



Department
for Environment
Food & Rural Affairs



Statistical Digest of Rural England:

7 – Rural Economic Bulletin

October 2025





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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 Ribbleshead 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.

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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

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.

Please note, the original Businesses section has been split into 2 individual sections: “Business demographics” and “Businesses by industry”. A new section was added in February 2025 covering “Business survival and growth”. Also, the section “Analysis of small and medium enterprises from the Longitudinal Small Business Survey” which was originally within the Business section has 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.

In July 2025, several sections were updated to reflect new analysis: “Employment”, “Earnings”, “Redundancies”, and “Unemployment-related benefits” (previously called “Claimant count”).

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	Sept 2024	Oct 2024	Feb 2025	Jul 2025	Oct 2025
Employment	✗	✓	✗	✓	✗
Earnings	✗	✗	✗	✓	✗
Redundancies	✗	✓	✗	✓	✗
Unemployment-related benefits	✗	✓	✗	✓	✗
Output and productivity measured by Gross Value Added (GVA)	✗	✗	✗	✗	✓
Business demographics	✓	✗	✗	✗	✗
Businesses by industry	✓	✗	✗	✗	✗
Business survival and growth			New	✗	✗
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:

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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>

The 2021 Rural-Urban Classification was released on 6 March 2025. Details of the 2021 Rural Urban Classification can be found at: <https://www.gov.uk/government/collections/rural-urban-classification>. It will take some time for the Digest to be updated throughout using the new classification. Where relevant Statistics drawing on the 2021 Census will be added to Digest thematic reports.

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)
- unemployment-related benefits (Section D)
- output and productivity measured by Gross Value Added (Section E)
- business demographics (Section F)
- businesses by industry (Section G)
- business survival and growth (Section H)
- innovation and investment (Section I).

A. Employment

Employment rates are higher and unemployment rates lower in rural areas than in urban areas. However, the rate of economic inactivity for all those aged over 16 is higher in rural areas, driven by proportionally more retirees.

Key findings

The main statistics shown within this section are detailed as follows:

The employment rate is higher in rural areas than urban areas

- In 2024, 78.4% of the rural population aged 16 to 64 were employed; this compared to 75.3% in urban areas.

Employment rates were lower in the smaller and more distant rural settlements

- In 2024, 78.1% of people aged 16 to 64 in smaller rural settlements were employed – a slightly lower proportion than in larger rural settlements (78.7%).
- Proportionally more people aged 16 to 64 in rural settlements that were nearer to a major town or city were employed (79.2%) compared to those that were at least a 30-minute drive away (76.9%).

The economic inactivity rate (of people aged 16 to 64) was lower in rural settlements

- In 2024, 19.4% of people aged 16 to 24 in rural settlements were economically inactive; this compared to 21.4% in urban areas.
- The economic inactivity rate was considerably higher when considering all people aged 16 and over, largely due to the impact of the retirement rate.
- In Q4 2024, 28.5% of people aged 16 and over in rural areas were retired; this compared to 19.0% in urban areas.

Summary

The employment rates expressed within this section represent the proportion of people aged 16 to 64 (i.e., working-age) who were in employment within the specified area.

In Q4 2024, the percentage of working-age people (aged 16-64) in employment (i.e., the **employment rate**) was 78.5% in rural areas and 75.0% 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 increased slightly between Q4 2023 and Q4 2024 in rural areas, but were relatively unchanged in urban areas across the same period.

The percentage of economically active people aged 16 and over who were unemployed (i.e., the **unemployment rate**) in Q4 2024 was 2.8% in rural areas and 4.7% in urban areas. Rates have decreased slightly in rural areas (by 0.2 percentage points) while in urban areas rates have increased by 0.7 percentage points when compared with Q4 2023.

In Q4 2024, the percentage of people aged 16 and over who were not available for work or not seeking work (**economic inactivity rate**) was 39.4% in rural areas and 35.2% in urban areas. Between Q4 2023 and Q4 2024 inactivity rates have shown little change in rural areas (an increase of 0.1 percentage points) while in urban areas they have decreased by 0.8 percentage points. Of the economically inactive, proportionally more people were retired in rural areas (28.5% in Q4 2024) than in urban areas (19.0%).

Background information

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 just “rural” and “urban”. Moreover, quarterly data is presented using settlement types from the 2011 Rural-Urban Classification (hereafter referred to RUC11); this has been superseded by the 2021 Rural-Urban Classification, and will be updated accordingly in future publications when the data are available. Annual data are less timely than quarterly data, but provide a better understanding of the labour market over the last two decades. Within this publication, annual data are provided using the 2021 Rural-Urban Classification (hereafter referred to as RUC21) of local authorities.

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. Short-term trends compare rates from the two most recent quarters at time of analysis; within this publication, that is Quarter 3 and Quarter 4 2024. Therefore, annual changes within this publication compare Q4 2023 to Q4 2024. Long-term trends show figures from 2006 to 2024.

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

Employment rate in 2024

As [defined](#) above, the employment rate of an area is the proportion of people aged 16 to 64 who are in employment; more specifically, it includes people who performed at least one hour of paid work within the reference week of the survey, or were temporarily away from their job (e.g., due to being on holiday or sick leave). Within this section, employment rates in 2024 are based on the detailed 2021 Rural-Urban Classification. Therefore, rural classification terminology differs from other employment rates specified within this publication.

75.7% of the working age population in England were employed in 2024. This consisted of 78.4% of people living in rural areas (RUC21), and 75.3% in urban areas. A breakdown of employment rates by rurality is given in Table A-1.

Table A-1: Employment rate for the working age population (aged 16 to 64 years), by 2021 Rural-Urban Classification, 2024 (Note A-6, Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2021	Rate
Smaller rural	78.1%
Larger rural	78.7%
Urban (excluding London)	75.2%
London	75.6%
England	75.7%

The employment rate in smaller rural settlements was slightly lower than in larger rural settlements, at 78.1% and 78.7% respectively in 2024. However, rural employment rates were still higher than in urban areas; 75.2% of the urban population outside of London were employed in 2024. This is slightly lower than in London (75.6%).

Settlement types specified within RUC21 provide information regarding the settlements' proximity to a major town or city to indicate relative access. Table A-2 shows the employment rates in 2024 within rural settlements (RUC21) by proximity to a major town or city. The employment rate was lower in rural settlements that were further from a major town or city (76.9%) compared to those that were nearer to a major town or city (79.2%).

Table A-2: Employment rate for the working age population (aged 16 to 64 years) living in rural settlements, by proximity to a major town or city, 2024 (Note A-6, Note A-10)

Rates have been rounded to the nearest 0.1%.

Proximity to a major town or city	Rate
Further from	76.9%
Nearer to	79.2%
All rural	78.4%

Note:

'Nearer to a major town or city' is [defined](#) as being within a 30-minute drive of a major town or city (built-up area with a population of at least 75,000 residents). Conversely, 'further from a major town or city' is defined as being more than a 30-minute drive away from these built-up areas.

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 Quarter 4 2024 (Q4; October to December 2024) and are based on the 2011 Rural-Urban Classification; they will be updated to the 2021 Rural-Urban Classification once the data for Quarter 1 2025 are available.

In Q4 2024, 78.5% of the rural population (RUC11) aged between 16 and 64 years were in employment, compared with 75.0% in urban areas. This means the percentage of the rural population aged between 16 and 64 years in employment was 3.6 percentage points higher than for the urban population.

Table A-3 shows that employment rates have fallen in rural areas, while urban areas have shown a small increase, when comparing Q4 2024 with Q3 2024.

Table A-3: Employment rate for the working age population (aged 16 to 64 years), by broad 2011 Rural-Urban Classification, Q3 2024 and Q4 2024 (Note A-6, Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2011	Q3 2024 (%)	Q4 2024 (%)	Direction of change
Rural	79.2	78.5	Little to no change
Urban	74.8	75.0	Little to no change

Note:

In Table A-3, the 'direction of change' column indicates the magnitude of change over the period shown. 'Small increase / small decrease' indicates a change of $\pm 3\%$ while 'increase / decrease' indicates a change of $\pm 6\%$. Where the change does not meet the $\pm 3\%$ threshold the table will show 'little to no change'. This dashboard shows the direction of change over the last quarter and is provided to give an indication only and may not represent a clear improvement or deterioration.

Employment rate – annual change

As well as presenting quarterly changes, it is possible to 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 longer-term changes to the workforce, instead of quarterly changes, which are more likely to fluctuate.

Employment rates have shown a small increase in rural areas (as defined in RUC11) when comparing Q4 2024 with Q4 2023 while in urban areas they have shown almost no change. Employment rates were higher in rural areas than in urban areas. This is shown in Table A-4.

Table A-4: Employment rate for the working age population (aged 16 to 64 years), by broad 2011 Rural-Urban Classification, Q4 2023 and Q4 2024 (Note A-6, Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2011	Q4 2023 (%)	Q4 2024 (%)	Direction of change
Rural	78.1	78.5	Little to no change
Urban	74.9	75.0	Little to no change

Note:

In Table A-4, the 'direction of change' column indicates the magnitude of change over the period shown. 'Small increase / small decrease' indicates a change of $\pm 3\%$ while 'increase / decrease' indicates a change of $\pm 6\%$. Where the change does not meet the $\pm 3\%$ threshold the table will show 'little to no change'. 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.

