% of the Creative Industries GVA. The South East accounted for a further 16.7%. Together, these regions made up over two thirds (68.1%) of Creative Industries GVA in 2017. This compares to 38.4% for the overall UK economy.
- GVA in the Creative Industries accounted for 12.0% of the total UK GVA in London and 6.3% for the South East.
- There was growth in GVA for all regions in the Creative Industries between 2010 and 2017. Growth in GVA for this sector was strongest in London (73.3% increase), followed by Scotland (59.2%) and the North East (50.0%) since 2010.
- The growth in the GVA generated by the Creative Industries has noticeably outstripped the growth in the UK economy as a whole since 2010 for all regions except for Yorkshire and The Humber and Wales.
- The higher than average concentration of Creative Industries GVA in London and the South East was also reflected in each individual sub-sector of the Creative Industries. In particular, London accounted for over three quarters (77.1%) of GVA for the 'Film, TV, Video, Radio and Photography' sub-sector.
- The IT, software and computer services sub-sector made up 40.0% of the Creative Industries GVA in 2017. GVA generated in London accounted for over a third (33.2%) of the total GVA generated by this sub-sector in 2017, increasing by 98.2% since 2010.

How are the Creative Industries defined?

The Creative Industries were defined in the Government's 2001 Creative Industries Mapping Document as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property".
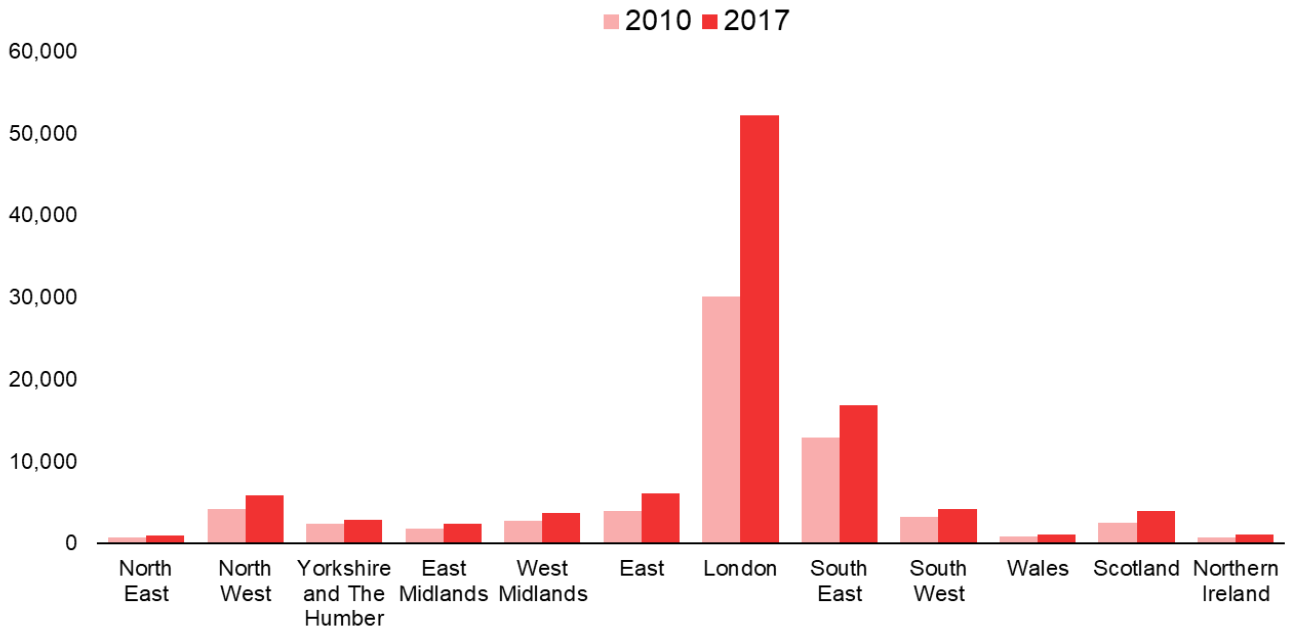
The DCMS definition is a UK definition based on international industrial codes. It is defined by the following sub-sectors:

- Advertising and marketing;
- Architecture;
- Crafts;
- Design and designer fashion;
- Film, TV, video, radio and photography;
- IT, software and computer services;
- Publishing;
- Museums, galleries and libraries; and
- Music, performing and visual arts.

It is also worth noting the SIC codes used to define the 'Museums, galleries and libraries' sub-sector (i.e. SIC 91.01 and 91.02) in the ABS offer insufficient coverage as some organisations are locally funded. Therefore calculating approximate gross value added (aGVA) in the ABS for these SICS will give a negative value. In this case, the standard procedure is to include turnover. This is the only SIC code where this approach has been used due to the nature of these organisations.

You might also be interested in....

Film industry - The British Film Institute (BFI) provides a value of GVA accountable by the Film Industry using SIC codes, sourced from the ONS Annual Business Survey. Currently, this is not broken down by region and includes the following sub-sectors: Film and video production (including post-production), Film and video distribution and Film exhibition. DCMS currently provides a value for the 'Film, TV, video, radio and photography' subsector and therefore figures are not comparable to BFI estimates.

Their figures state that 'The UK film industry's GVA in 2016 was £6.1 billion. Film distribution was the highest single contributor at £3 billion (49% of the total)'.

Further information on these estimates can be found in Annex B of the report or at: https://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-uk-film-economy-2018-12-19.pdf

## Figure 3.2: GVA (£m) in the Creative Industries, by region: 2010 and 2017 (provisional)

Figure 3.3: Contribution of each region to UK GVA for the Creative Industries: 2017 (provisional)
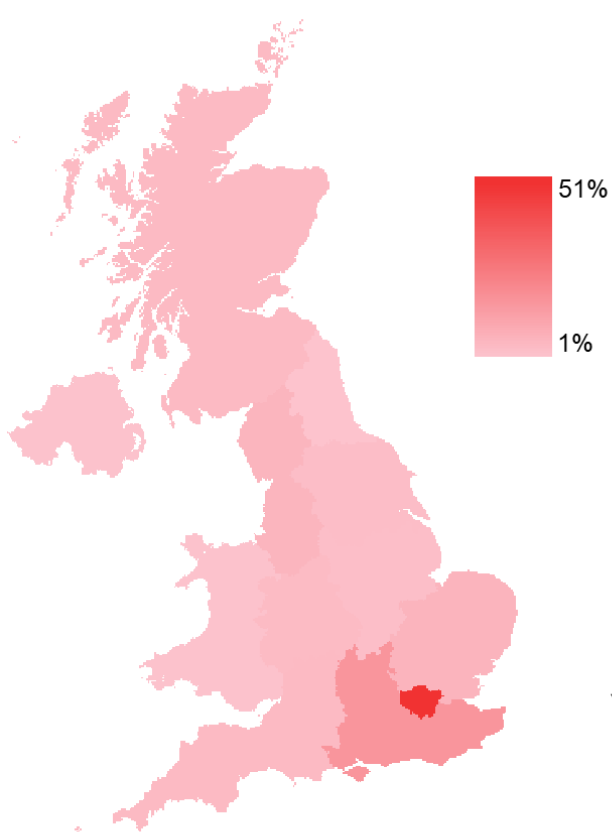
Creative Industries	2017 sector contribution
North East	1.0%
North West	5.7%
Yorkshire and The Humber	2.8%
East Midlands	2.4%
West Midlands	3.7%
East	6.0%
London	51.4%
South East	16.7%
South West	4.1%
Wales	1.1%
Scotland	4.0%
Northern Ireland	1.1%
Creative Industries	100%

