

Small area income estimates 2015/16

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This bulletin presents the latest small area income estimates for areas in Kent and Medway. It presents total household income and net income before and after housing costs.

Summary

- Areas with the highest net income are largely concentrated to the west of Kent & Medway.
- Eastern and coastal areas and areas along the Thames Estuary have some of the lowest incomes
- The average total income in small areas in Kent ranged between £554 and £1,807 per week before outgoings such as income tax, national insurance, pension contributions and child maintenance are taken into account. After outgoings the net weekly income ranged between £435 and £1,144
- Equivalised income is adjusted to take into account household size and composition and can show net income before and after housing costs
- After housing costs are taken into account the highest incomes are found largely in the west. Lowest incomes are largely found in coastal areas with some pockets around major urban areas.

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Introduction

This bulletin looks at estimated household income for small areas (middle super output areas or MSOAs) in Kent and Medway.

These income estimates are produced by the Office for National Statistics (ONS) the latest available being for 2015/16.

ONS use survey data from the [Family Resources Survey](#) (FRS) to create small area income estimates. This is combined with information from the 2011 Census and administrative sources including:

- Department for Work and Pensions benefit claimant counts
- Valuation Office Agency Council Tax Bandings
- Her Majesty's Revenue and Customs, Child Tax Credit and Working Tax Credit
- Office for National Statistics, House Price Statistics for Small Areas
- Department of Energy & Climate Change, Energy Consumption data
- Her Majesty's Revenue and Customs, Pay As You Earn and benefits data

The FRS was chosen as the main source for this study as it is the survey with the largest sample size that includes suitable questions on income.

The FRS allows four survey variables to be modelled. The estimates produced are values of average MSOA income for the following four income types:

- Total household weekly income (unequalised)
- Net household weekly income (unequalised)
- Net household weekly income before housing costs (equalised)
- Net household weekly income after housing costs (equalised)

Equalised income means that the household income values have been adjusted to take into consideration the household size and composition; it represents the income level of every individual in the household.

Equalisation is needed to make sensible income comparisons between households. For example, one household may have two adults and two children and have a total weekly household income of £300. If this is compared with a household containing just one adult who has a total weekly household income of £270, then although the first household has the higher total weekly income, it is the second that could be said to have the higher standard of living (assuming equal living and housing expenses).

More information on the methodology used by ONS to create these estimates please see the ONS technical report available [here](#).

