



Department
for Environment
Food & Rural Affairs



Statistical Digest of Rural England:

7 – Rural Economic Bulletin

October 2024





© Crown copyright 2024

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence v.3. To view this licence visit

www.nationalarchives.gov.uk/doc/open-government-licence/version/3/ or email

PSI@nationalarchives.gov.uk

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at

Rural.statistics@defra.gov.uk

www.gov.uk/defra

Cover photos

		Ward 2011	Rural-Urban Classification
TL	Helmsley marketplace	Helmsley	Rural Village and Dispersed in a sparse setting
TC	Horton-in-Ribblesdale train station with Penyghent behind	Penyghent	Rural Village and Dispersed in a sparse setting
TR	St Giles Church, Skelton	Rural West York	Rural Town and Fringe
CL	Fishing Boat, Marske-by-the-Sea with Hunt cliff in the distance	St Germain's; Saltburn	Rural Town and Fringe
CR	Thornton Force Waterfall, Ingleton Waterfalls Trail	Ingleton and Clapham	Rural Village and Dispersed in a sparse setting
BL	Farmer working the fields in Knapton	Rural West York	Rural Town and Fringe
BC	Remote pub at Ribblehead viaduct	Ingleton and Clapham	Rural Village and Dispersed in a sparse setting
BR	Glamping pod in the North York Moors	Pickering East	Rural Town and Fringe in a sparse setting

All cover photos provided by Martin Fowell.

Contents

About the Statistical Digest of Rural England	5
Official Statistics.....	6
Rural Economic Bulletin	7
Employment – key findings	8
Earnings – key findings	9
Redundancies – key findings	10
Claimant count – key findings	11
Output and Productivity measured by Gross Value Added (GVA) – key findings	12
Business demographics – key findings	13
Businesses by industry – key findings.....	14
Innovation and investment – key findings.....	15
A. Employment.....	16
Summary	16
Defining Labour Market terms.....	17
Employment rate.....	17
Unemployment rate.....	21
Economic inactivity	24
Employment explanatory notes.....	29
B. Earnings	31
Summary	31
Earnings – things to note	32
Workplace-based earnings	32
Residence-based earnings	34
Comparing workplace and residence-based earnings.....	35
Earnings explanatory notes.....	36
C. Redundancies.....	37
Summary	37
Redundancies – short-term trends	38
Redundancies – annual change.....	39
Redundancies – long-term trends	39
Redundancies explanatory notes.....	40
D. Claimant count - Jobseeker’s Allowance.....	41
Summary	41
Jobseeker’s Allowance – introductory notes.....	42
Jobseeker’s Allowance – short-term trends.....	42
Jobseeker’s Allowance – annual change	43
Jobseeker’s Allowance – long-term trends.....	43

Claimant count explanatory notes	44
E. Output and Productivity measured by Gross Value Added (GVA).....	45
Summary	45
What is GVA?	46
Revision note	46
Contribution to England's Gross Value Added (GVA).....	47
Gross Value Added (GVA) per Workforce Job	48
Contribution to England's Gross Value Added (GVA) by Industry.....	50
Gross Value Added (GVA) from Tourism	52
Productivity explanatory notes	52
F. Business demographics.....	54
Summary	54
Business composition	55
Business count	57
Business start-ups	58
Businesses by size band.....	58
Small and Medium-sized businesses (SMEs)	60
Business demographics explanatory notes	63
G. Businesses by industry	65
Summary	65
Businesses by industry type.....	66
Employment by industry type	70
Tourism: business counts and employment	72
Businesses by industry explanatory notes	74
H. Innovation and investment	75
Summary	75
Businesses engaged in innovation.....	76
Capital investment per employee	77
Innovation and investment explanatory notes	78
Appendix 1: The 8 thematic reports that make up the Statistical Digest of Rural England.....	79
Appendix 2: Defining Rural areas.....	80
Appendix 3: Analysis of small and medium enterprises from the Longitudinal Small Business Survey	86
Analysis of small and medium enterprises from the Longitudinal Small Business Survey explanatory notes.....	90

About the Statistical Digest of Rural England

The Statistical Digest of Rural England (hereafter the Digest) is a collection of statistics on a range of social and economic topics and provides broad comparisons between Rural and Urban areas by settlement type. For more information on our classifications, including maps and diagrams explaining the classification, see Appendix 2: Defining Rural areas.

The Digest has been restructured into thematic reports and incorporates the previously separate publication the [Rural Economic Bulletin](#).

The Digest consists of the following thematic reports:

1. Population
2. Housing
3. Health and Wellbeing
4. Communities and Households
5. Connectivity and Accessibility
6. Education, Qualifications and Training
7. Rural Economic Bulletin
8. Energy

In March 2024 the content relating to energy that was previously split across the Housing and Communities and Households chapters has been consolidated into a new Energy report. Appendix 1, shows the sub-themes within each of the 8 Digest reports. Thematic reports will be updated individually and not every report will be updated every month.

The most recent updates for this theme are shown in Table 1. Latest analysis for GVA from Tourism is getting old, this will be updated shortly.

Please note, the original Businesses section has been split into 2 new individual sections; Business demographics and Businesses by industry. Also, the section 'Analysis of small and medium enterprises from the Longitudinal Small Business Survey' which was originally within the Business section has now been moved to Appendix 3 at the end of the report, as the analysis relates to 2015 and will not be updated, however it is still valuable.

Table 1: Update monitor for Rural Economic Bulletin subsections

where "✓" indicates the topic has been updated, "✗" indicates the topic has not been updated, and "New" indicates a new topic with analysis not previously included within the Digest.

Section	May 2023	July 2024	Sept 2024	Oct 2024
Employment	✓	✗	✗	✓
Earnings	✓	✗	✗	✗
Redundancies	✓	✗	✗	✓
Claimant count – Jobseeker's Allowance	✓	✗	✗	✓
Output and productivity measured by Gross Value Added (GVA)	✗	✓	✗	✗
Business demographics	✗	✗	✓	✗
Businesses by industry	✗	✗	✓	✗
Innovation and investment	✗	✗	✗	✗

Official Statistics

These statistics have been produced to the high professional standards set out in the Code of Practice for Official Statistics, which sets out eight principles including meeting user needs, impartiality and objectivity, integrity, sound methods and assured quality, frankness and accessibility.

More information on the Official Statistics Code of Practice can be found at: [Code of Practice for Statistics](#).

This publication has been compiled by the Rural Statistics Team within the Rural and Place Team in Defra:

Stephen Hall
Sarah Harriss
Beth Kerwin
Martin Fowell
rural.statistics@defra.gov.uk

There is a 2011 Census version of the Digest which looks at the data from the 2011 Census and where possible makes comparisons to the 2001 Census results.

This can be found at <https://www.gov.uk/government/statistics/2011-census-results-for-rural-england>

Analysis of the 2021 Census will follow the release of a 2021-based Rural-Urban Classification.

Rural Economic Bulletin

This part of the Statistical Digest of Rural England focuses on the Rural economy and covers the following:

- employment (Section A).
- earnings (Section B).
- redundancies (Section C).
- claimant counts (Section D)
- output and productivity measured by Gross Value Added (Section E).
- business demographics (Section F).
- businesses by industry (Section G)
- innovation and investment (Section H).

The key findings from this report are summarised with the following set of headline clouds.

Employment – key findings

Latest figures show the employment rate for Rural areas (79.1%) is 5.2 percentage points higher than in Urban areas.

Unemployment rates are 2 percentage points lower in Rural areas (2.5% for Q2 2024).

Proportionally, more people are not available for or not seeking work (economically inactive) in Rural areas (40.1%) than in Urban areas (36.2%).

Within the economically inactive, latest available retirement rates are 10.2 percentage points higher in Rural areas (29.4%) than in Urban areas.

The gap between Rural and Urban retirement rates is widening.

Earnings – key findings

Workplace based median earnings are higher in Predominantly Urban areas than Predominantly Rural areas suggesting higher paid work is more prevalent in Urban areas.

Residence based median earnings show little difference between Predominantly Rural and Predominantly Urban areas.

Those living in Predominantly Rural areas have higher median earnings than those who work in Predominantly Rural areas.

Redundancies – key findings

Latest data shows redundancy rates are slightly lower for employees living in Rural areas than those living in Urban areas (3.8 and 4.0 redundancies per 1,000 employees respectively).

Redundancy rates fluctuate over time but have seen an overall decrease between 2007 and 2024.

Claimant count – key findings

A greater proportion of the working-age population claim Jobseeker's Allowance in Urban areas (0.3%) than Rural areas (0.2%), but the difference is small.

A shift to Universal Credit has resulted in the number of people claiming Jobseeker's Allowance declining over time.

Proportionally fewer people in Rural areas claim Jobseeker's Allowance than in Urban areas, the more Rural the area, the lower the proportion of claimants.

Output and Productivity measured by Gross Value Added (GVA) – key findings

Productivity of Predominantly Rural areas (measured using GVA per workforce job) is around 84% of that for England as whole.

Overall productivity (the rate of output per workforce) is lower in Predominantly Rural areas than in Predominantly Urban areas.

Predominantly Rural areas currently contribute around 15% to the total GVA for England.

The 'Public administration; education and health' sector contributes the most to GVA in both Predominantly Rural and Predominantly Urban areas.

Tourism related industries contribute 4% to the total GVA of Predominantly Rural areas.

Business demographics – key findings

There are more registered businesses per head of population in Rural areas than in Urban areas. This reflects differences in sizes of business, sizes of settlements and other factors.

Proportionally, there are more business start-ups in Predominantly Urban areas than Predominantly Rural areas (49 and 41 per 10,000 population respectively in 2022).

The majority of Rural businesses (local units) have less than 50 employees while the majority of Urban businesses (local units) have more than 50 employees.

Average turnover per person employed is lower in Rural areas than in Urban areas (£147,000 and £218,000 per person employed respectively)

Small and Medium Enterprises (employing fewer than 250 people) accounted for a greater proportion of total employment in Rural areas than in Urban areas (70% and 42% respectively in 2022/23)

Businesses by industry – key findings

The 'Education, health and social work' sector is the largest employer in both Rural and Urban areas (16% and 22% of total employment for each area type respectively, in 2022/23).

Tourist related businesses registered in Rural areas accounts for 12% of all registered businesses in Rural areas, while employment is 14% of total Rural employment areas in 2022/23.

Innovation and investment – key findings

Location has little effect on the innovation practices of businesses surveyed.

Capital investment per employee is generally lower in Predominantly Rural areas than in Predominantly Urban areas.

A. Employment

Employment rates have been consistently higher in Rural areas than in Urban areas since 2007, while rates for unemployment and economic inactivity have been consistently lower in Rural areas.

Summary

Employment, unemployment and economic inactivity data are all presented on both an annual and quarterly basis. Quarterly data are timelier; however, the level of geographic detail is limited to a simple Rural-Urban comparison. Annual data are less timely but provide a greater level of geographic disaggregation.

In Q2 2024, the percentage of working-age people (16-64) in employment (**employment rate**) was 79.1% in Rural areas and 73.9% in Urban areas. This employment rate is based on where people live and not where they work. People living in Rural areas may travel to work in larger Urban areas and some people living in Urban areas may work in Rural areas. Employment rates have increased slightly in Rural areas when comparing Q2 2024 and Q2 2023 while in Urban areas they have shown a small decrease.

The percentage of economically active people aged 16 and over who were unemployed (**unemployment rate**) in Q2 2024 was 2.5% in Rural areas and 4.5% in Urban areas. Rates have decreased slightly in Rural areas (by 0.3 percentage points) while in Urban areas rates have seen no change when compared with Q2 2023.

In Q2 2024, the percentage of people aged 16 and over who were not available for work or not seeking work (**economic inactivity rate**) was 40.1% in Rural areas and 36.2% in Urban areas. Between Q2 2023 and Q2 2024 inactivity rates have shown little change in Rural areas (an increase of 0.1 percentage points) while in Urban areas they have increased by 0.8 percentage points.

Defining Labour Market terms

Employment measures the number of people in paid work (or who had a job that they were temporarily away from in instances such as annual or sick leave). This differs from the number of jobs, since some people have more than one job. The **employment rate** is the proportion of people aged between 16 and 64 years who are in employment, based on where they live (not where they work); people living in Rural areas may travel to work in larger Urban areas and some people living in Urban areas may work in Rural areas.

Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The **unemployment rate** is not a proportion of the total population who are unemployed, but rather the proportion of the economically active population (people in work and those seeking and available to work) who are unemployed. It therefore does not include people who are not actively seeking work, or not able to work.

People not in the labour force (also known as economically inactive) are not in employment but do not meet the accepted definition of unemployment. This is because they have not been seeking work within the last four weeks or they are unable to start work in the next two weeks (e.g., students, retirees, those with a disability). The **economic inactivity rate** is the proportion of people aged between 16 and 64 years who are not in the labour force.

For further information see the latest [ONS Labour market overview](#).

Employment rate

The section for employment rates comprises three subsections covering short-term trends, annual changes and long-term trends. Please note, the Office for National Statistics has stated that the Labour Force Survey, which is the data source for this analysis, has become more volatile in recent periods, so they advise caution when interpreting short-term changes. For more information please see the latest [ONS Labour Market Overview \(section 2. Main points\)](#).

Employment rate – short-term trends

Short-term trends in employment rates can provide an indication of how the workforce has been changing most recently.

The latest data available on employment rates are for Q2 2024 (i.e. April to June 2024).

In Q2 2024, 79.1% of the Rural population aged between 16 and 64 years were in employment, compared with 73.9% in Urban areas. This means the percentage of the Rural population aged between 16 and 64 years in employment was 5.2 percentage points higher than for the Urban population.

Table A-1 shows that employment rates have stayed the same in Rural areas, while Urban areas have shown a very small decrease, when comparing Q2 2024 to Q1 2024.

Table A-1: Employment rate for the working age population (age 16 to 64 years), by broad Rural-Urban Classification, Q1 2024 and Q2 2024 (Note A-4, Note A-6, Note A-10)

Rural-Urban Classification	Q1 2024 (%)	Q2 2024 (%)	Change
Rural	79.1	79.1	–
Urban	74.0	73.9	–

Notes

In Table A-1 change is described with symbols for an increase (↑), decrease (↓), or no change (–). An increase is only deemed significant enough to describe if it is more than 3% higher than the year/quarter before (and 3% lower for decreases); if the change is less than 3%, it is indicated with a dash “–”.

Employment rate – annual change

As well as presenting quarterly changes, we can present an annual change based on the most recent quarter compared with the same quarter from the previous year. Annual trends start to give an indication of more permanent changes to the workforce, instead of quarterly changes, which may be more temporary.

Employment rates have increased slightly in Rural areas when comparing Q2 2024 and Q2 2023 while in Urban areas they have shown a small decrease. Employment rates were higher in Rural areas than in Urban areas. This is shown in Table A-2.

Table A-2: Employment rate for the working age population (age 16 to 64 years), by broad Rural-Urban Classification, Q2 2023 and Q2 2024 (Note A-4, Note A-6, Note A-10)

Rural-Urban Classification	Q2 2023 (%)	Q2 2024 (%)	Change
Rural	77.9	79.1	–
Urban	75.0	73.9	–

Notes

In Table A-2 change is described with symbols for an increase (↑), decrease (↓), or no change (–). An increase is only deemed significant enough to describe if it is more than 3% higher than the year/quarter before (and 3% lower for decreases); if the change is less than 3%, it is indicated with a dash “–”.

Employment rate – long-term trends

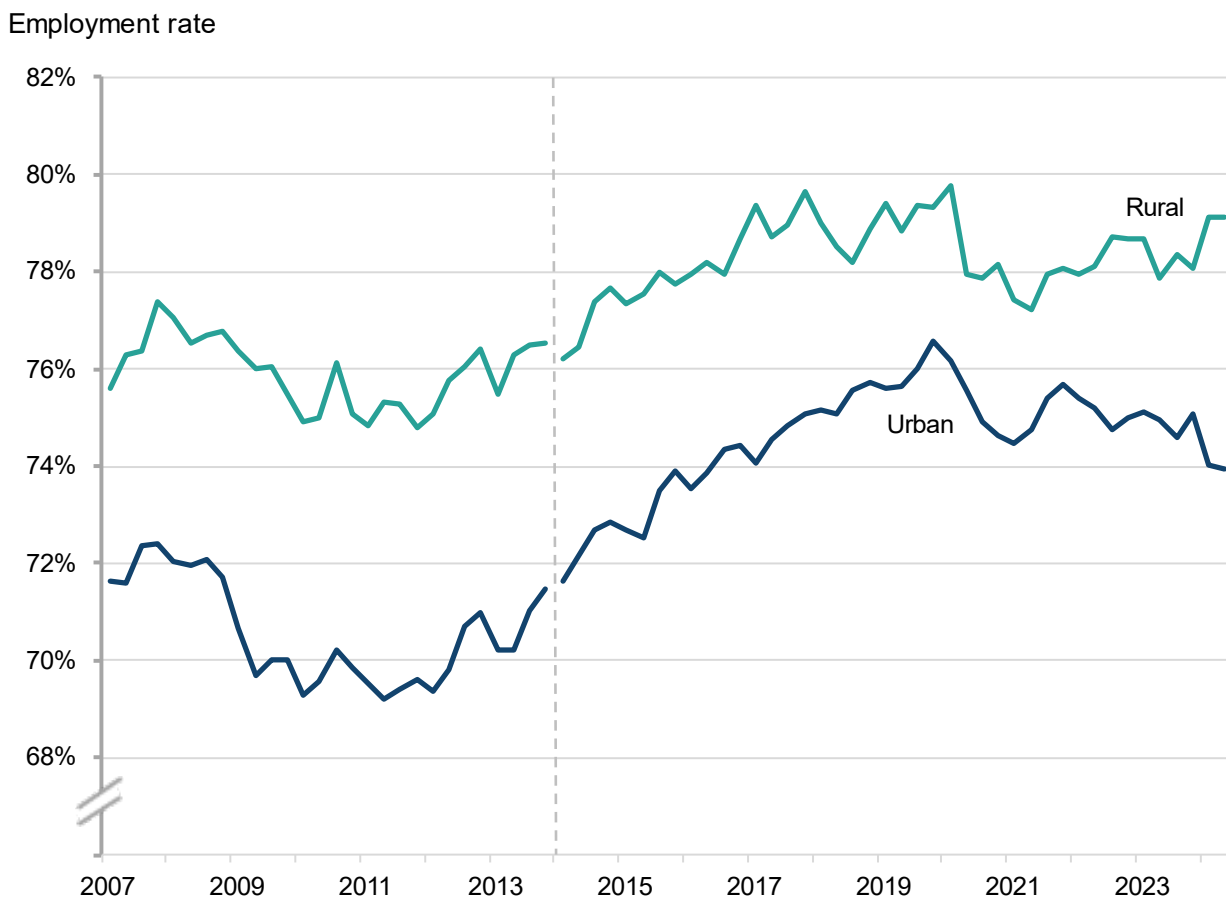
Quarterly data: The line chart in Figure A-1 shows quarterly employment rates from 2007 to 2024.

Employment rates for both Rural and Urban areas have fluctuated over time, although there was an overall increase between 2007 and 2020. However, between Q4 2019 and Q2 2021, employment rates decreased in all areas as a result of the COVID-19 pandemic; prior to the COVID-19 pandemic, 79.3% of the Rural population aged between 16 and 64 years and 76.6% of the Urban population aged between 16 and 64 years were in employment (as of Q4 2019). Employment rates have been generally increasing in Rural areas since the lows seen during the COVID-19 pandemic, however latest rates in Urban areas are below those seen following the COVID-19 pandemic (73.9% in Q2 2024 compared with 74.5% in Q1 2021).

Employment rates have been consistently higher in Rural areas than in Urban areas since 2007. The greatest difference in employment rates was recorded in Q2 2009, where the employment rate in Rural areas was 6.3 percentage points above that of Urban areas; this quarter also recorded one of the lowest employment rates in Urban areas (69.7%). Overall, the gap has narrowed over time, although it did widen slightly around the COVID-19 pandemic and has started to widen again over the last 2 quarters. In Q2 2024, the employment rate in Rural areas was 5.2 percentage points above that of Urban areas.

Figure A-1: Line chart showing employment as a percentage of working age population (age 16 to 64 years), in England, Q1 2007 to Q2 2024 (Note A-2, Note A-6)

A change in the Rural-Urban Classification used is indicated by a vertical dashed grey line.



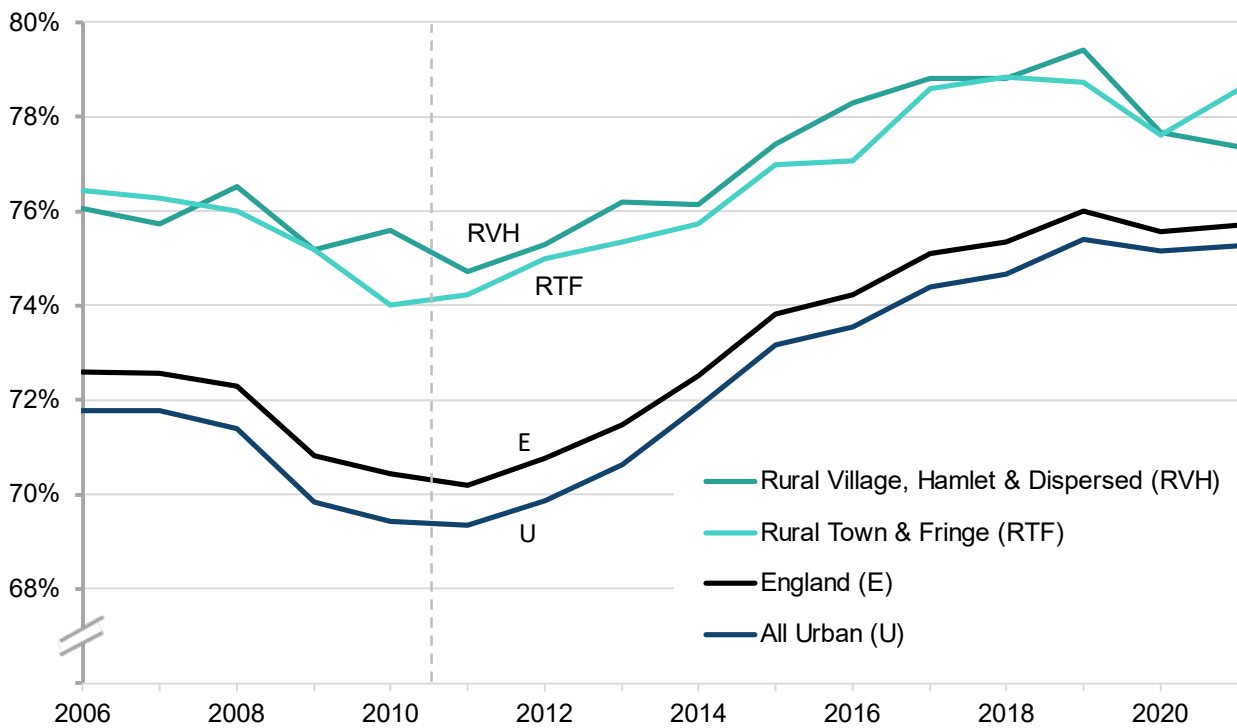
Annual data: The line chart in Figure A-2 shows annual employment rate figures from 2006.

Annual data are less timely but provide a greater level of geographic disaggregation.

In 2021 the employment rate was higher in all types of Rural areas compared with Urban areas with an average employment rate of 78.0% for Rural areas compared with 75.3% in Urban areas. The overall employment rate for the working age population in England had steadily increased year-on-year from 2011 until 2020 when rates fell - likely as a result of COVID-19 and the national lockdowns. Between 2020 and 2021 employment rates increased by 0.3 percentage points in Rural areas and 0.1 percentage points in Urban areas. However, the overall increase for Rural areas masks a decrease in employment rates of 0.3 percentage points (falling from 77.7% to 77.4%) for those living in Rural Villages and Hamlets, while there was an increase of 1.0 percentage point for those in Rural Town and Fringe areas.

Figure A-2: Line chart showing employment as a percentage of working age population (age 16 to 64 years), by Rural-Urban classification in England, 2006 to 2021 (Note A-1)

A change in the Rural-Urban Classification used is indicated by a vertical dashed grey line.



Unemployment rate

The section for unemployment rates comprises three subsections: short-term trends, annual trends and long-term changes. Please note, the ONS has stated that the Labour Force Survey, which is the data source for this analysis, has become more volatile in recent periods, so they advise caution when interpreting short terms changes. For more information please see the latest [ONS Labour Market Overview \(section 2. Main points\)](#).

Unemployment rate – short-term trends

Short-term trends in unemployment rates can provide an indication of how the number of unemployed people has been changing most recently.

Unemployment rates are reported quarterly; the latest data available for analysis is Q2 2024 (i.e. April to June 2024). They are reported in relation to the population aged 16 and over.

In Q2 2024, 2.5% of the Rural economically active population (people in work and those seeking and available to work) were unemployed, compared with 4.5% of the Urban economically active population as shown in Table A-3. This means the percentage of the Rural economically active population that were unemployed was 2 percentage points lower than for the Urban economically active population.

When comparing Q2 2024 to Q1 2024, unemployment rates have fallen in both Rural and Urban areas (by 0.3 percentage points and 0.2 percentage points respectively).

Table A-3: Unemployment rate for the population of those aged 16 and over in England, by broad Rural-Urban Classification, Q1 2024 and Q2 2024 (Note A-4, Note A-7, Note A-10)

Rural-Urban Classification	Q1 2024 (%)	Q2 2024 (%)	Change
Rural	2.7	2.5	↓
Urban	4.8	4.5	↓

Unemployment rate – annual change

Unemployment rates were higher in Urban areas than in Rural areas in Q2 2024. In Rural areas the unemployment rate has decreased by 0.3 percentage points between Q2 2023 and Q2 2024, while in Urban areas the unemployment rate has remained the same. This is shown in Table A-4.

Table A-4: Unemployment rate for the population of those aged 16 and over in England, by broad Rural-Urban Classification, Q2 2023 and Q2 2024 (Note A-4, Note A-7, Note A-10)

Rural-Urban Classification	Q2 2023 (%)	Q2 2024 (%)	Change
Rural	2.7	2.5	↓
Urban	4.5	4.5	–

Notes

In Table A-3 and Table A-4 change is described with symbols for an increase (↑), decrease (↓), or no change (–). An increase is only deemed significant enough to describe if it is more than 3% higher than the year/quarter before (and 3% lower for decreases); if the change is less than 3%, it is indicated with a dash “–”.

