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Halifax has analysed official earnings data by local authority over the past 5 years. Annual data has been sourced from the ONS's "Annual Survey of Hours and Earnings" and refers to April of each year. Data relates to all full time employees on adult rates whose pay for the survey period was not affected by absence. The local authority refers to work location not residence. **The figures need to be treated with caution due to the significant distribution both above and below the mean in the case of many local authorities.**

Average Earnings in Great Britain up by a fifth in five years

- The average full-time annual salary earned in Great Britain has risen from £25,939 in 2003 to £31,500 in 2008, an increase of 21% (£5,561). Retail prices have risen by 18% over the same period
- The average salary of workers in Thanet has increased by more than any other local authority (LA) over the past five years, rising by 60% from £18,769 to £29,956. This was nearly treble the average rise across Great Britain (21%)
- Nine LAs have seen the average annual salary of their workers rise by at least twice the Great Britain average (21%) since 2003
- Regionally, average earnings have risen most in London (24%) since 2003. The smallest increases were in the East and Wales (both 18%)
- Not surprisingly, the highest earners in Great Britain work in the City of London where the average annual salary is £82,084. This is more than two and a half times the British average (£31,500) and 77% more than the average for Greater London (£46,462)

Martin Ellis, chief economist at Halifax, commented:

"Average earnings in Great Britain have risen by more than retail prices over the past five years, indicating an increase in living standards for the typical worker.

The biggest rises have been concentrated in a fairly limited number of local authorities in southern England."

KEY FINDINGS

Earnings growth 2003-2008

Great Britain average earnings up by 21% in 5 years (Table 1)

The average full-time annual salary earned in Great Britain has risen from £25,939 in 2003 to £31,500 in 2008, according to new research from Halifax based on ONS earnings data. This represents an increase of 21% (£5,561) - an average annual gain of 4.0%. Retail prices – measured by the headline RPI - have risen by 18% over the same period. Accordingly, average earnings have increased by 3% in 'real' terms since 2003.

Thanet has recorded the fastest growth in earnings (Table 1)

Those working within the Thanet local authority have experienced the fastest growth in earnings in Great Britain over the past five years. The average full-time annual salary in the Kent local authority (LA) increased from £18,769 in 2003 to £29,956 in 2008; an increase of 60% (£11,187). This was nearly treble the average rise across Great Britain (21%). Workers in Havering in London recorded the second highest growth rate (55%) followed by Shepway in Kent (47%).

Ryedale see the fastest growth in earnings in the north¹ (Table 4)

Workers in Ryedale have experienced the fastest growth in earnings in northern Great Britain over the past five years. The average full-time annual salary in the North Yorkshire LA increased from £19,986 in 2003 to £29,081 in 2008; an increase of 46% (£9,095). This was more than double the average rise across Great Britain (21%). Those working in South Derbyshire recorded the second highest growth outside the south (45%) followed by Aberdeen City (41%).

Nine LAs have recorded average earnings growth of at least double the GB average

The average annual salary of workers in nine LAs has risen by at least twice the Great Britain average (21%) since 2003, with half of those LAs in London.

Earnings in London up by 24% (Table 5)

Over the past five years, the average earnings of someone working in London have risen by 24%, from an average annual salary of £37,416 in 2003 to £46,462. The East Midlands and Scotland, recorded the second highest growth (both 23%). Wales and the East of England recorded the smallest growth in annual salary (both 18%).

Earnings in 2008

City of London has the highest average earnings in Great Britain (Table 2)

Workers in the City of London are the highest earners in the Great Britain. The average annual salary in the City of London, at £82,084, is more than two and a half times the British average (£31,500) and 77% more than the average for Greater London (£46,462). Tower Hamlets, at £69,474, has the second highest average earnings, followed by Westminster (£57,737) and Islington (£57,525). All ten LAs with the highest levels of average earnings are in southern England.

¹Northern regions comprise the North East, North West, Yorkshire & the Humber, East Midlands, West Midlands, Scotland and Wales

Six LAs were among the highest ten earners in both 2003 and 2008 (Table 2)

Six of the ten LAs with the highest average earnings in 2008 were also among the ten highest earning LAs in 2003. Hammersmith and Fulham, Harlow, Bracknell Forest and Wokingham are the additions to the 2008 top ten. Mole Valley, Woking, Spelthorne and Rushmoor have fallen out of the top ten since 2003. On a regional basis, London now accounts for six of the ten LAs with the highest average earnings compared to five in 2003.