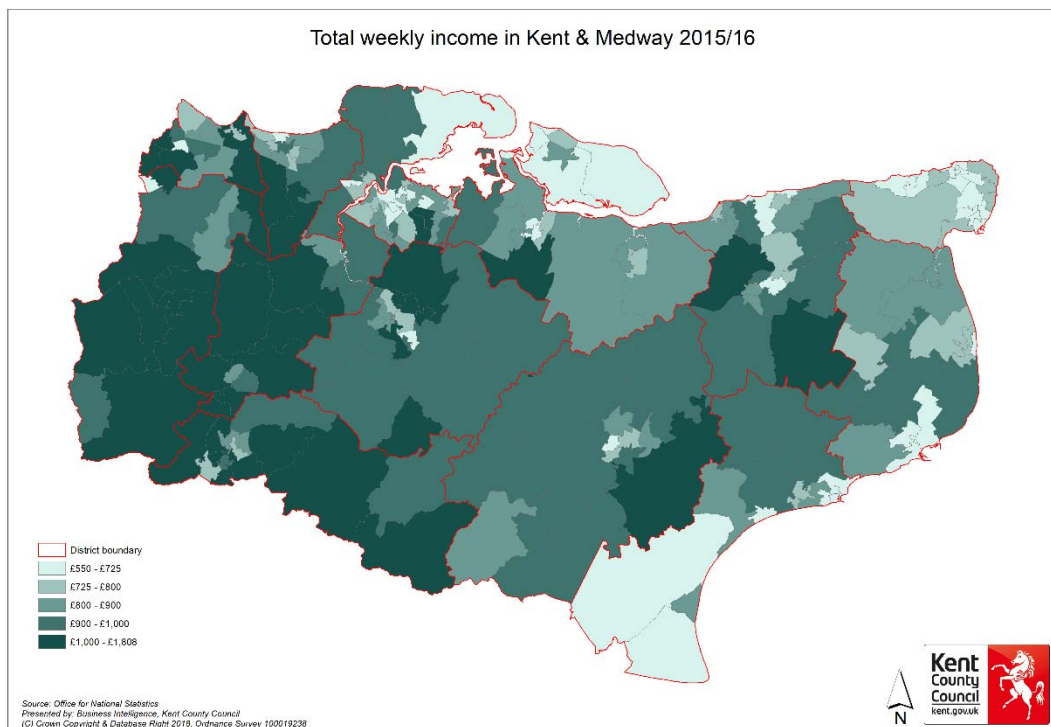
Total Household Income

Total household weekly income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit. It is calculated as the sum of income from:

- wages and salaries (gross)
- self-employment
- investments
- tax credits
- state pension and income support/pension credit
- other pensions
- other benefits
- disability benefits
- other sources of income

The following map shows total income across Kent and Medway. Those areas with the highest incomes are largely concentrated in the west and through the centre of the county with some pockets of high income in Ashford, Canterbury and Swale. Eastern, coastal and areas along the Thames Estuary have some of the lowest incomes in Kent and Medway.

Map 1: Total household income in Kent & Medway 2015/16



The following table shows the top five areas in Kent and Medway with the highest total household income and the bottom five with the lowest.

Table 1: Top and bottom 5 MSOAs in Kent and Medway – Total Household Income 2015/16

Top 5

MSOA code	MSOA name	Local authority name	Total weekly income (£)
E02005097	Sevenoaks 011	Sevenoaks	1,807
E02005173	Tunbridge Wells 012	Tunbridge Wells	1,411
E02005155	Tonbridge and Malling 007	Tonbridge and Malling	1,351
E02005098	Sevenoaks 012	Sevenoaks	1,334
E02005167	Tunbridge Wells 006	Tunbridge Wells	1,276

Bottom 5

MSOA code	MSOA name	Local authority name	Total weekly income (£)
E02003333	Medway 020	Medway	613
E02005115	Swale 001	Swale	592
E02005144	Thanet 013	Thanet	586
E02005132	Thanet 001	Thanet	585
E02005116	Swale 002	Swale	554

Source: ONS Small Area Income Estimates

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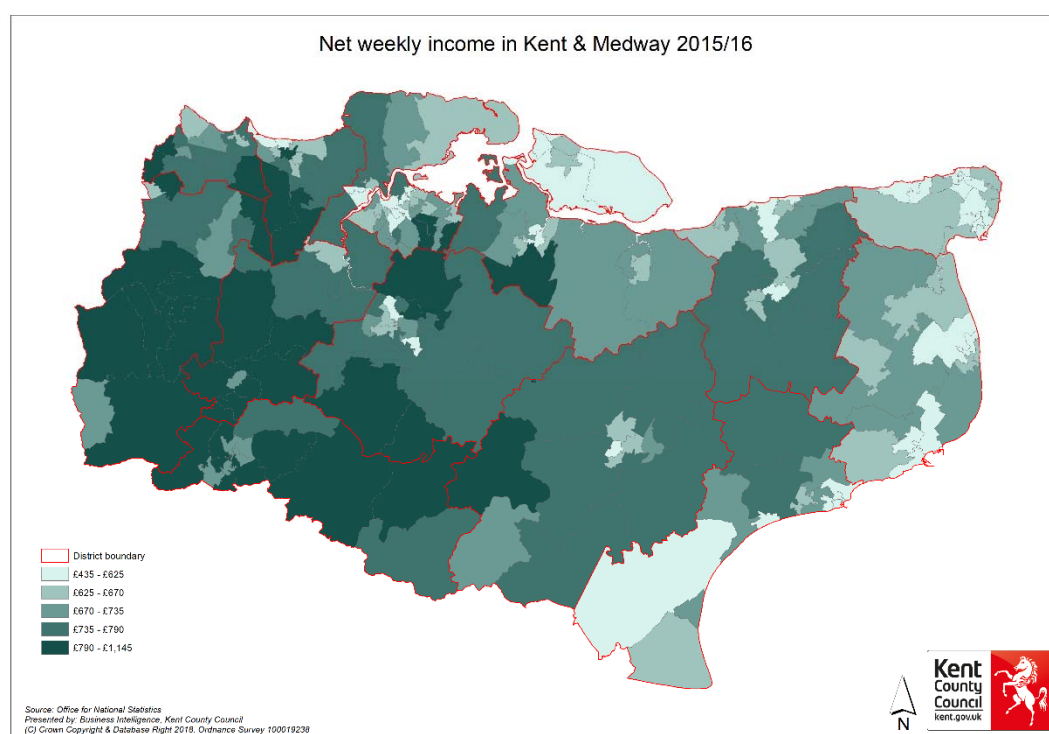
Net Weekly Income