Unemployment rate – long term-trends

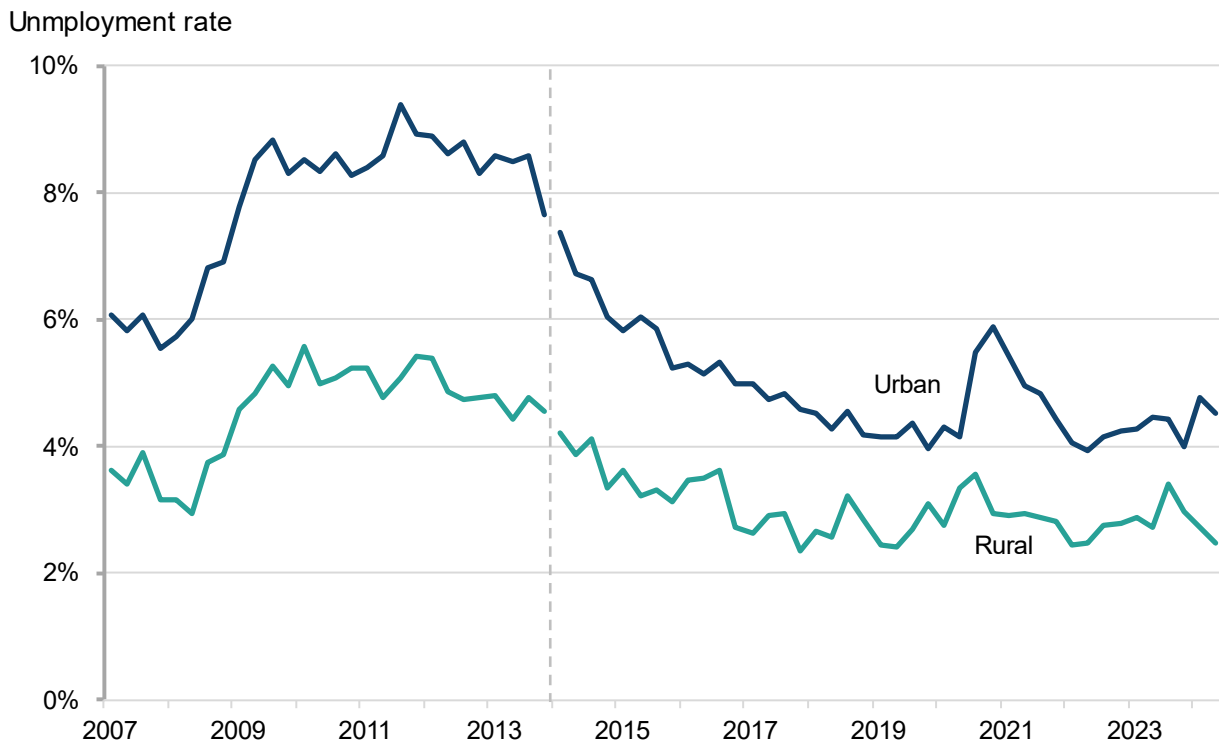
Quarterly data: The line chart in Figure A-3 shows quarterly unemployment rates from 2007.

Unemployment rates have fluctuated over time in all areas in England. However, there has been an overall decrease between Q1 2007 and Q2 2024. Increases in unemployment rates were seen between 2009 and 2013 in all areas, and again between 2020 and 2021; the latter coincides with the COVID-19 pandemic. In Rural areas the latest findings show unemployment rates have fallen to pre-pandemic levels following some fluctuation in 2023, the unemployment rate is 0.3 percentage points below that of Q1 2020 (2.8%). In Urban areas the Q2 2024 rate is 0.2 percentage points higher than that for Q1 2020 (4.3%). (Note A-4)

Unemployment rates have been consistently higher in Urban areas than in Rural areas since 2007. This gap had been narrowing but more recently the difference has been increasing (2.1 percentage points difference in Q2 2024 compared to 0.8 percentage points difference in Q2 2020).

Figure A-3: Line chart showing unemployment as a percentage of those aged 16 and over, in England, Q1 2007 to Q2 2024 (Note A-2, Note A-7)

A change in the Rural-Urban Classification used is indicated by a vertical dashed grey line.



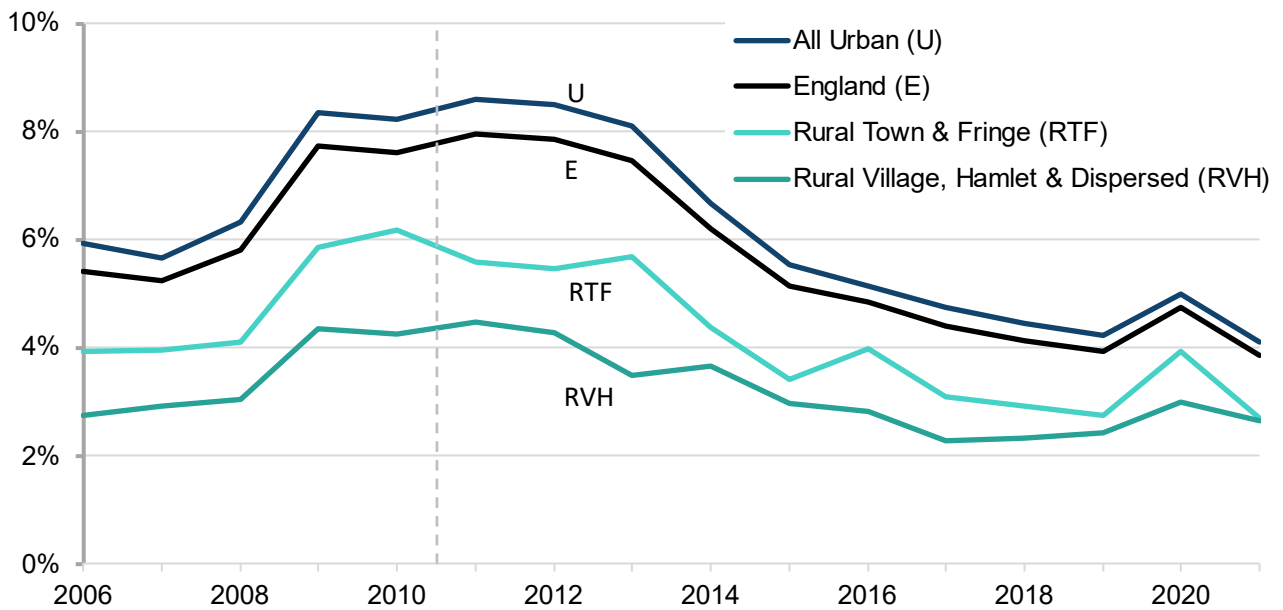
Annual data: The line chart in Figure A-4 shows annual unemployment rates from 2006.

In 2021, the average unemployment rate in Rural areas was 2.7%. Between 2011 and 2019 the unemployment rate in Rural areas had almost halved, falling from 5.0% to 2.6%. This trend reversed in 2020 when rates in Rural areas increased by 0.9 percentage points to 3.5% during the COVID-19 pandemic. The rate has returned to near pre COVID-19 levels in 2021. Unemployment rates are consistently lower in Rural areas compared with Urban areas.

In 2021, the average unemployment rate in Urban areas was 4.1%, which is 1.4 percentage points higher than the average unemployment rate in Rural areas.

Figure A-4: Line chart showing unemployment as a percentage of economically active people aged 16 and over, by Rural-Urban classification, in England, 2006 to 2021 (Note A-1)

A change in the Rural-Urban Classification used is indicated by a vertical dashed grey line.



Economic inactivity

The section for economic inactivity comprises three subsections: short-term trends, annual trends and long-term changes. Please note, the ONS has stated that the Labour Force Survey, which is the data source for this analysis, has become more volatile in recent periods, so they advise caution when interpreting short terms changes. For more information please see the latest [ONS Labour Market Overview \(section 2. Main points\)](#).

Economic inactivity – short-term trends

Economic inactivity refers to those who are not in employment but do not meet the accepted definition of unemployment. See the [definitions section](#) for more detail.

The latest data available on economic inactivity rates are for Q2 2024 (i.e. April to June 2024).

In Q2 2024, 40.1% of the Rural population aged 16 and over were **economically inactive**, compared with 36.2% of the Urban population; this means a larger proportion of people were not available for or not seeking work in Rural areas than in Urban areas, as shown in Table A-5.

When comparing Q2 2024 with Q1 2024, Rural and Urban areas have both seen small increases in the economic inactivity rate (by 0.2 percentage points for both settlement types).

Table A-5: Economic inactivity rate for the population of those aged 16 and over in England, by broad Rural-Urban Classification, Q1 2024 and Q2 2024 (Note A-4, Note A-8, Note A-10)

Rural-Urban Classification	Q1 2024 (%)	Q2 2024 (%)	Change
Rural	40.0	40.1	–
Urban	36.0	36.2	–

Included within the rates shown in Table A-5 are the proportion of the population (16 and over) who are classed as **retired**; in Q2 2024, 29.4% of the Rural population were retired, compared with 19.2% of the Urban population (as shown in Table A-6). This means 10.8% of people (16 and over) living in Rural areas, and 17.0% of those in Urban areas, were economically inactive for other reasons (e.g., unable to work due to sickness or disability).

When comparing Q2 2024 with Q1 2024, the retirement rates in Rural areas had shown a very small change (an increase of 0.2 percentage points) while rates in Urban areas had shown little change (a decrease of 0.1 percentage points).

Table A-6: Retirement rate for the population of those aged 16 and over in England, by broad Rural-Urban Classification, Q1 2024 and Q2 2024 (Note A-4, Note A-10)

Rural-Urban Classification	Q1 2024 (%)	Q2 2024 (%)	Change
Rural	29.2	29.4	–
Urban	19.3	19.2	–

Notes

In Table A-5 and Table A-6 change is described with symbols for an increase (↑), decrease (↓), or no change (–). An increase is only deemed significant enough to describe if it is more than 3% higher than the year/quarter before (and 3% lower for decreases); if the change is less than 3%, it is indicated with a dash “–”.

Economic inactivity – annual change

In the year between Q2 2023 and Q2 2024 inactivity rates have shown little change in Rural areas (an increase of 0.1 percentage points) while in Urban areas they have increased by 0.8 percentage points. The **economic inactivity rate** was higher in Rural areas than in Urban areas. This is shown in Table A-7.

Table A-7: Economic inactivity rate for the population of those aged 16 and over in England, by broad Rural-Urban Classification, Q2 2023 and Q2 2024 (Note A-4, Note A-8, Note A-10)

Rural-Urban Classification	Q2 2023 (%)	Q2 2024 (%)	Change
Rural	40.1	40.1	–
Urban	35.4	36.2	–

Included within the rates shown in Table A-7 are the proportion of the population (16 and over) who are classed as **retired**. Retirement rates have increased by 1.3 percentage points in Rural areas between Q2 2023 and Q2 2024. In Urban areas there has been little change over the same period (a decrease of 0.1 percentage points). This is shown in Table A-8.

Table A-8: Retirement rate for the population of those aged 16 and over in England, by broad Rural-Urban Classification, Q2 2023 and Q2 2024 (Note A-4, Note A-10)

Rural-Urban Classification	Q2 2023 (%)	Q2 2024 (%)	Change
Rural	28.0	29.4	↑
Urban	19.2	19.2	–

Notes

In Table A-7 and Table A-8 change is described with symbols for an increase (↑), decrease (↓), or no change (–). An increase is only deemed significant enough to describe if it is more than 3% higher than the year/quarter before (and 3% lower for decreases); if the change is less than 3%, it is indicated with a dash “–”.

Economic inactivity – long-term trends

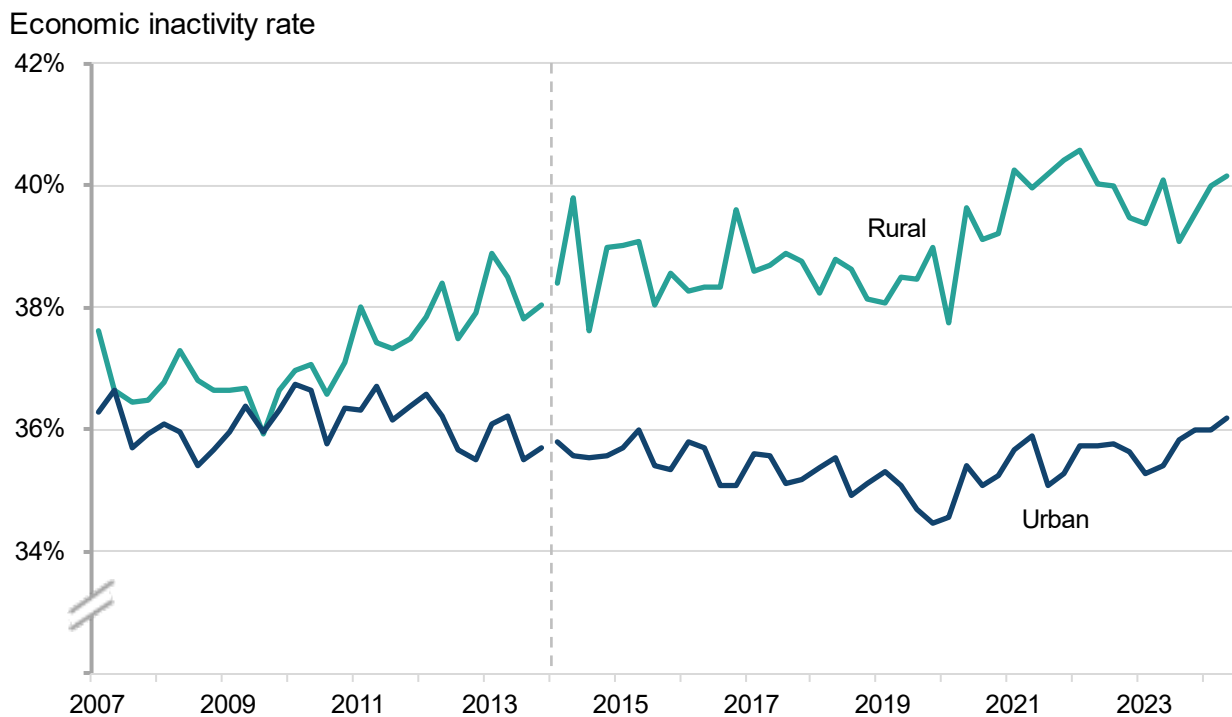
Quarterly data: The line chart shown in Figure A-5 shows quarterly rates for those economically inactive from 2007.

It should be noted that these rates are for people aged 16 and over, while the annual rates shown later are for people aged 16 to 64. As a result, the changes seen in them will differ.

Rates of economic inactivity in Rural areas have been the same or higher than in Urban areas over the time-period shown. Since 2007, rates have fluctuated for both area types. However, rates in Rural areas have shown an overall increase, while rates in Urban areas had seen a fall but latest figures show they are returning to 2007 levels. The rate of economic inactivity has increased since the COVID-19 pandemic, suggesting that some people have since left the workforce; prior to the COVID-19 pandemic, 37.8% of the Rural population aged 16 and over and 34.6% of the Urban population aged 16 and over were economically inactive (as of Q1 2020). This means the inactivity rates in Q2 2024 were 2.4 percentage points higher in Rural areas and 1.6 percentage points higher in Urban areas than pre-pandemic levels.

Figure A-5: Line chart showing economic inactivity as a percentage of those aged 16 and over, Q1 2007 to Q2 2024 (Note A-2, Note A-8)

A change in the Rural-Urban Classification used is indicated by a vertical dashed grey line.



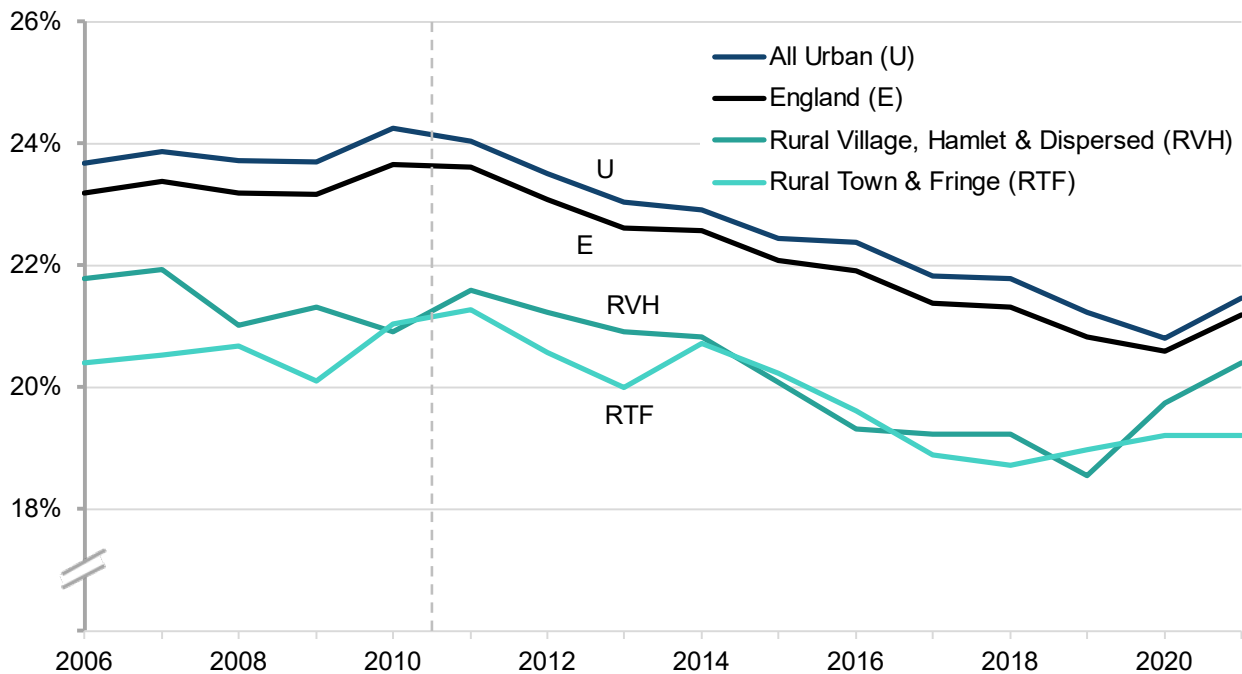
Annual data: The line chart shown in Figure A-6 shows annual inactivity rates from 2006.

It should be noted that these rates are for working aged people (16 to 64), while the quarterly rates are for people aged 16 and over. As a result, the changes seen in them will differ.

In 2021, the rate of economic inactivity in Rural areas was 19.8% of working age people, 1.7 percentage points lower than the rate of 21.5% in Urban areas. Within Rural areas, the percentage of economic inactivity was highest in Rural areas in a sparse setting at 21.8% of the working age population. Rates have shown a general decline since 2006 with Rural rates consistently lower than Urban rates. In Rural areas this trend was reversed in 2020 as rates started to increase following the COVID-19 pandemic and they have continued to increase in 2021.

Figure A-6: Line chart showing percentage of working age population (16 to 64 years) who are economically inactive, by Rural-Urban classification in England, 2006 to 2021 (Note A-1, Note A-3)

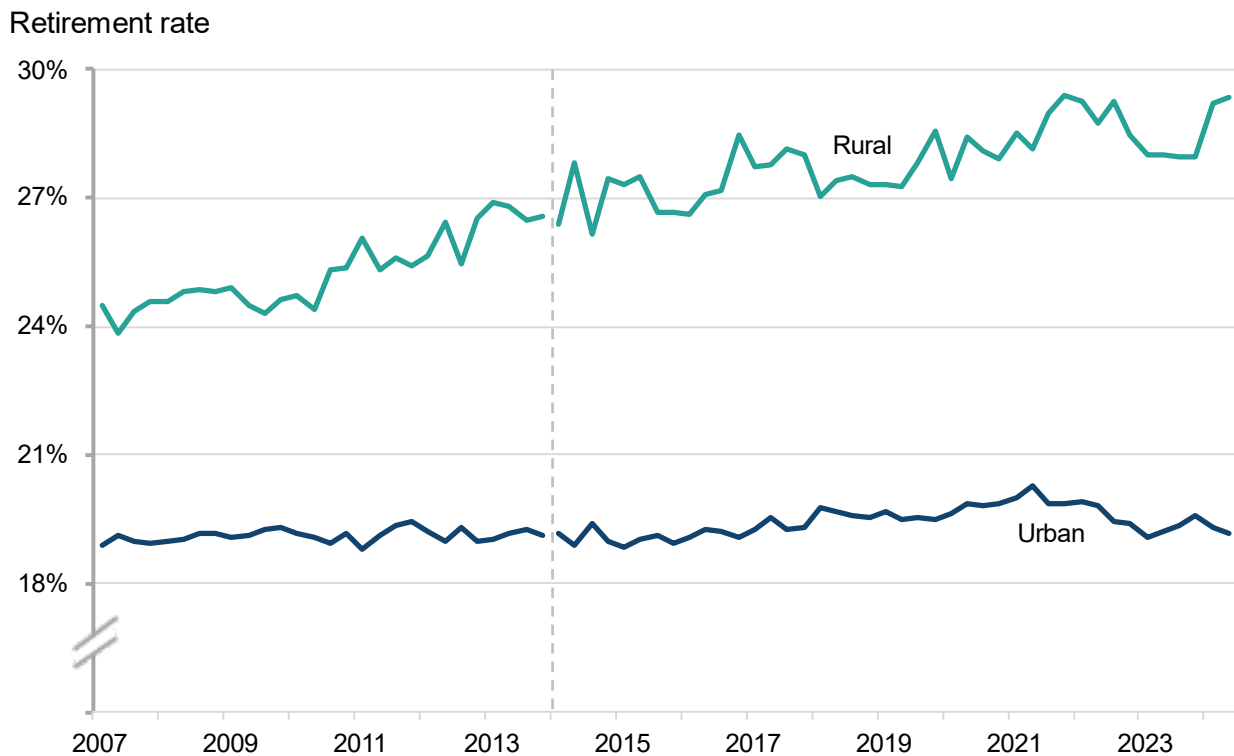
A change in the Rural-Urban Classification used is indicated by a vertical dashed grey line.



Retirement (quarterly data): The line chart in Figure A-7 shows that the proportion of those aged 16 and over that are retired is consistently higher in Rural areas compared with Urban areas and the gap between the areas is widening. The retirement rate increased almost continuously between 2019 and 2021– particularly in Rural areas. Prior to the COVID-19 pandemic, 28.5% of the Rural population and 20.0% of the Urban population were retired (as of Q1 2020). Retirement rates in Rural areas are still higher than pre-pandemic levels (Q2 2024 is 1.9 percentage points higher than pre-pandemic levels). There was a sharp fall in Rural retirement rates between Q3 2022 and Q1 2023, and then a similar sharp increase between Q4 2023 and Q1 2024 followed by a steadier increase of 0.2 percentage points into Q2 2024. In Urban areas retirement rates have fallen back to pre-pandemic levels.

Figure A-7: Line chart showing retirement as a percentage of those aged 16 and over, Q1 2007 to Q2 2024 (Note A-2)

A change in the Rural-Urban Classification used is indicated by a vertical dashed grey line.



Employment explanatory notes

- **Note A-1**

The [Rural-Urban Classification 2001 \(RUC01\)](#) has been applied to all data up to and including 2010. From 2011 onwards the [RUC11](#) has been applied. Although a key difference between the 2001 and 2011 version of the classification is that a distinction between major Conurbations, lesser Conurbations and other Urban areas has been introduced, the Urban categories are comparable in concept. Similarly, the Rural 2001 and 2011 categories are comparable in concept. However, the classification of a settlement may have changed between 2001 and 2011 owing to changes in population and settlement pattern.

- **Note A-2**

The RUC01 has been applied to all data up to and including Q4 2013. From Q1 2014 onwards the RUC11 has been applied. Although a key difference between the 2001 and 2011 version of the classification is that a distinction between major Conurbations, lesser Conurbations and other Urban areas has been introduced, the Urban categories are comparable in concept. Similarly, the Rural 2001 and 2011 categories are comparable in concept. However, the classification of a settlement may have changed between 2001 and 2011 owing to changes in population and settlement pattern.

- **Note A-3**

In 2009 and before, working age was defined as 16-64 for males and 16-59 for females. In September 2010 the definition for working age was altered to be 16-64 for both males and females. The statistics shown here have been adjusted to this new definition for all years shown.

- **Note A-4**

All changes are based on unrounded figures and therefore may not agree exactly to the figures presented in the text and tables which are rounded to 1 decimal place. Change is described with symbols for an increase (↑), decrease (↓), or no change (–). An increase is only deemed significant enough to describe if it is more than 3% higher than the year/quarter before (and 3% lower for decreases); if the change is less than 3%, it is indicated with a dash “–” instead to show the increase or decrease is not statistically significant enough for the publication to highlight.

- **Note A-5**

Unemployment rate is expressed as a percentage of the economically active ‘age 16 and over’ population, this is a departure from previous analyses and is consistent with ONS Labour Market Statistics. The employment rate and economically inactive rate are expressed as a percentage of the entire working age population. Therefore, the rates should not be expected to sum to 100%.

- **Note A-6**

As a percentage of people aged 16 to 64 bringing this figure in line with other publications where employment rate is shown as percentage of people aged 16 to 64.

- **Note A-7**

As a percentage of people aged 16 and over who are economically active (in work or seeking work).

- **Note A-8**

As a percentage of all people aged 16 and over.

- **Note A-9**

Data presented within all figures from the Employment section are available in the [Rural economy supplementary data tables](#).

- **Note A-10**

Source: ONS (Labour Force Survey, not seasonally adjusted).

B. Earnings

People do not necessarily work in the same settlement type as they live, meaning workplace and residence based average earnings can differ and subsequently, those living in Predominantly Rural areas generally have higher median earnings than those who work in these areas.

Summary

Average annual employee earnings, based on the median value (middle of the earnings distribution), give an indication of living standards people can enjoy through their disposable income. Workplace-based earnings relate to the employee's usual local site or office. If the employee is a remote/home worker, then earnings will be linked to the location they would report to or the closest main office site.

In 2022 workplace-based median earnings increased by 8.7% in Predominantly Rural areas to £25,600 and by 6.4% in Predominantly Urban areas (excluding London) to £27,200 compared with 2021. Median workplace-based earnings are consistently higher in Predominantly Urban areas (excluding London) compared with Predominantly Rural areas.

For residence-based earnings Predominantly Rural areas saw an annual increase of 8.1% to £27,200 compared with an increase of 6.3% to £27,000 for Predominantly Urban areas (excluding London). Since 2009, there has been little difference in median residence-based earnings when comparing Predominantly Rural and Predominantly Urban areas (excluding London).

People do not necessarily work in the same settlement as they live, meaning workplace and residence based average earnings may differ. Between 2009 and 2022 those living in Predominantly Rural areas generally had higher median earnings than those who worked in these areas.

Earnings – things to note

Average annual employee earnings, based on the median value (middle of the earnings distribution), give an indication of living standards people can enjoy through their disposable income (see [Expenditure](#)).

For example, in 2022, average residence-based earnings were lower than workplace-based earnings in Urban areas, whilst average residence-based earnings in Rural areas were higher than workplace-based earnings because people living in Rural areas may work in Urban areas in higher paid jobs.

Workplace-based earnings relate to the employee's usual local site or office. If the employee is a remote/home worker then earnings will be linked to the location they would report to or the closest main office site.