Percentage change in GVA for the Creative Industries and all UK sectors, by region: 2010 to 2017 (provisional)
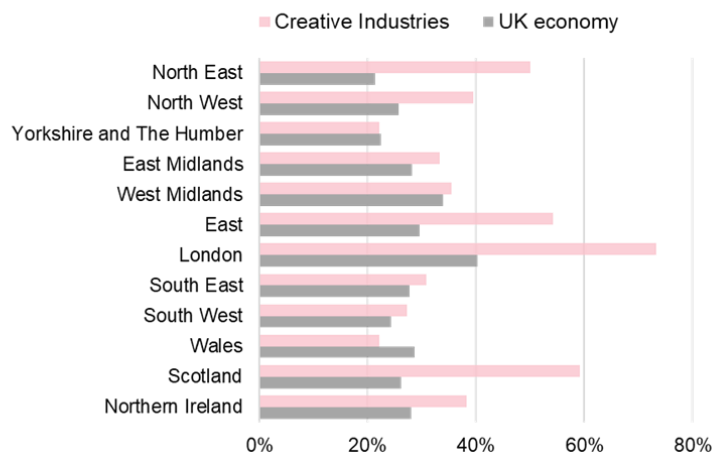
Cultural sector

£29.5bn to the UK economy in 2017

Over two thirds of Cultural sector GVA (68.1%) accounted for in London.

- As indicated in Figure 2.1, there is substantial overlap between the Creative Industries and the Cultural Sector and also between the Cultural and Digital Sector, with some SIC codes appearing in all three sector definitions. The Film, TV or music sub-sector is an example of a sub-sector included within multiple DCMS sectors. This has a tendency to drive trends in these sectors in the same direction. Please note that the Cultural Sector is almost entirely within the definition of the Creative Industries[4].
- London accounted for over two thirds (68.1%) of GVA for the Cultural Sector, contributing £20.1bn, with the South East generating a further 7.9%. This compares to 23.7% and 14.7% of GVA respectively for the overall UK economy.
- The strongest growth in this sector was in the North West region, with GVA increasing by 48.4% since 2010, followed by London (48.1% increase) and East of England (32.0% increase).
- Northern Ireland was the only region in the UK to see a decline in GVA for this sector since 2010 (11.7% decrease).
- The Cultural Sector accounted for 4.6% of London's GVA and less than 1% of GVA for all other regions.
- Over three fifths (60.2%) of the Cultural Sector GVA was in the Film, TV and music sub-sector, where GVA increased by 39.0% since 2010. Over three quarters of the GVA for this sub-sector was accounted for in London (78.8%) and a further 4.8% in the South East.
- London and the South East region accounted for over three quarters (77.0%) of the GVA in the Arts sub-sector in 2017.

How is the Cultural Sector defined?

DCMS have defined the Cultural Sector as those industries with a cultural object at the centre of the industry.

The DCMS definition is a UK definition based on international industrial codes. It is defined by the following sub-sectors:

- Arts;
- Film, TV, and music;
- Radio;
- Photography;
- Crafts;
- Museums and galleries;
- Library and archives;
- Cultural education; and
- Operation of historic buildings and similar visitor attractions.

It is also worth noting the SIC codes used to define the 'Libraries, archives, museums and other cultural activities' sub-sector (i.e. SIC 91.01, 91.02 and 91.03) in the ABS offer insufficient coverage as some organisations are locally funded. Therefore calculating approximate gross value added (aGVA) in the ABS for these SICS will give a negative value. In this case, the standard procedure is to include turnover. This is the only SIC code where this approach has been used due to the nature of these organisations.

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[4] The Cultural Sector is defined using SIC codes that are all within the Creative Industries except for 4 SIC codes (manufacture of musical instruments, retail sale of music and video recording in specialised stores, reproduction of recorded media and operation of historical sites and buildings and similar visitor attractions). These 4 sectors combined contribute 0.1% to the Cultural sector GVA in 2017.

You might also be interested in….

Arts and Culture - The Arts Council England (ACE) provides a value of GVA for the Arts and Culture industry, broken down by region. They use similar SIC codes to DCMS' Economic Estimates, but rather than using the supply and use tables and then the Annual Business Survey to inform the proportions to use, ACE use only the Annual Business Survey for an approximate measure of GVA.

ACE figures show that 'Of the estimated £10.6 billion of direct GVA generated in 2015 by the arts and culture industry in the UK, almost £9.4 billion was generated in England, with £3.4 billion generated in London alone, where arts and culture's share of the region's economy is the highest at 0.89%.'

Further information on these estimates can be found in Annex B of the report or at:
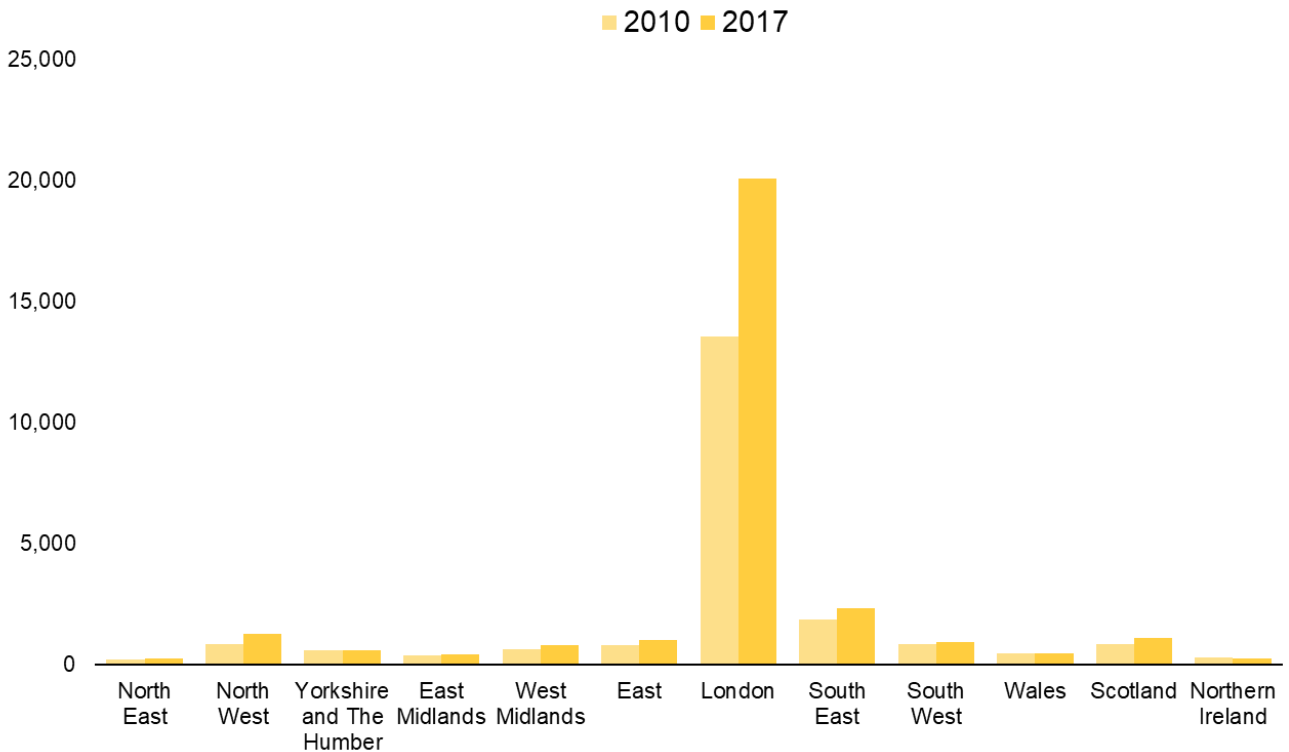www.artscouncil.org.uk/sites/default/files/download-file/Contribution_arts_culture_industry_UK_economy.pdf

Heritage - Historic England also produce statistics of the economic value of heritage in England. Since standalone SIC and Standard occupational classification (SOC) codes are limited in their ability to define heritage, estimates rely on cross extracting SIC codes through SOC codes. These are derived using Regional GVA Estimates published by the ONS by apportioning the regional estimates by employment data and earnings data from the Annual Survey of Hours & Earnings (ASHE). These data are sometimes combined with secondary data sources or in some cases, rely on secondary data sources alone.

