Labour productivity by LEP Labour productivity across the Arc labour productivity over last 10 Average annual productivity growth Digging Ox-Cam Arc (2014-2018) by LEP below th. years LEP area Thames Valley Berkshire London Enterprise M3 Swindon and Wiltshire Cheshire and Warrington Coast to Capital Coventry and Warwickshire Buckinghamshire Hertfordshire West of England South East Midlands Oxfordshire Greater Birmingham and Solihull At headline level, labour Grt Cam and Grt Peterborough productivity in South East Buckinghamshire is the 9th Liverpool City Region highest of all 38 LEP areas. Tees Valley Just below the UK average and New Anglia highest of the four Lancashire Oxford-Cambridge Arc LEPs Leicester and Leicestershire Greater Manchester Dorset Gloucestershire Derby, Derbyshire, Nottingham and Nottinghamshire North East Leeds City Region York, North Yorkshire and East Riding Heart of the South West

40

30

70

GVA per hour worked indices (UK = 100) (2018)

80

UK = 100

110

120

130

14

100

Greater Lincolnshire
Sheffield City Region
Worcestershire

The Marches

Black Country

10

20

Stoke-on-Trent and Staffordshire

Cornwall and Isles of Scilly

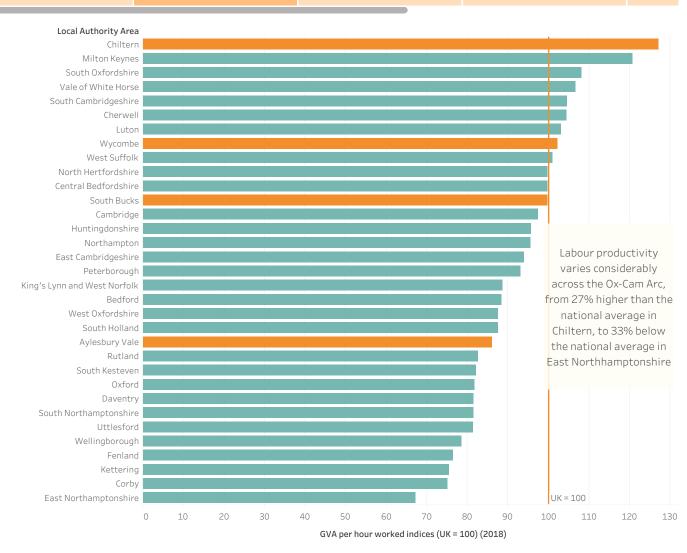
Labour productivity by LEP

Labour productivity across the Ox-Cam Arc

Arc labour productivity over last 10 years

Average annual productivity growth (2014-2018) by LEP

Digging below th...



Note - data includes rental income

Labour productivity by LEP

Labour productivity across the Ox-Cam Arc

Arc labour productivity over last 10 years

Average annual productivity growth (2014-2018) by LEP

Digging below the headline data



Labour productivity Arc labour productivity over last 10 Average annual productivity growth Digging below the headline data Impact of removing across the Ox-Cam Arc (2014-2018) by LEP effects of strong housing. years LEP area Coventry and Warwickshire Lancashire Enterprise M3 Greater Birmingham and Solihull Heart of the South West Cheshire and Warrington Solent Cornwall and Isles of Scilly South East London Liverpool City Region The Marches Cumbria Thames Valley Berkshire New Anglia West of England Dorset York, North Yorkshire and East Riding Sheffield City Region Greater Cambridge and Greater Peterborough North East Leeds City Region Tees Valley Swindon and Wiltshire Buckinghamshire has experienced Black Country slow productivity growth over the Stoke-on-Trent and Staffordshire last five years (2014-18), the third lowest of all 38 LEP areas. Derby, Derbyshire, Nottingham and Nottinghamshire Leicester and Leicestershire South East Midlands Greater Lincolnshire Greater Manchester Hertfordshire Gloucestershire Humber Buckinghamshire UK Chast to Canital 0.5 2.5 3.0 3.5

Average annual growth in productivity (2014-2018) (%)

Arc labour productivity over last 10 years

Average annual productivity growth (2014-2018) by LEP

Digging below the headline data

Impact of removing effects of strong housing market

Summary

Labour productivity is measured by dividing economic output (GVA) by labour input (number of hours people have worked to produce that output).

However, not all economic output (GVA) can be attributed to the workforce. Rental income (including something called "imputed rental income of owner-occupiers") is included in economic output data, but is not attributable to the activities of the workforce. Rather, it is a reflection of the strength of the housing market.

As both levels of home ownership and house prices are high in Buckinghamshire, when 'imputed rental income of owner occupiers' are removed from the calculation (to give a measure of economic output more closely related to labour input),

Buckinghamshire's labour productivity drops.

Further details are provided by ONS here:

 $\frac{\text{https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/regionalandsubregionalproductivityintheuk/latest\#alternative-resultself-income \\ \underline{\text{s-excluding-rental-income}}$ 

Arc labour productiv..

Average annual productivity growth (2014-2018) by LEP

Digging below the headline data

Impact of removing effects of strong housing market

Summary

When rental income is removed from the productivity calculation, labour productivity within Buckinghamshire is estimated to be 7% lower than the national average. This sees Buckinghamshire drop down the LEP rankings from 9th position to mid-table.



Arc labour productiv..

Average annual productivity growth (2014-2018) by LEP

Digging below the headline data

Impact of removing effects of strong housing market

Summary

#### In summary

- 1) At headline level, Buckinghamshire's productivity is reported to be the 9th highest of all LEP areas, the highest of the four Arc LEPs and in-line with the national average.
- 2) However, this figure is inflated by the strong local housing market
- 3) When adjusted to take this into account, Buckinghamshire's productivity drops well below the national average, and to mid-table of all 38 LEPs
- 4) In addition, Buckinghamshire has experienced very slow productivity growth over recent years