



Department
for Environment
Food & Rural Affairs

Statistical Digest of Rural England

Rural productivity and gross value added (GVA)

This document is part of the larger compendium publication the [Statistical Digest of Rural England](#), a collection of rural statistics on a wide range of social and economic government policy areas.

The Statistical Digest of Rural England is an official statistics publication meaning these statistics have been produced to the high professional standards set out in the Code of Practice for Official Statistics.

More information on the Official Statistics Code of Practice can be found on the [Code of Practice web pages](#).

These statistics allow comparisons between the different rural and urban area classifications. The Rural-Urban Classification is used to distinguish rural and urban areas. The Classification defines areas as rural if they fall outside of settlements with more than 10,000 resident population.

More information on the Rural-Urban Classification can be found on the [Rural-Urban Classification web pages](#).

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Productivity measured by Gross Value Added (GVA)

Productivity measures are often used to indicate how well a country can use its human and physical resources to generate economic growth. Strong economic growth will generally mean an improvement in living standards. However, productivity alone does not tell us everything about the economic wellbeing of different areas. The potential of any given place depends on the mix of industries, the infrastructure and the size of settlements there. Based on these circumstances, even an area with low productivity might be performing as well as it can.

Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector. Simplistically it is the value of the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production.

In previous years the ONS have produced two separate measures of GVA, one based on income and one based on production. These two measures have been weighted and combined to produce a new *balanced* measure of GVA¹.

In April 2020 and April 2021 there were further changes to Local Authorities boundaries where some Local Authority Districts merged to form single Unitary Authorities. This reduces the number of Local Authorities Districts and Unitary Authorities in England from 317 to 309. The impact of these changes on rural urban comparisons is that some Local Authority Districts originally categorised as Mainly Rural or Largely Rural or Urban with City and Town now form part of Unitary Authorities categorised as Urban with Significant Rural. This change has been backdated across the full time-series.

- In 2019, GVA from Predominantly Rural areas contributed 15.3 per cent of England's GVA, and was worth an estimated £260 billion. This compares with 44.7 per cent from Predominantly Urban areas (excluding London) (£761 billion), 27.5 per cent from London (£468 billion) and 12.5 per cent from Urban with Significant Rural areas (£213 billion).
- The proportional contribution from Predominantly Rural areas to England's GVA has declined slightly between 2001 and 2019 (from 16.6 per cent to 15.3 per cent).
- However, this has been affected by an increase in London's contribution. The proportional contribution of Predominantly Rural areas to the GVA of England excluding London has shown a much smaller decline between 2001 and 2019 (from 21.8 per cent to 21.1 per cent).
- In 2019, the GVA per workforce job in Predominantly Rural areas was £45,500 and in Predominantly Urban areas (excluding London) it was £50,900 (provisional estimates).
- In 2019, the productivity of Predominantly Rural areas was around 83 per cent of that for England as whole (provisional estimate). This had fallen from 90 per cent in 2001 but it is affected by the increase in London's contribution to England's overall productivity.

¹ For further information see the ONS website:

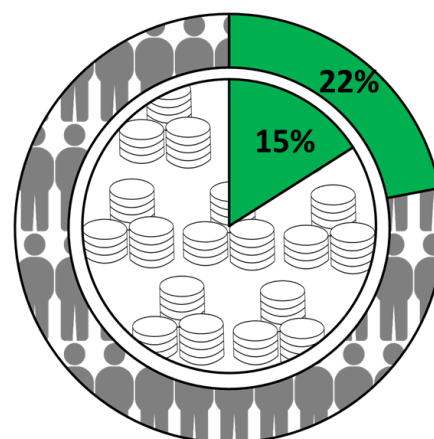
www.consultations.ons.gov.uk/national-accounts/consultation-on-balanced-estimates-of-regional-gva/

Contribution to England's Gross Value Added (GVA)

Contribution to England's Gross Value Added (GVA), by local authority rural-urban classification in England (data broadly at county level apportioned at local district level), 2019 (provisional)