Their figures state that 'The heritage sector in London alone generated the largest GVA contribution of £3.7 billion in 2016, accounting for 28% of the total heritage sector in England. The South East accounted for the second largest GVA contribution with £2.2 billion'.
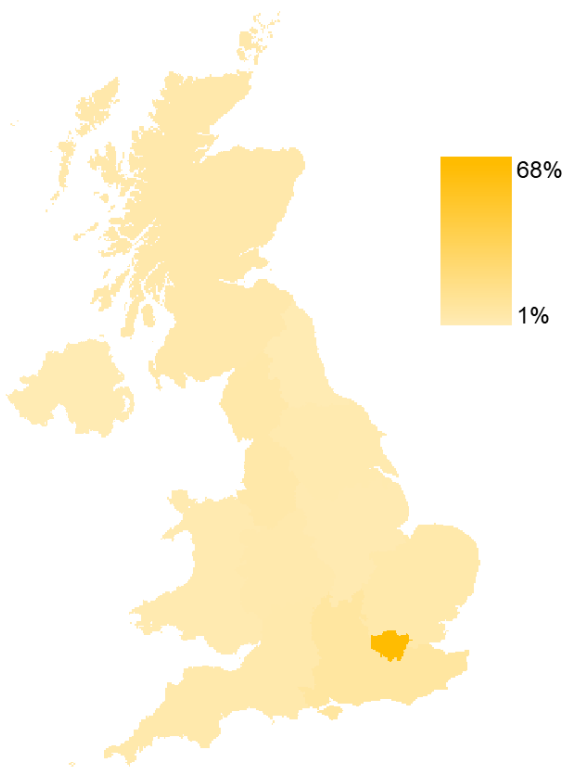
Further information on the methodology can be found in Annex B of the report or at:
https://historicengland.org.uk/content/docs/research/heritage-sector-england-impact-on-economy-2018/

Figure 3.4: GVA (£m) in the Cultural Sector, by region: 2010 and 2017 (provisional)

■ 2010 ■ 2017

Figure 3.5: Contribution of each region to UK GVA for the Cultural Sector: 2017 (provisional)

Cultural Sector	2017 sector contribution
North East	0.8%
North West	4.3%
Yorkshire and The Humber	2.0%
East Midlands	1.4%
West Midlands	2.7%
East	3.5%
London	68.1%
South East	7.9%
South West	3.1%
Wales	1.6%
Scotland	3.7%
Northern Ireland	0.8%
Cultural Sector	100.0%

Percentage change in GVA for the Cultural Sector and all UK sectors, by region: 2010 to 2017 (provisional)

■ Cultural Sector ■ UK economy

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Digital Sector

£130.5bn to the UK economy in 2017

- As mentioned in the previous section, larger sub-sectors found within multiple sectors, for example in the Digital and the Creative Industries sectors, or the Digital and the Cultural sectors are likely to drive the trends in the same way for each sector.
- For example, the 'Computer programming, consultancy, and related activities' sub-sector of the Digital Sector has some SIC codes in common with the largest Creative Industries sub-sector ('IT, software and computer services'). The 'IT, software and computer services' drove the growth in Creative Industries GVA (59.9% increase) since 2010. Similarly, the 'Computer programming, consultancy, and related activities' sub-sector within the Digital sector also shows an upward trend, increasing by 44.2% since 2010.
- In 2017, 39.0% of GVA for the Digital sector was generated in London, contributing £50.9bn. The South East generating a further 20.5% (£26.7bn). This compares to 23.7% and 14.7% of GVA respectively for the overall UK economy.
- GVA in the Digital sector accounted for 11.7% of London's GVA, 9.9% of GVA in the South East and 5.9% in the East of England.
- In the other regions and countries of the UK, the Digital sector accounted for between 4% and 6% of total GVA.
- There was growth in GVA in all regions of the Digital Sector between 2010 and 2017. Growth in GVA was strongest in the North East (48.9% increase since 2010), London (46.2% increase) and Wales (41.2% increase).
- The 'Computer programming, consultancy and related activities' sub-sector contributed over a third (37.1%) of the Digital Sector GVA in 2017. Nearly a third (32.7%) of GVA in this sub-sector was generated in London followed by the South East (25.6%).
- The 'Film, TV, video, radio and music' sub-sector had a greater proportion of GVA in London (80.1%). GVA in this region increased by 44.5% for this sub-sector since 2010.

How is the Digital Sector defined?

The definition of the Digital Sector used in this release was developed by the OECD using the UN Standard Industrial Classifications (SICs). This gives it the advantage of international comparability.

This is defined by the following sub-sectors:

- Manufacturing of electronics and computers;
- Wholesale of computers and electronics;
- Publishing (excluding translation and interpretation activities);
- Software publishing;
- Film, TV, video, radio and music;
- Telecoms;
- Computer programming, consultancy and related activities;
- Information service activities; and
- Repair of computers and communication equipment.

You might also be interested in….

Digital Tech - Tech Nation provides figures on GVA, turnover and earnings on digital tech activity at both national and local levels where possible. The ABS and Business Structure Database are used to estimate GVA in this sector. Tech Nation also use SIC codes to define the Digital Tech sector, but aren't consistent with the DCMS definition of this sector. For example, the 'Manufacturing of electronics and computers' sub-sector are excluded from the Tech Nation figures but included in the DCMS definition of the Digital Sector. The full list of SIC codes can be found at: https://technation.io/insights/report-2018/methodology/

Tech Nation figures state that the "Digital Tech economy contributed £36bn in London alone in 2017"
More information can be found in Annex B of this report or at: https://technation.io/insights/report-2018/