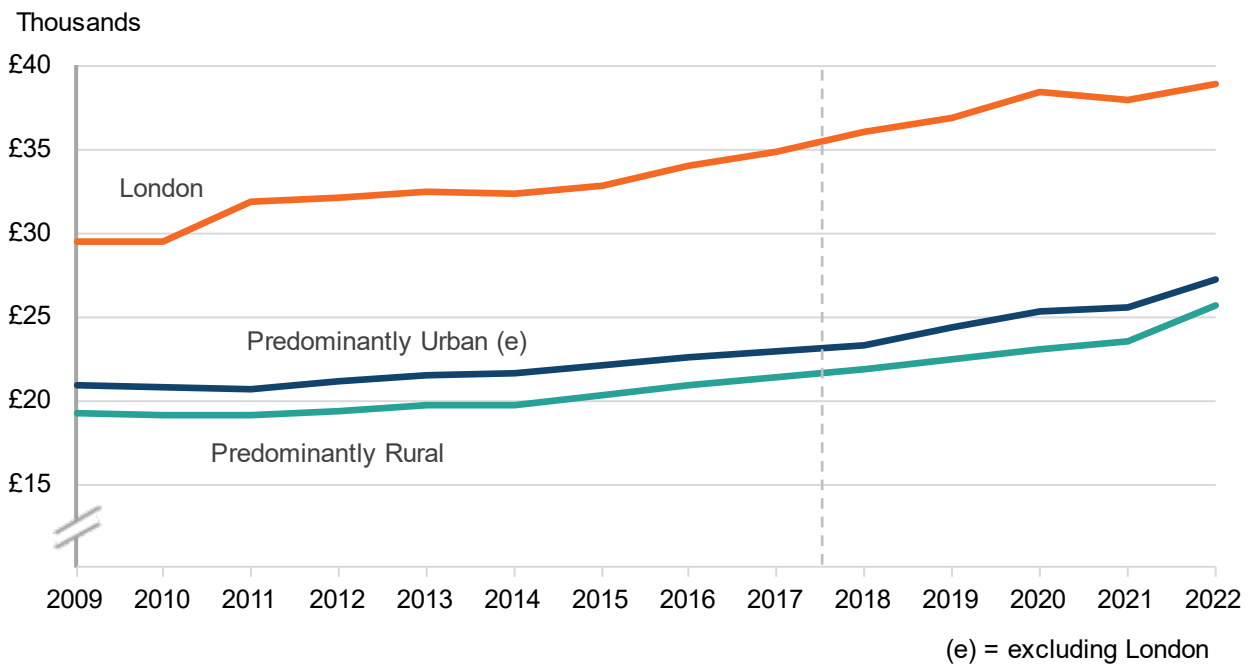
Workplace-based earnings

Figure B-1 shows that all settlement types have seen an increase in workplace-based median earnings in 2022, with an 8.7% increase in Predominantly Rural areas and a 6.4% increase in Predominantly Urban areas (excluding London) when compared with 2021. These compare with the Consumer Price Index including housing costs (CPIH; a measure of inflation, [Note B-4](#)) of 6.2% in the year ending March 2022.

Median workplace-based earnings have shown a gradual increase in all settlement types since 2009 (apart from a small drop between 2020 and 2021 for London) with median workplace-based earnings consistently higher in Urban areas (excluding London) compared with Rural areas. Median workplace-based earnings were lowest in Predominantly Rural areas and highest in the London area.

In 2022, median workplace-based earnings in Predominantly Rural areas were £25,600 while Predominantly Urban areas (excluding London) were higher at £27,200.

Figure B-1: Workplace based median gross annual earnings (current prices), 2009 to 2022
(Note B-5)



Between 2009 and 2022 median workplace-based earnings increased for all settlement types, not adjusted for inflation. The rate of increase was greatest for workplaces in both Mainly and Largely Rural areas (where median workplace-based earnings were lowest in 2009), increasing by 33.5%, followed by London (31.8%), then Urban with City and Town (30.5%). The rate of increase was lowest in Urban with Minor Conurbation areas where median earnings increased by 27.0% in the same period. Urban with Minor Conurbation areas also have the lowest median earnings for 2022 at £25,400. For England, the rate of increase was 29.2% between 2009 and 2022. Workplace-based earnings broken down by detailed Local Authority Rural-Urban Classification can be found in the Rural economy supplementary data tables ([Note B-3](#)).

Figures are not adjusted for inflation but for comparison over the same time period (2009 to 2022) the Consumer Price Index (including housing costs) increased by 29% ([Note B-1](#)).

Notes

- The Local Authority Classification has changed over time, see [Note B-5](#) for details. This break in the series is denoted by a vertical dashed line.

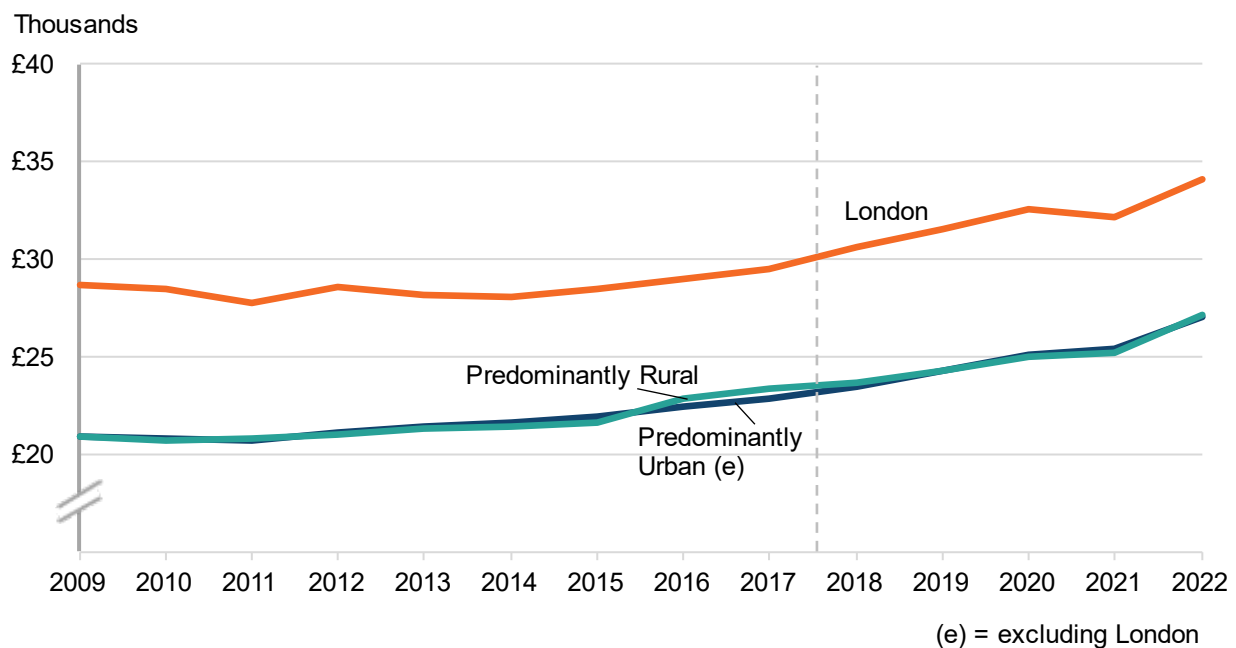
Residence-based earnings

Figure B-2 shows in 2022, median residence-based earnings in Predominantly Rural areas were £27,200, compared with £27,000 in Predominantly Urban areas (excluding London). Between 2009 and 2022 median residence-based earnings increased for all settlement types (not adjusting for inflation), apart from a small drop between 2020 and 2021 for London.

The rate of increase between 2009 and 2022 was greatest for median residence-based earnings in Mainly Rural areas, increasing by 30.2%, followed by Urban with City and Town (30.0%). The rate of increase was lowest in London where median earnings increased by 19.2% over the same period, followed by Urban with Minor Conurbation areas (25.4%). For England, the rate of increase between 2009 and 2022 was 29.2%. Since 2009, there has been little difference in median residence-based earnings when comparing Predominantly Rural and Predominantly Urban areas (excluding London). Median residence-based earnings broken down by detailed Local Authority Rural-Urban Classification can be found in the Rural economy supplementary data tables ([Note B-3](#)).

Figures are not adjusted for inflation but for comparison over the same time period (2009 to 2022) the Consumer Price Index (including housing costs) increased by 29%.

Figure B-2: Residence-based median gross annual earnings (current prices), 2009 to 2022 ([Note B-5](#))



Notes

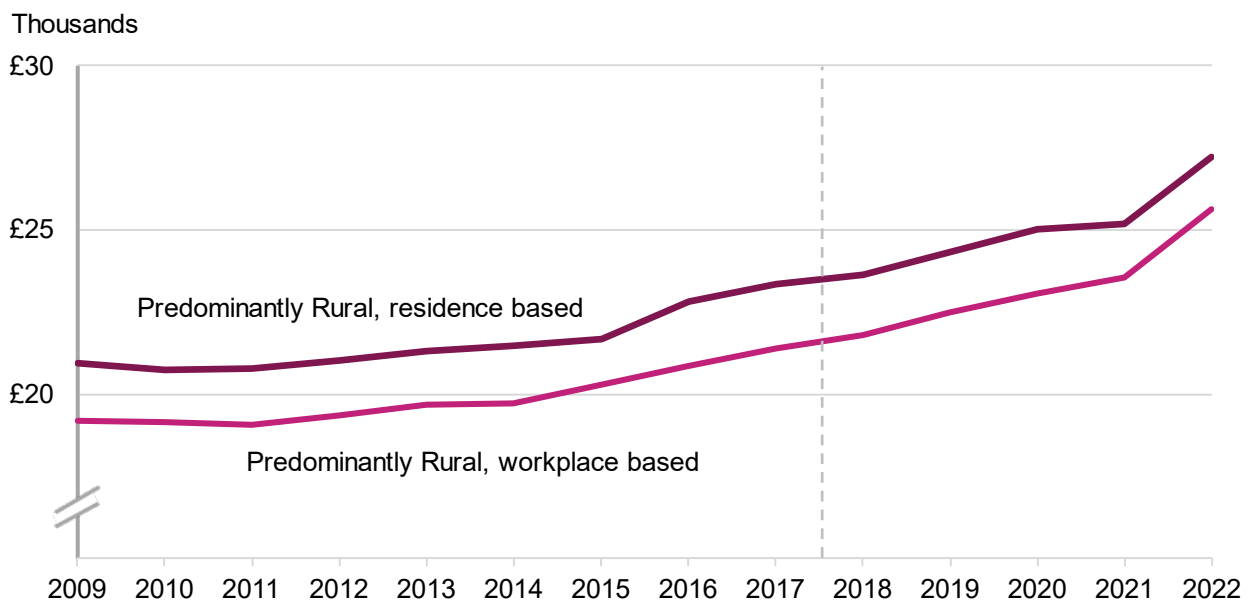
- The Local Authority Classification has changed over time, see [Note B-5](#) for details. This break in the series is denoted by a vertical dashed line.

Comparing workplace and residence-based earnings

As stated earlier, people do not necessarily work in the same settlement as they live, meaning workplace and residence based average earnings may differ. The figures in this section show these differences.

Figure B-3 shows that between 2009 and 2022 those living in Predominantly Rural areas generally had higher median earnings than those who worked in these areas. The difference between the two earning types has fluctuated over the time shown but has been getting smaller since 2020. This could result from the rise in remote working meaning higher paid jobs can be done from Rural areas. Predominantly Urban areas (excluding London) show little difference as median earnings were similar for both those living and working in this settlement type (which can be seen in Figure B-1 and Figure B-2).

Figure B-3: Comparison of Workplace based and Residence-based median gross annual earnings (current prices) in Predominantly Rural areas, 2009 to 2022



Earnings explanatory notes

- **Note B-1**

Earnings figures are on a current prices basis and have not been adjusted for inflation. Results for Rural – Urban categories have been weighted by the number of people employed aged 16-64 based on Annual Population Survey and Annual Population Survey – workplace analysis:

www.nomisweb.co.uk/articles/1066.aspx

Consumer Price Index: www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7bt/mm23

- **Note B-2**

Source - Employment, unemployment & economic activity: Office for National Statistics (ONS), Labour Force Survey

Source – Earnings: ONS, Annual Survey of Hours and Earnings: Table 7: Place of Work by Local Authority and Table 8: Place of Residence by Local Authority:

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2019/relateddata

- **Note B-3**

A table of workplace-based and residence-based earnings broken down by detailed local authority Rural-Urban Classification covering 2009 to 2020 is available in the [Rural economy supplementary data tables](#).

- **Note B-4**

The CPIH is defined as the Consumer Prices Index including owner occupiers' housing costs (OOH). It measures the rate at which the price of goods and services bought by households increases or decreases. OOH costs are those costs associated with owning, maintaining and living in one's own home, along with Council Tax.

Inflation is the rate of increase in prices over a given period of time.

- **Note B-5**

Figures to 2017 use the Rural Urban Classification (RUC) based on 327 Local Authorities (LAs) and Unitary Authorities (UAs). From 2018 the RUC is based on revised boundaries as at April 2019, reducing the number of LADs and UAs from 326 to 317 and in 2020 this was further reduced to 314. The difference between LAD19 and LAD20 RUC is that the 2019 local authorities of Aylesbury Vale, Chilterns, South Bucks, and Wycombe, have been merged into a single Buckinghamshire Unitary Authority. This break in the series is denoted by a vertical dashed line.

C. Redundancies

Generally, proportionally more people living in Urban areas are made redundant than in Rural areas, however redundancy rates tend to fluctuate over time.

Summary

When a person is dismissed from their job due to being no longer required, it is called “redundancy” or being “made redundant”; it happens when employers need to reduce their workforce.

In Quarter 2 2024, redundancy rates were lower in Rural areas than in Urban areas, at 3.8 and 4.0 redundancies per 1,000 employees respectively. Rates had increased in both Rural and Urban areas when compared with the previous quarter, increasing by 1.7 and 1.1 redundancies per 1,000 employees respectively.

Annual changes show redundancy rates decreasing in Rural areas (by 0.5 per 1,000 employees to 15,700 redundancies in Rural areas while they increased in Urban areas by 0.1 per 1,000 employees to 97,300 redundancies in Urban areas).

Redundancy rates in England have fluctuated over time, although both Rural and Urban areas have shown an overall decrease in redundancies over the period 2007 to 2024 (falls of 2.5 and 2.3 redundancies per 1,000 employees respectively).

Redundancies – short-term trends

When a person is dismissed from their job due to being no longer required, it is called “redundancy” or being “made redundant”; it happens when employers need to reduce their workforce. Data for redundancies are collected and analysed quarterly, and a quarter-on-quarter comparison can be made to determine any emerging trends. The latest data available for analysis is Q2 2024 (i.e., April to June 2024).

Please note, the ONS have stated that the Labour Force Survey which is the data source for this analysis has become more volatile in recent periods, so they advise caution when interpreting short term changes. For more information please see the latest [ONS Labour Market Overview \(section 2. Main points\)](#).

In Q2 2024, redundancy rates were lower in Rural areas than in Urban areas, at 3.8 and 4.0 redundancies per 1,000 employees respectively. This is shown in Table C-1. Proportionally more people were made redundant in Q2 2024 than in Q1 2024 in England, with the rate increasing from 2.9 to 4.0 redundancies per 1,000 employees. When comparing between quarters for Rural and Urban areas separately both have seen an increase in rate. Rural areas have seen an increase of 1.7 per 1,000 employees while Urban areas have increased by 0.9 per 1,000 employees.

In absolute terms, 15,700 people living in Rural areas were made redundant in Q2 2024 - 7,200 more than in Q1 2024. 81,700 people living in Urban areas were made redundant - 18,500 more than in Q1 2024.

Table C-1: Redundancies in England, by Rural-Urban Classification (counts, rates per 1,000 workers), Q1 and Q2 2024 (Note C-2)

Rural-Urban Classification	Q1 2024		Q2 2024		Direction of change
	Count	Rate	Count	Rate	
Rural	8,500	2.1	15,700	3.8	↑↑
Urban	63,200	3.1	81,700	4.0	↑
England	71,600	2.9	97,300	4.0	↑↑

Notes

- In Table C-1, rates are rounded to the nearest 0.1 redundancies per 1,000 employees, and counts are rounded to the nearest 100 people.
- In Table C-1 the change in redundancy rate is described with symbols for where it increased (↑), decreased (↓) or stayed the same (-). Multiple arrows (↑↑, ↓↓) indicate a change of ±1 or more. Changes of ±0.5 are not significant enough to report and are marked with a dash (-).

Redundancies – annual change

As well as presenting quarterly changes, we can show annual change based on the most recent quarter. In Q2 2024, redundancy rates in England had showed little change when compared with Q2 2023. The redundancy rate remained at 4.0 redundancies per 1,000 employees (Table C-2).

In Rural areas, the redundancy rate decreased from 4.4 to 3.8 redundancies per 1,000 employees between Q2 2023 and Q2 2024 (an overall decrease of 1,800 redundancies).

Urban areas saw an increase in redundancies between Q2 2023 and Q2 2024 (2,200 more redundancies or 0.1 more per 1,000 population).

Table C-2: Redundancies in England, by Rural-Urban Classification (counts, rates per 1,000 workers), Q2 2023 and Q2 2024 (Note C-2)

Rural-Urban Classification	Q2 2023		Q2 2024		Direction of change
	Count	Rate	Count	Rate	
Rural	17,500	4.4	15,700	3.8	↓
Urban	79,500	3.9	81,700	4.0	-
England	97,000	4.0	97,300	4.0	-

Notes

- In Table C-2, rates are rounded to the nearest 0.1 redundancies per 1,000 employees, and counts are rounded to the nearest 100 people.
- In Table C-1 the change in redundancy rate is described with symbols for where it increased (↑), decreased (↓) or stayed the same (-). Multiple arrows (↑↑,↓↓) indicate a change of ±1 or more. Changes of ±0.5 are not significant enough to report and are marked with a dash (-).

Redundancies – long-term trends

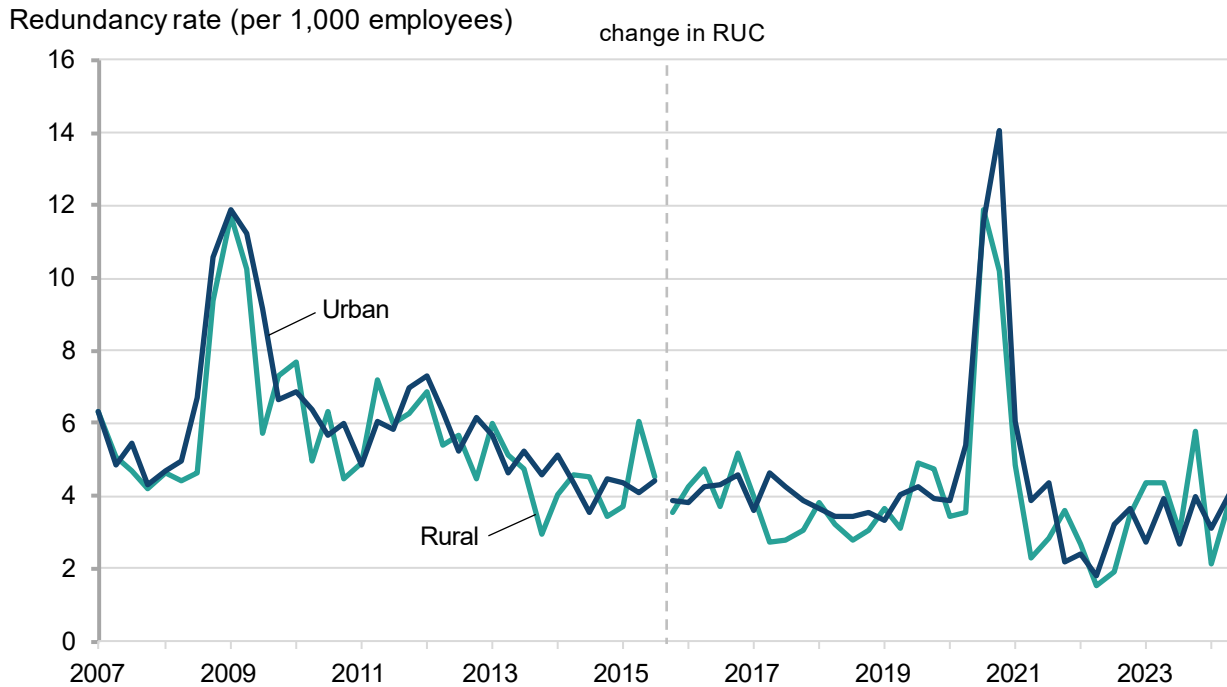
The line chart in Figure C-1 shows quarterly redundancy rates from 2007.

Redundancy rates in England have fluctuated over time, although both Rural and Urban areas have shown an overall decrease in redundancies over the period 2007 to 2024 (by 2.5 and 2.3 redundancies per 1,000 employees respectively). There were large increases in the redundancy rate in both 2009 (financial crisis) and 2020 (COVID-19 pandemic) with numbers falling shortly after each event. Since then redundancy rates have been fluctuating in both Rural and Urban areas. In Rural areas rates reached 5.8 redundancies per 1,000 employees in Q4 of 2023 but they have decreased again since then and so far rates in 2024 are below the five-year average. Redundancy rates in Urban areas for 2024 also remain below the five-year average.

The highest redundancy rates between 2007 to 2024 were: 11.9 redundancies per 1,000 employees living in Rural areas (Q3 2020), and 14.0 redundancies per 1,000 employees living in Urban areas (Q4 2020). This was in the middle of the COVID-19 pandemic, where many businesses made job cuts or closed. By early 2021, the redundancy rate fell to pre-pandemic levels.

The lowest redundancy rates across the time period shown in the line chart in Figure C-1 were in Q2 2022, where there were 1.5 redundancies per 1,000 employees living in Rural areas, and 1.8 redundancies per 1,000 employees living in Urban areas.

Figure C-1: Line chart showing redundancy rate per 1,000 employees, by Rural-Urban Classification, in England, Q1 2007 to Q2 2024 (Note C-1)



Redundancies explanatory notes

- **Note C-1**

Dashed line on Figure C-1: 2001 Rural-Urban Classification (RUC) applied up to Q3 2015, 2011 RUC from Q4 2015.

- **Note C-2**

Ratio of the number of workers (aged 16 and over) made redundant for the given quarter to the number of employees (aged 16 and over) in the previous quarter multiplied by 1,000, based on location of residence.

- **Note C-3**

Source: ONS Labour Force Survey.

D. Claimant count - Jobseeker's Allowance

Proportionally fewer people claim Jobseeker's Allowance in Rural areas than in Urban areas.

Summary

Jobseeker's Allowance (JSA) is one of the forms of benefit you can claim while looking for work, which can be claimed along with or instead of Universal Credit. However, Universal Credit has become predominant and the number of claimants for jobseeker's allowance is declining.

In Quarter 2 2024, 0.2% of the working-age population was claiming Jobseeker's Allowance in Rural areas, compared with 0.3% in Urban areas. The number of claimants had decreased slightly compared with the previous quarter in both Rural and Urban areas; in Rural areas there was a decrease of 200 claimants, whilst in Urban areas, it was 1,200 claimants.

On an annual basis, the number of claimants has increased in Rural areas between Quarter 2 2023 and Quarter 2 2024 by 500 claimants; an increase of 5%. In Urban areas claimant numbers have shown no significant change (down 100 claimants) over the same time period.

When considering long-term trends claimants of Jobseeker's Allowance have been generally falling since 2012, in particular reflecting the shift to other forms of benefit. The percentage of the working age population claiming Jobseeker's Allowance has been consistently higher in Urban areas, and proportions are lowest in Rural Villages and Hamlets.

Jobseeker's Allowance – introductory notes

When a person is economically active but unemployed, sometimes they will need financial help whilst they are looking for a job; [Jobseeker's Allowance](#) (JSA) is an unemployment benefit you can claim while looking for work. It is a weekly allowance to aid with living costs (up to £71.70 for people aged 24 or under and up to £90.50 for people aged 25 or over) that will be paid as long as a person is [eligible](#). However, it should be noted that [Universal Credit](#) has become predominant and the number of claimants for jobseeker's allowance has been declining longer term.

Jobseeker's Allowance – short-term trends

Data around the number of people claiming JSA is collected quarterly, and the latest data presented are for Quarter 2 2024.

A slightly lower proportion of people claimed JSA in Rural areas than in Urban areas in Q2 2024; 0.2% of the working-age population were claiming Jobseeker's Allowance in Rural areas, compared with 0.3% in Urban areas (Note D-4). The number of claimants for Q2 2024 has seen a small decrease in both Rural and Urban areas when compared with Q1 2024. In absolute terms, there were 200 fewer people claiming JSA in Q2 2024 than the previous quarter in Rural areas, and 1,200 fewer people in Urban areas (a drop in the number of claimants of 2% in both Rural and Urban areas), as shown in Table D-1.

Table D-1: Claimants of Jobseeker's Allowance in England, by Rural-Urban Classification (count and proportion of the working-age population), Q1 2024 and Q2 2024 (Note D-4)

Rural-Urban Classification	Q1 2024		Q2 2024		Direction of change
	Count	Rate	Count	Rate	
Rural	11,600	0.21%	11,400	0.20%	–
Rural Town and Fringe	6,600	0.22%	6,400	0.21%	–
Rural Village and Hamlet	5,000	0.19%	4,900	0.19%	–
Urban	77,900	0.26%	76,700	0.26%	–
England	89,500	0.25%	88,100	0.25%	–

Notes

- In Table D-1, rates are rounded to the nearest 0.1%, and counts are rounded to the nearest 100 people.
- In Table D-1 the percentage change in claimants is described with symbols for where it increased (↑), decreased (↓) or stayed the same (–). Multiple arrows (↑↑,↓↓) indicate a change of ±6% or more. This dashboard shows the direction of change over the last year and is provided to give an indication only and may not represent a clear improvement or deterioration. Indication of change is based on a ±3% threshold.

Jobseeker's Allowance – annual change

As well as presenting quarterly changes, we can show annual change based on the most recent quarter. In Q2 2024, 600 more people claimed JSA in England than in Q2 2023.

There was a small increase in the proportion of the working-age population claiming Jobseeker's Allowance in Rural areas, while numbers showed little change in Urban areas between Q2 2023 and Q2 2024. In absolute terms, there were 500 more people claiming JSA in Rural areas overall when comparing Q2 2023 with Q2 2024. In Urban areas there were 100 more people claiming JSA over the same period. This is shown in Table D-2.

Table D-2: Claimants of Jobseeker's Allowance in England, by Rural-Urban Classification (count and proportion of the working-age population), Q2 2023 and Q2 2024 (Note D-4)

Rural-Urban Classification	Q2 2023		Q2 2024		Direction of change
	Count	Rate	Count	Rate	
Rural	10,900	0.19%	11,400	0.20%	↑
Rural Town and Fringe	6,200	0.21%	6,400	0.21%	↑
Rural Village and Hamlet	4,700	0.18%	4,900	0.19%	↑↑
Urban	76,600	0.26%	76,700	0.26%	–
England	87,500	0.25%	88,100	0.25%	–

Notes

- In Table D-2, rates are rounded to the nearest 0.1%, and counts are rounded to the nearest 100 people.
- In Table D-2 the percentage change in claimants is described with symbols for where it increased (↑), decreased (↓) or stayed the same (–). Multiple arrows (↑↑, ↓↓) indicate a change of ±6% or more. This dashboard shows the direction of change over the last year and is provided to give an indication only and may not represent a clear improvement or deterioration. Indication of change is based on a ±3% threshold.