Employment rate – long-term trends

Quarterly data: The line chart in Figure A-1 shows quarterly employment rates from 2019 to 2024. Quarterly data is represented by the darker lines within the chart, while annual averages are plotted using broken horizontal lines that are lighter in colour; rurality is defined using RUC11.

In recent periods the quarterly data has become more volatile (see earlier note at the start of the Employment rate section) so annual averages have been added to the chart to illustrate the more general trend for the data over the period shown.

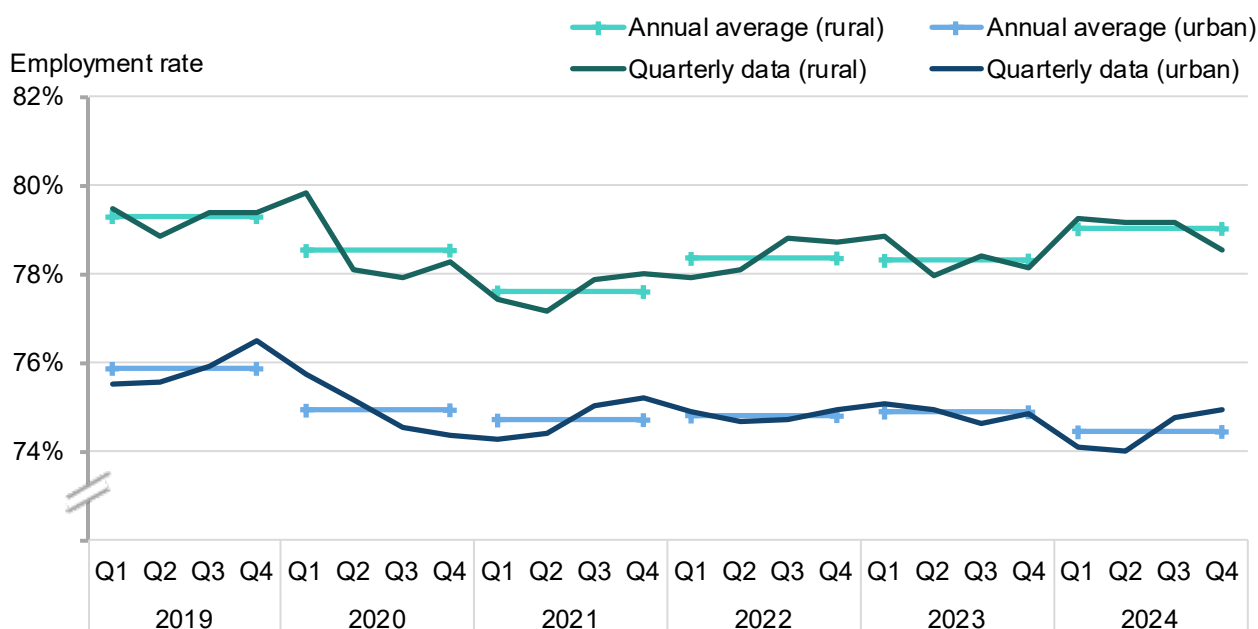
The line chart in Figure A-1 can be summarised as follows:

- Employment rates have been consistently higher in rural areas than in urban areas since 2019.

- Between Q4 2019 and Q2 2021, employment rates decreased in all areas (although not consistently) 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). These rates fell to 77.2% in rural areas (Q2, 2021) and 74.3% in urban areas (Q1, 2021).
- In rural areas, employment rates have generally been increasing following the COVID-19 pandemic. Annual averages for rural areas show rates rising between 2021 and 2022, then levelling off before rising again in 2024, however the latest quarter shows a drop in the rural employment rate (78.5% for Q4 2024).
- In urban areas, annual averages show rates have generally been falling over the period between 2019 to 2024 (with a period of very little change between 2021 and 2023).
- In Q2 2024 the employment rate for urban areas was the lowest it had been in the period 2019 to 2024 at 74.0%. The second half of 2024 has seen rising employment rates for urban areas with Q4 2024 seeing a rate of 75.0%.
- The gap between the rural and urban annual average employment rates was smallest in 2021, when the rural annual average employment rate was 2.9 percentage points higher than for urban areas. At the end of 2024 the gap had increased to its largest over the period with the employment rate in rural areas being 4.6 percentage points higher than for urban areas.

Figure A-1: Line chart showing employment as a percentage of working age population (aged 16 to 64 years), by broad 2011 Rural-Urban Classification in England, Q1 2019 to Q4 2024 (Note A-2, Note A-6)

Annual averages have been calculated from the four quarters within the specified calendar year. They are represented by horizontal lines that are lighter in colour, and indicate the impact of quarterly variation.

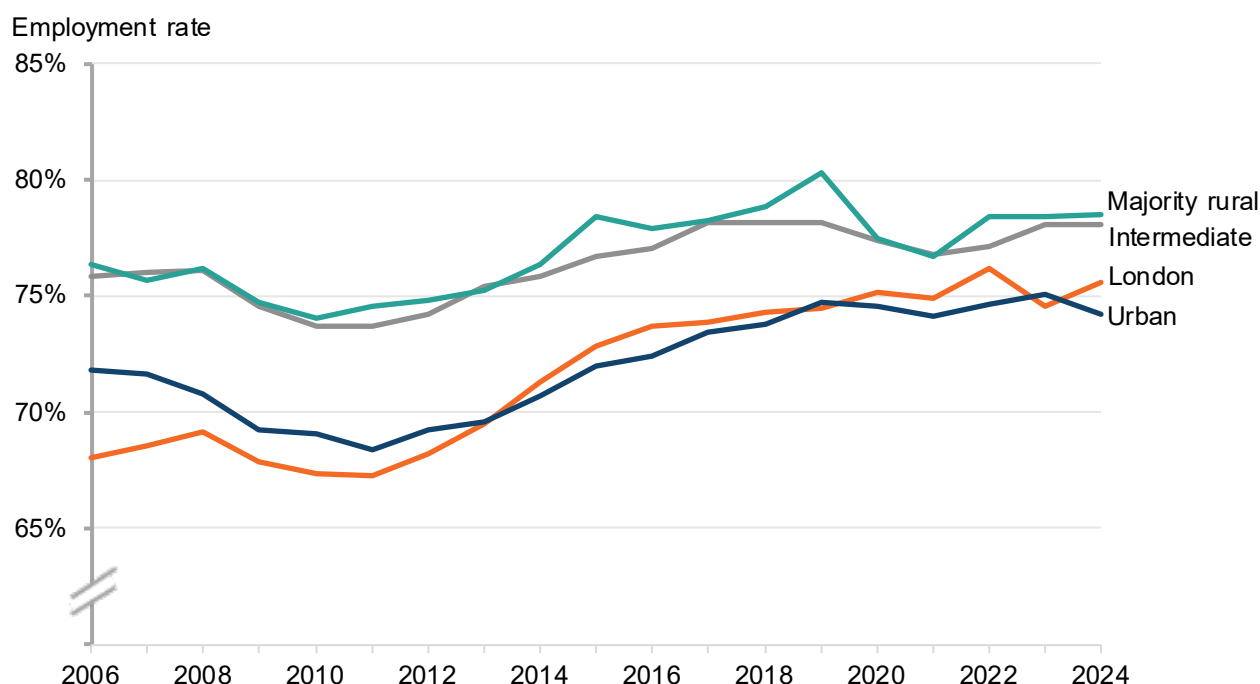


Annual data: The line chart in Figure A-2 shows annual employment rate figures from 2006. Data are based on the 2021 Rural-Urban Classification of the local authority where people live.

Between 2006 and 2024, employment rates have been broadly similar between majority rural and intermediate (rural or urban) authorities, with some peaks in majority rural authorities in 2015, 2019, and 2022. Across the period, employment rates were higher in majority rural authorities than in urban authorities.

Figure A-2: Line chart showing employment as a percentage of working age population (aged 16 to 64 years), by 2021 Rural-Urban Classification of Local Authorities in England, 2006 to 2024 (Note A-1)

‘Intermediate’ represents the combination of intermediate rural and intermediate urban authorities. ‘Urban’ excludes London.



In all classifications of authority, employment rates were higher in 2024 than they were in 2006. However, this was not a consistent increase; all classifications saw decreases around 2010/11 when England was in recession, with a slow recovery to 2019. All areas once again saw decreases in employment rates around 2020/21, likely due to the COVID-19 pandemic, but have since recovered to pre-pandemic rates.

The highest employment rate across the period was in majority rural authorities in 2019, where 80.3% of the resident working-age population were employed. The lowest employment rate in majority rural authorities was in 2010, where 74.0% of the population were employed. The lowest employment rate of all local authority classifications was in 2011 in London (67.3%).

Unemployment rate

The section for unemployment rates comprises three subsections: short-term trends, annual trends and long-term changes. Short-term trends compare rates from the two most recent quarters at time of analysis; within this publication, that is Quarter 3 and Quarter 4 2024. Therefore, annual changes within this publication compare Q4 2023 to Q4 2024. Long-term trends show figures from 2006 to 2024.

Please note, the ONS have stated that the Labour Force Survey - the data source for this analysis - has become more volatile in recent periods; 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 in 2024

As [defined](#) above, the unemployment rate of an area is the proportion of the economically active population who are unemployed; more specifically, it includes people who were without a job, actively seeking work in the four weeks prior to the survey reference week, and were available to start work within the two weeks following the survey. It also includes those who had found a job and were waiting to start it in the two weeks following the survey reference week.