## Figure 3.6: GVA (£m) in the Digital Sector, by region: 2010 and 2017 (provisional)
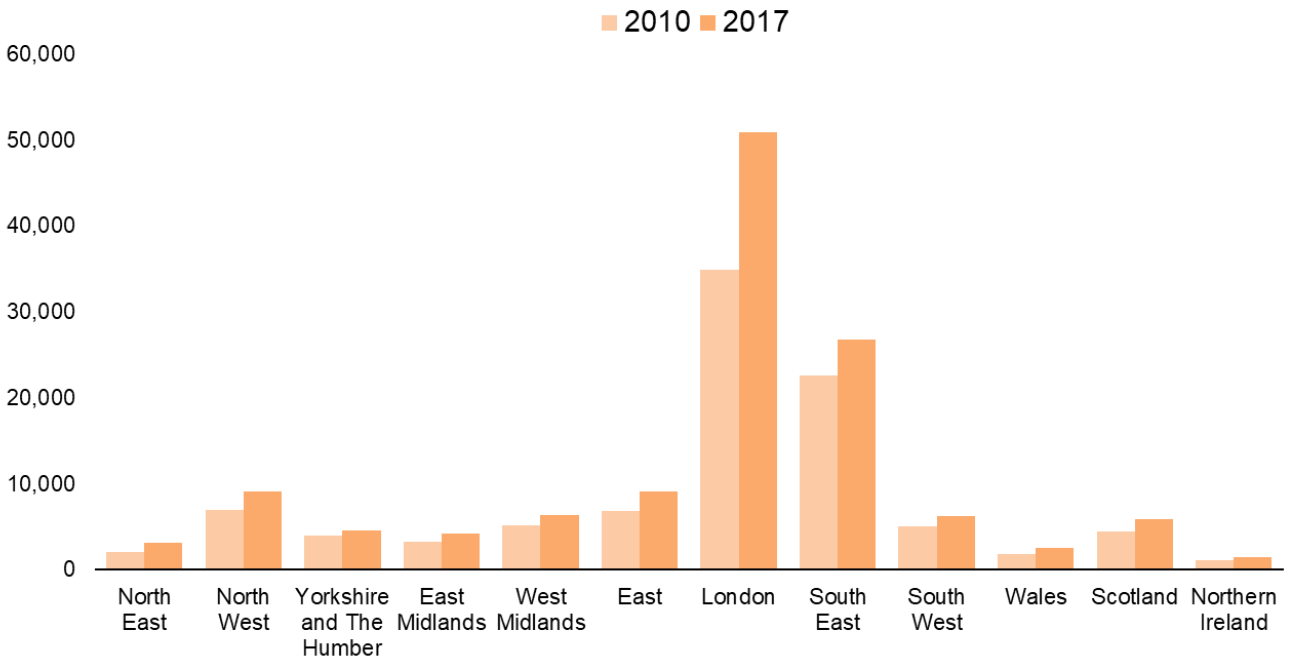
Figure 3.7: Contribution of each region to UK GVA for the Digital Sector, by region: 2017 (provisional)
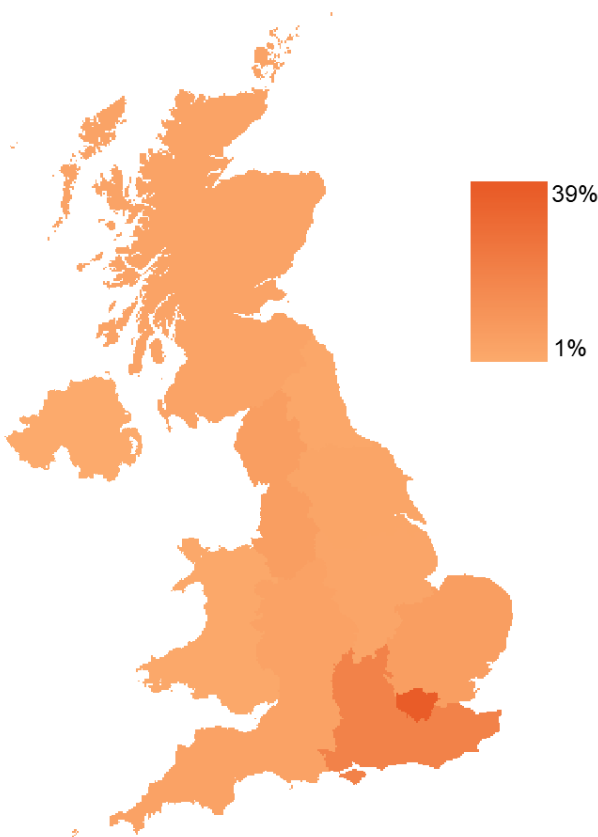
Digital Sector	2017 sector contribution
North East	2.4%
North West	7.0%
Yorkshire and The Humber	3.5%
East Midlands	3.3%
West Midlands	4.9%
East	7.0%
London	39.0%
South East	20.5%
South West	4.8%
Wales	2.0%
Scotland	4.5%
Northern Ireland	1.2%
Digital Sector	100.0%

Percentage change in GVA for the Digital Sector and all UK sectors, by region: 2010 to 2017 (provisional)
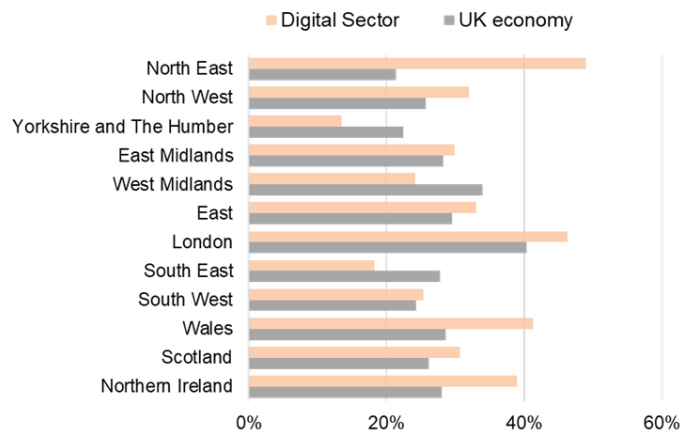
Telecoms

£32.6bn to the UK economy in 2017

25.3% of Telecoms sector GVA accounted for in London.

- The largest proportion of Telecoms sector GVA was generated in London (25.3%), followed by the South East (22.0%) and the North West (9.1%). All other regions and devolved administrations of the UK, contributed between 1% and 7% of GVA in this sector.
- In absolute terms, London, the South East and the North East had the highest growth in value of GVA since 2010, increasing by £2.1bn, £1.5bn and £1.0 respectively.
- Between 2010 and 2017, growth in GVA for the Telecoms sector nearly doubled in amount in the North East, from £1.1bn in 2010 to £2.2bn in 2017. This region generated 6.6% of the Telecoms GVA in 2017 and accounted for 4.0% of total UK GVA in the North East.
- This is similar for Wales with almost twice the GVA growth from £525mn in 2010 to £1.0bn in 2017. This region accounted for 3.2% of GVA in this sector and contributed 1.6% of total UK GVA in Wales.
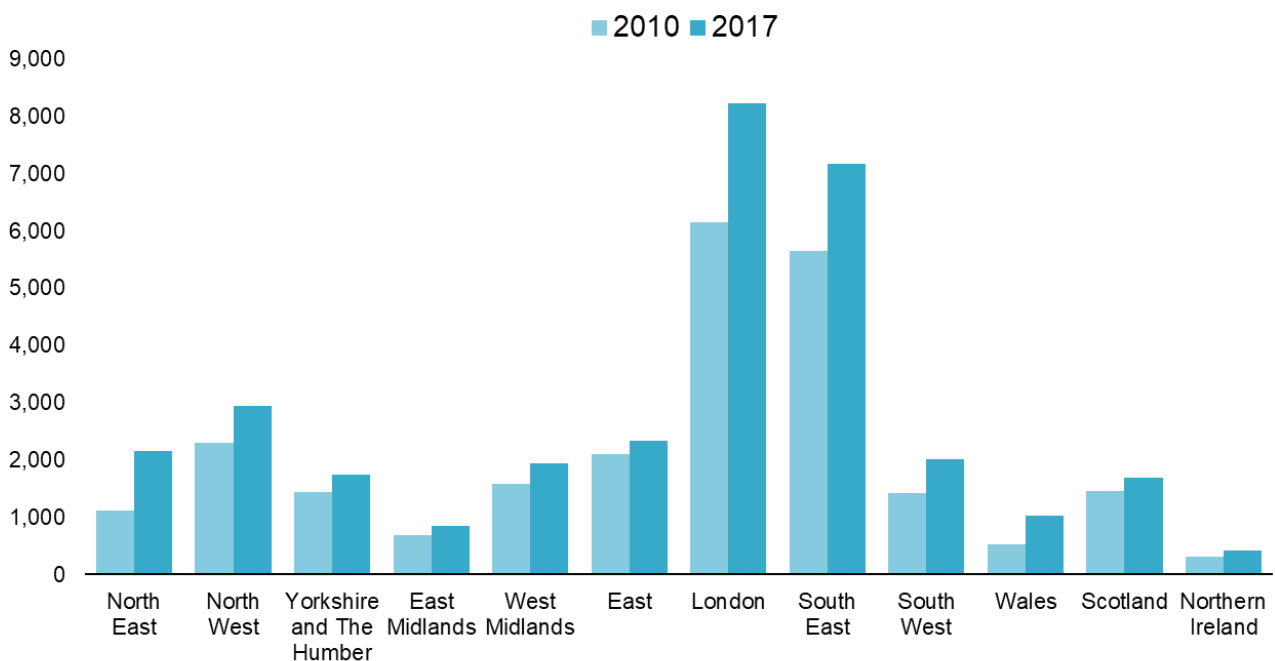
How is Telecoms defined?