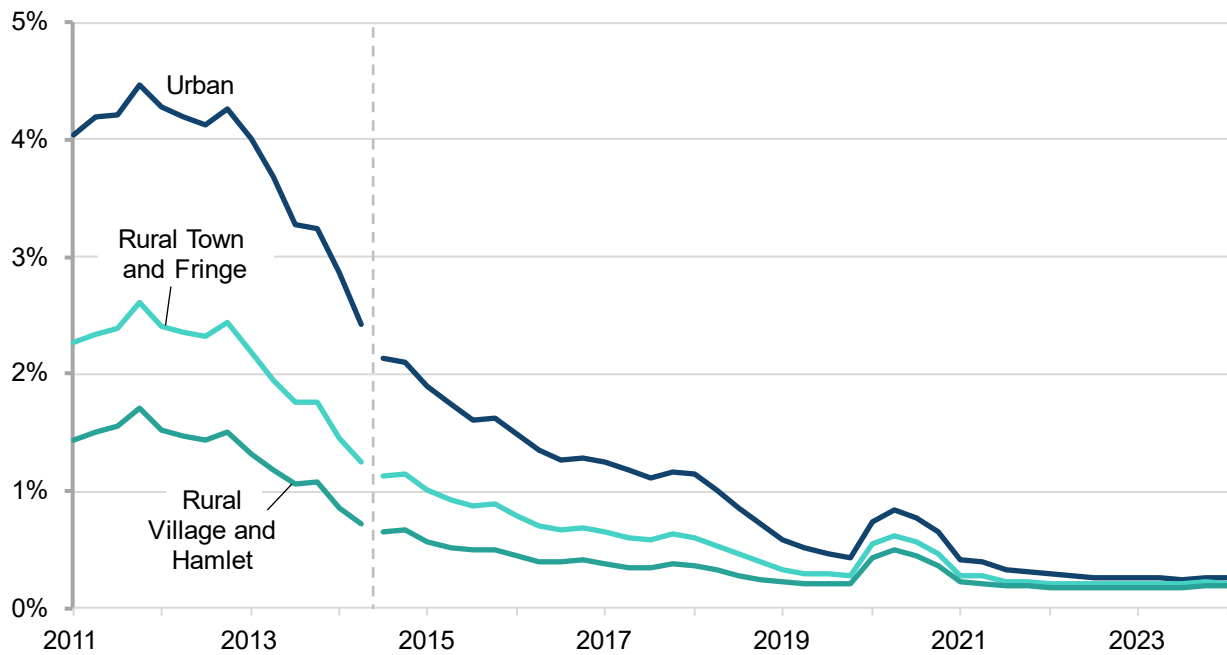
Jobseeker's Allowance – long-term trends

The line chart in Figure D-1 shows quarterly data for people claiming Jobseeker's Allowance from 2007.

Claimants of Jobseeker's Allowance have been generally decreasing since 2012. Since the introduction of Universal Credit in April 2013 some unemployment benefit claimants will have been claiming Universal Credit instead. Numbers of claimants of Jobseeker's Allowance increased in 2020 due to COVID-19 but have since returned to pre-pandemic levels. The percentage of the working age population claiming Jobseeker's Allowance has been consistently higher in Urban areas, and proportions are lowest in Rural Villages and Hamlets.

The highest claimant rate across all areas was seen in Q1 2012 (4.5% of the working age population), and the lowest in Q3 2022 (0.17% of the working age population).

Figure D-1: Line chart showing claimants of Jobseeker's Allowance as a percentage of the working age population, Q1 2007 to Q2 2024 (Note D-1, Note D-5)



Claimant count explanatory notes

- **Note D-1**

Dashed line on Figure D-1: 2001 Rural-Urban Classification (RUC) applied up to Q2 2014; 2011 RUC from Q3 2014.

- **Note D-2**

Claimant counts do not include people claiming Universal Credit. For further information please see the article 'Jobseeker's Allowance, Universal Credit and the Claimant Count Changes to the Measurement of the Claimant Count' which can be found within the [Labour Market articles and reports](#).

- **Note D-3**

Source: ONS Jobseeker's Allowance data (via [Nomis](#)) and Defra.

- **Note D-4**

Working age population is those aged 16 to 64.

- **Note D-5**

When the proportion of the working-age population claiming Jobseeker's Allowance is calculated, the mid-2020 population estimates have been used for current statistics, from Q1 2020 until Q2 2024; this is because the latest mid-year estimates available (2021) have not yet been analysed by Rural-Urban Classification.

Before this, mid-2019 working-age population estimates were used for Q1 to Q4 2019; mid-2018 estimates were used for Q1 to Q4 2018; mid-2017 estimates were used for Q1 to Q4 2017; mid-2016 estimates were used for Q1 to Q4 2016; mid-2015 estimates were used for Q1 2014 to Q4 2015; and mid-2010 estimates were used for Q1 2007 to Q4 2013 (since this analysis was all done at once, and 2010 was in the middle of the time range). However, data from 2007 to 2011 has since been removed in order to prevent the time series in Figure D-1 from becoming cumbersome.

E. Output and Productivity measured by Gross Value Added (GVA)

In 2022 the productivity of Predominantly Rural areas (output per workforce job) was similar to 2021 at around 86% of the average for England; while Predominantly Rural areas accounted for 16.2% of the output of the England economy – a drop from 16.4% in 2021.

Summary

Productivity measures are often used to indicate how well somewhere can use its human and physical resources to generate economic growth. Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector.

In 2022, Predominantly Rural areas contributed £315 billion to England's GVA, representing 16.2% of the total GVA for England including London and 22.1% excluding London. Proportionally the contribution has decreased slightly, from 16.4% in 2021 including London and 22.3% excluding London. The contribution is proportionally lower than 20 or more years ago – it was 17.2% in 2001 including London. The contribution of Predominantly Rural areas are affected by London's contribution and if Predominantly Rural GVA is compared with England's GVA excluding the contribution from London there is a smaller longer-term decline between 2001 and 2022 (from 22.7% to 22.1%).

GVA per workforce job is a measure of productivity where total output is divided by the number of individuals in the workforce. In 2022 the productivity of Predominantly Rural areas was around 86% of that for England, this compares with 94% for Predominantly Urban areas (excluding London), with productivity in London at 130% of the England average.

When considering how different industry sectors contribute to England's GVA we see that the breakdown is broadly similar across Predominantly Rural and Predominantly Urban (excluding London) areas. In 2022 the combined sector of 'Public administration; education and health' contributed the most to GVA in both area types at 21% of GVA for both area types. Real estate activities are slightly more prevalent in Predominantly Rural areas (15% of GVA) than in Predominantly Urban areas excluding London (12%).

Tourism makes an important contribution to the Rural economy. In 2018, GVA from tourism in Predominantly Rural areas was worth an estimated £11.5 billion, contributing 4% of total GVA in Predominantly Rural areas. These figures will be updated shortly.

Analysis for 2022 is provisional and could be revised. There have been methodological revisions to GVA estimates, owing to boundary changes for Local Government areas and changes to the way GVA is calculated. Further details on both of these changes can be found in the latest revision note.

What is 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.

Revision note

GVA estimates in this report have been affected by changes to Local Authority boundaries (Note E-13) where some Local Authority Districts originally categorised as Mainly Rural or Largely Rural or Urban with Significant Rural now form part of Unitary Authorities categorised as Largely Rural. This has led to a small increase in the amount that Predominantly Rural areas contribute to England's GVA but has minimal impact on productivity (total output divided by workforce numbers) as the number of workforce jobs in Predominantly Rural areas will also have seen a corresponding increase.

The ONS have also made further methodological changes to improve the geographical distribution of GVA. These changes are mainly focussed on improving regional banking data and estimates for non-market education output. These improvements have reduced the GVA allocated to London while increasing GVA allocated outside of London. Further information can be found in Section 7 of the ONS publication '[Regional economic activity by gross domestic product, UK: 1998 to 2022](#)'. GVA for London has also been greatly affected by the difficulties in measuring the economy during the Covid 19 pandemic which has led to greater than usual revisions to initial estimates, especially for the last couple of years.

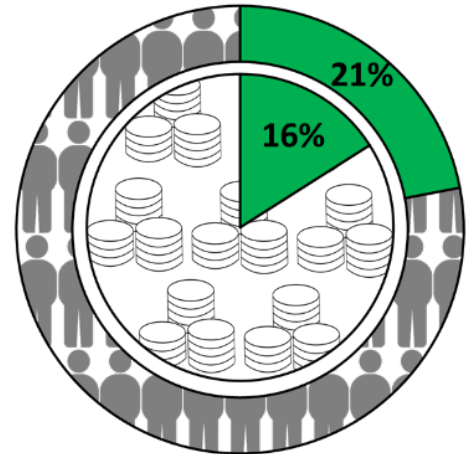
Contribution to England's Gross Value Added (GVA)

In 2022, Predominantly Rural areas contributed an estimated £315 billion to England's GVA, representing 16.2% of the total GVA for England (down from 16.4% in 2021). This proportion has declined slightly between 2001 and 2022 (down from 17.2%). However, this has been affected by an overall increase in London's contribution. The proportional contribution of Predominantly Rural areas to the GVA of England excluding London has shown a smaller decline between 2001 and 2022 (from 22.7% to 22.1%). (Note E-1 and Note E-2)

Table E-1 shows Predominantly Urban areas (excluding London) make the largest contribution to England's GVA, estimated at £875 billion (45%), followed by London's £520 billion (27%). Predominantly Rural areas contributed an estimated £315 billion (16%) in 2022 (Figure E-1).

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 Table E-2 differ from the industry breakdown following this and is less finely detailed being based on data at broadly county level.

Figure E-1: Comparing contributions to population and the economy in Rural areas.



While predominantly rural areas account for 21% of the population they contribute around 16% of England's economy

Table E-1: Contribution to England's Gross Value Added (GVA), by broad Local Authority Rural-Urban Classification in England, 2022 (provisional) (Note E-1 and Note E-3)

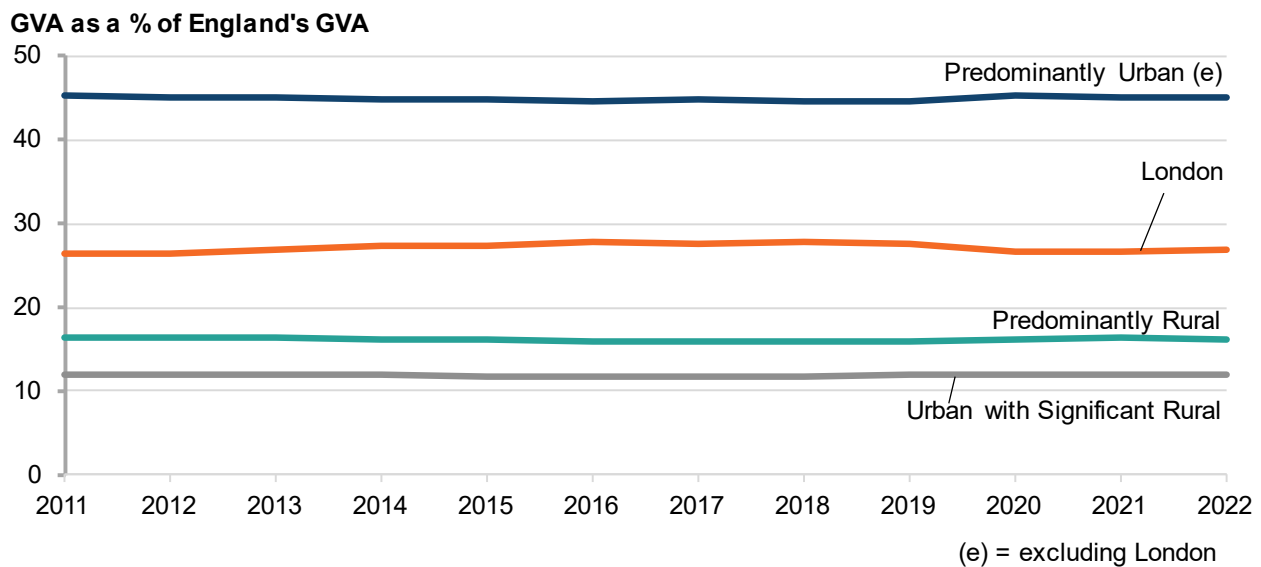
Broader 2011 Local Authority Classification	GVA (£m)	Percentage share
London	519,200	27
Predominantly Urban excluding London	874,100	45
Urban with Significant Rural	232,200	12
Predominantly Rural	314,700	16
England	1,940,300	100

Table E-2: Contribution to England's Gross Value Added (GVA), by detailed Local Authority Rural-Urban Classification in England, 2022 (provisional) (Note E-1 and Note E-3)

2011 Local Authority Classification	GVA (£m)	Percentage share
London	519,200	27
Urban with Major Conurbation	330,600	17
Urban with Minor Conurbation	52,900	3
Urban with City and Town	490,600	25
Urban with Significant Rural	232,200	12
Largely Rural	219,300	11
Mainly Rural	95,500	5
England	1,940,300	100

Figure E-2 shows that since 2011 the contribution of GVA as a proportion of total GVA for England has remained relatively stable for all area types. In 2022, Predominantly Urban areas (excluding London) were making the greatest contribution to total GVA for England at 45%, followed by London (27%), Predominantly Rural areas (16%) and finally Urban with Significant Rural areas (12%).

Figure E-2: Line chart showing Gross Value Added (GVA) by Local Authority Classification as a percentage of England GVA, 2011 to 2022 (provisional)



Gross Value Added (GVA) per Workforce Job

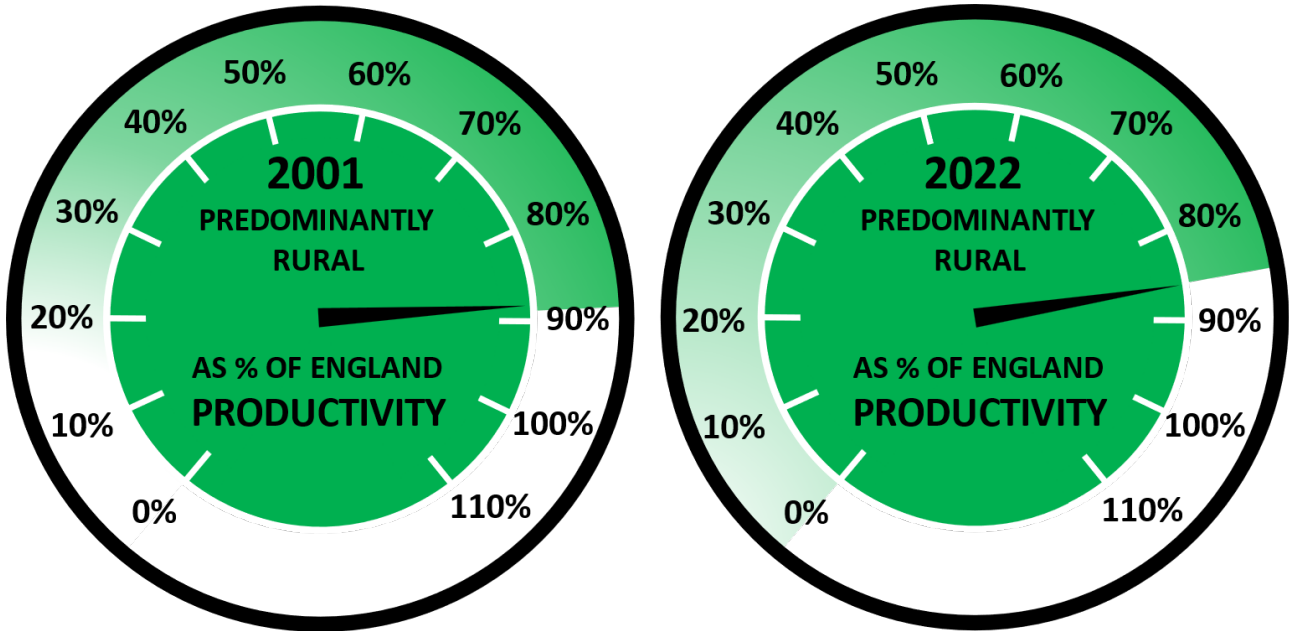
A measure of productivity is GVA per workforce job i.e. output divided by the number of individuals in the workforce, allowing for closer comparisons between geographical area types. (Note E-4)

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.

Figure E-3 shows that in 2022 (on the right), the productivity of Predominantly Rural areas was around 86% of that for England as a whole (provisional estimate). This had fallen from 89% in 2001 (on the left). The rate dropped as low as 82% in 2009, 2010 and 2016, however there has been a small increase over the last 2 years (to 86%). The decline in Predominantly Rural areas in part reflected an increase in London’s contribution to England’s overall productivity, however this contribution has reduced since 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 as the size of economic sectors in Rural areas and the size of businesses – rather than a decline in Rural productivity as such.

Figure E-3: Productivity in Predominantly Rural areas as a proportion of England productivity, 2001 (left) and 2022 (right)



The productivity rate in Predominantly Rural areas fell from **89%** of the England average to **86%** between 2001 and 2022 but has shown a small increase since 2021.

Figure E-4 shows that between 2011 and 2022 the changes in GVA per workforce job have been small. Where England = 100, rates in Predominantly Rural areas have shown a small increase, from 83 in 2011 to 86 in 2022. All other area types have been consistently higher than Predominantly Rural areas. London was the highest at 141 in 2011, then showed little change until 2019 when rates started to drop, falling to 130 by 2022. Other area types have seen minimal change over the time-period.

Figure E-4: Line chart showing GVA per workforce job (£), by Local Authority Classification compared with England as a whole, 2011 to 2022 (provisional)

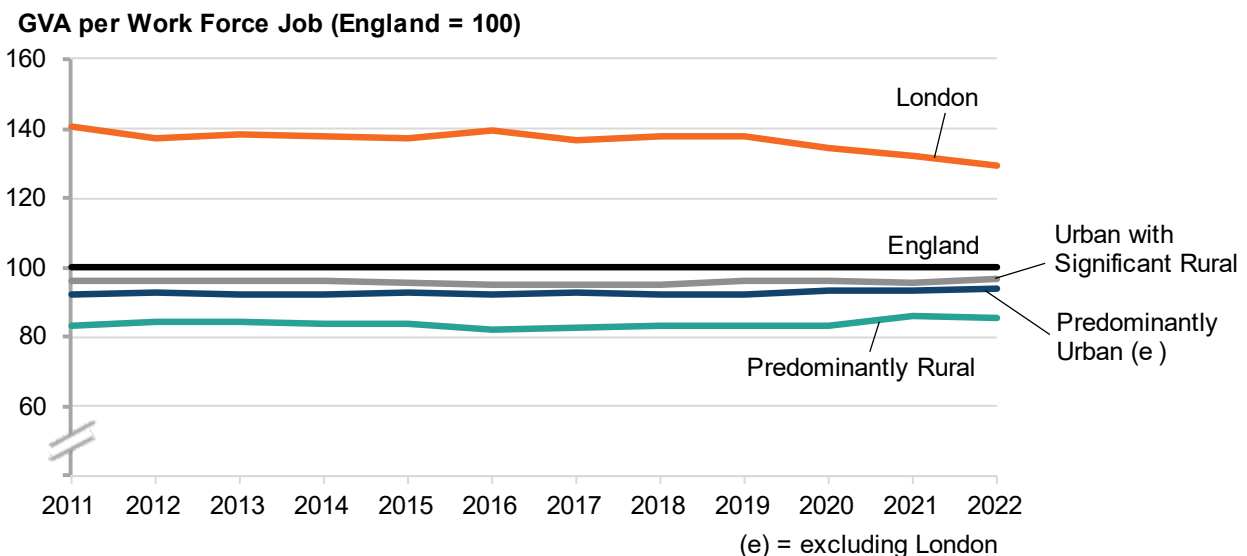


Table E-3: Gross Value Added (GVA) per workforce job (WFJ) (£ and as percentage of England level), by Local Authority Classification in England, 2022 (provisional) (Note E-5 and Note E-6)

	£	As percentage of England level
London	80,400	130
Urban with Major Conurbation	56,400	91
Urban with Minor Conurbation	49,200	79
Urban with City and Town	60,700	98
Urban with Significant Rural	60,200	97
Largely Rural	53,100	86
Mainly Rural	53,100	86
Predominantly Urban (excluding London)	58,200	94
Predominantly Rural	53,100	86
England	62,100	100

The nominal GVA per workforce job is highest in London at around £84,400 per workforce job in 2022 (provisional estimate). After London, Urban with City and Town areas had the highest values per workforce job (around £60,700) but was still below the value for England (£62,100).

For 2022, the GVA per workforce job in Predominantly Rural areas was £53,100 while in Predominantly Urban areas (excluding London) it was £58,200.

Notes

- GVA per workforce job is a measure of GVA divided by the workforce number.
- The analysis uses the 2011 Local Authority Rural Urban Classification for all years to allow comparison.

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

Different sections of the economy contribute very different amounts to England's GVA with over half of all GVA coming from just 3 sector groups of 'Public administration; education; health', 'Distribution; transport; accommodation and food' and 'Real estate activities' (see Figure E-5).

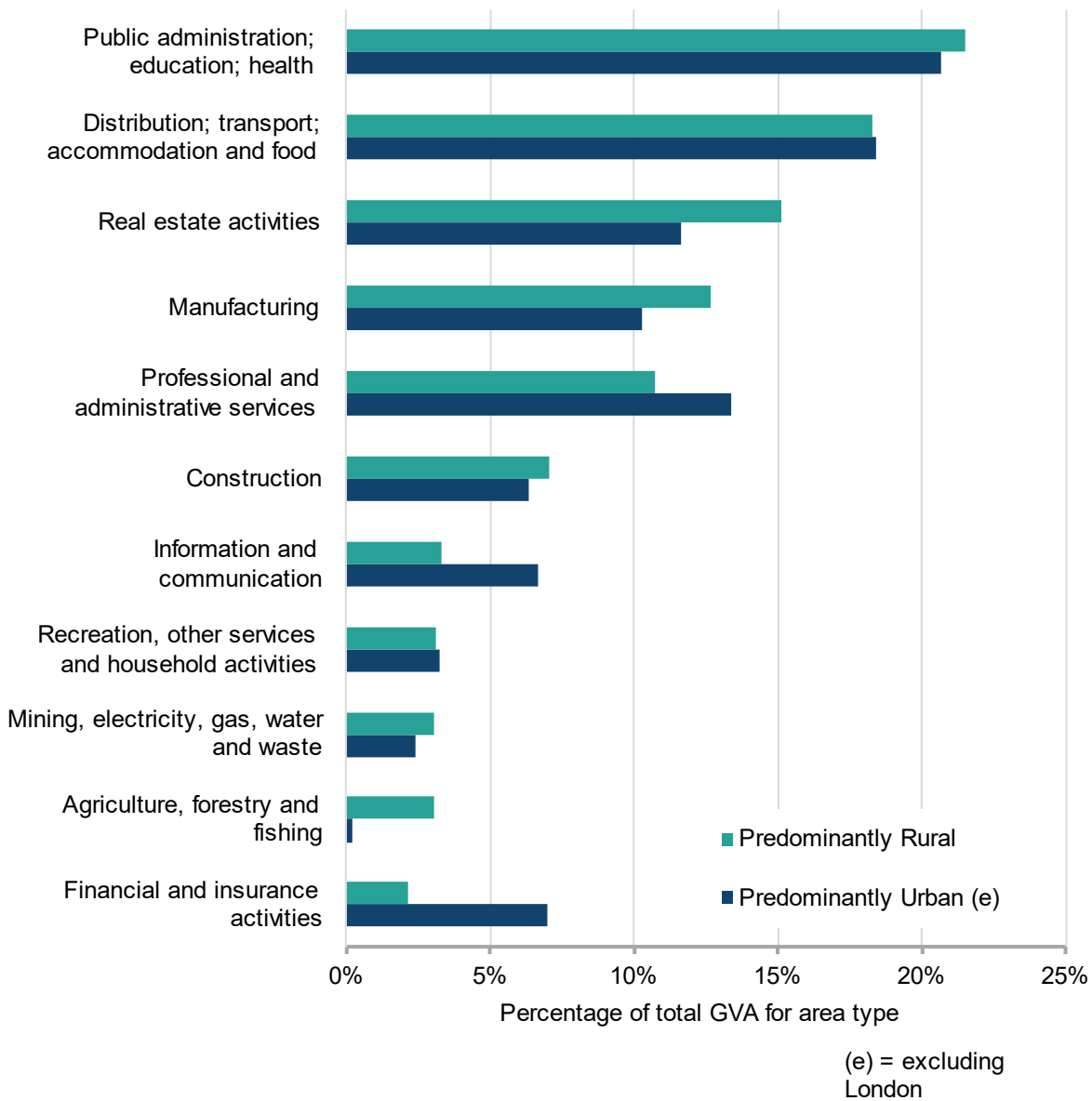
Figure E-5 shows that the industrial breakdown is broadly similar across Predominantly Rural areas and Predominantly Urban areas (excluding London). In both area types the combined sector of 'Public administration; education and health' contributes the most to GVA at 21% of GVA for both area types.

In Predominantly Rural areas the sectors where contributions to GVA are more dominant than in Predominantly Urban areas are 'Real estate activities' (15% in Predominantly Rural areas and 12% in Predominantly Urban areas (excluding London) and 'Manufacturing' (13% in Predominantly Rural areas and 10% in Predominantly Urban areas). 'Agriculture, forestry and fishing' contributed 3% (£8.6 billion) to Predominantly Rural GVA.

In Predominantly Urban areas the sectors where contributions to GVA are more dominant than in Predominantly Rural areas are 'Financial and insurance activities' (2% in Predominantly Rural areas and 7% in Predominantly Urban areas (excluding London) and 'Information and communication' (3% in Predominantly Rural areas and 7% in Predominantly Urban areas

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

Figure E-5: Percentage breakdown of Gross Value Added (GVA) by industry, and by Local Authority Classification in England, 2022 (provisional) (see Note E-7, Note E-8 and Note E-9)



Notes

- 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.

Gross Value Added (GVA) from Tourism

This section will be updated shortly.

Tourism makes an important contribution to the Rural economy. In 2018, GVA from tourism in Predominantly Rural areas was worth an estimated £11.5 billion, contributing 4% of total GVA in Predominantly Rural areas (see Table E-4).

Table E-4: Gross Value Added from Tourism, by Local Authority Classification in England, 2018 (Note E-11 and Note E-12)

	GVA from Tourism (£m)	Total GVA (£m)	Tourism GVA as a % of total GVA for classification
Predominantly Rural	11,530	260,645	4
England	96,355	1,643,300	6

Productivity explanatory notes

- **Note E-1**

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.

<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalregionalgrossvalueaddedbalancedperheadandincomecomponents>

www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedbalancedlocalauthoritiesbynuts1region

- **Note E-2**

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.

- **Note E-3**

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

- **Note E-4**

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.

- **Note E-5**

Data in Table E-3 is detailed in a table of GVA per workforce job figures broken down by broad local authority Rural-Urban classification covering 2001 to 2020 (provisional), available in the [Rural economy supplementary data tables](#).

- **Note E-6**

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

- **Note E-7**

Data in Figure E-5 is detailed in a table of 2020 (provisional) GVA figures broken down by industry and broad local authority Rural-Urban classification, available in the [Rural economy supplementary data tables](#).

- **Note E-8**

The 2011 Rural-Urban Classification for Local Authorities has been applied.

- **Note E-9**

Source: Defra analysis. Office for National Statistics, Gross Value Added (Balanced) at ITLs3 (broadly county level) by SIC07 industry codes at current basic prices. As of 1 January 2021, the internationally comparable regional geography for the UK is the International Territorial Levels (ITLs) geography. This has replaced the Nomenclature of Territorial Units for Statistics (NUTS) geographies for the UK that were operational when the UK was a member of the European Union. See the ONS "[International, regional and city statistics](#)" page for more information.

- **Note E-10**

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 ITLs3 (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.

- **Note E-11**

Source: Bespoke data request from Office for National Statistics, Annual Business Survey, specified Standard Industry Codes (SICs) relevant to the tourism industry, by Local Authority.

- **Note E-12**

Due to numerous suppressed values for local authorities in both Predominantly Urban and Urban with Significant Rural areas, values for 2018 GVA from tourism could not be calculated for these areas. Therefore, it has been agreed with the Office for National Statistics that rather than publishing a full Rural-Urban breakdown for 2018 that would be affected by suppressed values we would instead only present values for Predominantly Rural, and for England as a whole.