Net household weekly income is the sum of the net income of every member of the household. It is calculated using the same components as total income but income is net of:

- income tax payments
- national insurance contributions
- domestic rates/council tax
- contributions to occupational pension schemes
- all maintenance and child support payments, which are deducted from the income of the person making the payments
- parental contribution to students living away from home.

The following map shows the net household income across Kent & Medway. Net incomes are higher on average in the west of the county with areas in the east and along the Kent coast being largely among the lowest. Canterbury, Dover, Shepway and Thanet have no areas within the top 20% with highest income. Thanet in particular has no area with average net income above £661 per week.

Map 2: Net household income in Kent & Medway 2015/16



The following table shows the top five areas in Kent and Medway with the highest net household income and the bottom five with the lowest.

Table 2: Top and bottom 5 MSOAs in Kent and Medway – Net Household Income 2015/16

Top 5

MSOA code	MSOA name	Local authority name	Net weekly income (£)
E02005097	Sevenoaks 011	Sevenoaks	1,144
E02005155	Tonbridge and Malling 007	Tonbridge and Malling	1,035
E02005168	Tunbridge Wells 007	Tunbridge Wells	954
E02005173	Tunbridge Wells 012	Tunbridge Wells	951
E02005101	Sevenoaks 015	Sevenoaks	926

Bottom 5

MSOA code	MSOA name	Local authority name	Net weekly income (£)
E02005115	Swale 001	Swale	521
E02005144	Thanet 013	Thanet	496
E02005051	Dover 011	Dover	494
E02006879	Shepway 014	Shepway	491
E02005132	Thanet 001	Thanet	435

Source: ONS Small Area Income Estimates

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Net Income Before Housing Costs

Net household weekly income before housing costs (equivalised) is composed of the same elements as net household weekly income but is subject to the OECD's equivalisation scale.