Aberdeen City has the highest earners in the north¹ (Table 3)

Workers in Aberdeen City, with an average annual salary of £35,959, have the highest average earnings among LAs outside the south of England. This is 14% higher than the Great Britain average (£31,500). Fylde in Lancashire, at £34,890, has the second highest average earnings outside the south, followed by Copeland in the North West (£34,790) and Macclesfield (£33,551). Half of the ten LAs with the highest average earnings in the north are in the North West.

Table 1: Highest earnings growth by LA, 2003-2008

Local Authority	Region	2003	2008	5 Year % Change
Thanet	South East	£18,769	£29,956	60%
Havering	London	£20,917	£32,454	55%
Shepway	South East	£22,118	£32,449	47%
Hammersmith and Fulham	London	£32,387	£47,313	46%
Westminster	London	£39,577	£57,737	46%
Ryedale	Yorks & The Humber	£19,986	£29,081	46%
South Derbyshire	East Midlands	£21,181	£30,749	45%
Richmond upon Thames	London	£26,086	£37,764	45%
City of London	London	£57,293	£82,084	43%
Aberdeen City	Scotland	25,455	35,959	41%
Great Britain		£25,939	£31,500	21%

Source: ONS Annual Survey of Hours and Earnings

Table 2: Highest earners by Local Authority, 2008

Local Authority	Region	2008
City of London	London	£82,084
Tower Hamlets	London	£69,474
Westminster	London	£57,737
Islington	London	£57,525
Windsor and Maidenhead UA	South East	£47,675
Hammersmith and Fulham	London	£47,313
Harlow	East	£46,122
Bracknell Forest UA	South East	£44,249
Wokingham UA	South East	£43,360
Camden	London	£42,513
Great Britain		£31,500

Source: ONS Annual Survey of Hours and Earnings

¹Northern regions comprise the North East, North West, Yorkshire & the Humber, East Midlands, West Midlands, Scotland and Wales

Table 3: Highest earners by Local Authority among Northern regions, 2008

Local Authority	Region	2008
Aberdeen City	Scotland	£35,959
Fylde	North West	£34,890
Copeland	North West	£34,790
Macclesfield	North West	£33,551
Manchester	North West	£33,353
Solihull	West Midlands	£33,221
Edinburgh, City of	Scotland	£33,004
Derby UA	East Midlands	£32,938
South Northamptonshire	East Midlands	£32,893
Warrington UA	North West	£31,899
Great Britain		£31,500

Source: ONS Annual Survey of Hours and Earnings

Table 4: Highest earnings growth by northern LAs, 2003-2008

Local Authority	Region	2003	2008	% Change
Ryedale	Yorkshire and The Humber	£19,986	£29,081	46%
South Derbyshire	East Midlands	£21,181	£30,749	45%
Aberdeen City	Scotland	£25,455	£35,959	41%
Richmondshire	Yorkshire and The Humber	£18,228	£25,234	38%
Orkney Islands	Scotland	£19,737	£27,309	38%
Newark and Sherwood	East Midlands	£22,064	£30,500	38%
Amber Valley	East Midlands	£20,345	£27,906	37%
North West Leicestershire	East Midlands	£20,989	£28,701	37%
Bury	North West	£21,584	£29,477	37%
South Kesteven	East Midlands	£20,298	£27,451	35%
Great Britain		£25,939	£31,500	21%

Source: ONS Annual Survey of Hours and Earnings

Table 5: Average earnings by region, 2003-2008

Region	2003	2008	5 year % change
London	£37,416	£46,462	24%
East Midlands	£22,817	£28,057	23%
Scotland	£23,080	£28,296	23%
Yorkshire and The Humber	£22,694	£27,534	21%
North West	£23,261	£28,045	21%
West Midlands	£23,132	£27,872	20%
North East	£21,359	£25,551	20%
South East	£27,576	£32,819	19%
South West	£23,715	£28,182	19%
East	£25,609	£30,318	18%
Wales	£21,837	£25,677	18%
Great Britain	£25,939	£31,500	21%

Source: ONS Annual Survey of Hours and Earnings

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