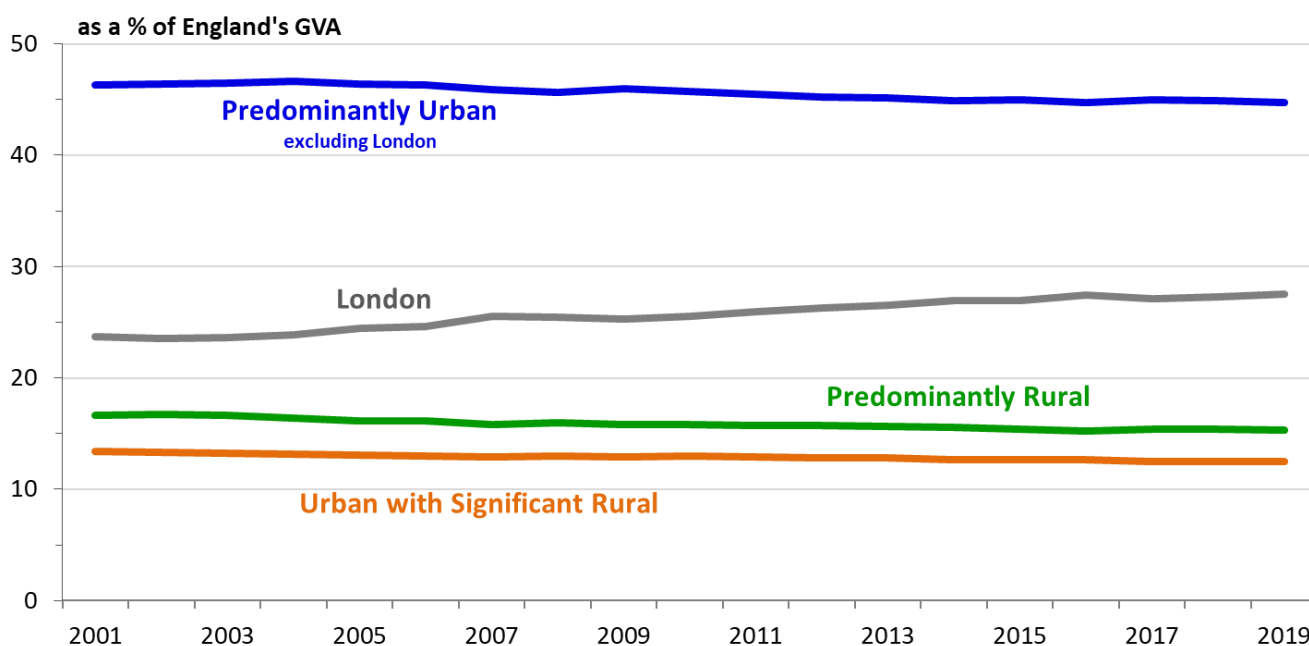
2011 Local Authority Classification	GVA (£m)	share	Broader classification	GVA (£m)	share
London	468,170	27.5%	London	468,170	27.5%
Urban with Major Conurbation	290,120	17.0%	Predominantly Urban excl. London	760,720	44.7%
Urban with Minor Conurbation	46,600	2.7%			
Urban with City and Town	424,000	24.9%			
Urban with Significant Rural	213,090	12.5%	Urban with Significant Rural	213,090	12.5%
Largely Rural	158,990	9.3%	Predominantly Rural	260,100	15.3%
Mainly Rural	101,110	5.9%			
England	1,702,080	100.0%	England	1,702,080	100.0%

- Predominantly Urban areas (excluding London) make the largest contribution to England's GVA, estimated at £761 billion (44.7 per cent), followed by London's £468 billion (27.5 per cent). Predominantly Rural areas contributed an estimated £260 billion (15.3 per cent) in 2019.
- These GVA figures are based on GVA at broadly county level apportioned at local district level to provide a more refined analysis of GVA across the local authority classification. The total GVA for rural and urban areas in the table above is different to the industry breakdown following this and is less finely detailed being based on data at broadly county level.