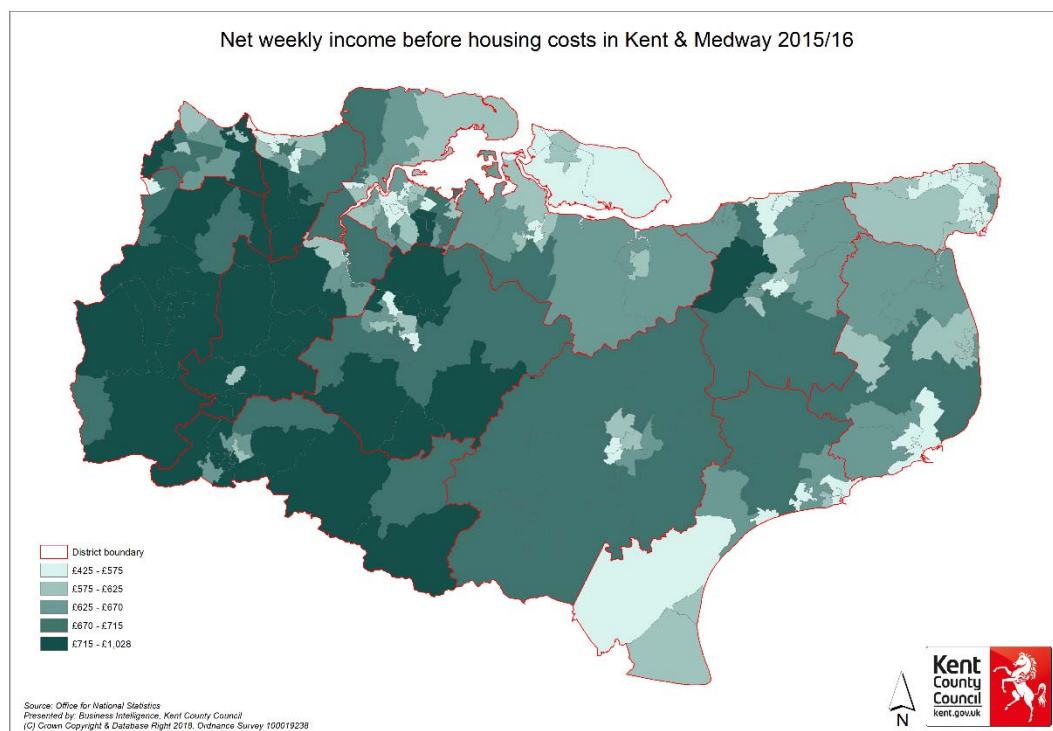
Equivalised income means that the household income values have been adjusted to take into consideration the household size and composition; it represents the income level of every individual in the household.

Equivalisation is needed to make sensible income comparisons between households.

The following map shows the net household income before housing costs across Kent & Medway.

After being equivalised, household income before housing costs is more evenly spread across Kent and Medway, however there are still more areas in coastal districts with lower incomes. Thanet district has no areas with household income before housing costs above £634 per week.

Map 3: Net household income before housing costs (equivalised) in Kent & Medway 2015/16



The following table shows the top five areas in Kent and Medway with the highest net household income before housing costs and the bottom five with the lowest.

Table 3: Top and bottom 5 MSOAs in Kent and Medway – Net income before housing costs (equivalised) 2015/16

Top 5			
MSOA code	MSOA name	Local authority name	Net income before housing costs (equivalised) (£)
E02005097	Sevenoaks 011	Sevenoaks	1,027
E02005098	Sevenoaks 012	Sevenoaks	943
E02005173	Tunbridge Wells 012	Tunbridge Wells	884
E02005167	Tunbridge Wells 006	Tunbridge Wells	847
E02005101	Sevenoaks 015	Sevenoaks	836
Bottom 5			
MSOA code	MSOA name	Local authority name	Net income before housing costs (equivalised) (£)
E02005134	Thanet 003	Thanet	491
E02005116	Swale 002	Swale	485
E02005051	Dover 011	Dover	479
E02005144	Thanet 013	Thanet	479
E02005132	Thanet 001	Thanet	427

Source: ONS Small Area Income Estimates

Presented by: Business Intelligence, Kent County Council

Net Income After Housing Costs

Net household weekly income after housing costs (equivalised) is composed of the same elements of net household weekly income but is subject to the following deductions prior to the OECD's equivalisation scale being applied:

- rent (gross of housing benefit);
- water rates, community water charges and council water charges;
- mortgage interest payments (net of any tax relief);
- structural insurance premiums (for owner occupiers); and
- ground rent and service charges.