The definition of telecoms used in the DCMS Sectors Economic Estimates is consistent with the internationally agreed definition; SIC 61 - Telecommunications.
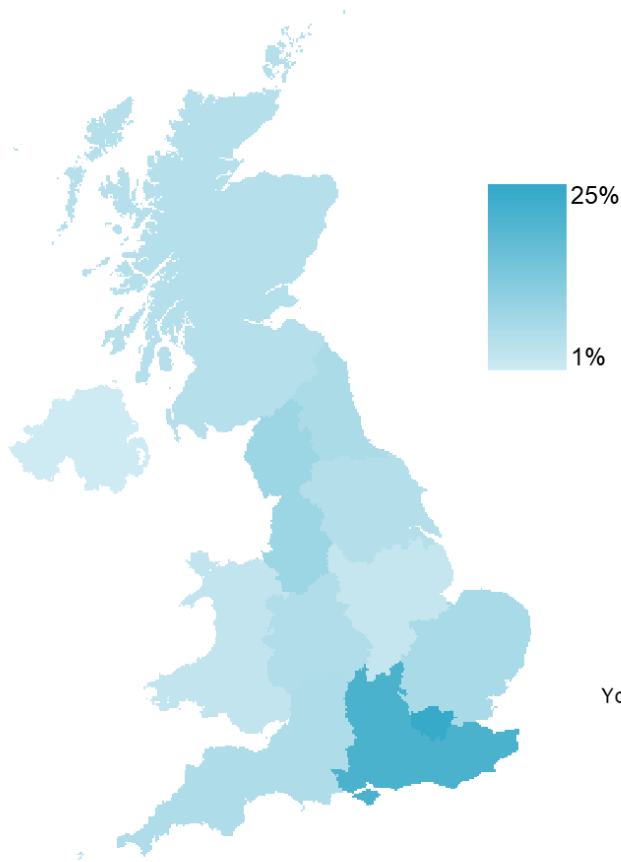
Please note that as well as appearing as a sector on its own, Telecoms is also entirely included within the Digital Sector as one of the sub-sectors.

**Figure 3.8: GVA (£m) in the Telecoms Sector, by region: 2010 and 2017 (provisional)**

Figure 3.9: Contribution of each region to UK GVA for Telecoms, by region: 2017 (provisional)

Telecoms	2017 sector contribution
North East	6.6%
North West	9.1%
Yorkshire and The Humber	5.4%
East Midlands	2.6%
West Midlands	6.0%
East	7.2%
London	25.3%
South East	22.0%
South West	6.2%
Wales	3.2%
Scotland	5.2%
Northern Ireland	1.3%
Telecoms	100.0%

Percentage change in GVA for the Telecoms Sector and all UK sectors, by region: 2010 to 2017 (provisional)
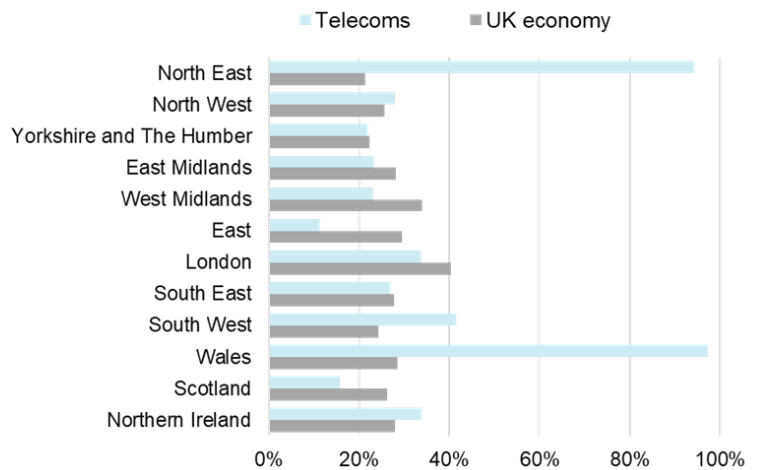
Source: ONS licensed under the Open Government Licence v.3.0.
Contains OS data © Crown copyright 2019
Contains LPS Intellectual Property © Crown copyright and database right (2019).
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Gambling

£9.3bn to the UK economy in 2017

14.2% of Gambling sector GVA accounted for in London.

- GVA for the Gambling sector is relatively small, accounting for around 1% or less of total GVA in most regions. The small size of this sector can lead to some data volatility each year due to the sample size of businesses. Therefore, figures should be interpreted with caution.
- Compared to other DCMS sectors, GVA for the Gambling sector was more evenly spread across the UK regions and devolved administrations of the UK.
- The absolute change in GVA for the Gambling sector is approximately £863.0mn between 2010 and 2017, with an average annual growth of 1.6% between this period.
- London accounted for 14.2% of GVA for the Gambling sector, contributing £1.3bn in 2017. This is a decline from the £1.6bn generated in 2010.
- Scotland and the North West generated a further 11.4% and 10.8% respectively.
- Between 2010 and 2017, GVA for the Gambling Sector roughly doubled in the West Midlands – from £485.9mn in 2010 to £963.3mn in 2017. This region had an average annual growth of 11.5% for this sector between 2010 and 2017.
- There was growth in other regions such as the East Midlands (71.3%) and the South East (62.9%) since 2010, although GVA in all devolved nations as well as the East of England and London have declined. Scotland accounted for 11.4% of Gambling sector GVA in 2017, but has declined by 23.0% since 2010. This region had an average annual growth of -3.4% between 2010 and 2017.

How is Gambling defined?

The definition of gambling used in the DCMS Sectors Economic Estimates is consistent with the internationally agreed definition; SIC 92 - Gambling and betting activities.

This sector incudes activities such as the sale of lottery tickets, operation of coin-operated gambling machines, virtual gambling web sites, betting and casinos.

### You might also be interested in….

The **Gambling Commission** Statistics do not produce an estimate of GVA; instead they use GGY (gross gambling yield) and are currently not broken down by region. Their estimates include industries such as Arcades, Casinos, National Lottery, Lotteries and Bingo.

Gross Gambling Yield is defined by the amount retained by operators after the payment of winnings but before the deduction of the costs of the operation.

Total Gross Gambling Yield in 2017/18 in Great Britain was estimated to be £14.4bn – a 4.5% increase on the previous year.