Within this section, unemployment rates in 2024 are based on the detailed 2021 Rural-Urban Classification. Therefore, rural classification terminology differs from other employment rates specified within this publication.

3.9% of the people aged 16 and above in England were unemployed in 2024. This consisted of 2.6% of people living in rural areas (RUC21), and 4.2% in urban areas. A breakdown of unemployment rates by rurality is given in Table A-5.

The unemployment rate in smaller rural settlements was slightly lower than in larger rural settlements, at 2.3% and 3.0% respectively in 2024. Rural unemployment rates were lower than in urban areas; 3.9% of the urban population outside of London were unemployed in 2024. The highest unemployment rates in 2024 were in London (5.1%).

Table A-5: Unemployment rate for the economically active among those aged 16 and over, by 2021 Rural-Urban Classification, 2024 (Note A-6, Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2021	Rate
Smaller rural	2.3%
Larger rural	3.0%
Urban (excluding London)	3.9%
London	5.1%
England	3.9%

Settlement types specified within RUC21 provide information regarding the settlements' proximity to a major town or city to indicate relative access.

Table A-6 shows the unemployment rates in 2024 within rural settlements (RUC21) by proximity to a major town or city. The unemployment rate was lower in rural settlements that were further from a major town or city (2.3%) compared to those that were nearer to a major town or city (2.7%).

Table A-6: Unemployment rate among economically active people aged 16 and over living in rural settlements, by proximity to a major town or city, 2024 (Note A-6, Note A-10)

Rates have been rounded to the nearest 0.1%.

Proximity to a major town or city	Rate
Further from	2.3%
Nearer to	2.7%
All rural	2.6%

Note:

'Nearer to a major town or city' is [defined](#) as being within a 30-minute drive of a major town or city (built-up area with a population of at least 75,000 residents). Conversely, 'further from a major town or city' is defined as being more than a 30-minute drive away from these built-up areas.

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 Q4 2024 (i.e. October to December 2024). They are reported in relation to the population aged 16 and over. Quarterly unemployment rates are based on the 2011 Rural-Urban Classification.

In Q4 2024, 2.8% of the rural economically active population (people in work and those seeking and available to work) were unemployed, compared with 4.7% of the urban economically active population as shown in Table A-7. 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 Q4 2024 with Q3 2024, unemployment rates have increased in rural areas (by 0.3 percentage points) while in urban areas they have decreased (by 0.2 percentage points).

Table A-7: Unemployment rate among economically active people aged 16 and over in England, by broad 2011 Rural-Urban Classification, Q3 2024 and Q4 2024 (Note A-7, Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2011	Q3 2024 (%)	Q4 2024 (%)	Direction of change
Rural	2.5	2.8	Increase
Urban	4.9	4.7	Decrease

Note:

In Table A-7, the 'direction of change' column indicates the magnitude of change over the period shown. 'Small increase / small decrease' indicates a change of $\pm 3\%$ while 'increase / decrease' indicates a change of $\pm 6\%$. Where the change does not meet the $\pm 3\%$ threshold the table will show 'little to no change'. This dashboard shows the direction of change over the last quarter and is provided to give an indication only and may not represent a clear improvement or deterioration.

Unemployment rate – annual change

As well as presenting quarterly changes, it is possible to 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.

Unemployment rates were higher in urban areas than in rural areas in Q4 2024. In rural areas, the unemployment rate has decreased by 0.2 percentage points between Q4 2023 and Q4 2024, while in urban areas the unemployment rate has increased by 0.7 percentage points. This is shown in Table A-8.

Table A-8: Unemployment rate among economically active people aged 16 and over in England, by broad 2011 Rural-Urban Classification, Q4 2023 and Q4 2024 (Note A-7, Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2011	Q4 2023 (%)	Q4 2024 (%)	Direction of change
Rural	3.0	2.8	Decrease
Urban	4.0	4.7	Increase

Note:

In Table A-8, the 'direction of change' column indicates the magnitude of change over the period shown. 'Small increase / small decrease' indicates a change of $\pm 3\%$ while 'increase / decrease' indicates a change of $\pm 6\%$. Where the change does not meet the $\pm 3\%$ threshold the table will show 'little to no change'. 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.

Unemployment rate – long term-trends

Quarterly data: The line chart in Figure A-3 shows quarterly unemployment rates from 2019. Quarterly data is represented by the darker lines within the chart, while annual averages are plotted using broken horizontal lines that are lighter in colour; rurality is defined using RUC11. In recent periods the quarterly data has become more volatile (see earlier note at the start of the Unemployment rate section) so annual averages have been added to the chart to illustrate the more general trend for the data over the period shown.

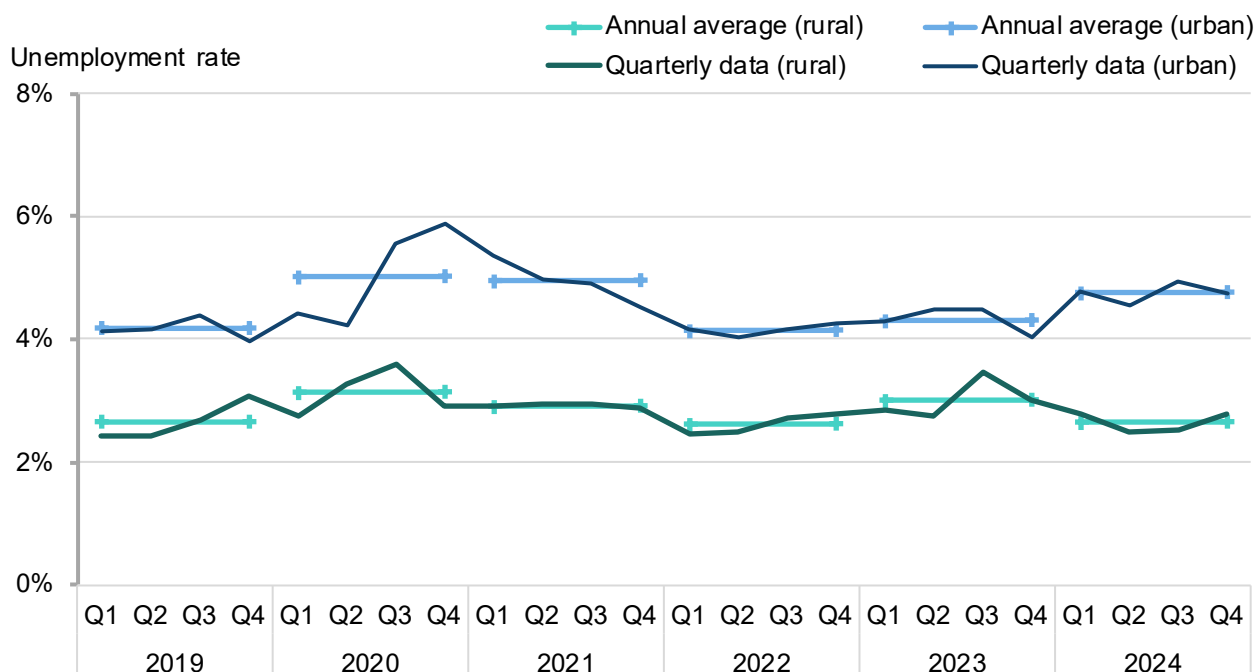
The line chart in Figure A-3 can be summarised as follows:

- Unemployment rates were consistently lower in rural areas than in urban areas since 2019.
- Over the period 2019 to 2024, quarterly unemployment rates were highest during the COVID-19 period (Q3 2020 for rural areas at 3.6% and Q4 2020 for urban areas at 5.9%).
- Rates have fluctuated since the COVID-19 period, however when looking at annual averages for 2023 and 2024, unemployment rates have decreased in rural areas (by 0.4 percentage points to 2.6%) of but they have increased in urban areas (by 0.4 percentage points to 4.7%).
- The gap between the rural and urban annual average unemployment rates was smallest in 2023, when the rural annual average unemployment rate was 1.3 percentage points lower than for urban areas.

- At the end of 2024 the gap had increased to its largest over the period with the unemployment rate in rural areas being 2.1 percentage points lower than for urban areas.

Figure A-3: Line chart showing unemployment as a percentage of economically active people aged 16 and over, in England, by 2011 Rural-Urban Classification, Q1 2019 to Q4 2024 (Note A-2, Note A-7)

Annual averages have been calculated from the four quarters within the specified calendar year. They are represented by horizontal lines that are lighter in colour, and indicate the impact of quarterly variation.



Annual data: Trend data has not been presented within this section due to the high level of data suppression in local authority-level unemployment rates.

Economic inactivity

The section for economic inactivity comprises three subsections: short-term trends, annual trends and long-term changes. Short-term trends compare rates from the two most recent quarters at time of analysis; within this publication, that is Quarter 3 and Quarter 4 2024. Therefore, annual changes within this publication compare Q4 2023 to Q4 2024. Long-term trends show figures from 2006 to 2024.

Please note, the ONS have stated that the Labour Force Survey - the data source for this analysis - has become more volatile in recent periods; 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 rate in 2024

As [defined](#) above, the economic inactivity rate of an area is the proportion of people of working age (16-64) who are neither in employment nor unemployed; more specifically, it includes people who were not in employment in the survey reference week, and had not been actively seeking work in the four weeks prior to the survey. Alternatively, people were classed as economically inactive if they were not available to start work in the two weeks following the survey reference week. Common groups include students, long-term sick or disabled people, and those who retired before the age of 64.