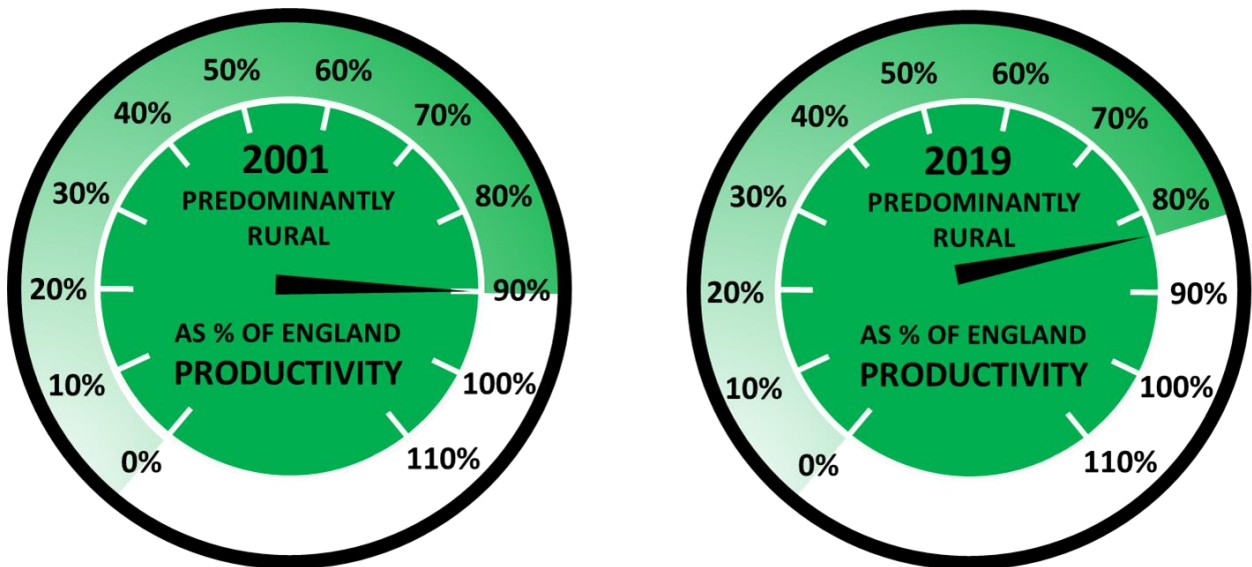


While predominantly rural areas account for **22%** of the population they contribute around **15%** of England's economy

Gross Value Added (GVA) by Local Authority Classification as a percentage of England GVA, 2001 to 2019 (provisional)



- Overall productivity (the rate of output per workforce) is lower in Predominantly Rural areas than in Predominantly Urban areas, with rural productivity as a percentage of England's overall productivity having fallen since 2001.



The productivity rate in Predominantly Rural areas fell from **90%** of the England average to **83%** between 2001 and 2019.

- The fact that rural areas have not kept pace with economic growth elsewhere in the country partly reflects urban growth in the financial services sector, especially in London – and other factors such the size of economic sectors in rural areas and the size of businesses – rather than a decline in rural productivity as such.
- A table of GVA figures broken down by broad local authority rural-urban classification covering 2001 to 2019 (provisional) is available in the [rural economy supplementary data tables](#).