More information can be found in Annex B of the report or at:
www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Statistics/Industry-statistics.aspx

**Figure 3.10: GVA (£m) in the Gambling Sector, by region: 2010 and 2017 (provisional)**

■ 2010 ■ 2017
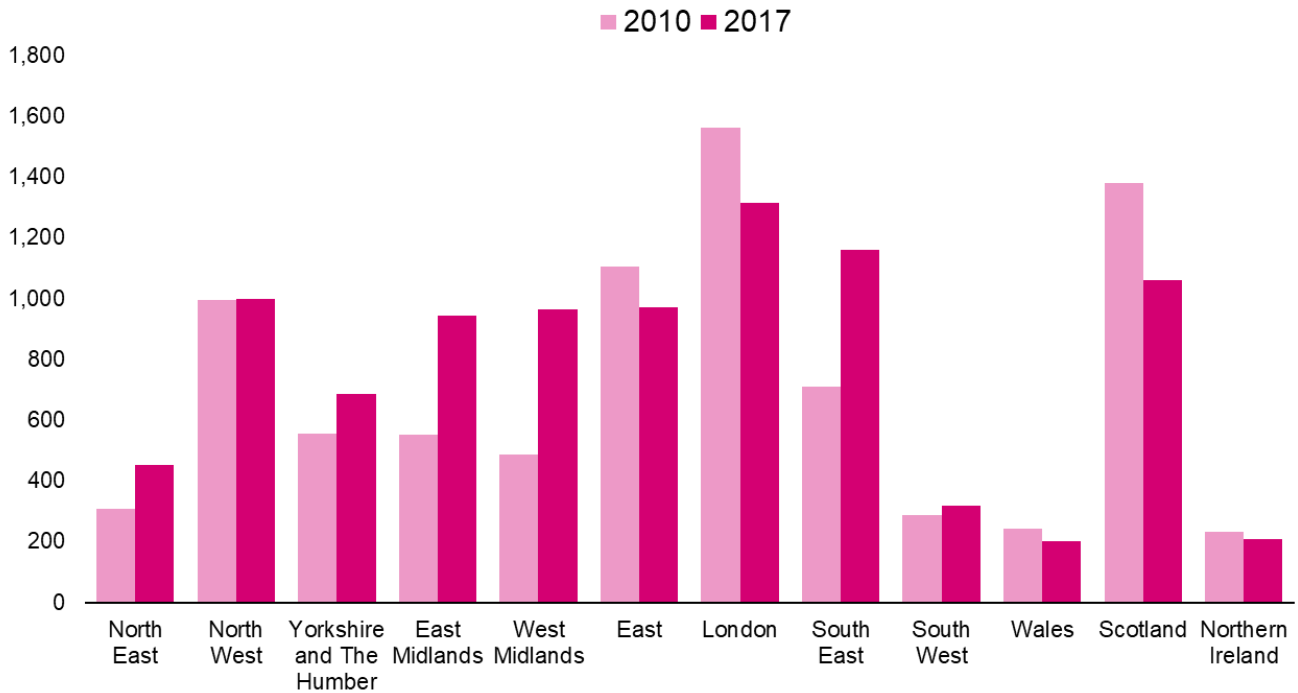
Figure 3.11: Contribution of each region to UK GVA for Gambling, by region: 2017 (provisional)
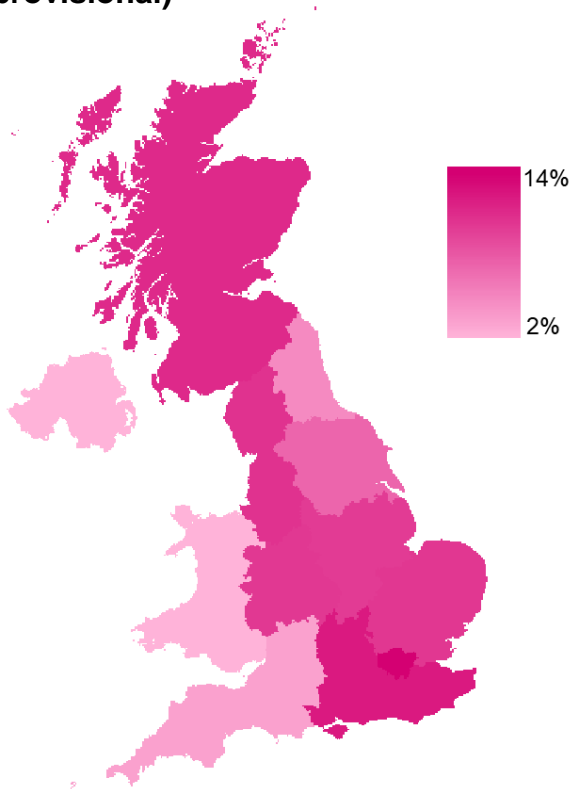
Gambling	2017 sector contribution
North East	4.9%
North West	10.8%
Yorkshire and The Humber	7.4%
East Midlands	10.2%
West Midlands	10.4%
East	10.5%
London	14.2%
South East	12.5%
South West	3.4%
Wales	2.2%
Scotland	11.4%
Northern Ireland	2.2%
Gambling	100.0%

Percentage change in GVA for the Gambling Sector and all UK sectors, by region: 2010 to 2017 (provisional)
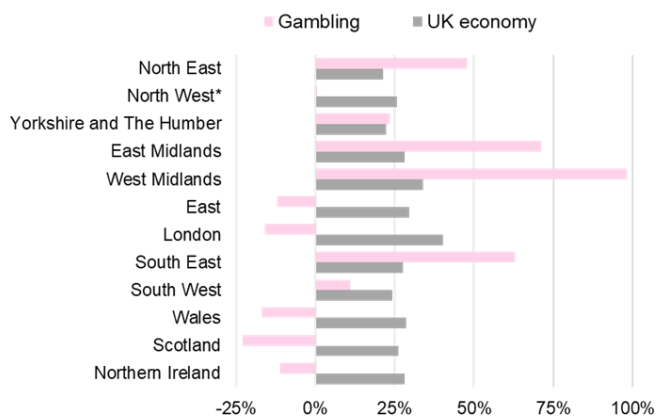
■ Gambling ■ UK economy

*There was a slight growth in Gambling Sector GVA in the North West, increasing by 0.4% since 2010. This is not large enough to be visible on the graph.

Sport

£9.8bn to the UK economy in 2017

18.0% of Digital sector GVA accounted for in London.

- In 2017, four regions together accounted for over half the GVA for the Sport Sector; London (18.0%), the South East (16.4%), the North West (12.5%) and the East of England (10.2%).
- In contrast, Northern Ireland (2.3%), the North East (3.2%) and Wales (4.0%) together accounted for less than a tenth of GVA for this sector in 2017. Sport Sector GVA in Wales has increased by 51.9% since 2010.
- In all regions and devolved administrations, the Sport Sector accounted for less than 1% of total UK GVA. (Note: these figures are based on a core 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 2017 including the East of England (69.6% increase), London (69.2% increase) and the North West (65.0% increase).
- Over the same period, there was a decline in Sport GVA in the West Midlands (down 17.1%), the only region to show a decrease in GVA for this sector.

You might also be interested in….

Sport England produce an estimate of the GVA generated by sport and sport-related activity. This has not been updated since 2013 and covers England only.

Their figures show that "In 2010, sport and sport-related activity generated Gross Value Added (GVA) of £20.3 billion – 1.9% of the England total."