Within this section, economic inactivity rates in 2024 are based on the detailed 2021 Rural-Urban Classification. Therefore, rural classification terminology differs from other employment rates specified within this publication.

21.1% of the working age population in England were economically inactive in 2024. This consisted of 19.4% of people living in rural areas (RUC21), and 21.4% in urban areas. A breakdown of economic inactivity rates by rurality is given in Table A-9.

Table A-9: Economic inactivity rate for the working age population (aged 16 to 64 years), by 2021 Rural-Urban Classification, 2024 (Note A-6, Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2021	Rate
Smaller rural	19.9%
Larger rural	18.8%
Urban (excluding London)	21.7%
London	20.4%
England	21.1%

The economic inactivity rate in smaller rural settlements was higher than in larger rural settlements, at 19.9% and 18.8% respectively in 2024. Rural economic inactivity rates were lower than in urban areas. 21.7% of the urban population outside of London were economically inactive in 2024; this was higher than in London (20.4%).

Settlement types specified within RUC21 provide information regarding the settlements' proximity to a major town or city to indicate relative access.

Table A-10: Economic inactivity rate for the working age population (aged 16 to 64 years) living in rural settlements, by proximity to a major town or city, 2024 (Note A-6, Note A-10)

Rates have been rounded to the nearest 0.1%.

Proximity to a major town or city	Rate
Further from	21.1%
Nearer to	18.5%
All rural	19.4%

Note:

'Nearer to a major town or city' is [defined](#) as being within a 30-minute drive of a major town or city (built-up area with a population of at least 75,000 residents). Conversely, 'further from a major town or city' is defined as being more than a 30-minute drive away from these built-up areas.

Table A-10 shows the economic inactivity rates in 2024 within rural settlements (RUC21) by proximity to a major town or city. The economic inactivity rate was higher in rural settlements that were further from a major town or city (21.1%) compared to those that were nearer to a major town or city (18.5%).

Economic inactivity – short-term trends

The latest quarterly data available on economic inactivity rates are for Q4 2024 (i.e. October to December 2024). Quarterly data is based on the population aged 16 and above, whereas the [annual data shown for 2024](#) is based on the working-age population; therefore, estimates will differ between sections.

In Q4 2024, 39.4% of the rural population aged 16 and over were **economically inactive**, compared with 35.2% 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-11.

When comparing Q4 2024 with Q3 2024, rural areas have seen a small increase in the economic inactivity rate (by 0.2 percentage points) while urban areas have seen no change.

Table A-11: Economic inactivity rate for the population of those aged 16 and over in England, by 2011 Rural-Urban Classification, Q3 2024 and Q4 2024 (Note A-8, Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2011	Q3 2024 (%)	Q4 2024 (%)	Direction of change
Rural	39.2	39.4	Little to no change
Urban	35.2	35.2	Little to no change

Included within the rates shown in Table A-11 are the proportion of the population (16 and over) who are classed as **retired**; in Q4 2024, 28.5% of the rural population were retired, compared with 19.0% of the urban population (as shown in Table A-12). This means 10.9% of people (16 and over) living in rural areas, and 16.1% of those in urban areas, were economically inactive for other reasons (e.g. unable to work due to sickness or disability).

When comparing Q4 2024 with Q3 2024, the retirement rates in rural and urban areas had shown little change (an increase of 0.1 percentage points for rural areas and a decrease of 0.1 percentage points for urban areas).

Table A-12: Retirement rate for the population of those aged 16 and over in England, by broad 2011 Rural-Urban Classification, Q3 2024 and Q4 2024 (Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2011	Q3 2024 (%)	Q4 2024 (%)	Direction of change
Rural	28.4	28.5	Little to no change
Urban	19.1	19.0	Little to no change

Note:

In Table A-11 and Table A-12, the 'direction of change' column indicates the magnitude of change over the period shown. 'Small increase / small decrease' indicates a change of $\pm 3\%$ while 'increase / decrease' indicates a change of $\pm 6\%$. Where the change does not meet the $\pm 3\%$ threshold the table will show 'little to no change'. This dashboard shows the direction of change over the last quarter and is provided to give an indication only and may not represent a clear improvement or deterioration.

Economic inactivity – annual change

As well as presenting quarterly changes, it is possible to 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.

In the year between Q4 2023 and Q4 2024 inactivity rates have shown little change in rural areas (an increase of 0.1 percentage points) while in urban areas they have decreased by 0.8 percentage points. The **economic inactivity rate** was higher in rural areas than in urban areas. This is shown in Table A-13.

Table A-13: Economic inactivity rate for the population of those aged 16 and over in England, by 2011 Rural-Urban Classification, Q4 2023 and Q4 2024 (Note A-8, Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2011	Q4 2023 (%)	Q4 2024 (%)	Direction of change
Rural	39.3	39.4	Little to no change
Urban	36.0	35.2	Little to no change

Included within the rates shown in Table A-13 are the proportion of the population (16 and over) who are classed as **retired**. Retirement rates have increased by 0.6 percentage points in rural areas between Q4 2023 and Q4 2024. In urban areas retirement rates have decreased by 0.3 percentage points. This is shown in Table A-14.

Table A-14: Retirement rate for the population of those aged 16 and over in England, by broad 2011 Rural-Urban Classification, Q4 2023 and Q4 2024 (Note A-10)

Rates have been rounded to the nearest 0.1%.

Rural-Urban Classification 2011	Q4 2023 (%)	Q4 2024 (%)	Direction of change
Rural	27.9	28.5	Little to no change
Urban	19.3	19.0	Little to no change

Notes

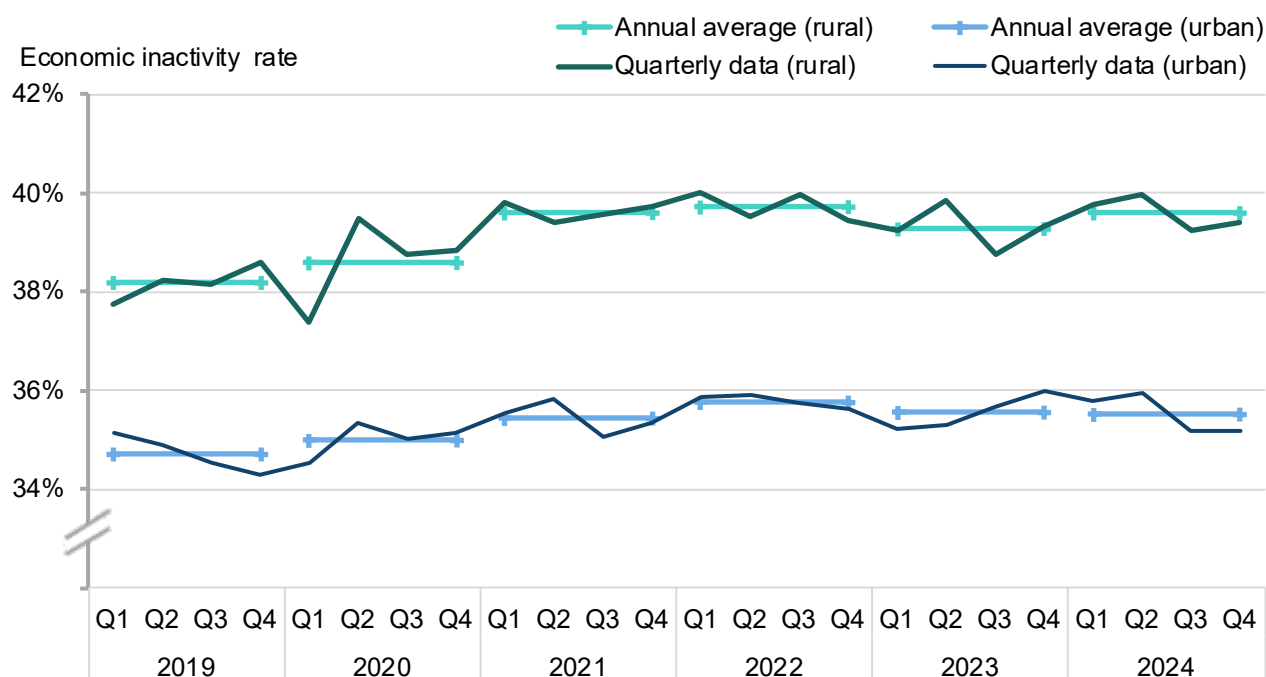
In Table A-13 and Table A-14, the 'direction of change' column indicates the magnitude of change over the period shown. 'Small increase / small decrease' indicates a change of $\pm 3\%$ while 'increase / decrease' indicates a change of $\pm 6\%$. Where the change does not meet the $\pm 3\%$ threshold the table will show 'little to no change'. 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.

Economic inactivity – long-term trends

Quarterly data: The line chart shown in Figure A-5 shows quarterly rates for those economically inactive from 2019. Quarterly data is represented by the darker lines within the chart, while annual averages are plotted using broken horizontal lines that are lighter in colour; rurality is defined using RUC11. In recent periods the quarterly data has become more volatile (see earlier note at the start of the Economic inactivity section) so annual averages have been added to the chart to illustrate the more general trend for the data over the period shown.