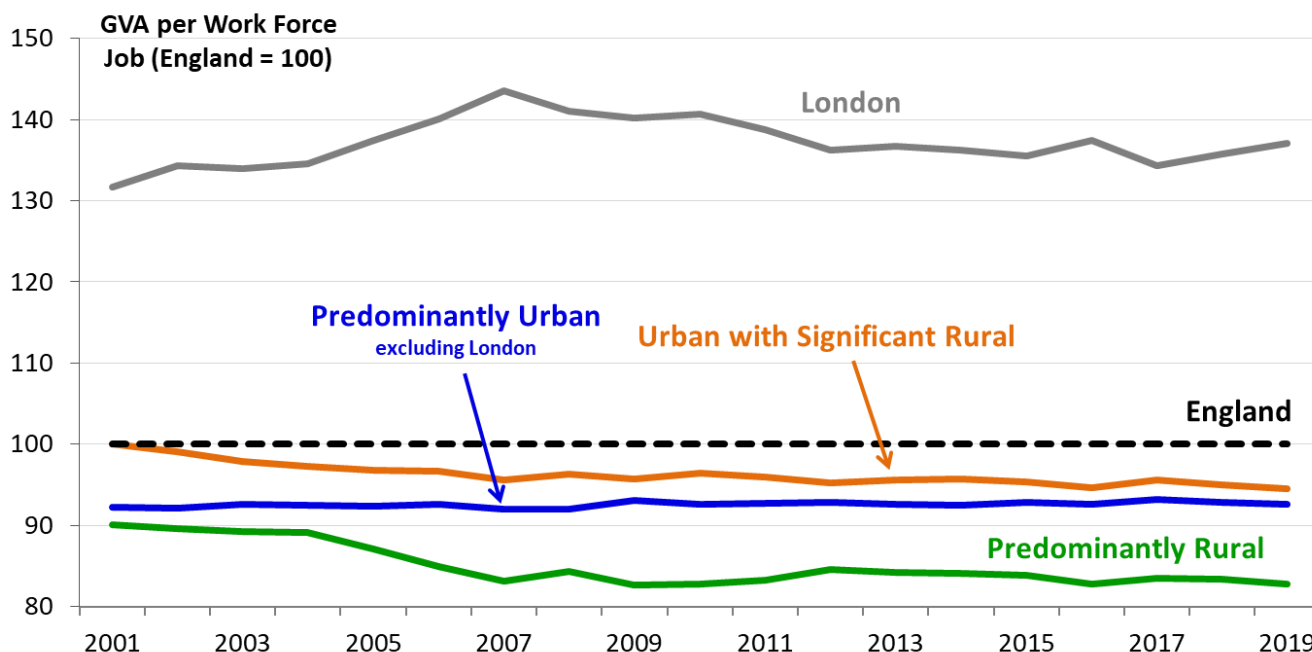
Notes: The GVA figures are based on GVA at broadly county level apportioned at local district level to provide a more refined analysis of GVA across the local authority classification. Data have been recalculated based on ONS Local Authority GVA figures. www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalregionalgrossvalueaddedbalancedperheadandincomecomponents

www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedbalancedlocalauthoritiesbynuts1region
Balanced GVA uses the income approach and the production approach for estimating GVA. It takes the strengths from both approaches to produce a new balanced measure of regional GVA. This gives users a single measure of economic activity within a region.

Source: Defra analysis. Office for National Statistics, Gross Value Added at NUTS3 and LAD level.

Gross Value Added (GVA) per Workforce Job

GVA per workforce job (£), by Local Authority Classification compared with England as a whole, 2001 to 2019 (provisional)



Gross Value Added (GVA) per workforce job (WFJ) (£ and as percentage of England level), by Local Authority Classification in England, 2019 (provisional)

	£	As percentage of England level
London	75,200	137
Urban with Major Conurbation	49,800	91
Urban with Minor Conurbation	44,100	80
Urban with City and Town	52,500	96
Urban with Significant Rural	51,900	95
Largely Rural	45,800	83
Mainly Rural	45,000	82
Predominantly Urban (excl. London)	50,900	93
Predominantly Rural	45,500	83
England	54,900	100

- The nominal GVA per workforce job is highest in London at around £75,200 per workforce job in 2019 (provisional estimate). After London, Urban with City and Town areas had the highest values per workforce job (around £52,500).
- For 2019, the GVA per workforce job in Predominantly Urban areas (excluding London) areas was £50,900 and in Predominantly Rural areas it was £45,500.
- In 2019 the productivity of Predominantly Rural areas was around 83 per cent of that for England as a whole (provisional estimate). This had fallen from 90 per cent in 2001 but is affected by the increases in London's contribution affecting England's overall productivity.