More information can be found in Annex B of the report or at: https://www.sportengland.org/research/benefits-of-sport/economic-value-of-sport/

The **DCMS Sport Satellite Account (SSA)** also produce a figure for GVA, using the same methodology as the DCMS Sectors Economic Estimates, although currently cannot be broken down by region.

Their figures show that "The value of the Sports economy, as measured by GVA, was estimated to be £37.3 billion in 2016".

The SSA are based on a different definition to the one used in this release and should be used as the best headline measure of Sport's contribution to the UK economy. This definition is much wider than those used in the Economic Estimates and considers the proportion of other industries which sport can be attributed to. It is based on an EU agreed definition of the Sport economy ('Vilnius Definition'), which sets out which categories or sub-categories are fully or partly related to Sports and the definition to which they belong.

More information can be found at: https://www.gov.uk/government/collections/sport-satellite-account-for-the-uk-statistics

Figure 3.12: GVA (£m) in the Sport Sector, by region: 2010 and 2017 (provisional)

■ 2010 ■ 2017
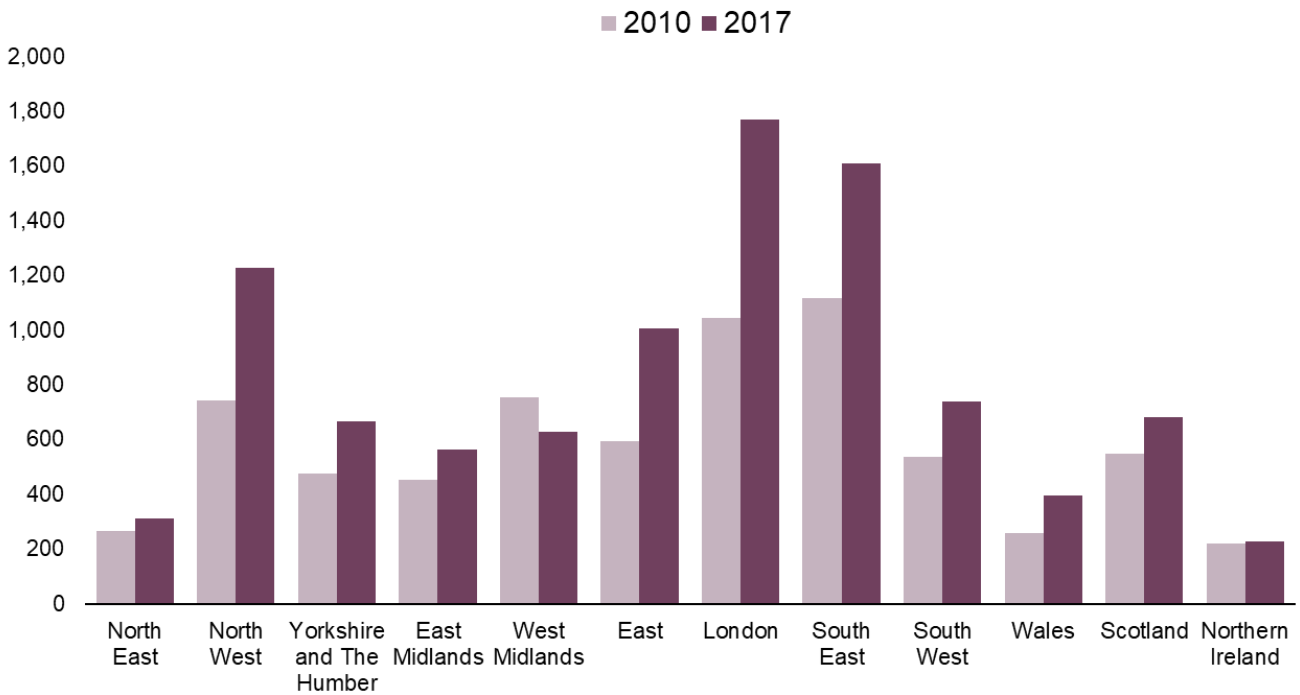
Figure 3.13: Contribution of each region to UK GVA for Sport, by region: 2017 (provisional)
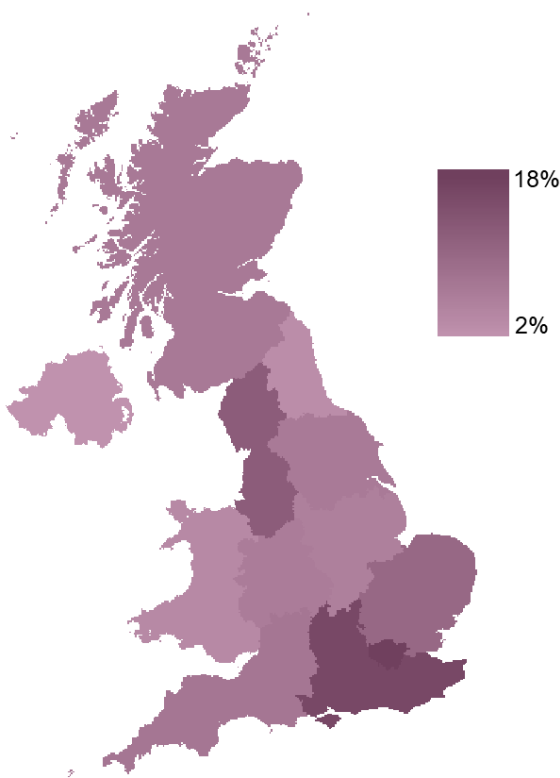
Sport	2017 sector contribution
North East	3.2%
North West	12.5%
Yorkshire and The Humber	6.8%
East Midlands	5.7%
West Midlands	6.4%
East	10.2%
London	18.0%
South East	16.4%
South West	7.5%
Wales	4.0%
Scotland	6.9%
Northern Ireland	2.3%
Sport	100.0%

Percentage change in GVA for the Sports Sector and all UK sectors, by region: 2010 to 2017 (provisional)

■ Sport ■ UK economy

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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 is expected to 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.

Upcoming work in the DCMS Economic Estimates series includes:

- **Earnings** – In 2019, DCMS will introduce new analysis on earnings data for Digital Sector employees based on the Annual Survey of Hours and Earnings (ASHE) dataset provided by Office for National Statistics (ONS). If there is sufficient interest in these statistics, DCMS plan to widen this analysis further in the future to include all DCMS Sectors.
- **Trade** - In June 2019, DCMS will publish 2017 estimates of the number of imports/exports of goods and services in DCMS Sectors.

The date for these publications will be announced via the DCMS statistical release calendar nearer the time.

Feedback and consultation
DCMS aims to continuously improve the quality of estimates and better meet user needs. We encourage our users to engage with us so that we can improve our statistics and identify gaps in the statistics that we produce. If you would like to comment on these statistics or have any enquiries on the statistics please do get in touch at evidence@culture.gov.uk.

DCMS Sector Economic Estimates series is an Official Statistic and has been produced to the standards set out in the Code of Practice for Statistics. The statistical series underwent National Statistics assessment in 2018. The Office for Statistics Regulation published a report[5] outlining their findings from the assessment in December 2018.

DCMS will work closely with the Office for Statistics Regulation to take forward the recommendations outlined in this report to improve the trustworthiness, quality and value of the series. In particular, DCMS will look to understand the different data sources which are available such as the ONS Business Register and Employment Survey (BRES) which may provide a better estimate for regional analysis compared to the approximate GVA (aGVA) currently used from the Annual Business Survey (ABS).

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[5] https://www.statisticsauthority.gov.uk/publication/dcms-sectors-economic-estimates/

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 underlined methodology note.