Figure A-4: Line chart showing economic inactivity as a percentage of those aged 16 and over, by broad 2011 Rural-Urban Classification, Q1 2019 to Q4 2024 (Note A-2, Note A-8)

Annual averages have been calculated from the four quarters within the specified calendar year. They are represented by horizontal lines that are lighter in colour, and indicate the impact of quarterly variation.



The line chart in Figure A-5 can be summarised as follows:

- Economic inactivity rates have been consistently higher in rural areas than in urban areas since 2019.
- Quarterly rates have fluctuated in both area types over the period shown, however in rural areas the general trend shows a rise in the rate of economic inactivity while urban areas have shown little overall change over the period shown.
- When considering the annual averages, the rate of economic inactivity was 3.5 percentage points higher in rural areas than urban areas in 2019 (38.2% and 34.7% respectively), this gap increased to 4.2 percentage points in 2021 and has fallen back ever so slightly to 4.1 percentage points in 2024 (39.6% for rural areas and 35.5% for urban areas).

It should be noted that these rates are for people aged 16 and over, while the annual rates shown later in Figure A-6 are for people aged 16 to 64. As a result, the changes seen in them will differ.

Annual data: The line chart in Figure A-6 shows annual inactivity rates from 2006. Data are based on the 2021 Rural-Urban Classification of the local authority where people live. 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.

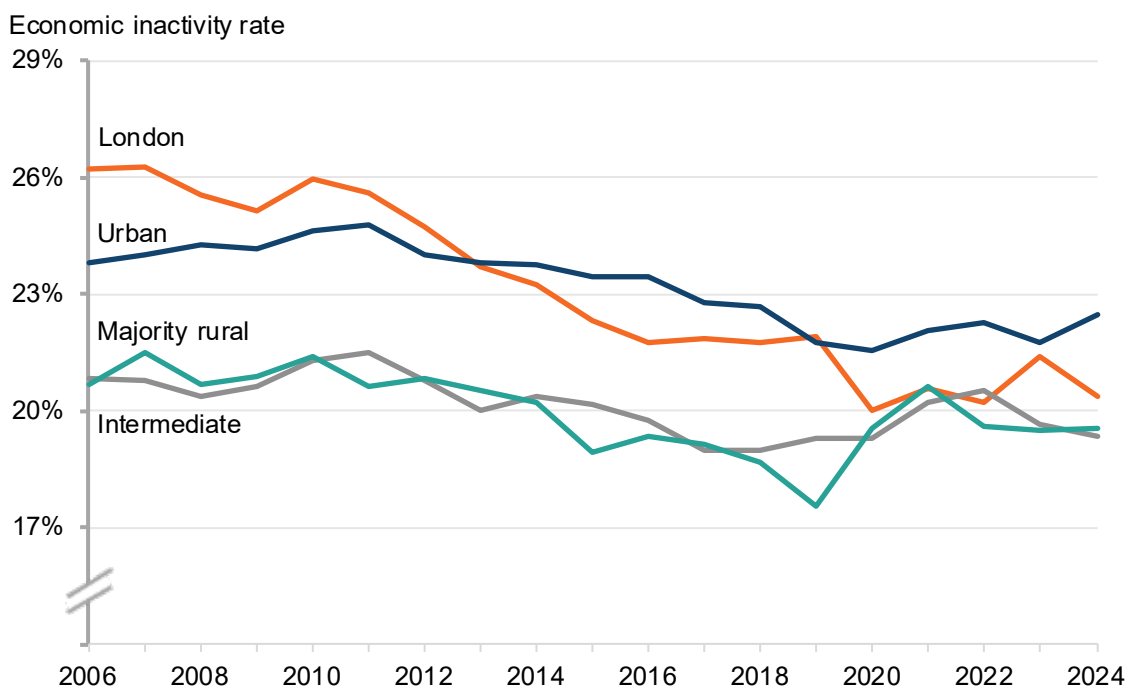
Between 2006 and 2024, economic inactivity rates have been broadly similar between majority rural and intermediate (rural or urban) authorities, with the main differences in 2015 and 2019. Across the period, economic inactivity rates were lower in majority rural authorities than in urban authorities.

In all classifications of authority, economic inactivity rates were lower in 2024 than they were in 2006. However, this was not a consistent decrease; all classifications saw overall decreases to 2019 with some fluctuations. In 2020, there were sharp increases in economic inactivity in majority rural and intermediate (rural or urban) authorities, likely due to the COVID-19 pandemic. However, in London, there were sharp decreases at this time. Economic inactivity rates in urban authorities outside of London were relatively unaffected by the COVID-19 pandemic. Following the pandemic, economic inactivity rates in majority rural and intermediate authorities increased to levels seen in the late 2000s/early 2010s, but fell have levelled off between 2022 and 2024.

The lowest economic inactivity rate across the period was in majority rural authorities in 2019, where 17.5% of the resident working-age population were economically inactive. The highest economic inactivity rate in majority rural authorities was in 2007, where 21.5% of the population were economically inactive. The highest economic inactivity rate of all local authority classifications was also in 2007, in London (26.3%).

Figure A-5: Line chart showing percentage of working age population (16 to 64 years) who are economically inactive, by 2021 Rural-Urban Classification of Local Authorities in England, 2006 to 2021 (Note A-1, Note A-3)

‘Intermediate’ represents the combination of intermediate rural and intermediate urban authorities. ‘Urban’ excludes London.



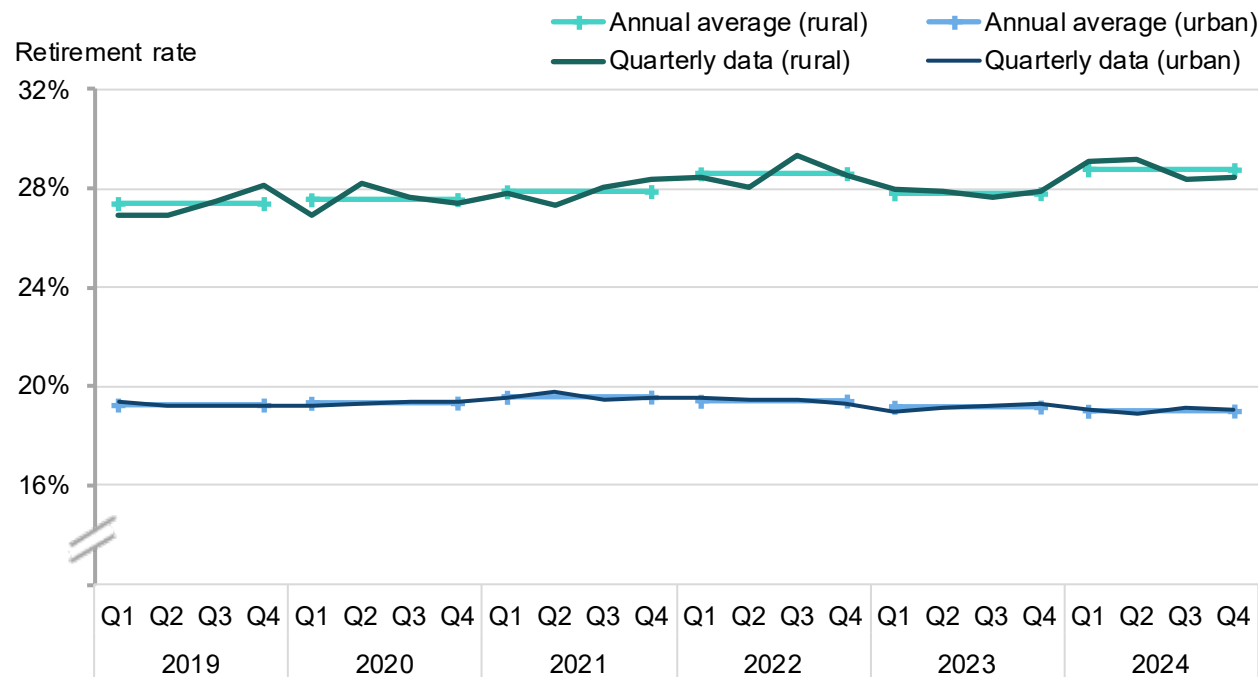
Included within the economic inactivity rates shown in Figure A-5 are the proportion of the population aged 16 and over who are classed as **retired**; this is not an age-related indicator, and is instead self-reported by people who are not actively seeking or available for work.

The line chart shown in Figure A-7 shows the proportion of those aged 16 and over that are retired. Quarterly data is represented by the darker lines within the chart, while annual averages are plotted using broken horizontal lines that are lighter in colour; rurality is defined using RUC11. In recent periods the quarterly data has become more volatile (see earlier note at the start of the Economic inactivity section) so annual averages have been added to the chart to illustrate the more general trend for the data over the period shown. The line chart in Figure A-7 can be summarised as follows:

- Retirement rates have been consistently higher in rural areas than in urban areas since 2019.
- Quarterly rates have fluctuated in rural areas, ranging from 26.9% in Q1 and Q2 of 2019 and Q1 of 2020, to a high of 29.3% in Q3 of 2022. In Q4 2024 the retirement rate in rural areas has fallen back to 28.5%.
- Retirement rates in urban areas have shown less variation, remaining within 0.5 percentage points of 19.0% throughout the period, except for Q2 2021 when rates rose to 19.8%.
- Annual average retirement rates for rural areas increased between 2019 and 2022 (from 27.4% to 28.6%), 2023 saw a small drop to 27.8%, followed by an increase in 2024 to 28.8%.
- The gap between rural and urban annual average retirement rates has generally increased between 2019 and 2024, with rural rates consistently higher. In 2019, the rural annual average retirement rate was 27.4%, 8.1 percentage points higher than the urban rate. By 2024 the gap has increased to 9.7 percentage points.