- A table of GVA per workforce job figures broken down by broad local authority rural-urban classification covering 2001 to 2019 (provisional) is available in the [rural economy supplementary data tables](#).

Notes: GVA per workforce job is a measure of GVA divided by the workforce number.

It is important to note that there is currently no official way of deflating nominal GVA figures to reflect underlying differences in price levels between places. This means that figures may exaggerate the variation in real GVA per job between different areas because we would expect prices (property and other living expenses) to be highest in areas of high productivity such as London. Rather than report the absolute figures the variations in productivity are shown in relation to the level for England as a whole for each year.

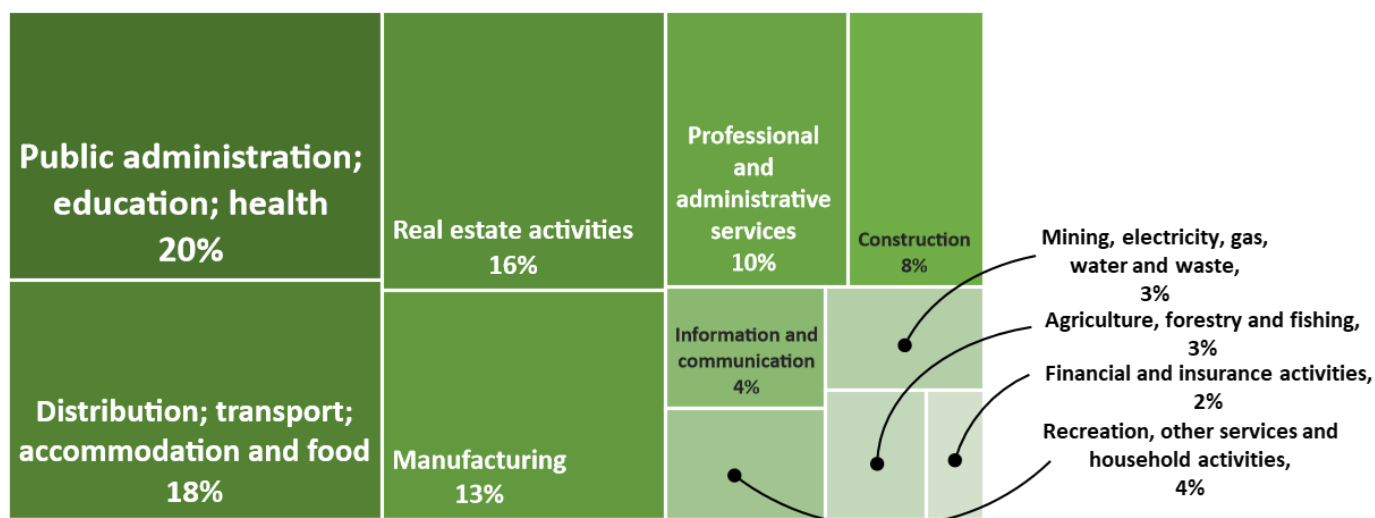
The analysis uses the 2011 Local Authority Rural Urban Classification for all years to allow comparison.

Source: Defra analysis. Workforce jobs series via Nomis (Jobs Density Total Jobs) (www.nomisweb.co.uk/Default.asp).