In the future these data will be presented using the broad Local Authority Rural-Urban Classification rather than the more detailed Local Authority classification used previously to avoid this issue reoccurring in the future.

- **Note E-13**

In April 2023 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 309 to 296. 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 Significant Rural now form part of Unitary Authorities categorised as Largely Rural. This change has been backdated across all time-series within this section..

F. Business demographics

In 2022/23, there were 549,600 businesses registered in Rural areas, accounting for 23% of all registered businesses in England.

Summary

The business demographics section considers businesses at both an 'Enterprise' (headquarters) level and Local Unit (individual branch) level. 'Businesses by size band' are based on Local Unit. This better reflects the make-up of Rural businesses as there can be many local business units in Rural areas whose headquarters are elsewhere (although this can apply vice versa).

Business composition looks at the number of businesses per 10,000 population. In 2022/23 there were 590 businesses per 10,000 population in Rural areas compared with 420 per 10,000 population in Urban areas. Businesses registered in Rural areas employed 3.8 million people, accounting for 14% of all those employed by registered businesses in England. Average turnover per person employed is lower in Rural areas than in Urban areas (£147,000 and £218,000 per person employed respectively).

In 2022, there were 41 registered business start-ups per 10,000 population in Predominantly Rural areas compared with 49 per 10,000 population in Predominantly Urban areas (excluding London).

The dominance of business size is different depending on whether you are looking at business numbers or employment. In both Rural and Urban areas, the size-band category with the greatest proportion of total businesses is those with between 1 and 9 employees, with 72% of businesses (local units) in this size band in Rural areas and 77% in Urban areas. When considering employment, in Rural areas the greatest proportion of employment occurs in those businesses with between 10 and 49 employees (30%). In Urban areas the greatest proportion of employment occurs within businesses that have 250 employees or more (30% of employment).

Small and Medium Enterprises (SMEs) are business enterprises employing fewer than 250 people. In 2022/23, there were 548,000 registered SMEs in Rural areas, representing 99.8% of all registered Rural enterprises. In Urban areas SMEs represented 99.5% of registered enterprises. 2.7 million people were employed in registered Rural SMEs, representing 70% of all those employed by registered Rural enterprises. SMEs account for 42% of those employed in registered Urban enterprises.

Business composition

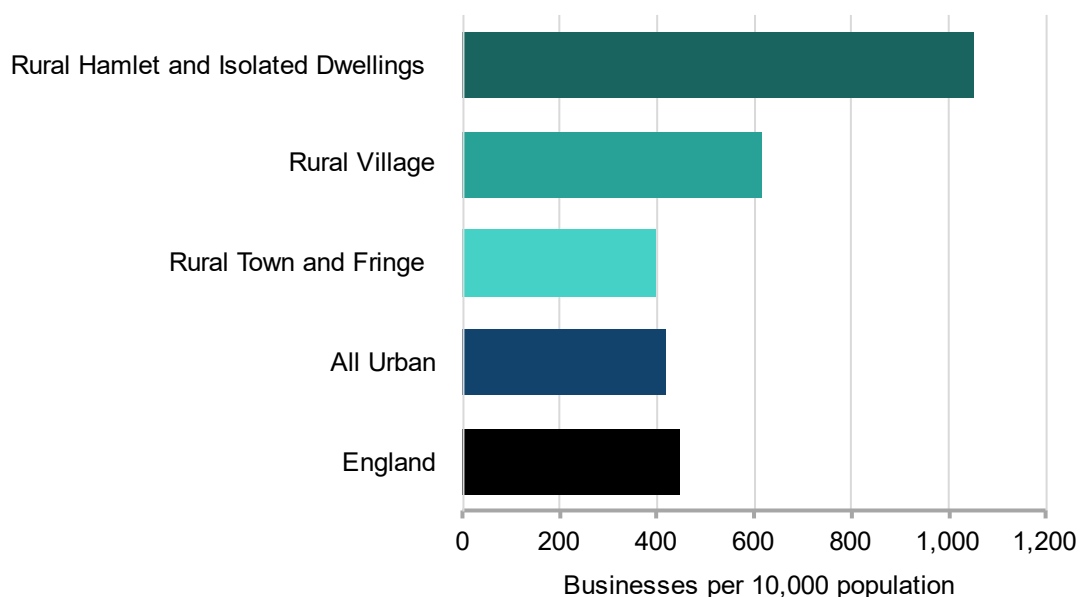
Business composition is based on Enterprises, which is the level at which businesses are registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE). In the case of a business operating at only one address, it will be registered at that address, but for businesses operating in several locations, it will be the location of the headquarters that is registered. If a business has branches in Rural areas, but the headquarters are registered within an Urban area, then the statistics for all the branches will be registered at the headquarters, and not counted as “Rural”. The later sections on ‘Businesses by industry type’, ‘Employment by industry type’ and ‘Businesses by size band’ are based on Local Unit data, which distinguishes the location of branches.

In 2022/23, there were 549,600 businesses registered in Rural areas, accounting for 23% of all registered businesses in England. Businesses registered in Rural areas employed 3.8 million people, accounting for 14% of all those employed by registered businesses in England. A further breakdown of business numbers, employment and turnover by Rural Urban classification can be found in the Rural economy supplementary data tables (Note F-3).

Number of businesses per population

The bar chart in Figure F-1 shows the number of businesses per 10,000 population. In 2022/23 there were 590 businesses per 10,000 population in Rural areas compared with 420 per 10,000 population in Urban. The more Rural an area is, the greater the number of registered businesses per population. In 2022/23, there were 1,050 registered businesses per 10,000 population in Rural Hamlets and Isolated Dwellings; whilst this was the greatest rate across all settlement types, Rural Hamlets and Isolated Dwellings are the most Rural settlement type and therefore have low populations. The number of businesses per 10,000 population will be affected by differences in sizes of business, sizes of settlements and other factors. In England overall, there were around 450 registered businesses per 10,000 population in 2022/23.

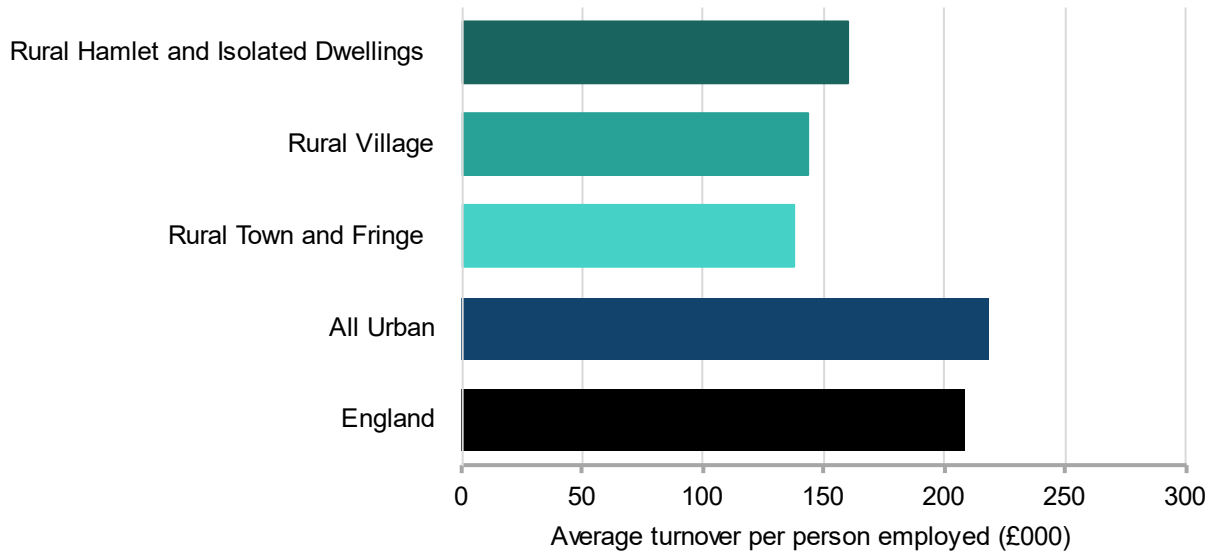
Figure F-1: Bar chart showing the number of registered businesses (single-site or headquarters) per 10,000 population, by Rural-Urban classification, in England, 2022/23 (Note F-1, Note F-2, Note F-3)



Average turnover per employee

The bar chart in Figure F-2 shows average turnover per person employed and how this varies across the settlement types. In 2022/23, average turnover per person employed was lower in Rural areas than in Urban areas (£147,000 and £218,000 per person employed respectively). The highest average turnover per employee was in Urban areas at £218,000. This was £59,000 more than the highest average turnover in Rural areas (in Rural Hamlets and Isolated Dwellings), at £160,000.

Figure F-2: Bar chart showing the average turnover per person employed (£000), by Rural-Urban Classification, in England, 2022/23 (Note F-1, Note F-2, Note F-3)

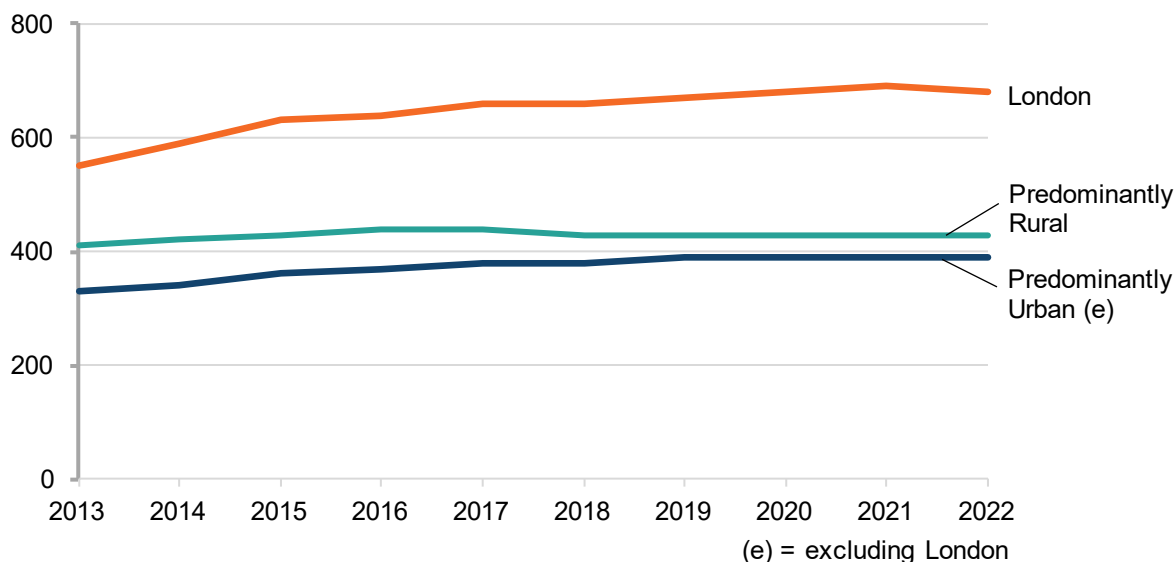


Business count

The line chart in Figure F-3 shows the number of registered businesses per population by Rural-Urban Classification between 2013 and 2022. The number of registered businesses per head of population is higher in Predominantly Rural areas (430 per 10,000 population in 2022) than in Predominantly Urban areas (excluding London) (390 per 10,000 population). London has the highest number of registered businesses per population at 680 per 10,000 population in 2022.

Between 2021 and 2022 the number of businesses per head of population remained the same in both Predominantly Rural and Predominantly Urban areas (excluding London). There was an increase in the number of businesses per population in Predominantly Rural areas between 2013 and 2016 but there has been little change since then. Predominantly Urban areas (excluding London) have shown a steady increase in businesses until 2019 with numbers showing little change since then. In London, the number of businesses per head of population increased steadily until 2022 when numbers saw a slight drop.

Figure F-3: Line chart showing the number of registered businesses per 10,000 population by Local Authority Rural-Urban Classification, in England, 2013 to 2022 (Note F-4 and Note F-5)



Notes

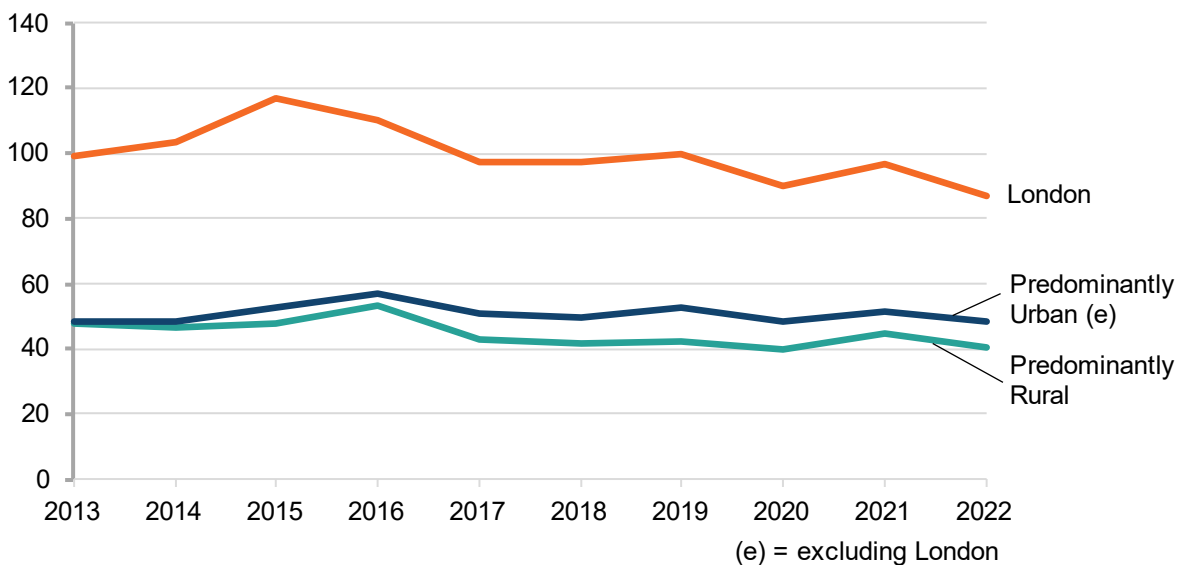
- The data come from Business Demography, which includes businesses that are PAYE registered but not VAT registered. Registered businesses are based on the location of the registered head office, if in multiple locations.

Business start-ups

The line chart in Figure F-4 shows the number of registered business start-ups per population by Rural-Urban Classification between 2013 and 2022. During the last decade the numbers of registered business start-ups per population were initially very similar (in relative terms) in Predominantly Rural and Predominantly Urban areas (excluding London). However, since 2015 the numbers of start-ups per population in Predominantly Urban areas (excluding London) is higher than those in Predominantly Rural areas. In London, numbers are consistently higher, but have shown more fluctuation over time. All area types have seen a decrease in the number of business start-ups per population between 2021 and 2022.

In 2022, there were 41 registered business start-ups per 10,000 population in Predominantly Rural areas compared with 49 per 10,000 population in Predominantly Urban areas (excluding London). These numbers show a decrease on 2021 start-ups of 9% in Predominantly Rural areas compared with a smaller decrease in Predominantly Urban areas (excluding London) of 6%. When looking at changes since 2013 both Predominantly Rural areas and London have lower numbers of business start-ups now than in 2013 (by 7 and 5 business start-ups respectively) while Predominantly Urban areas are the same.

Figure F-4: Line chart showing the number of registered business start-ups per 10,000 population by Local Authority Rural-Urban Classification, in England, 2013 to 2022 (Note F-5 and Note F-6)



Businesses by size band

In the following section the business size band refers to individual Local Unit level businesses, it is not allocated at the Enterprise level.

The number of employees refers to the number of people working within the business under a contract of employment in return for a wage or salary. A business can have no employees, if all the business is conducted by people classed as being working proprietors (i.e. sole traders or partnerships).

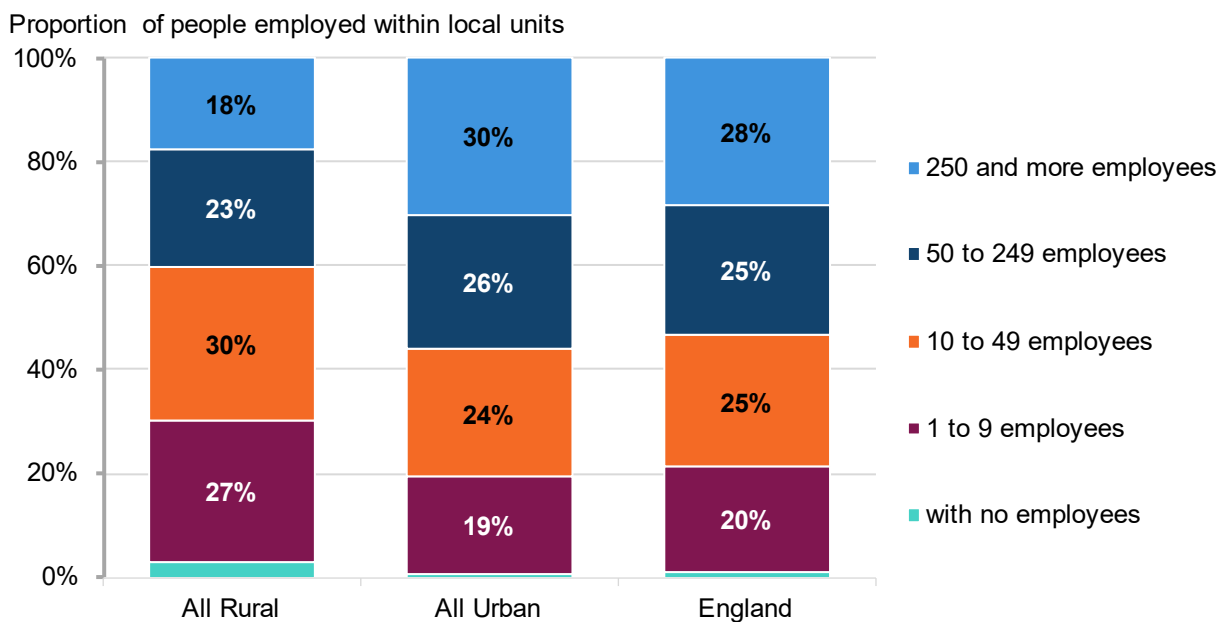
The number of people employed is a sum of employees and self-employed people who run the business.

Employment by size band

The stacked column chart in Figure F-5 shows how the size of business (in terms of number of people employed within local units of businesses) differs between Rural and Urban areas. It shows that the majority of Rural businesses (local units) have less than 50 employees while the majority of Urban businesses (local units) have more than 50 employees. In Rural areas overall the greatest proportion of employment occurs in those businesses with between 10 and 49 employees (30%). In Urban areas the greatest proportion of employment occurs within businesses that have 250 employees or more (30% of employment).

Figure F-5: Stacked column chart showing percentage of people employed within local units by size bands of registered businesses and Rural-Urban Classification, in England, 2022/23 (Note F-2 and Note F-7)

The legend is presented in the same order and orientation as the clusters of bars.



In Rural areas, just 18% of people employed in the local units of registered businesses are employed in those businesses with 250 or more employees; this rises to 30% in Urban areas.

A micro-business is a business with between 1 and 9 employees. The proportion of people employed in micro-businesses in Rural areas was 9 percentage points higher than in Urban areas (27% and 19% respectively).

When looking at numbers of local units of registered businesses the category with the greatest proportion of total businesses is those with between 1 and 9 employees, with 72% of businesses (local units) in this size band in Rural areas and 77% in Urban areas. Further details of business

numbers by business size band can be found in the Rural economy supplementary data tables (Note F-7).

In Rural areas 16% of businesses have no employees (e.g., sole traders and partnerships), this is 9 percentage points higher than in Urban areas (7%).

Notes

- The statistics are based on individual business units rather than the location of the headquarters of the enterprise. There may be many local business units in Rural areas whose headquarters are elsewhere, and vice versa.
- 'With no employees' comprises mainly sole proprietorships and partnerships. This category also includes around 21,200 businesses classed as 'Other' – with no employees and no employment (about 0.8% of the total business count).

Small and Medium-sized businesses (SMEs)

Please note, the final paragraph of page 62 and the title for Figure F-7 have been amended. They previously referred to numbers of employees when they should have referred to numbers of businesses.

Small and Medium Enterprises (SMEs) are business enterprises employing fewer than 250 people. Businesses are categorised at the enterprise level in this section, and not at the local unit level as in the previous 'Businesses by size band' section.

In England in 2021/22, there were 2.4 million SMEs registered for PAYE and/or VAT (Note F-8), providing employment for 12.6 million people. However, it is estimated that in England there are an additional 2.4 million unregistered businesses i.e., those who are not registered for VAT and do not have employees registered for PAYE (Note F-8).

For registered businesses, information is available on their location, principal activity, employment and turnover, and for those who operate on multiple sites, the location and employment in individual business units. Information on registered SMEs is presented below.

Less is known of unregistered businesses and in particular until now there have been no estimates of how many are based in Rural areas. However, analysis of data from the Longitudinal Small Business Survey, which included unregistered businesses, provides further insights on SMEs in Rural areas. Some results from the analysis are presented in [Appendix 3](#) at the end of this report. These suggest that 73.3% of all SMEs in Rural areas have no employees. Note that this includes both registered and unregistered businesses and hence is not comparable with statistics presented in this section for registered businesses as the majority of unregistered businesses will have no employees. Of registered SMEs in Rural areas 16.9% have no employees.

Enterprises are considered Rural registered businesses if their single site of operation or headquarters - as registered for the purposes of Pay-As-You-Earn (PAYE) tax or Value Added Tax (VAT), or both - are located in a Rural area.

Analysis of registered SMEs from Interdepartmental Business Register (IDBR)

Whilst almost all registered businesses are small or medium enterprises (SME) in both Rural and Urban areas, a much higher proportion of people are employed by Rural registered SMEs than in Urban areas. Table F-1 shows the statistics on registered small and medium-sized enterprises

(SMEs) by Rural-Urban Classification. In 2022/23, there were 548,000 registered SMEs in Rural areas, representing 99.8% of all registered Rural enterprises. SMEs in Rural areas accounted for 23% of all those in England overall. In Urban areas SMEs represented 99.5% of registered enterprises. In 2022/23, 2.7 million people were employed in registered Rural SMEs, representing 70% of all those employed by registered Rural enterprises. SMEs account for 42% of those employed in registered Urban enterprises.

Table F-1: Number of registered small and medium enterprises, employment and turnover, by Rural Urban classification, in England, 2022/23 (Note F-9)

Rural-Urban Classification	Number of registered SMEs ('000s)	Employment by registered SMEs ('000s)	Employment by SMEs as a percentage of all employment by registered enterprises (%)	Average turnover per person employed (£000s)
All Urban	1,812	9,959	42	214
All Rural	548	2,664	70	133
England	2,361	12,623	46	197

Average turnover per person employed is lower in Rural registered SMEs (£133,000) than in Urban registered SMEs (£214,000), which is dominated by those in Urban with Major Conurbations (£294,000) (Note F-9).

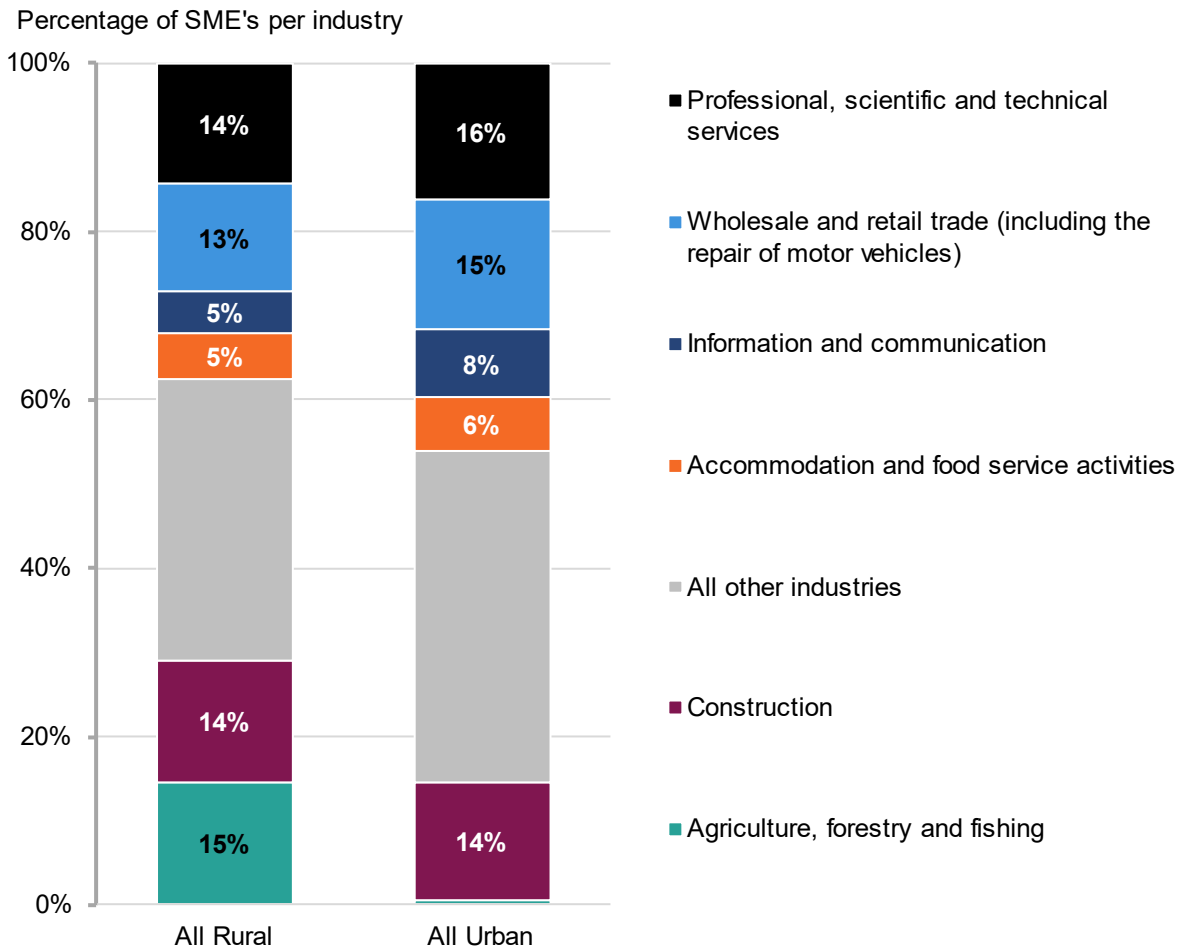
The stacked column chart in Figure F-6 shows those sectors where the business count proportions by sector for the Rural-Urban Classifications differs the most from England averages. Service type sectors are shown at the top with Construction and 'Agriculture, forestry and fishing' at the bottom.

SMEs in 'Agriculture, forestry and fishing' sectors account for 15% of Rural registered SMEs. This percentage is slightly higher than when considering the sector representation at a local business unit level (see [Businesses by industry type](#)).

Other sectors that are dominant at the local business unit level are similarly dominant at the SME level, such as 'Professional, scientific and technical services' (14%), 'Wholesale and retail trade including the repair of motor vehicles' (13%), and 'Construction' (14%).

Figure F-6: Stacked column chart showing percentage of registered small and medium enterprises by industry and Rural-Urban Classification, in England, 2022/23 (Note F-10)

The legend is presented in the same order and orientation as the stacked columns.