Figure A-6: Line chart showing retirement as a percentage of those aged 16 and over, by broad 2011 Rural-Urban Classification, Q1 2019 to Q4 2024 (Note A-2)

Annual averages have been calculated from the four quarters within the specified calendar year. They are represented by horizontal lines that are lighter in colour, and indicate the impact of quarterly variation.



Employment explanatory notes

- **Note A-1**

For the long-term trends, data have been calculated based on Local Authorities as at 2023. As a result, the [2021 Rural-Urban Classification](#) could be applied.

- **Note A-2**

The RUC11 has been applied to all data represented in the chart. In December 2024, the ONS carried out a reweighting exercise on the Labour Force Survey to make use of more recent mid-year population estimates. This reweighting was only backdated to the start of 2019, creating a discontinuity between the end of 2018 and the start of 2019. We have only included data from 2019 in our charts to ensure the series is consistent. The full series back to 2005 can be seen in the supplementary data tables that accompany this report (see Note A-9).

- **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.

- **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 area as they live. Median earnings for workers living in majority rural authorities are higher than for those who work in these areas.

Key findings

The main statistics shown within this section are detailed as follows:

On average workers earned more in urban areas than rural areas

- In 2024, the median workplace-based earnings of workers in majority rural authorities was £34,600; this was less than the median earnings of £36,200 in urban authorities outside of London.
- The median earnings of workers in majority rural authorities have consistently been lower than those in urban authorities outside of London.

Little difference in earnings between those who lived in rural or urban areas

- In 2024, the median residence-based earnings of workers living in majority rural authorities was £36,900; this was slightly more than for workers who lived in urban authorities outside of London (£36,400).
- Longer-term there has been little or no difference in the median earnings of those who lived in majority rural authorities and those who lived in urban authorities outside of London.

Rural workers living nearer major towns earn more than those living further away

- In 2024, the median earnings of workers living in majority rural authorities where the majority of the population lived nearer to a major town or city was £38,100; this was £3,100 higher than for those where the majority of the population lived further from a major town or city.
- With residence-based median earnings being higher than workplace-based earnings in authorities where the majority of the population live nearer to a major town or city, it suggests that workers benefit from being able to work in larger urban centres, which typically offer more opportunities for higher earnings.

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 (see [Expenditure](#) in our Communities and Households report). Lower quartile earnings give the level below which the 25% lowest earning workers are paid. Workplace-based earnings relate to the employee's usual site or office, whereas residence-based earnings relate to where they live. If the employee is a remote/home worker, then earnings will be linked to the location they would report to or the closest office/site. Earnings are expressed as current prices and hence are not adjusted for inflation.

Workplace-based earnings: In 2024, the median earnings of workers in majority rural authorities was £34,600; this was less than for workers in urban authorities outside of London (£36,200). Longer-term, the earnings of workers in majority rural authorities have been consistently lower than those in urban authorities outside of London. Between 2023 and 2024, both of these authority types saw a 6% increase in median annual workplace-based earnings. Proximity to a major town or city made a considerable difference to median workplace-based earnings. In 2006, median annual earnings were 9% higher in majority rural authorities where the majority of the population lived nearer to a major town or city than where the majority lived further away; by 2024, this difference had decreased to being 5% higher.

Residence-based earnings: In 2024, the median earnings for workers living in majority rural authorities was £36,900; this was slightly more than for workers who lived in urban authorities outside of London (£36,400). Longer-term, there has been little or no difference in median earnings for those living in majority rural or urban authorities outside of London. Between 2023 and 2024, both of these authority types saw a 7% increase in median annual residence-based earnings. Proximity to a major town or city made a considerable difference to median residence-based earnings – more so than workplace-based. In 2006, median annual residence-based earnings were 14% higher in majority rural authorities where the majority of the population lived nearer to a major town or city than where the majority lived further away; by 2024, this difference had decreased to being 9% higher.

People do not necessarily work in the same area as they live, meaning median workplace-based and residence-based average earnings may differ. People who live in majority rural authorities and possibly work elsewhere have consistently had higher median earnings than those who worked in these areas.

Workplace-based earnings

People do not necessarily live where they work and the workplace can be in a different local authority area. Workplace-based earnings refer to the earnings of employees who **work** in the type of authority specified, while residence-based earnings refer to the earnings of workers who live in the type of authority, regardless of where they work.

Median earnings

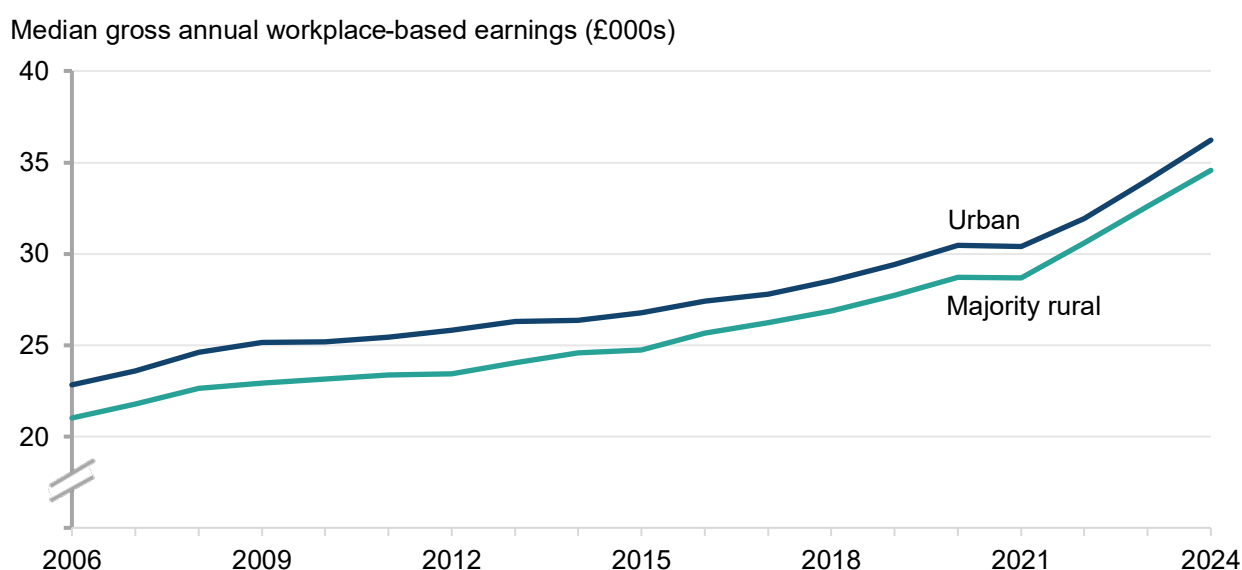
Median earnings represent the middle point of a distribution of earnings, where half of employees earn more and half earn less. Unlike the mean, the median is not affected by extremely high or low values, and is a useful measure by which to compare earnings across local authorities.

In 2024, median gross annual workplace-based earnings in England were £37,600. In majority rural authorities median earnings were £34,600 - below the median for England. In urban authorities outside of London, median earnings were £36,200 - higher than in majority rural authorities, but below the median for England. The median for England is inflated by the high median earnings seen by people who work in London (£47,700). Rural classification estimates include imputation to fill in missing data; for more information, see Note B-5.

Median earnings have increased over time (not adjusted for inflation) and the rate of increase has been sharper in recent years. The line chart in Figure B-1 shows the median workplace-based earnings in majority rural and urban authorities outside of London between 2006 and 2024. London has been excluded from the chart as the median earnings are considerably higher. Intermediate (rural or urban) authorities are not included on the chart but their median earnings sit between majority rural and urban authorities outside of London, as shown in the [supplementary data tables](#).

Figure B-1: Line chart showing median workplace-based earnings for majority rural and urban local authorities, as defined within the 2021 Rural-Urban Classification, in England, current prices (not adjusted for inflation), 2006 to 2024

“Urban” excludes London. Annual gross earnings are presented in thousands.



Median annual workplace-based earnings have risen steadily over time in both majority rural and urban authorities outside of London, but urban earnings have consistently been higher. From 2006 to 2024, the gap between median workplace-based earnings in majority rural and urban authorities remained about the same.