The following map shows the net household income after housing costs across Kent & Medway. Once housing costs are taken into account, those areas with highest income can be found largely in the west of the county. Lowest incomes are largely found in coastal areas with a few small pockets of low income around major urban areas in Ashford, Canterbury and Maidstone districts.

Table 4 shows the top five areas in Kent and Medway with the highest net household income after housing costs and the bottom five with the lowest.

Map 4: Net household income after housing costs (equivalised) in Kent & Medway 2015/16

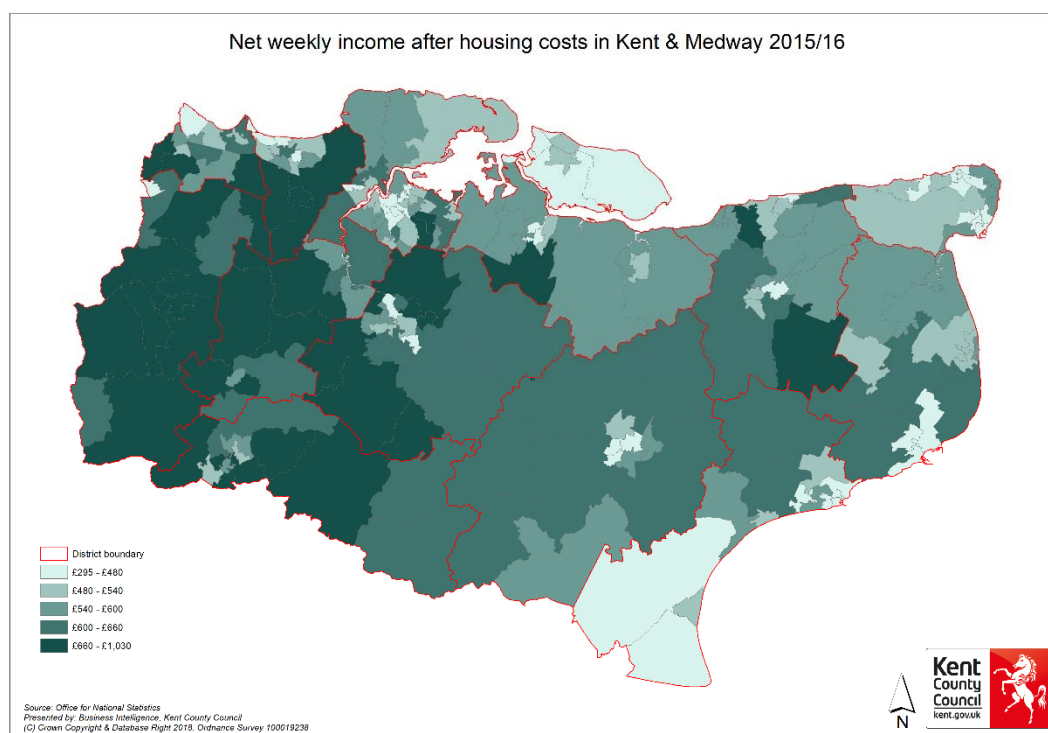


Table 4: Top and bottom 5 MSOAs in Kent and Medway – Net income after housing costs (equivalised) 2015/16

Top 5

MSOA code	MSOA name	Local authority name	Net income after housing costs (equivalised) (£)
E02005097	Sevenoaks 011	Sevenoaks	1,029
E02005098	Sevenoaks 012	Sevenoaks	864
E02005173	Tunbridge Wells 012	Tunbridge Wells	853
E02005167	Tunbridge Wells 006	Tunbridge Wells	826
E02005099	Sevenoaks 013	Sevenoaks	780

Bottom 5

MSOA code	MSOA name	Local authority name	Net income after housing costs (equivalised) (£)
E02005134	Thanet 003	Thanet	372
E02006879	Shepway 014	Shepway	366
E02005115	Swale 001	Swale	366
E02005116	Swale 002	Swale	355
E02005132	Thanet 001	Thanet	295

Source: ONS Small Area Income Estimates

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