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

ABS survey design changes – The ABS (Annual Business Survey) is used to break down the Supply and Use Tables (SUT) estimates to the 4 digit level. However, users should note that the ABS population was expanded in 2015 which led to an increase in the number of businesses in the overall population of approximately 4%. In 2015, these businesses increased the level of turnover by 0.4% and GVA by 0.8%.

Users should also note that a sample re-optimisation has been included in the ABS estimates for 2016. This is carried out every five years to improve the efficiency of the sample estimation and reduce sampling variability as part of the regular process to improve estimates.

Both of these survey design changes can have a possible impact on the DCMS GVA estimates although the ABS is only being used to provide a proportion of the SUT so these changes should have minimal impact on the overall figures.

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: External data sources

It is recognised that there are always different ways to define sectors, but their relevance depends on what they are needed for. Government generally favours classification systems which are

- rigorously measured,
- internationally comparable,
- nationally consistent, and
- ideally applicable to specific policy interventions.

These are the main reasons for DCMS using SIC code based definitions for its sectors. However DCMS accept that there are limitations with this approach (see Annex A), and alternative definitions can be useful where a policy-relevant grouping of businesses crosses existing Standard Industrial Classification (SIC) codes. DCMS are aware of other estimates of DCMS sectors. These estimates use varying methodologies and can be useful for serving several purposes, e.g. monitoring progress under specific policy themes such as community health or the environment, or measuring activities subsumed across a range of SICs. While potentially useful, the quality of the data depends on that of the evidence used to estimate the appropriate share of existing SICs.

The table overleaf shows different sources of analysis measuring the economic contribution of different DCMS policy areas from our Arm's Length Bodies. It is recognised that there will be many other sources of evidence from industry bodies, for example, which have not been included in this table. This will be developed over time to capture a wider spectrum of stakeholder's releases.

Sector	Sub-sector	Organisation	Summary of use
Creative Industries Cultural Sector	Arts	Arts Council England (ACE)	ACE provides a value of GVA and employment accountable by the Arts and Culture industry. They use similar SIC codes to DCMS' Economic Estimates, but rather than using the supply and use tables and then the Annual Business Survey to inform the proportions to use, ACE use only the Annual Business Survey and therefore an approximate measure of GVA. Employment is based on Business Register and Employment Survey which is a business survey and an official statistic. However it only covers employed jobs. This is different to DCMS' approach using the Annual Population Survey where employed and self-employed jobs are included, but it is a social survey and therefore relies on the household individual defining their sector of work, which can be a limitation to this approach.
Creative Industries Cultural Sector	Film	British Film Institute (BFI)	BFI provides a value for turnover, businesses, imports/exports and GVA for the film sector from 2007 to 2016. For GVA, the following sub-sectors are included: Film production, Video production, Film, video and TV post-production, Film distribution, Video distribution and Film exhibition. Figures presented by BFI are based on the ONS Annual Business Survey.
Creative Industries Cultural Sector	Museums, Galleries and Libraries Museums and Galleries	Arts Council England (ACE)	ACE commissioned a report which looks at the economic impact of museums in England in 2013. The methodology is very different to DCMS sector Economic Estimates. The definition of museums is much wider than is used in DCMS' estimates, which is based on one SIC code. ACE have identified the limitations with using SIC codes for museums, namely that to be included in the official statistical surveys, the museum needs to be registered for PAYE or VAT, which means some of the small museums would not be included in these official sources. The same applies to local authority delivered museum services which would be coded under the Public Administration SIC code. As a result ACE have used a bottom-up approach of developing a database of museums in England then using various sources to identify the economic measures for each museum. This is for England and was produced in 2013.
Cultural Sector	Heritage	Historic England	Regional Economic output from heritage was estimated using a method adapted from that used in the DCMS Creative Industries Economic Estimates, and requires heritage employment estimates to have been calculated. The Annual Survey of Hours & Earnings was used to calculate median earnings for relevant heritage sectors and occupations. Given the insufficient sample sizes at regional level, estimates for the UK as a whole were used; these were weighted by region according to the ratio of total median earnings per region and the overall national average. Median earnings for relevant heritage sector and occupations were then multiplied by employment numbers to derive weighted total earnings for the heritage sector of each region. This was then divided by total weighted earnings of all industries of the respective region to arrive at the share of total earnings which heritage accounts for. Lastly, this share was applied to the ONS regional GVA estimate to estimate total heritage GVA for each region.
Gambling	Gambling	Gambling Commission	Gambling Commission produce industry statistics twice a year covering gross gambling yield, employment and number of businesses. The methods are different to DCMS' Economic Estimates to reflect the different data sources available to the Gambling Commission and their policy needs. The Gambling Commission derive their estimates from the operators. It is a license requirement for operators to submit returns, so it is essentially a census. This has benefits over using a sample

			survey like DCMS. DCMS are only using SIC 92 to define Gambling; however it is likely that there will be companies outside of SIC 92 included in the Gambling Commission statistics. For example, some working men's clubs may hold a license but would not be classified under SIC 92 by virtue of their other primary activities. Finally, the Gambling Commission do not produce an estimate of GVA; instead GGY (gross gambling yield). This is because this measure is understood by the sector as a whole and is internationally comparable. This means Gambling Commission can compare historically and internationally, but it does mean it is not comparable against other sectors.
Sport	Sport	Sport England	Sport England produce an estimate of the GVA and number of FTE jobs generated by sport and sport-related activity. This has not been updated since 2013 and covers England only. GVA is split by participation and consumption. The definition is wider than DCMS definition of Sport and is similar to the Sport Satellite Account approach, which uses the Vilnius definition. This means elements such as sport broadcasting are included. While potentially useful, the quality of the data depends on that of the evidence used to estimate the appropriate share of existing SICs.
Sport	Sport	UK Sport	UK Sport have produced estimates of the contribution of the Olympic and Paralympic sports. Whilst this is not fully comparable with DCMS' estimates due to its much narrower scope in terms of sports, it uses a similar methodology to the DCMS Sport satellite account. Please note that this Sport satellite account is not currently part of the DCMS sector Economic Estimates so there will be further differences in methodology and scope of industries. UK Sport use a satellite account approach for a portfolio of sports. They produce a GVA and employment estimates, using a range of sources: ABS/ASHE, 2014 Input-Output tables, Participation data and company accounts. Whilst these are not the exact same data sources as DCMS uses, or the most up to date, they do enable a comparison to DCMS statistics. They are therefore a robust estimate if the user are looking for specific Olympic and Paralympic sports. However, as with all satellite accounts, the quality of the data depends on that of the evidence used to estimate the appropriate share of existing SICs.
Digital	Digital	Tech Nation	Tech Nation produces an annual report that captures the strength of the digital tech economy in the UK. Their annual report includes data on key measures of economic performance from four official ONS datasets: The Annual Population Survey (APS), The Business Structure Database (BSD), ABS and The Annual Survey of Hours and Earnings (ASHE).

Annex C: Further information

1. The next update to these statistics will be published in early 2020.

2. The responsible statistician for this release is Davita Patel. For enquiries on this release, please contact Davita on 0207 211 2317 or email evidence@culture.gov.uk.

3. For general enquiries contact:
   Department for Digital, Culture, Media and Sport
   100 Parliament Street
   London
   SW1A 2BQ
   Telephone: 020 7211 6000

4. DCMS statisticians can be followed on Twitter via @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 Statistics. For more information, see https://www.statisticsauthority.gov.uk/code-of-practice/ Details of the pre-release access arrangements for this dataset have been published alongside this release.

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