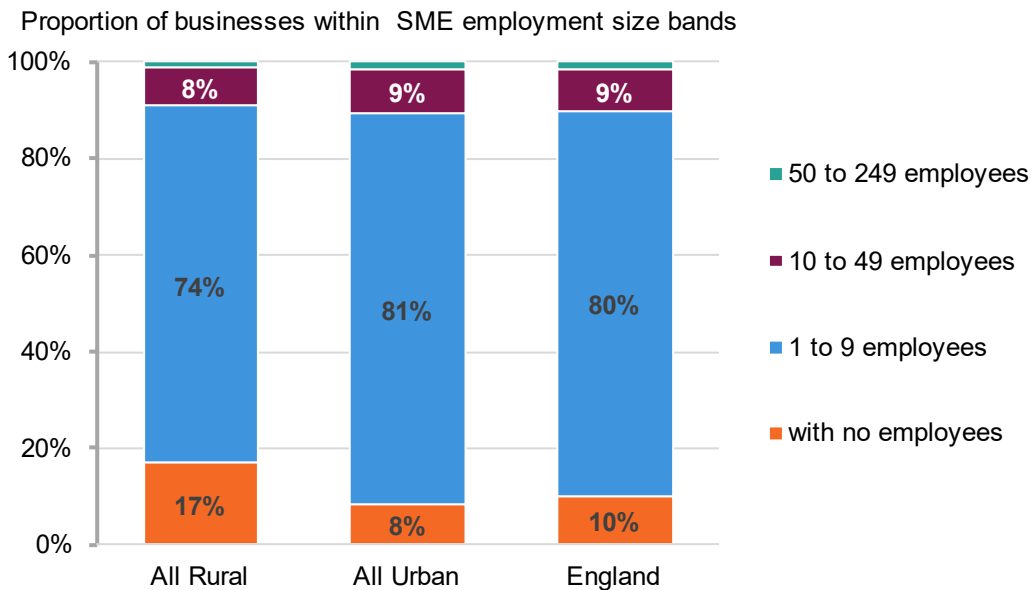


The following paragraph and the title for Figure F-7 have been amended. They previously referred to numbers of employees when they should have referred to numbers of businesses.

When considering SME business numbers by business size band (categorised by number of employees), 16.9% of Rural registered SMEs have no employees, compared with 8.2% of Urban registered SMEs. The majority of Rural registered SMEs (74%), have 1 to 9 employees, though this is lower than for Urban registered SMEs (81%) as shown in the stacked column chart in Figure F-7. Tables showing these additional more detailed breakdowns can be found in the Rural economy supplementary data tables. See Note F-9 for further details.

Figure F-7: Stacked column chart showing percentage of registered SME businesses by size (categorised by number of employees) and Rural-Urban Classification, in England, 2022/23

The legend is presented in the same order and orientation as the stacked columns.



Notes

- On Figure F-7 the unlabelled bars are 2% or smaller.

Business demographics explanatory notes

• Note F-1

On the Inter-Departmental Business Register (IDBR), the enterprise is the statistical unit that most closely equates to a business. It holds aggregated information gathered from administrative and statistical sources within that enterprise to give an overall picture of what is going on in the business. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit.

Turnover relates to income received by a business from the 'sale of goods and or services charged to third parties'. The IDBR does not include businesses whose turnover is below the tax threshold. As turnover is reported at the enterprise level it is affected by where businesses report their headquarters to be. As such there can be variation from year to year as a result of businesses relocating

Further information: [see this ONS document about the Inter-Departmental Business Register](#)

• Note F-2

Source: ONS, Inter Departmental Business Register (IDBR), 2022/23

• Note F-3

Data in Figure F-1 and Figure F-2 are detailed in tables containing further key 2022/23 statistics on registered businesses including number of registered businesses, number of people employed and turnover. These are available broken down by detailed Rural-Urban classification in the [Rural economy supplementary data tables](#) (see worksheet FA).

- **Note F-4**

Data in Figure F-3. can be found in a table of business figures per 10,000 population broken down by detailed local authority Rural-Urban classification for 2007 to 2022. This is available in the [Rural economy supplementary data tables](#) (see worksheet FB).

- **Note F-5**

Source: [ONS - VAT Registrations and De-Registrations, ONS - Business Demography: Enterprise Births, Deaths and Survivals, Tables 1.1 and 3.1](#) This includes businesses that are PAYE registered but not VAT registered. Further research is available on '[Drivers of Rural business employment growth, decline and stability](#)'.

- **Note F-6**

Data in Figure F-4 can be found in a table of business start-up figures per 10,000 population broken down by detailed local authority Rural-Urban classification for 2007 to 2022. This is available in the [Rural economy supplementary data tables](#) (see worksheet FC).

- **Note F-7**

Data in Figure F-5 is detailed in a table of 2022/23 employment figures broken down by business size band and detailed Rural-Urban classification which is available in the [Rural economy supplementary data tables](#) (see worksheet FE).

- **Note F-8**

Business population estimates for 2022 published by the Department for Business and Trade (formerly the Department for Business, Energy and Industrial Strategy) suggest there are 4.8 million business in England ([Business population estimates 2022 - GOV.UK \(www.gov.uk\)](#)). Office for National Statistics estimate there are 2.4 million registered businesses in England. This suggests there are 2.4 million unregistered businesses in England.

- **Note F-9**

A breakdown of Table F-1 using a more detailed Rural-Urban classification is available in the [Rural economy supplementary data tables](#) (see worksheet FI). A further table that breaks SMEs down by business size band (in terms of employment) and detailed Rural-Urban classification is also available.

- **Note F-10**

The 'all other industries' grouping is made up of: (1) Administrative and support services, (2) Arts, entertainment and recreation, (3) Education, health and social work, (4) Finance, (5) Manufacturing, (6) Mining/ quarrying and utilities, (7) Public admin and defence; other services, (8) Real estate activities, (9) Transport and storage and (10) Other service activities, including activities of households as employers.

G. Businesses by industry

In 2022/23 the ‘Agriculture, forestry and fishing’ sector had the largest proportion of business numbers in Rural areas (14% of all businesses for the area type) but only accounted for 7% of all employment for the area type, with the ‘Education, health and social work sector’ having the largest proportion of employment for the area type (16%).

Summary

Businesses by industry are based on Local Unit (individual branch) level. This better reflects the make-up of Rural businesses as there can be many local business units in Rural areas whose headquarters are elsewhere (although this can apply vice versa).

Looking at total business numbers by industry type the industry type with the greatest percentage of businesses in Rural areas is ‘Agriculture, forestry and fishing’ with 14% of total businesses for the area type. This is closely followed by 3 industry types all with 13% of business numbers (‘Construction’, ‘Professional, scientific and technical services’ and ‘Wholesale and retail trade - including repair of motor vehicles’). In Urban areas the dominant industry type is ‘Wholesale and retail trade (including repair of motor vehicles)’ with 17% of all businesses.

In terms of employment by industry type the sector with the largest proportion of employment in both Rural and Urban areas is ‘Education, health and social work’ at 16% and 22% respectively.

In 2022/23, there were 69,900 tourist related businesses registered in Rural areas, accounting for 12% of all registered businesses in Rural areas. This compares with 278,900 tourist related businesses in Urban areas (13% of all businesses in Urban areas). However, when considering employment from tourism related businesses the proportion is higher in Rural areas (14%) than in Urban areas (11%).

Businesses by industry type

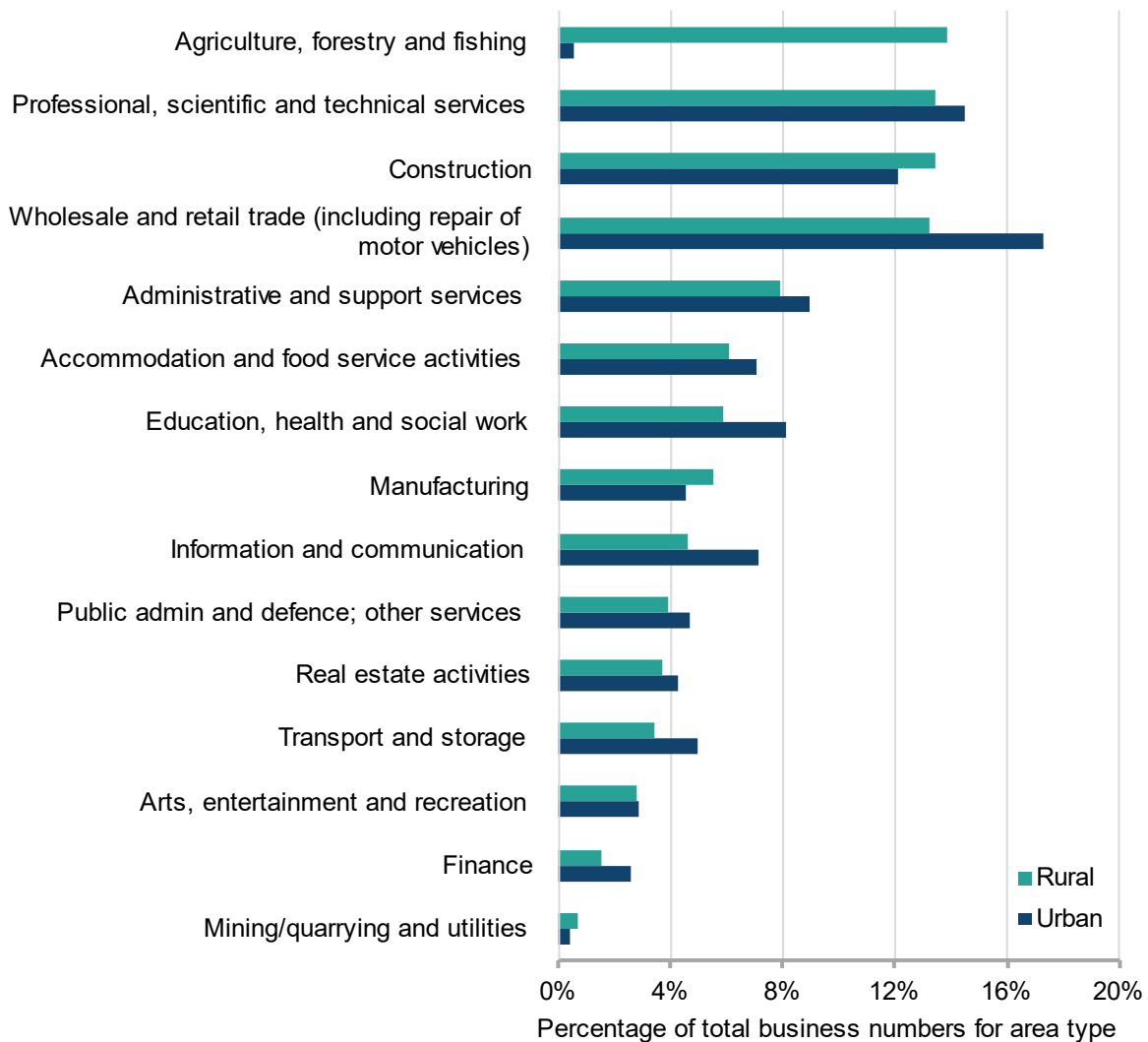
Important note: ‘Businesses by industry type’ and ‘Businesses by size band’ are based on Local Unit. This better reflects the make-up of Rural businesses as there can be many local business units in Rural areas whose headquarters are elsewhere (although this can apply vice versa).

Proportion of total businesses by industry

The clustered bar chart in Figure G-1 shows how businesses in Rural and Urban areas are divided across the various industries. In Rural areas the industry type with the greatest percentage of businesses is ‘Agriculture, forestry and fishing’ with 14%, closely followed by ‘Construction’, ‘Professional, scientific and technical services’ and ‘Wholesale and retail trade (including repair of motor vehicles)’ all with 13%. In Urban areas the industry type with the greatest percentage of businesses is ‘Wholesale and retail trade (including repair of motor vehicles)’ with 17% of all businesses’, followed by ‘Professional, scientific and technical services (15%) and ‘Construction’ (12%).

Figure G-1: Clustered bar chart showing percentage of local unit registered businesses by industry, by Rural-Urban Classification, in England, 2022/23 (Note G-1 and Note G-2)

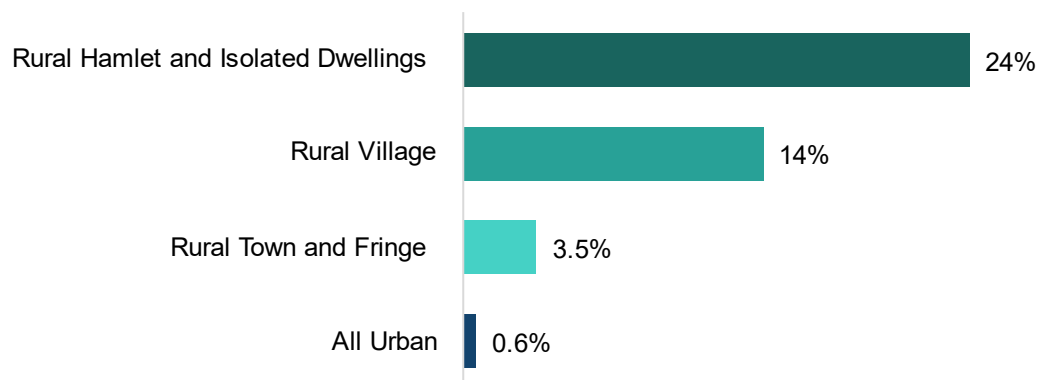
The legend is presented in the same order and orientation as the clusters of bars.



The bar chart in Figure G-2 shows how important the ‘Agriculture, forestry and fishing’ industry is across the various settlement types. In Rural areas the industry makes up 14% of all businesses for the settlement type. The industry ‘Agriculture, forestry and fishing’ is most dominant in Rural Hamlets and Isolated Dwellings areas with 24% of all businesses for that settlement type.

In 2022/23, ‘Agriculture, forestry and fishing’ accounts for 14% of the local units of registered businesses in Rural areas overall. They are dominant sectors in Rural Hamlets and Isolated Dwellings, and Rural Villages. In England overall the ‘Agriculture, forestry and fishing’ sector accounts for 3.5% of the local units of registered businesses.

Figure G-2: Bar chart showing Agriculture, Forestry and Fishing businesses as a percentage of total local units of registered businesses by Rural-Urban Classification, in England, 2022/23 (Note G-1)



Number of businesses by industry

The clustered bar chart in Figure G-3 shows numbers of local units of registered businesses by broad industry category for both Rural and Urban areas. In Rural areas the industry category with the greatest number of businesses was ‘Agriculture, forestry and fishing’ (83,100 businesses) while in Urban areas it was ‘Wholesale and retail trade (including repair of motor vehicles)’ (369,500 businesses). The category with the smallest number of businesses was the same for both Rural and Urban areas, being ‘Mining/quarrying and utilities’ at 4,300 and 9,000 businesses respectively.

Industries in Rural and Urban areas show broadly similar growth patterns between 2011/12 and 2022/23, although increases in Urban areas were generally of a greater magnitude (see the line charts in Figure G-4). Between 2021/22 and 2022/23 most industry categories have seen a fall in business numbers. Exceptions to this trend are ‘Accommodation and food service activities’ (minimal change), ‘Administrative and support services’ (small increase for Rural, small decrease for Urban), ‘Construction’ (small increase for Rural and no change for Urban) and ‘Education, health and social work’ where both Rural and Urban areas have seen a small increase in business numbers. Those industry categories with smaller numbers of businesses in Rural areas have not been plotted but their numbers are available in the [Rural economy supplementary data tables](#).

Figure G-3: Clustered bar chart showing numbers of local units of registered businesses in Rural and Urban areas by industry, 2022/23, in England (Note G-1 and Note G-2)

The legend is presented in the same order and orientation as the clusters of bars.

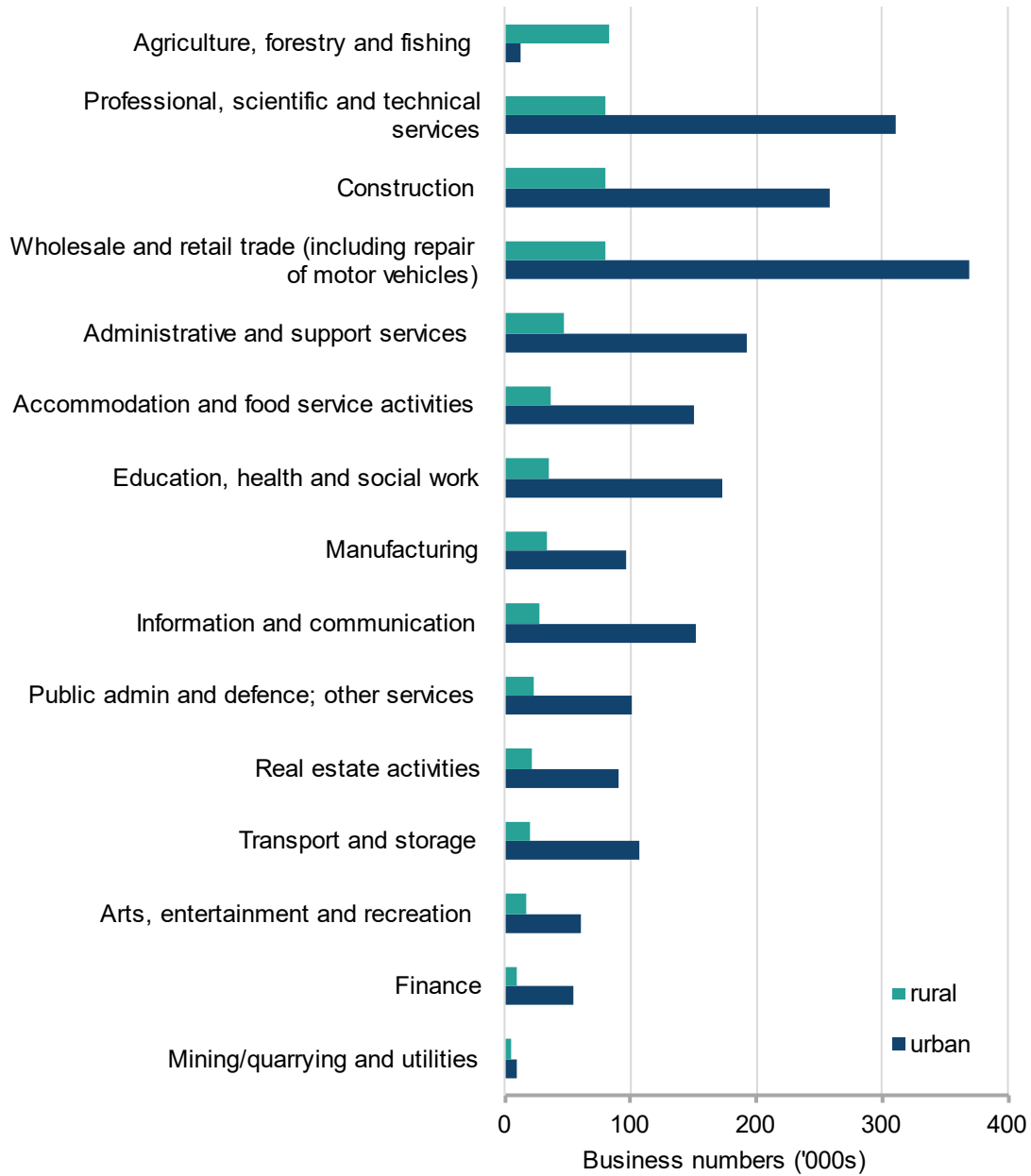
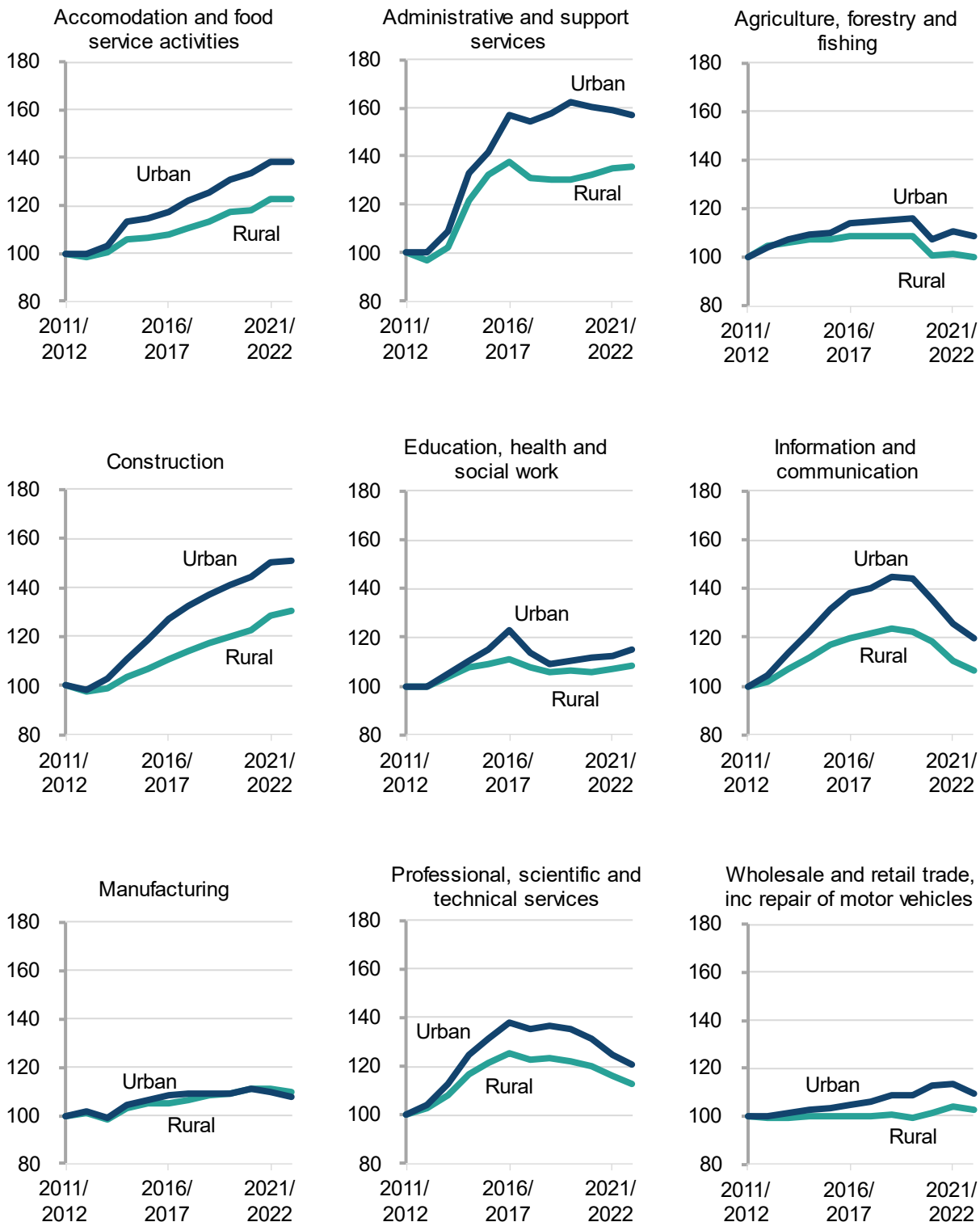


Figure G-4: Line charts showing Index (2011/12 = 100) of change in numbers of local units of registered businesses in Rural and Urban areas by industry between 2011/12 and 2022/23, in England (Note G-2)

There are 9 charts presented alphabetically in 3 rows and columns.



Notes

- The statistics are based on individual business units rather than the location of the headquarters of the enterprise. There may be many local business units in Rural areas whose headquarters are elsewhere, and vice versa.

Employment by industry type

The number of employees refers to the number of people working within the business under a contract of employment in return for a wage or salary. A business can have no employees, if all the business is conducted by people classed as being working proprietors (i.e., sole traders or partnerships).

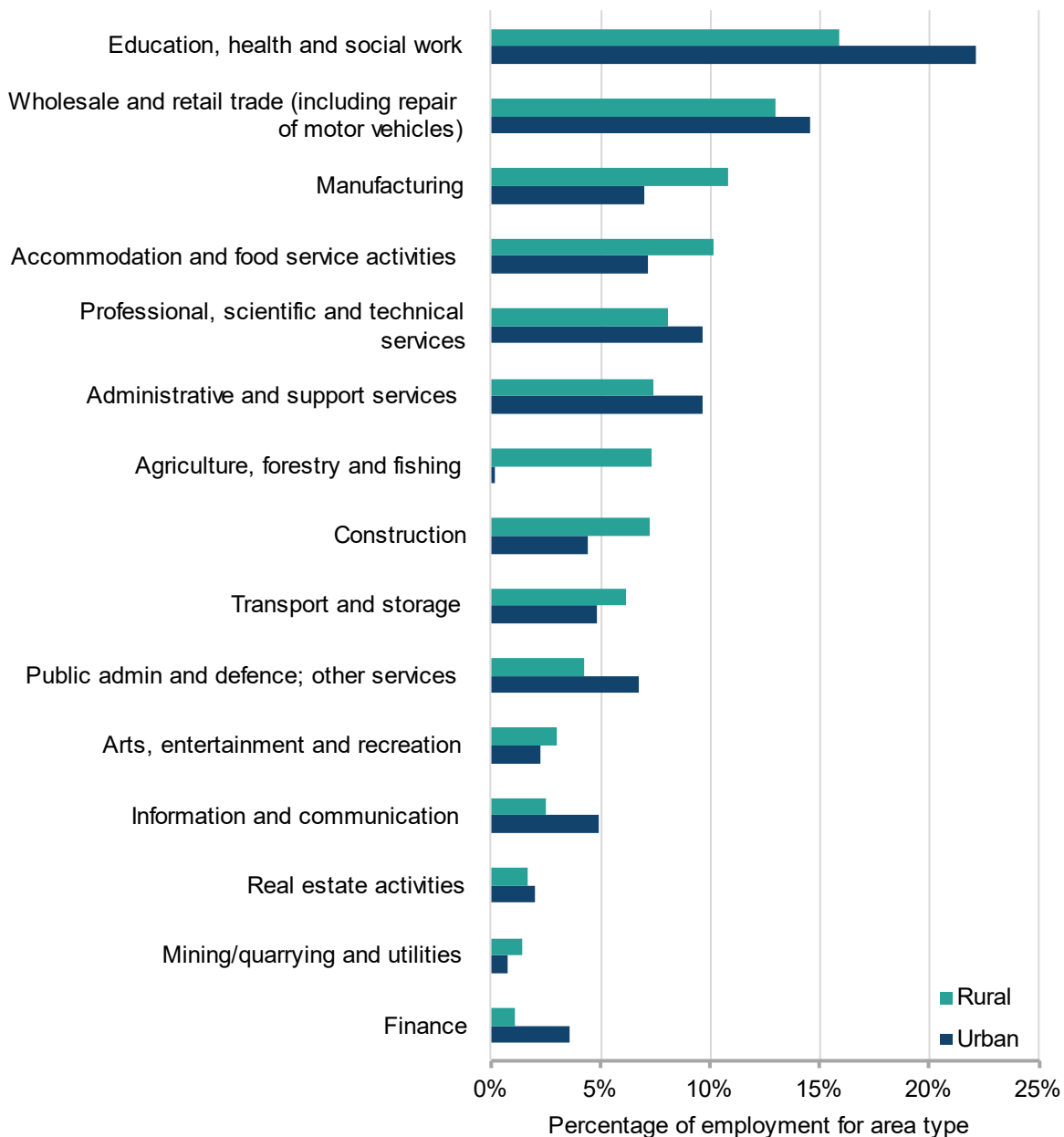
The number of people employed is a sum of employees and self-employed people who run the business.