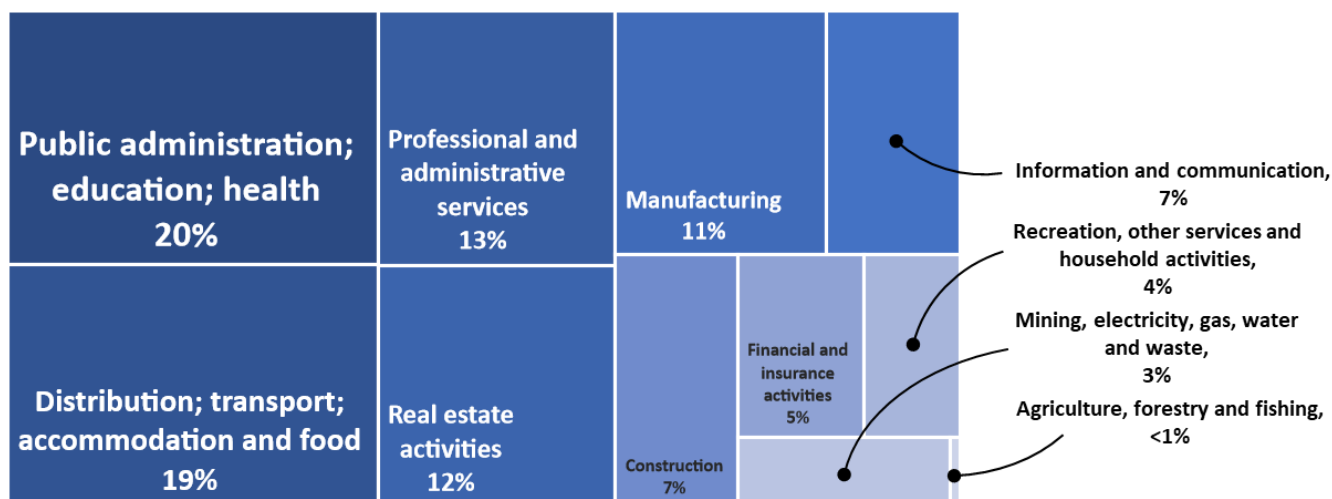
Contribution to England's Gross Value Added (GVA) by Industry

Percentage breakdown of Gross Value Added (GVA) by industry, and by Local Authority Classification in England, 2019 (provisional)

Predominantly Rural areas:



Predominantly Urban areas (excl. London):



- The industrial breakdown is broadly similar across Predominantly Rural areas and Predominantly Urban areas (excluding London) with the combined sectors of 'Distribution, transport, accommodation and food' and 'Public administration, education, and health' each contributing about a fifth of GVA in each area type.
- The sectors where differences in contributions are more significant are 'Financial and insurance activities' (2 per cent in Predominantly Rural, 5 per cent in Predominantly Urban areas (excluding London), and 14 per cent in London), 'Information and communication' (4 per cent in Predominantly Rural, 7 per cent in Predominantly Urban areas (excluding London), and 12 per cent in London) and 'Professional and administrative services' (10 per cent in Predominantly Rural, 13 per cent in Predominantly Urban areas (excluding London), and 19

per cent in London). Whilst these types of specialised businesses do exist in Predominantly Rural areas, they are more prevalent in cities and larger towns.