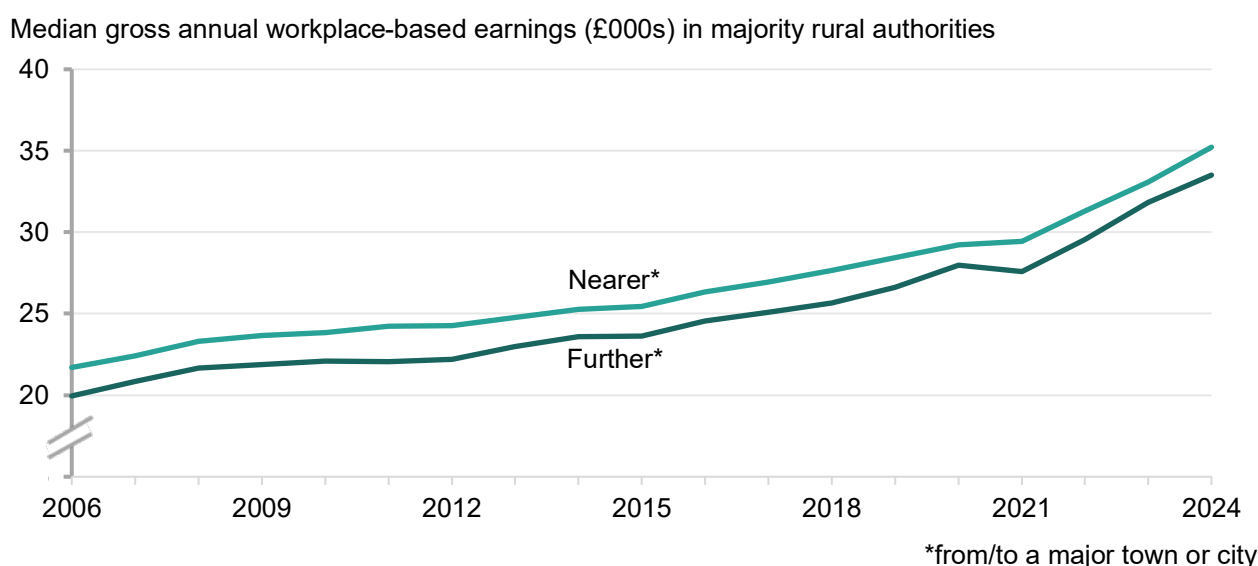
At the start of the series, median annual earnings were £21,000 in majority rural authorities and £22,800 in urban authorities outside of London. Both authority types saw growth in median earnings, particularly from 2021 onwards. Between 2006 and 2020, median earnings increased by 37% in majority rural authorities, and by 34% in urban authorities outside of London. There was little to no change in 2020, likely due to the COVID-19 pandemic. Between 2021 and 2024, median earnings increased by 20% in majority rural authorities and by 19% in urban authorities outside of London.

Majority rural and urban authorities outside of London both saw a 6% increase in median annual workplace-based earnings between 2023 and 2024. In comparison, the CPIH (Consumer Prices Index including housing costs; a measure of inflation) rose by around 4% in the year ending March 2024. This means that in the year ending March 2024, median earnings were rising faster than inflation. For more information, see: [Consumer price inflation, UK - Office for National Statistics](#).

Proximity to a major town or city is considered within the 2021 Rural-Urban Classification to indicate relative access; please see Note B-4 for more information about the classification. Between 2006 and 2024, median annual workplace-based earnings were higher in majority rural local authorities where the majority of the population lived nearer to a major town or city than where the majority lived further away. This is shown as a line chart in Figure B-2.

Figure B-2: Line chart showing median workplace-based earnings for majority rural local authorities in England as defined within the 2021 Rural-Urban Classification, by proximity to a major town or city for the majority of the population, current prices (not adjusted for inflation), 2006 to 2024 (Note B-4)

Annual gross earnings are presented in thousands.



The gap in median workplace-based earnings between majority rural authorities where the majority of the population lived nearer to a major town or city, and those where the majority of the population lived further from a major town or city, was broadly similar between 2006 and 2024. In 2006, median annual earnings were 9% higher in majority rural authorities where the majority of the population lived nearer to a major town or city than where the majority lived further away.

By 2024, this difference had decreased to 5%. In 2024, the median annual workplace-based earnings in majority rural authorities where the majority of the population lived nearer to a major town or city was £35,200; this was £1,700 higher than in authorities where the majority of the population lived further from a major town or city (£33,500).

There is a regional influence in median annual workplace-based earnings; areas closer to London tend to have the higher median earnings. Table B-1 shows the local authorities with the highest median annual workplace-based earnings within each type of authority; all of the authorities shown in the table are located in the East or South East regions of England.

Table B-1: Local authorities with the highest median annual workplace-based earnings within the specified authority type, by 2021 Rural-Urban Classification, in England, 2024
Annual gross earnings are rounded to the nearest £100.

Rural-Urban Classification 2021	Local Authority	Earnings (£)
Majority rural	South Cambridgeshire	44,500
Intermediate rural	West Berkshire	45,100
Intermediate urban	Brentwood	44,100
Urban (excluding London)	Bracknell Forest	46,700
London	Tower Hamlets	65,000
England	Tower Hamlets	65,000

In 2024, reflecting the London Docklands as a financial centre, 'Tower Hamlets' (along with the 'City of London') had the highest median annual workplace-based earnings in England, at £65,000.

Outside of London, 'Bracknell Forest' (an urban authority) had the highest median annual workplace-based earnings in 2024, at £46,700.

Out of all majority rural authorities, 'South Cambridgeshire' had the highest median annual workplace-based earnings in 2024, at £44,500; this was £20,500 less than in 'Tower Hamlets', and £2,200 less than in 'Bracknell Forest'.

There was less of a regional trend when considering the local authorities with the lowest median annual workplace-based earnings within each authority type, as shown in Table B-2.

Table B-2: Local authorities with the lowest median annual workplace-based earnings within the specified authority type, by 2021 Rural-Urban Classification, in England, 2024
Annual gross earnings are rounded to the nearest £100.

Rural-Urban Classification 2021	Local Authority	Earnings (£)
Majority rural	Torridge	29,600
Intermediate rural	Bolsover	30,600
Intermediate urban	Staffordshire Moorlands	30,000
Urban (excluding London)	Pendle	28,700
London	Barking and Dagenham	35,800
England	Pendle	28,700

In 2024, 'Pendle' (an urban authority in the North West of England) had the lowest median workplace-based earnings in England, at £28,700.

Of the majority rural authorities, 'Torridge' (in the South West of England) had the lowest median workplace-based earnings in 2024, at £29,600. In London, 'Barking and Dagenham' had the lowest median workplace-based earnings, at £35,800.

Proximity to a major town or city had a notable impact on median workplace-based earnings.

'South Cambridgeshire' – with the highest median annual workplace-based earnings of majority rural authorities in 2024 – has the majority of its population living nearer to a major town or city. Of majority rural authorities where the majority of the population live further from a major town or city, 'West Oxfordshire' had the highest median annual workplace-based earnings (£40,300); but this was £4,200 less than in 'South Cambridgeshire'.

In comparison, 'Torridge' – with the lowest median annual workplace-based earnings of majority rural authorities in 2024 – has the majority of its population living further from a major town or city. Of majority rural authorities where the majority of the population live nearer to a major town or city, 'West Lindsey' had the lowest median annual workplace-based earnings (£30,900); but this was £1,400 more than in 'Torridge'.

Lower quartile earnings

Lower quartile earnings represent the value below which 25% of employees earn.

In 2024, lower quartile gross annual workplace-based earnings in England were £28,000. In majority rural authorities, lower quartile earnings were lower, at £26,900. In urban authorities outside of London, lower quartile earnings were £27,500 - higher than in majority rural authorities, but below the England lower quartile. The England lower quartile earnings are inflated by the lower quartile earnings in London (£34,300). Rural classification estimates include imputation to fill in missing data; for more information regarding the approximation, see Note B-5.

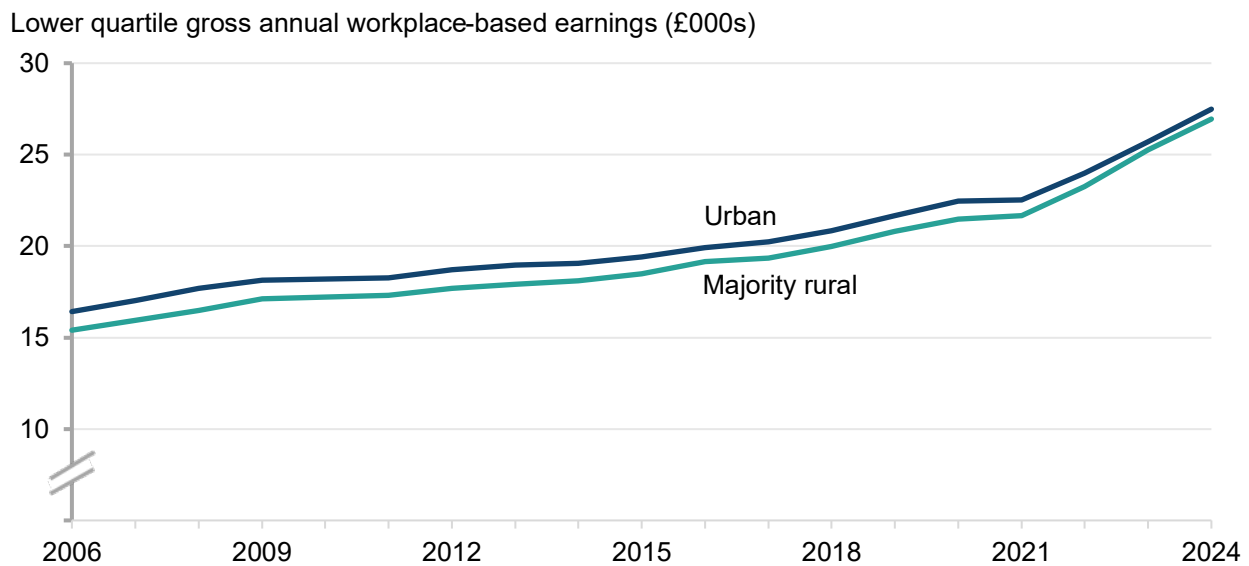
Lower quartile earnings have increased over time (not taking account of inflation). The line chart in Figure B-3 shows the lower quartile workplace-based earnings in majority rural and urban authorities outside of London between 2006 and 2024. London has been excluded from the chart as the lower quartile earnings are considerably higher. Intermediate (rural or urban) authorities are not included on the chart but their median earnings sit between majority rural and urban authorities outside of London, as shown in the [supplementary data tables](#).