Proportion of total employment by industry

The clustered bar chart in Figure G-5 shows the proportion of total employment by broad industry category for both Rural and Urban areas, showing that the sector with the largest proportion of employment in both Rural and Urban areas is 'Education, health and social work' at 16% and 22% respectively. In Rural areas this is followed by 'Wholesale and retail trade (including repair of motor vehicles)', 'Manufacturing' and 'Accommodation and food service activities' with 13%, 11% and 10% respectively, while in Urban areas the next largest sectors for employment are 'Wholesale and retail trade (including repair of motor vehicles)' (15%) and 'Administrative and support services' along with 'Professional, scientific and technical services' both with 10%. All remaining sectors have proportions of total employment that are smaller than 10%.

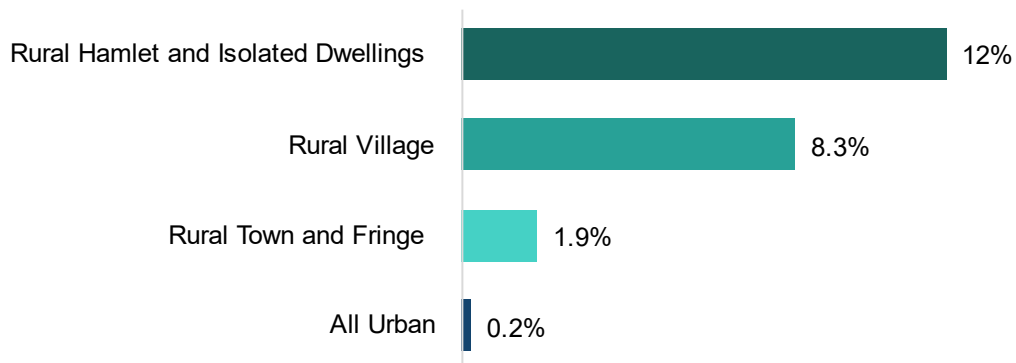
Figure G-5: Clustered bar chart showing percentage of employment within local units of registered businesses by industry, by Rural-Urban Classification, in England, 2022/23 (Note G-2)

The legend is presented in the same order and orientation as the clusters of bars.



The bar chart in Figure G-6 focuses on employment in the ‘Agriculture, forestry and fishing’ sector as a percentage of total employment. In Rural areas employment in the ‘Agriculture, forestry and fishing’ sector accounts for 7.4% of all employment in this settlement type.

Figure G-6: Bar chart showing employment in Agriculture, forestry and fishing businesses as a percentage of total employment in local units of registered businesses by Rural-Urban Classification, in England, 2022/23



'Agriculture, forestry and fishing' is the only sector that is greater in terms of actual employment numbers when comparing Rural areas with Urban areas, with employment figures of 311,600 working in the sector in Rural areas compared with 48,700 working in the sector in Urban areas. It is likely that in Urban areas the employment within the 'Agriculture, forestry and fishing' sector will be heavily weighted towards the fishing sector (Note G-4). All other sectors have greater employment numbers in Urban areas than Rural areas ([Rural economy supplementary data tables](#)).

Tourism: business counts and employment

Tourism related businesses do not have their own separate category of Standard Industrial Classification (SIC), instead the analysis in this section uses those business types that are linked to the tourism industry. These businesses fall within a number of the broad industry classifications; 'Distribution, transport, accommodation and food', 'Professional and administrative services', 'Real estate activities' and 'Recreation, other services and household activities'.

In 2022/23, there were 69,900 tourist related businesses registered in Rural areas, accounting for 12% of all registered businesses in Rural areas. In Urban areas there were 278,900 tourist related businesses accounting for 13% of all businesses in Urban areas. When considering employment from tourism related businesses the proportion is higher in Rural areas (14%) than in Urban areas (11%) with employment numbers of 0.6 million and 2.5 million respectively.

The column charts in Figure G-7 and Figure G-8 and Table G-1 show tourism related business counts and employment as a proportion of total business counts and employment. Figure G-7 shows that when considering business numbers for tourism as a proportion of total business counts the proportion is slightly higher in Urban areas compared with Rural areas (13% and 12% respectively).

Figure G-7: Column chart showing tourism related business counts as a proportion of total business counts, by Rural-Urban Classification, England, 2022/23

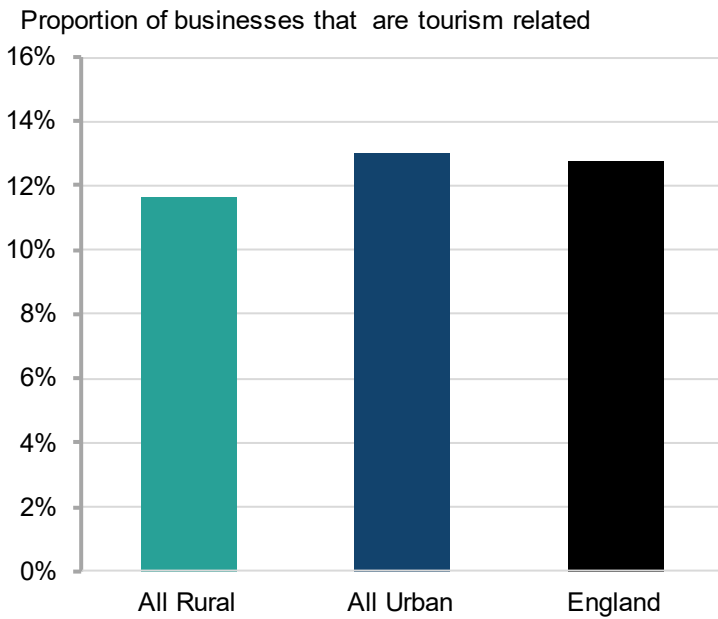


Figure G-8 shows that when considered as a proportion of total employment the proportion for those working in tourism related industries is higher in Rural areas (14%) compared with 11% in Urban areas.

Figure G-8: Column chart showing tourism related employment as a proportion of total employment, by Rural-Urban Classification, England, 2022/23

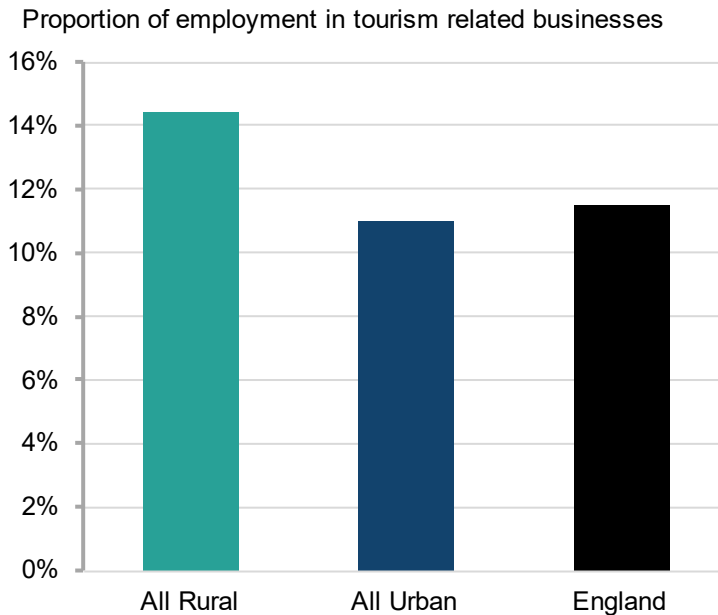


Table G-1: Numbers of local units of registered businesses and employment numbers for tourism related businesses, by Rural-Urban Classification, 2022/23 (Note G-1 and Note G-3)

	Count of businesses	Total employment (000s)	Tourism related business count as a % of total business count	Tourism related employment as a % of total employment
Rural	69,900	612	12%	14%
All Rural Town and Fringe	25,700	188	12%	13%
All Rural Village and Hamlet	44,200	424	11%	15%
Urban	278,900	2,504	13%	11%
England	348,800	3,117	13%	12%

Businesses by industry explanatory notes

- **Note G-1**

Source: ONS, Inter Departmental Business Register (IDBR), 2022/23

- **Note G-2**

Data in Figure G-1, Figure G-3, Figure G-4 and Figure G-5 are detailed in tables of 2022/23 business figures broken down by industry and detailed Rural-Urban classification, available in the [Rural economy supplementary data tables](#) (see worksheets GA and GC and GD).

- **Note G-3**

Data in Table G-1 showing the number of tourism related businesses and employment within those businesses in 2022/23, broken down using a more detailed Rural-Urban classification are available in the supplementary data tables. The previous table showing GVA from tourism is also replicated in the [Rural economy supplementary data tables](#).

- **Note G-4**

The publication '[UK sea fisheries annual statistics report 2022](#)' gives an indication of the number of people employed in the fishing industry.

H. Innovation and investment

The proportion of businesses undertaking broader innovation activities is similar in Rural and Urban areas, but capital investment per employee is generally lower in Predominantly Rural areas than Predominantly Urban areas.

Summary

Broad innovation activities can include introducing new or significantly improved products (good or services) or processes; new or improved forms of organisation, business structures or practices, or activities in areas like internal research and development, training, acquisition of external knowledge or machinery, and equipment linked to innovation activities.

Broader innovation activities were undertaken by 58% of Rural businesses and 57% of Urban businesses surveyed between 2012 and 2014.

Capital investment is where companies spend money on fixed assets (typically land, buildings, or machinery) with the expectation that productivity will increase as a result of the investment. In 2018, investment per employee in Predominantly Rural areas was £4,700, compared with £4,900 in Predominantly Urban areas excluding London, and £5,800 in London.

Businesses engaged in innovation

Figure H-1 shows that broader innovation activities were undertaken by 58% of Rural businesses and 57% of Urban businesses surveyed between 2012 and 2014 suggesting that being situated in a Rural or Urban area had little effect on the innovation practices of businesses surveyed.

There are a higher proportion of businesses involved in broader innovation located in areas of Rural Town and Fringe than in areas of Rural Village and Hamlet (61% and 56% respectively).

Figure H-1: Percentage of businesses in England engaged in broader innovation-related activities, 2012 to 2014 ([Note H-1](#))

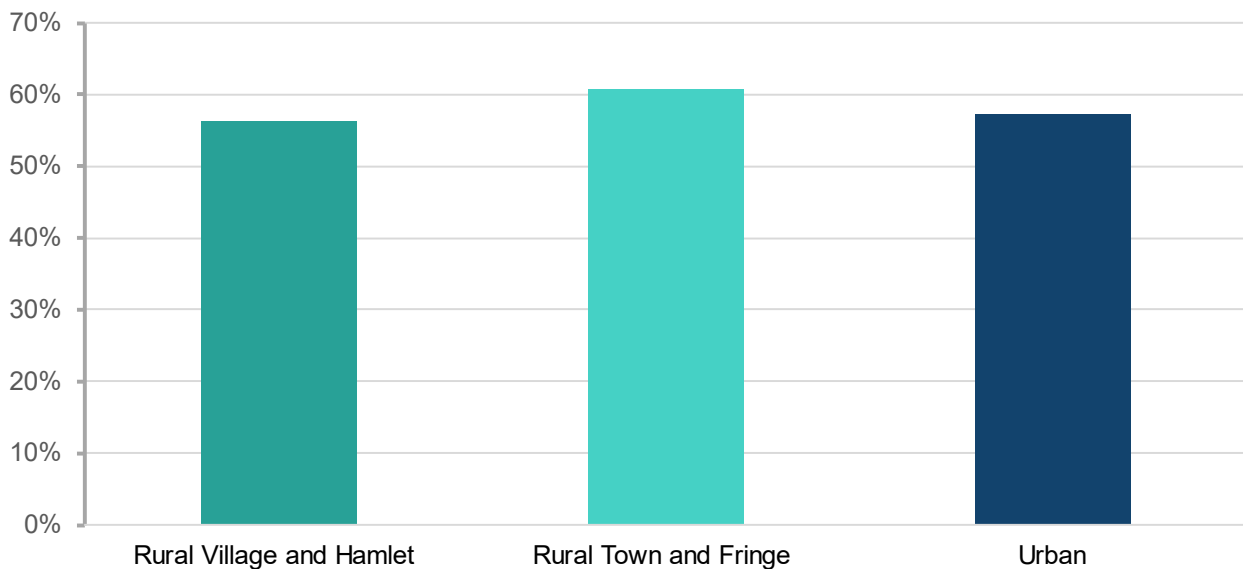


Table H-1: Business involvement with broader-innovation-related activities, 2012 to 2014

	Broader innovators, percentage of businesses	Not broader innovators, percentage of businesses
Urban	57	43
Rural Town and Fringe	61	39
Rural Village and Hamlet	56	44
Rural total	58	42
England	57	43

Capital investment per employee

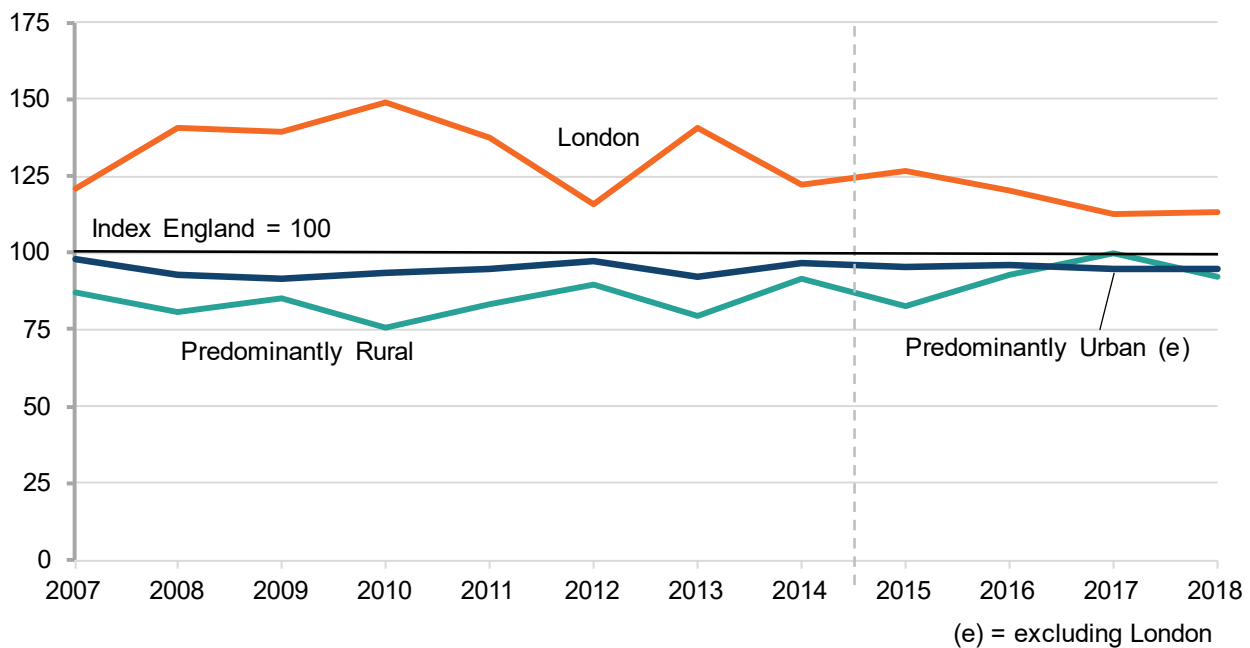
Companies undertake ‘capital investment’ when spending money on fixed assets (typically land, buildings or machinery) with the expectation that productivity will increase as a result of the investment. Capital investment in absolute terms is only available at current prices so caution should be used when comparing over time. Comparisons below are presented as an index in relation to the level for England as whole.

Figure H-2 shows that continuing recent trends, capital investment per employee in 2018 was highest in London. In Predominantly Rural areas it was around 92% of the level for England as a whole compared with 95% in Predominantly Urban areas (excluding London).

Overall capital investment per employee in predominantly Rural areas has been lower than in predominantly Urban areas, except for 2017 when it was higher.

In 2018, investment per head in London was around £5,800, compared with £4,900 in predominantly Urban areas excluding London, and £4,700 in predominantly Rural areas.

Figure H-2: Capital investment per employee as a percentage of the level for England, by Local Authority Classification in England, 2007 to 2018 ([Note H-2](#), [Note H-3](#) and [Note H-4](#))



Notes

- Figure H-2 note: Dashed line shows that from 2015 employee numbers include estimates from businesses that are solely PAYE ([Note H-5](#)) based with employment counts less than 20. These businesses were excluded from estimates of employee numbers in earlier years. This has had minimum impact on the data presented.
- Total net capital investment is calculated as total proceeds from disposals subtracted from the total cost of acquisitions. The data is at current prices, so it has already taken account of inflation.
- London has been separated out to allow a fair comparison of major Urban against all other area classifications.

Innovation and investment explanatory notes

• Note H-1

Innovation notes:

- These results are based on the unweighted sample of businesses surveyed for England only (therefore the England percentage totals may not match the weighted results published by the Department for Business and Trade, formerly the Department for Business, Energy and Industrial Strategy). The sample mainly includes enterprise units (i.e. headquarters of businesses) but also has a small number of local units (i.e. sites belonging to enterprises).
- The sampling methodology used by the Department for Business and Trade (formerly the Department for Business, Energy and Industrial Strategy) is described in their report and accompanying statistics:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/506953/bis-16-134-uk-innovation-survey-2015.pdf. Owing to the small sample sizes achieved after application of the Rural-Urban definition, this analysis has been presented as the unweighted results from the surveyed sample. Some settlement types were underrepresented in the sample and should be treated with caution: *Rural Town & Fringe* and *Rural Village & Hamlet*. Furthermore, percentage totals for England may not match those published by the Department for Business and Trade (formerly the Department for Business, Energy and Industrial Strategy) due to minor discrepancies with postcode data.
- The description of innovation activity in the chart and table above includes businesses that were engaged in any of the following:
 - introduced a new or significantly improved product (good or service) or process
 - engaged in innovation projects that have been abandoned or are not yet complete
 - undertaken new and significantly improved forms of organisation, business structures or practices, and marketing concepts or strategies
 - undertaken activities in areas such as internal research and development, training, acquisition of external knowledge or machinery, and equipment linked to innovation activities
 - A business engaged in any of the activities 1 to 4 is described as a 'broader innovator'.
 - Data from the 2015 UK Innovation Survey may not be directly comparable with data from previous surveys due to changes in survey mode, methodology, sampling approach, questionnaire design and response rate. The Rural-Urban analyses presented here were performed by applying RUC11 to the data, RUC01 had been used previously for the 2011 UK Innovation Survey. As a result, a comparison cannot be made with previous Rural-Urban innovation analyses
 - Source: Department for Business and Trade (formerly the Department for Business, Energy and Industrial Strategy) UK Innovation Survey 2015 covering innovation activity during 2012 to 2014.

• Note H-2

Data in Figure H-2 are detailed in tables of investment per employee, both current prices and as a percentage of the level for England, broken down by detailed local authority Rural Urban Classification for 2007 to 2018. These are available in the [Rural economy supplementary data tables](#).

• Note H-3

Caution should be taken when interpreting this measure as capital investment is difficult to attribute at local authority level. The estimates are produced by taking data at a higher geographical level and apportioning it at local authority level based on employment levels. As ONS are not wholly confident that there is a sufficient correlation between investment and employment, they do not release the data as a National Statistic below National level.

• Note H-4

Source: Bespoke data request from the ONS, Annual Business Inquiry, and Business Register and Employment Survey (classified data); via Nomis (www.nomisweb.co.uk).

• Note H-5

Pay As You Earn (PAYE) is HMRC's system to collect income tax (which helps pay for services like education and healthcare), and National Insurance (which helps pay for some benefits and the State Pension) from employees.

Appendix 1: The 8 thematic reports that make up the Statistical Digest of Rural England (and the topics included within them)

1. [Population](#)

- A. Population level and change
- B. Population age profile
- C. Ethnicity
- D. Internal migration
- E. Local Authority population data

2. [Housing](#)

- A. Housing stock: age and type
- B. Housing stock: additions
- C. House prices
- D. Housing stock: affordable housing
- E. Second and empty homes
- F. Homelessness
- G. Land use change for housing

3. [Health and Wellbeing](#)

- A. Life expectancy
- B. Wellbeing
- C. NHS Dentistry provision
- D. General Practices
- E. Childcare provision
- F. Loneliness
- G. Volunteering and charity

4. [Communities and Households](#)

- A. Deprivation
- B. Poverty due to low income
- C. Household expenditure
- D. Police recorded crime and outcomes
- E. Crime surveys: local police and businesses
- F. Feelings about the local neighbourhood

5. [Connectivity and Accessibility](#)

- A. Broadband
- B. Travel behaviours
- C. Access to personal transport
- D. Access to services
- E. Home working

6. [Education, Qualifications and Training](#)

- A. Secondary education – GCSE Maths and English attainment
- B. School inspections
- C. Free school meals
- D. Alternative and specialist education provision
- E. Higher education
- F. Apprenticeships and on-the-job training
- G. Workforce education level

7. [Rural Economic Bulletin](#)

- A. Employment
- B. Earnings
- C. Redundancies
- D. Claimant count - Jobseeker's Allowance
- E. Output and productivity measured by Gross Value Added (GVA)
- F. Business demographics
- G. Businesses by industry
- H. Innovation and investment

8. [Energy](#)

- A. Fuel poverty
- B. Energy Performance Certificates: average Energy Efficiency Score
- C. Energy Performance Certificates: achieving energy efficiency category C
- D. Energy Costs
- E. Energy Consumption

Each of the 8 themes also has their own set of supplementary data tables that include the larger source data that could not be included in the presented document. The chapter headings above are hyperlinked to the home page for that specific digest theme. The supplementary tables can be accessed from these home pages.

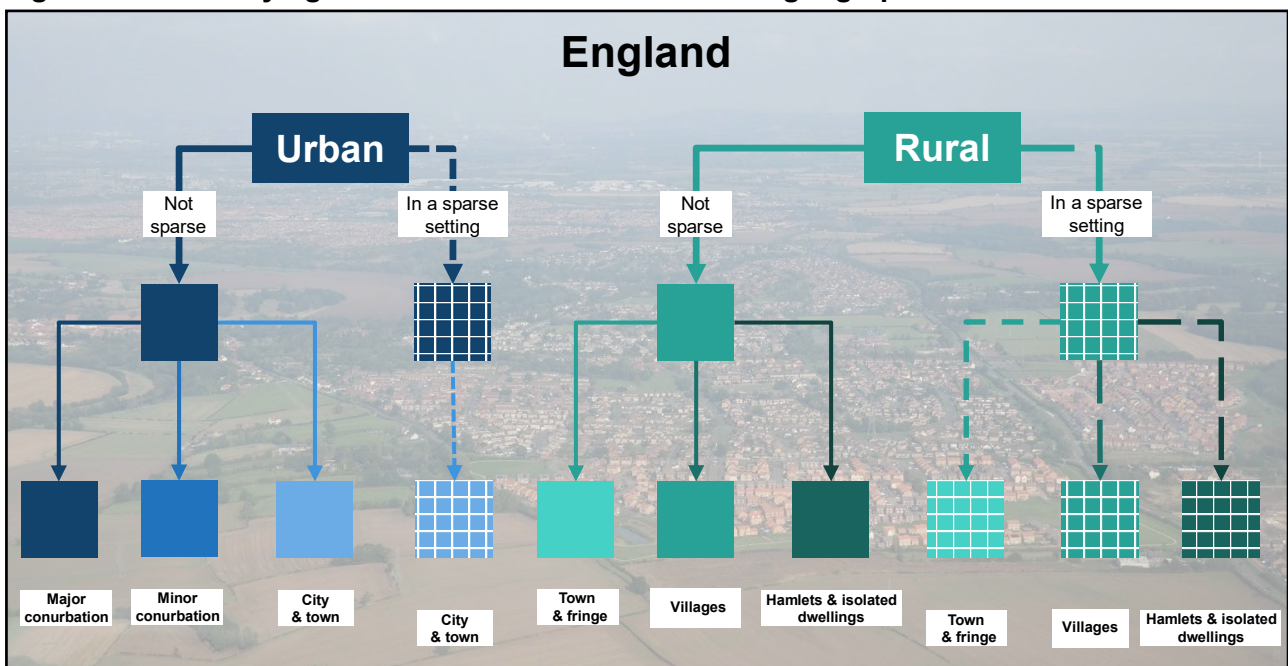
There is a further document including the individual Local Authority data tables, which have been separated for ease of use.

Appendix 2: Defining Rural areas

Wherever possible, 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.

Census Output Areas are the smallest areas for which data are available from Censuses. These Census Output Areas are assigned to one of four Urban or six Rural categories (Figure X-1) based on dwelling densities. Those described as “in a sparse setting” reflect where the wider area is sparsely populated (again based on dwelling densities). From Census Output Areas, other small area geographies can be classified based on how they map to Census Output Areas (such as Lower Super Output Areas (LSOAs), Wards, and postcodes – [Note 1](#)).

Figure X-1: Classifying Rural and Urban areas for small geographical areas



A map showing the distribution of the Rural and Urban Census Output Areas is shown in Figure X-2.

When data are not available at a small geographical scale, it may be possible to apply the Rural-Urban Local Authority Classification or a similar classification for other larger geographies. This classification categorises districts and unitary authorities on a six-point scale from Rural to Urban. It is underpinned by Rural and Urban populations as defined by the Census Output Area Classification. A map of the geographical distribution of the Rural and Urban Local Authorities is shown in Figure X-3.

However, the Local Authority Classification also considers some Urban areas as Hub Towns (with populations of between 10,000 and 30,000). These Hub Towns have met statistical criteria (based on dwelling and business premise densities) to be considered hubs for services and businesses for a wider rural hinterland and their populations are therefore classified as effectively Rural for the purposes of determining the classification of the authority.