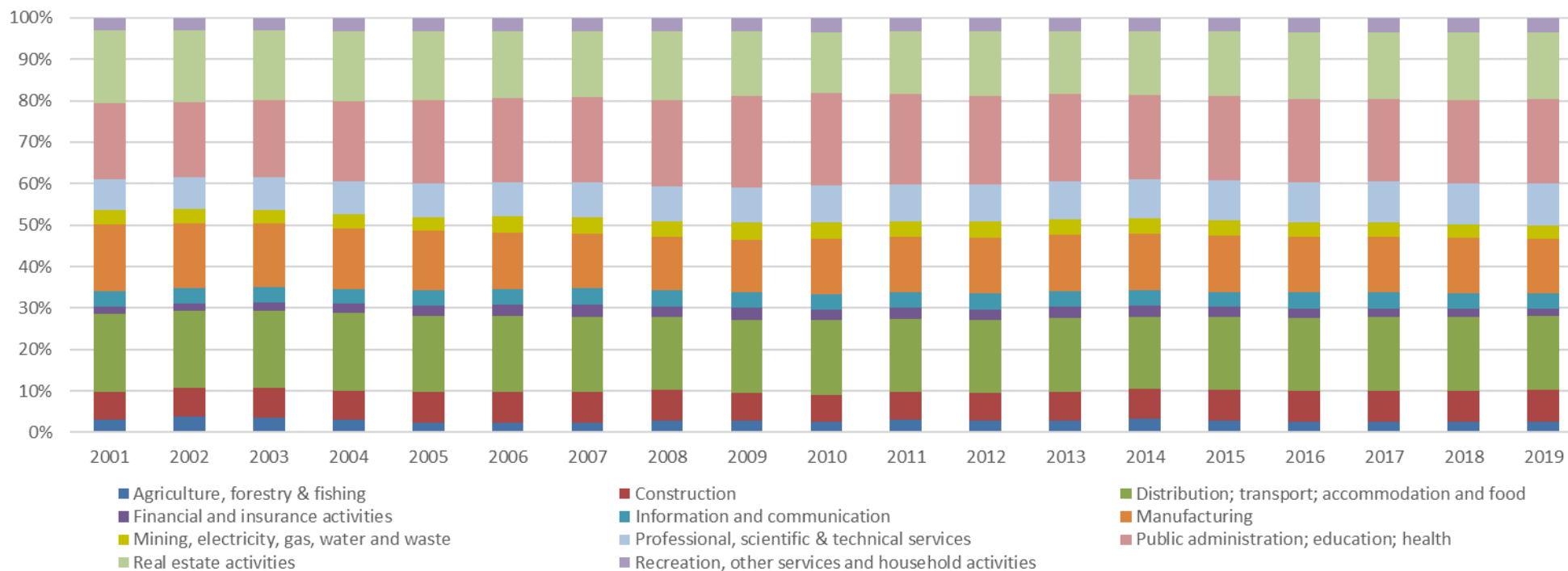
- 'Agriculture, forestry and fishing' contributed 3 per cent or £6.3 billion to Predominantly Rural GVA. See below for further detail on the contribution this sector makes to Predominantly Rural areas.
- The industry breakdown is based on the lowest level of geography available which is broadly at county level.
- **The totals for GVA for Predominantly Rural and Predominantly Urban areas are different from the headline figures for GVA earlier in this section. This is because the industrial breakdown is calculated using a coarser rural-urban classification which will tend to increase the areas classed as Predominantly Urban. For the total GVA of each type of area the headline figures should be used.**
- A table of 2019 (provisional) GVA figures broken down by industry and broad local authority rural-urban classification is available in the [rural economy supplementary data tables](#).

Notes: Gross Value Added measures the contribution to the economy of each individual producer, industry or sector in the country. However, there are some gaps in the coverage of the Annual Business Survey; agriculture for example is only partially covered and self-employment is not included in the data. This may lead to underestimations of economic value. Gross Value Added data by industry is only available at NUTS3 (broadly county) level, and so a broad rural-urban classification is applied. Predominantly Rural areas are those with at least half of their population living in rural settlement or large market towns. The 2011 rural urban classification for local authorities has been applied

Source: Defra analysis. Office for National Statistics, Gross Value Added (Balanced) at NUTS3 by SIC07 industry at current basic prices

- In 2019 'Agriculture, forestry and fishing' contributed 3 per cent or £6.3 billion to GVA in Predominantly Rural areas. The 'Agriculture, forestry and fishing' sector has previously been reported as contributing 2 per cent. This does not represent a genuine growth in these sectors, rather a change in methodology¹ has resulted in a reallocation of GVA. The reallocation means that 'Agriculture, forestry and fishing' sectors account for around 3 per cent of the GVA in Predominantly Rural areas since 2001 instead of the 2 per cent previously reported.
- The following chart shows that sectoral contributions to GVA in Predominantly Rural areas have changed very little since 2001.

Industry sector contribution to Gross Value Added (GVA) in Predominantly Rural areas only, 2001 to 2019



- A percentage breakdown of GVA figures by industry for each broad local authority rural-urban classification covering 2001 to 2019 is available in the [rural economy supplementary data tables](#).

Notes: ¹The Office for National Statistics (ONS) has reviewed the methodology used to produce detailed industry-level GVA at NUTS3 level and revised their method to use industry-based administrative data which is almost 100% representative to allocate GVA down to the NUTS3 level. In addition, the UK-level figures have been revised upwards across all years, by an average of 9%, due to changes introduced in the National Accounts Blue Book 2019; this will affect all lower-level regions, proportionate to their share of the UK total.