Figure X-2: Map of the 2011 Rural-Urban Classification for Census Output Areas in England

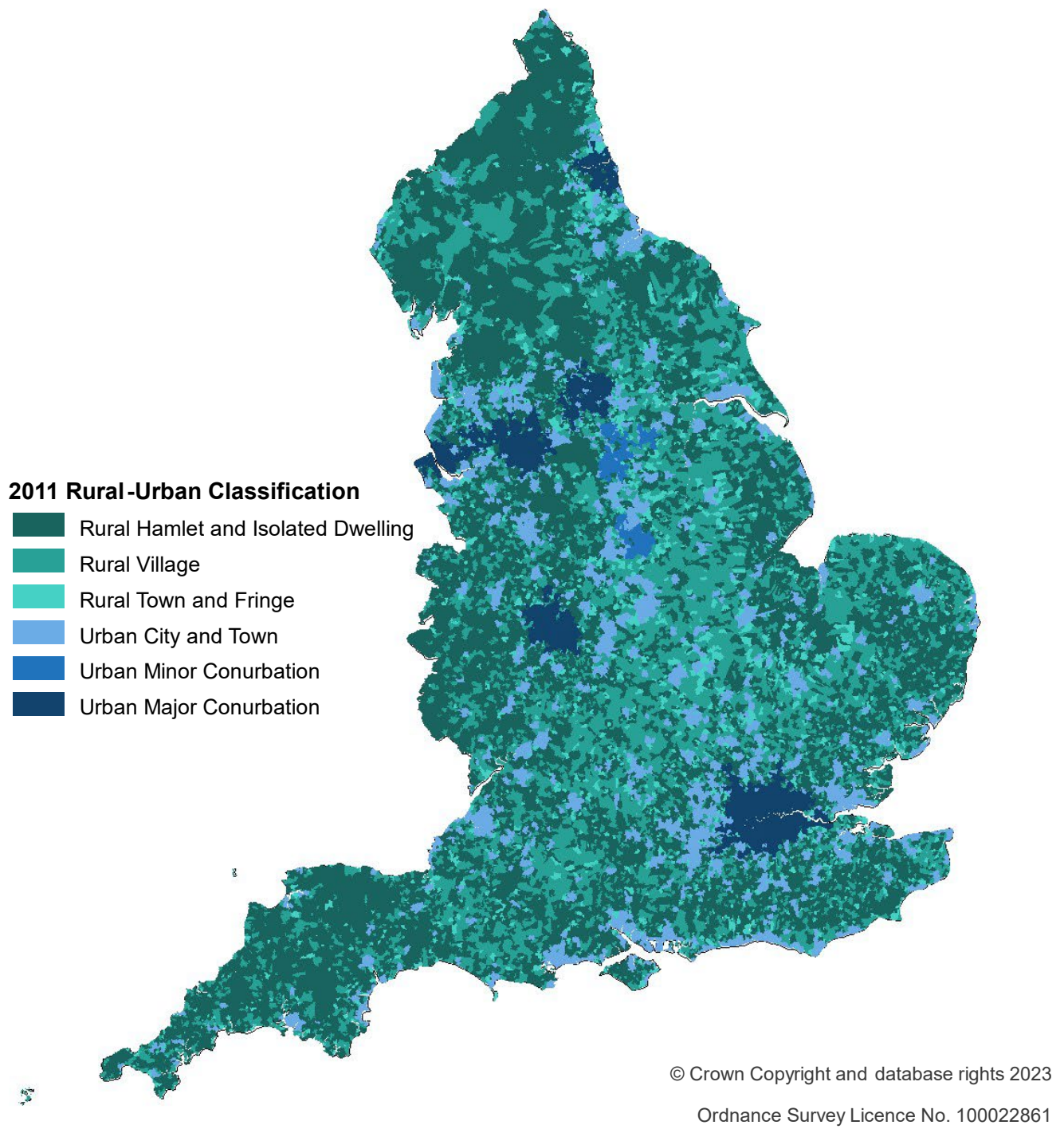
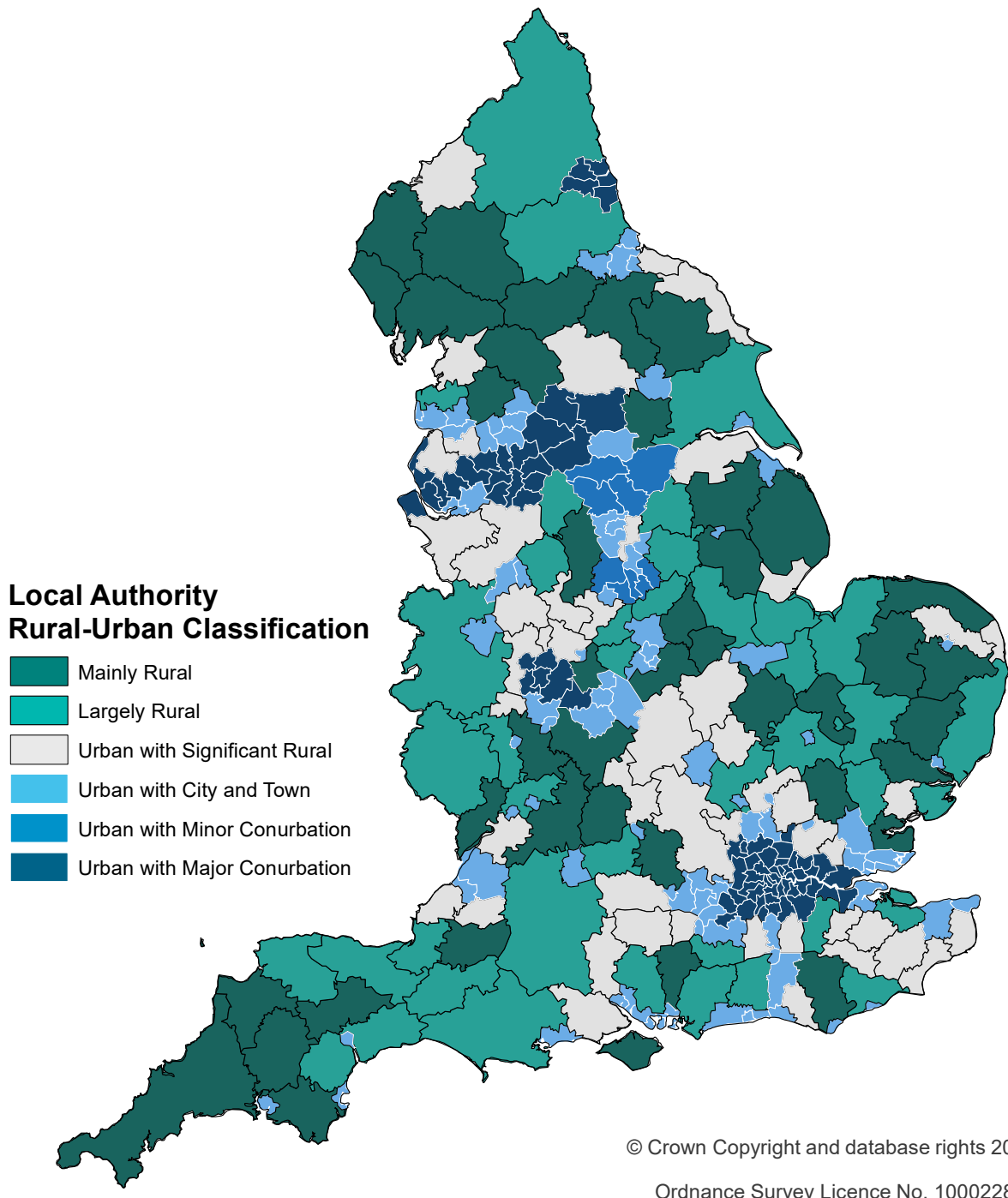
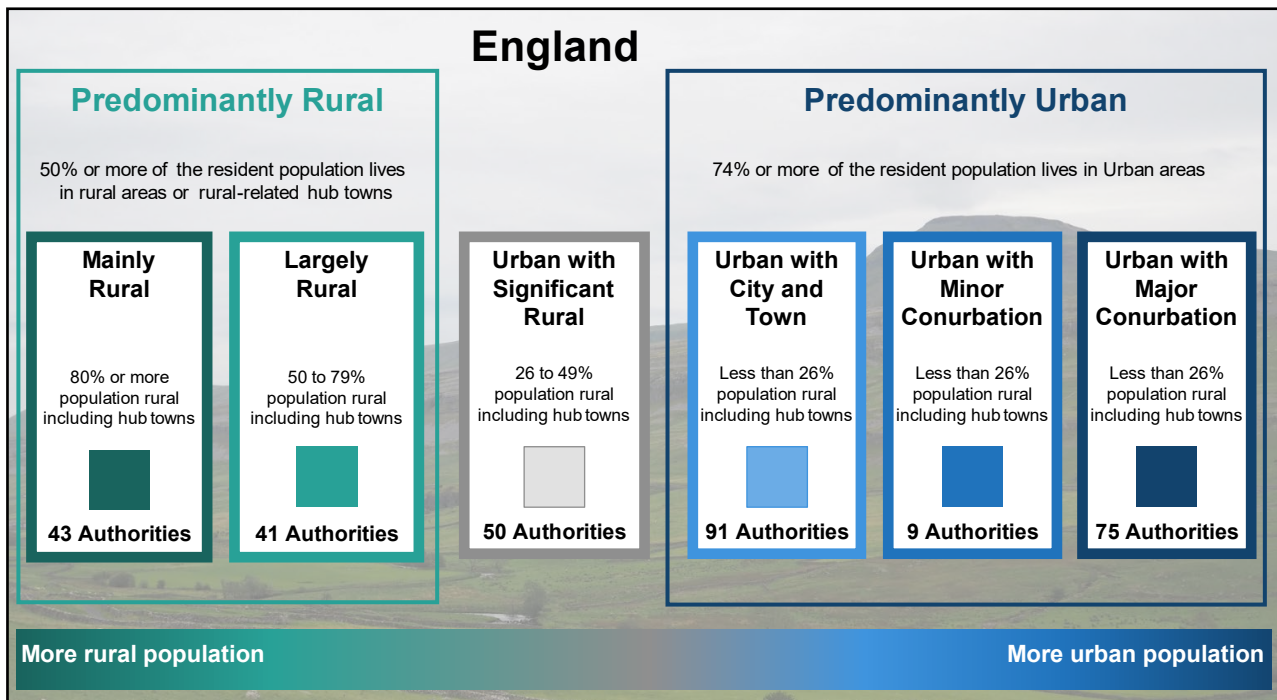


Figure X-3: Map of the 2011 Rural-Urban Classification for Local Authority Districts and Unitary Authorities in England



Under the classification, which is shown in Figure X-4, each Local Authority is assigned to one of six categories on the basis of the percentage of the total resident population accounted for by the combined Rural and Hub Town components of its population and its 'conurbation context'. The Local Authority Classification categories are frequently aggregated to 'Predominantly Rural', 'Urban with Significant Rural' and 'Predominantly Urban' as shown on Figure X-4.

Figure X-4: 2011 Rural-Urban Classification for Local Authorities in England



The Local Authority Rural-Urban Classification is based on populations and settlement patterns, not on how much countryside there is. Authorities classified as Urban may have wide areas of countryside and may have sizeable Rural populations. The classification has been made according to the proportions of the population residing in Urban settlements and outside Urban settlements. More information on the classifications can be found at: [The Rural-Urban Definition](#).

A similar approach to that for Local Authorities was used to create a classification for Westminster Parliamentary Constituencies. Under this classification, which is shown in Figure X-5, each Parliamentary Constituency is assigned to one of six categories on the basis of the percentage of the total resident population accounted for by the combined Rural and Hub Town components of its population and its 'conurbation context'. A map of the geographical distribution of the Rural and Urban Westminster Parliamentary Constituencies is shown in Figure X-5. This map depicts a classification for the new rebalanced Parliamentary Constituencies that were introduced for 2024 General Election. The Parliamentary Constituency Classification categories are frequently aggregated to 'Predominantly Rural', 'Urban with Significant Rural' and 'Predominantly Urban' as shown on Figure X-6.

Figure X-5: Map of the 2011 Rural-Urban Classification for Westminster Parliamentary Constituencies in England

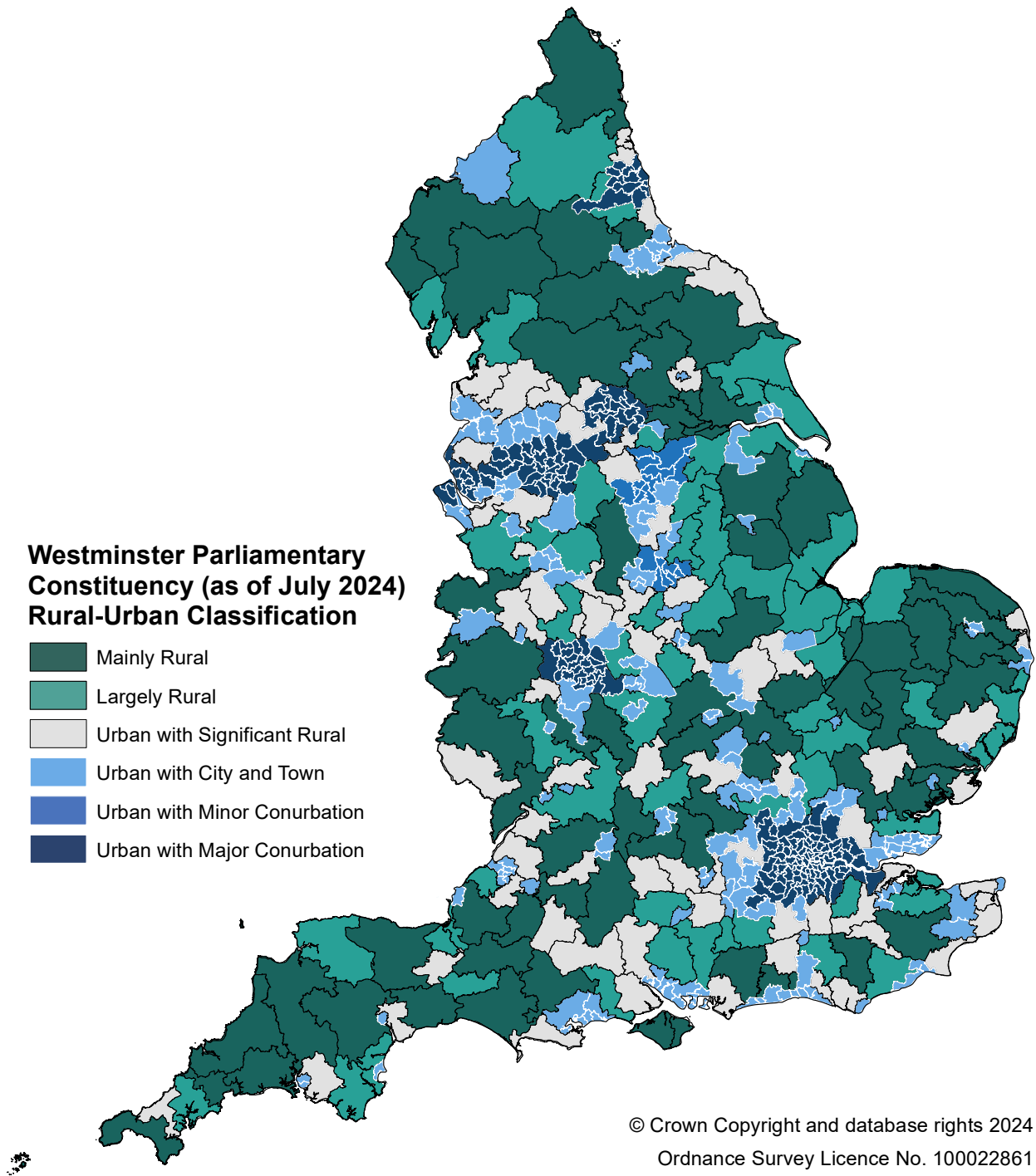
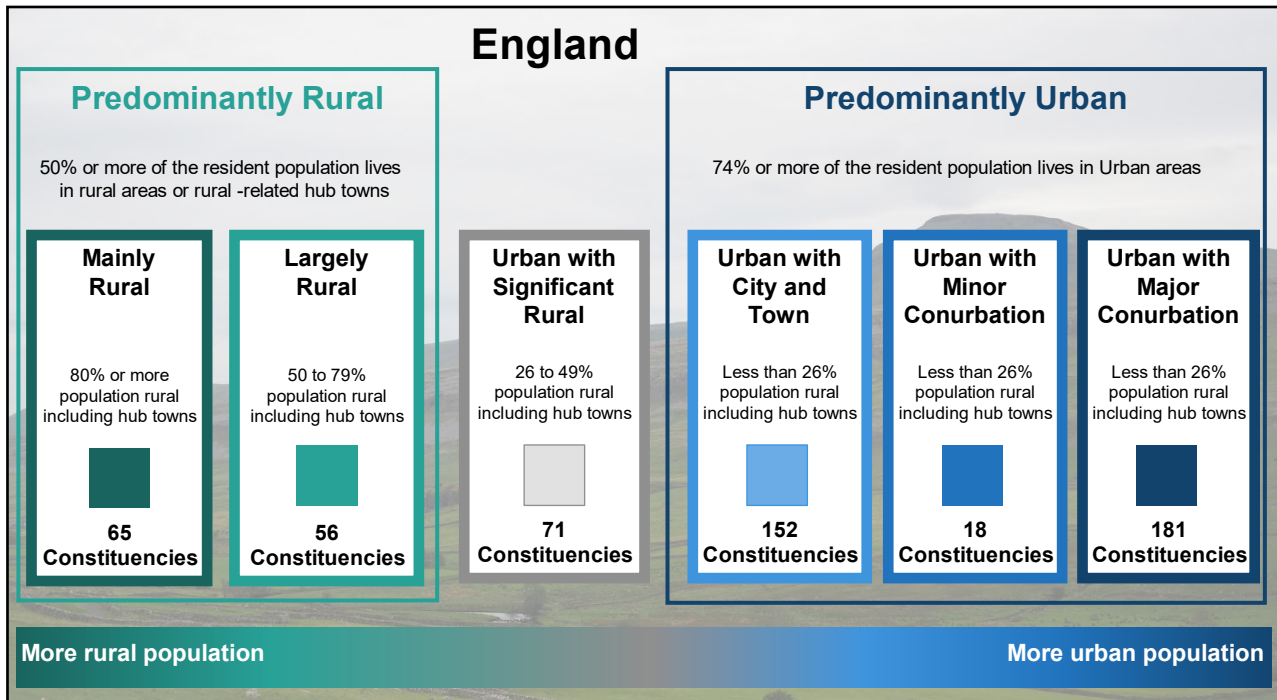


Figure X-6: 2011 Rural-Urban Classification for Westminster Parliamentary Constituencies in England



Defining Rural areas explanatory notes

- **Note 1:** Defining Super Output Areas and Wards

Census Output Areas (OAs) were created for publication of the results of the recent Censuses. They cover around 125 households. In practice few datasets are produced at OA level. However, other larger geographies can be built up from OAs. These include *Lower Layer Super Output Areas* (LSOAs) which typically contain 5 OAs, so contain approximately 625 households or a population of approximately 1,500 and a minimum 1,000. Their Rural-Urban Classification is based on the majority category of OAs they contain. Some other geographies, for example postcodes are classified based on the location of their central point and the classification of respective OA.

- **Note 2:** Accessibility of Figure X-2

We accept that this map might not be accessible for all users, but it is difficult to develop a map containing six colours that will provide enough contrast between all colours to enable every user to see them, especially when the shaded areas are small. Separate maps (showing only three levels of shading) for Rural and Urban areas are available on request from: rural.statistics@defra.gov.uk

Appendix 3: Analysis of small and medium enterprises from the Longitudinal Small Business Survey

The Longitudinal Small Business Survey (LSBS) was commissioned by the Department for Business and Trade (formerly the Department for Business, Energy and Industrial Strategy), the Governments in Scotland and Wales and the Northern Ireland Executive.

Over 13,400 SMEs were interviewed in England in 2015, including over 3,500 (26.5%) in Rural areas (Table F-2). The Rural Enterprise UK team at Newcastle University's Centre for Rural Economy and Business School undertook additional Rural-Urban analysis of the data and some of their findings are presented below.

Comparisons between statistics on Rural and Urban businesses can be difficult to interpret and in particular it is difficult to identify whether any differences reflect variations in the profile of Urban and Rural economies in terms of business sectors, ages and sizes or factors related to their location. The analysis attempts to match similar Rural and Urban businesses to take account of this where practicable.

Table XX-1: LSBS - Number of responses from small and medium enterprises with percentage by size and Rural-Urban Classification, England excluding London, 2015 ([Note XX-1](#) and [Note XX-2](#))

Data type (number or %)	Rural	Urban	Total
With no employees - number	2,687	6,361	9,048
With no employees - %	73.3	77.7	76.3
With 1 to 9 employees - number	828	1,480	2,308
With 1 to 9 employees - %	22.6	18.1	19.5
With 10 to 49 employees - number	133	300	433
With 10 to 49 employees - %	3.6	3.7	3.7
With 50 to 249 employees - number	19	49	68
With 50 to 249 employees - %	0.5	0.6	0.6
Total number of employees	3,667	8,190	11,857
Total %	100.0	100.0	100.0

The proportion of businesses with no employees is considerably higher for both Rural (73.3%) and Urban areas (77.7%) in the LSBS sample compared with the proportions represented as registered businesses with no employees (19.8% and 9.3% respectively).

However, this is consistent with Business population estimates suggesting that enterprises with no employees, whether registered or unregistered, account for around 76% of enterprises in England.

The survey suggests that enterprises with no employees are proportionately fewer in Rural areas (73.3%) compared with Urban areas (77.7%), but that enterprises with 1-9 employees are proportionately higher in Rural areas (22.6%) compared with Urban areas (18.1%).

Table XX-2: LSBS - Number of responses from small and medium enterprises, with percentage, by broad sector and Rural-Urban Classification, England excluding London, 2015 ([Note XX-1](#) and [Note XX-2](#))

Data type (number or %)	Rural	Urban	Total
Production and construction - number	1,085	2,095	3,180
Production and construction - %	29.6	25.6	26.8
Transport, retail and food, accommodation - number	775	1,451	2,226
Transport, retail and food, accommodation - %	21.1	17.7	18.8
Business services - number	1,099	2,660	3,759
Business services - %	30	32.5	31.7
Other services - number	708	1,984	2,692
Other services - %	19.3	24.2	22.7
Total - number	3,667	8,190	11,857
Total - %	100.0	100.0	100.0

In the survey Rural enterprises were more likely to be in production and construction sectors, and transport, retail and food, and accommodation sectors, while Urban enterprises were slightly more likely to be providing business and other services.

Table XX-3: LSBS - Number of responses from small and medium enterprises, with percentage, by level of turnover and Rural-Urban Classification, England excluding London, 2015 ([Note XX-1](#) and [Note XX-2](#))

Data type (number or %)	Rural	Urban	Total
Less than £82,000 - number	2,011	5,279	7,290
Less than £82,000 - %	54.8	64.5	61.5
More than £82,000 - number	1,192	1,938	3,130
More than £82,000 - %	32.5	23.7	26.4
Don't know / refused - number	464	973	1,437
Don't know / refused - %	12.7	11.9	12.1
Total - number	3,667	8,190	11,857
Total - %	100.0	100.0	100.0

Table XX-4: LSBS - Number of responses from small and medium enterprises, with percentage, by whether or not they were profitable and Rural-Urban Classification, England excluding London, 2015 ([Note XX-1](#) and [Note XX-2](#))

Data type (number or %)	Rural	Urban	Total
Yes - number	2,907	6,258	9,165
Yes - %	79.3	76.4	77.3
No - number	536	1,461	1,997
No - %	14.6	17.8	16.8
Don't know / refused - number	224	471	695
Don't know / refused - %	6.1	5.8	5.9
Total - number	3,667	8,190	11,857
Total - %	100.0	100.0	100.0

The survey results would initially suggest that Rural enterprises were more likely to have an annual turnover of more than £82,000 than Urban enterprises and were more likely to report a profit.

However, this is in part likely to reflect differences in the characteristics of businesses in Rural and Urban areas. When similar businesses are compared analysis shows that Rural enterprises were likely to have similar levels of turnover to their Urban counterparts, though they were still more likely to report a profit.

The study speculates that Rural enterprises could be more likely to be profitable owing to a number of factors including lower wage levels, a higher proportion of home-based enterprises, lower rents/rates, and less local competition.

Table XX-5: LSBS - Number of responses from small and medium enterprises by age and Rural-Urban Classification, England excluding London, 2015 ([Note XX-1](#) and [Note XX-2](#))

Data type (number or %)	Rural	Urban	Total
0 to 5 years - number	410	1,281	1,691
0 to 5 years - %	11.2	15.6	14.3
6 to 10 years - number	663	1,527	2,190
6 to 10 years - %	18.1	18.6	18.5
11 to 20 years - number	857	1,977	2,834
11 to 20 years - %	23.4	24.1	23.9
More than 20 years - number	1,732	3,374	5,106
More than 20 years - %	47.2	41.2	43.1
Don't know - number	6	31	37
Don't know - %	0.2	0.4	0.3
Total - number	3,668	8,190	11,858
Total - %	100.0	100.0	100.0

Table XX-6: LSBS - Number of responses from small and medium enterprises by whether or not family-owned and Rural-Urban Classification, England excluding London, 2015 ([Note XX-1](#) and [Note XX-2](#))

Data type (number or %)	Rural	Urban	Total
Yes - number	3,185	7,036	10,221
Yes - %	86.9	85.9	86.2
No - number	464	1,122	1,586
No - %	12.7	13.7	13.4
Don't know / refused - number	18	32	50
Don't know / refused - %	0.5	0.4	0.4
Total - number	3,667	8,190	11,857
Total - %	100.0	100.0	100.0

The surveyed Rural enterprises were more likely than Urban enterprises to be more than 20 years old.

The majority of enterprises were family owned but there was no significant difference between Rural and Urban enterprises. 86.9% of Rural enterprises were family owned.

Table XX-7: LSBS - Number of responses from small and medium enterprises by major obstacles to businesses in general at the England level, by Rural-Urban Classification, England excluding London, 2015 ([Note XX-1](#) and [Note XX-2](#))

Type of obstacle to business	Rural	Urban	Total
Competition in the market - number	1,476	3,788	5,264
Competition in the market - %	40.3	46.3	44.4
Regulations / red tape – number	1,671	2,841	4,512
Regulations / red tape - %	45.6	34.7	38.1
Taxation, VAT, PAYE, National Insurance, Business rates – number	1,157	2,297	3,454
Taxation, VAT, PAYE, National Insurance, Business rates - %	31.6	28.0	29.1
Late payment – number	1,037	2,239	3,276
Late payment - %	28.3	27.3	27.6
Staff recruitment and skills – number	718	1,348	2,066
Staff recruitment and skills - %	19.6	16.5	17.4
Obtaining finance – number	663	1,375	2,038
Obtaining finance - %	18.1	16.8	17.2
Availability / cost of suitable premises – number	534	1,295	1,829
Availability / cost of suitable premises - %	14.6	15.8	15.4
Workplace pensions – number	409	898	1,307
Workplace pensions - %	11.2	11.0	11.0
Any other major issues or obstacles – number	479	943	1,422
Any other major issues or obstacles - %	13.1	11.5	12.0
None of these – number	594	1,634	2,228
None of these - %	16.2	20.0	18.8
Total – number	3,667	8,190	11,857
Total - %	100.0	100.0	100.0

When asked to identify major obstacles to businesses, Rural enterprises were more likely than Urban enterprises to cite 'Regulations / red tape', 'Taxation, VAT, PAYE, National Insurance, Business rates', and 'Staff recruitment and skills'.

The above is a selection of findings from the Newcastle University study. For more details and analysis refer to the full study report ([Note XX-2](#)).

Notes

- In Table XX-7 enterprises could give responses to multiple options.

Analysis of small and medium enterprises from the Longitudinal Small Business Survey explanatory notes

- **Note XX-1**

On the **Inter-Departmental Business Register (IDBR)**, the enterprise is the statistical unit that most closely equates to a business. It holds aggregated information gathered from administrative and statistical sources within that enterprise to give an overall picture of what is going on in the business. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit. Turnover relates to income received by a business from the 'sale of goods and or services charged to third parties'. The IDBR does not include businesses whose turnover is below the tax threshold.

Further information:

<https://www.ons.gov.uk/aboutus/whatwedo/paidservices/interdepartmentalbusinessregisteridbrw>

- **Note XX-2**

Sources:

- ONS, Inter Departmental Business Register (IDBR), 2015/16
- **Small Business Survey reports:** www.gov.uk/government/collections/small-business-survey-reports
- **Business Population Estimates:** <https://www.gov.uk/government/collections/business-population-estimates>
- Phillipson J, Gorton M, Maioli S, Newbery R, Tiwasing P, Turner R. (2017) **Small Rural firms in English regions: analysis and key findings from the UK Longitudinal Small Business Survey, 2015**. Newcastle upon Tyne: Newcastle University Centre for Rural Economy and Business School, September 2017 update: research.ncl.ac.uk/Ruralenterpriseuk/