Lower quartile annual workplace-based earnings have risen steadily over time in both majority rural and urban authorities outside of London (not taking account of inflation), but for urban authorities outside London the level has been consistently higher.

At the start of the series, lower quartile annual earnings were £15,400 and £16,400 in majority rural and urban authorities outside of London, respectively. Both authority types saw notable growth in lower quartile earnings, particularly from 2021 onwards (not adjusted for inflation).

Figure B-3: Line chart showing lower quartile workplace-based earnings for majority rural and urban local authorities in England, as defined within the 2021 Rural-Urban Classification, current prices (not adjusted for inflation), 2006 to 2024

“Urban” excludes London. Annual gross earnings are presented in thousands.

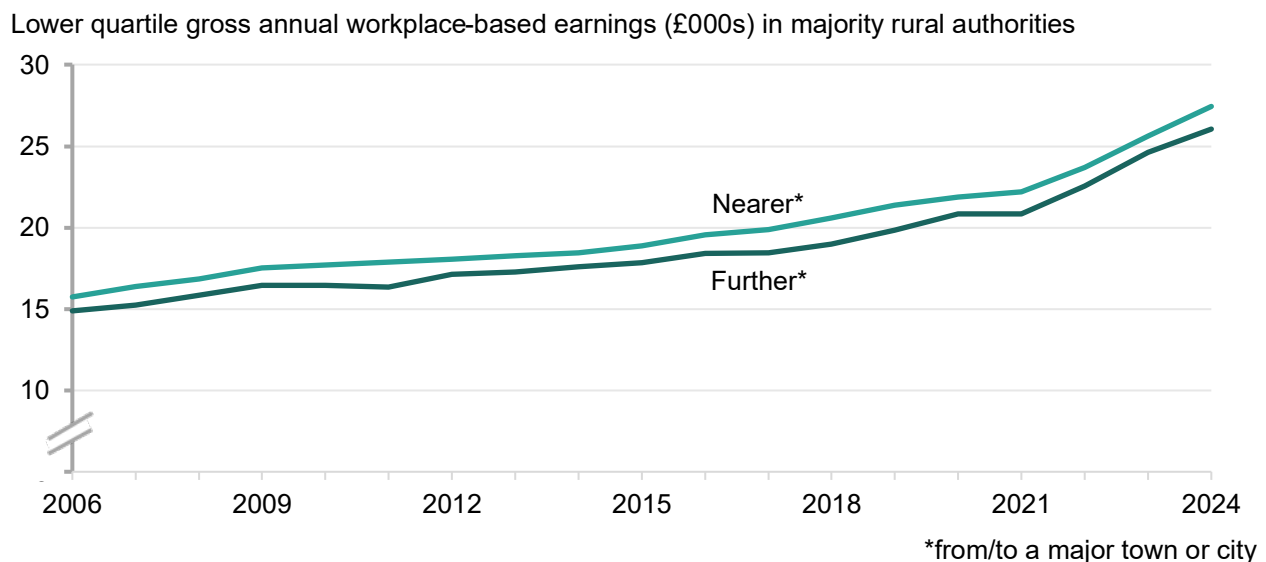


Between 2006 and 2020, lower quartile earnings increased by 39% in majority rural authorities, and by 37% in urban authorities outside of London. There was little to no change in 2020, likely due to the COVID-19 pandemic. Between 2021 and 2024, lower quartile earnings increased by 24% in majority rural authorities and by 22% in urban authorities outside of London. Majority rural and urban authorities outside of London both saw a 7% increase in lower quartile annual workplace-based earnings between 2023 and 2024.

Figure B-4 shows how proximity to a major town or city impacts lower quartile earnings.

Figure B-4: Line chart showing lower quartile workplace-based earnings for majority rural local authorities in England as defined within the 2021 Rural-Urban Classification, by proximity to a major town or city for the majority of the population, current prices (not adjusted for inflation), 2006 to 2024 (Note B-4)

Annual gross earnings are presented in thousands.



Between 2006 and 2024, lower quartile annual workplace-based earnings were higher in majority rural local authorities where the majority of the population lived nearer to a major town or city than in those where the majority lived further away. The gap remained about the same throughout 2006 to 2024. In 2006, lower quartile annual earnings were 6% higher in majority rural authorities where the majority of the population lived nearer to a major town or city than in those where the majority lived further away; by 2024, this difference had decreased slightly to 5%.

In 2024, the lower quartile annual workplace-based earnings in majority rural authorities where the majority of the population lived nearer to a major town or city was £26,100; this was £1,400 higher than for those where the majority of the population lived further from a major town or city (£27,500).

Residence-based earnings

People do not necessarily live where they work, and their workplace can be in a different local authority area. Workplace-based earnings refer to the earnings of employees who work in the type of authority specified, while residence-based earnings refer to the earnings of workers who **live** in the type of authority, regardless of where they work.

Median earnings

Median earnings represent the middle point of a distribution of earnings, where half of employees earn more and half earn less. Unlike the mean, the median is not affected by extremely high or low values, and is a useful measure by which to compare earnings across local authorities.

In 2024, median gross annual residence-based earnings in England were £37,600. For majority rural authorities, median earnings were £36,900 - below the median for England. For urban authorities outside of London, median earnings were £36,400 - slightly lower than in majority rural authorities. Median earnings in England are inflated by the high median earnings seen in London (£45,000). Rural classification estimates include imputation to fill in missing data; for more information, see Note B-5.

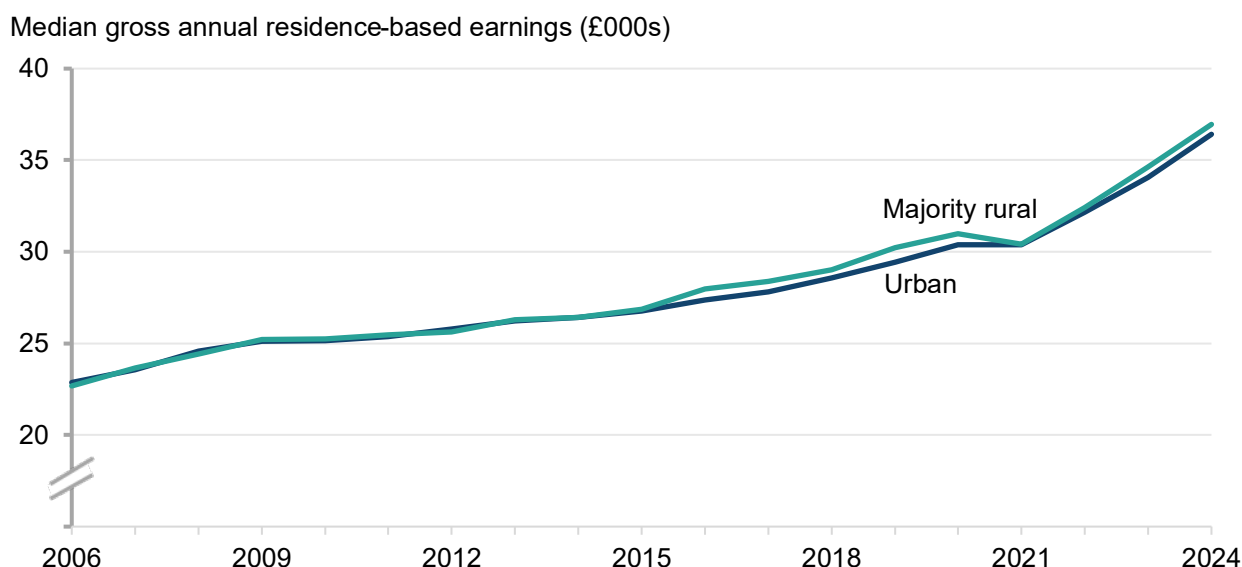
Median earnings have increased over time (not adjusted for inflation). The line chart in Figure B-5 shows the median residence-based earnings in majority rural and urban authorities outside of London between 2006 and 2024. London has been excluded from the chart as the median earnings are considerably higher. Intermediate (rural or urban) authorities are not included on the chart but their median earnings sit between majority rural and urban authorities outside of London, as shown in the [supplementary data tables](#).

Median annual residence-based earnings have risen steadily over time in both majority rural and urban authorities outside of London (not adjusted for inflation) with often little difference between these authority types.

At the start of the series, majority rural authorities had median residence-based earnings of £22,700; this compared to £22,900 for urban authorities outside of London. Both authority types saw notable growth in median residence-based earnings, particularly from 2021 onwards (not adjusted for inflation).

Figure B-5: Line chart showing median residence-based earnings for majority rural and urban local authorities, as defined within the 2021 Rural-Urban Classification, current prices (not adjusted for inflation), 2006 to 2024

“Urban” excludes London. Annual gross earnings are presented in thousands.



Between 2006 and 2020, median earnings increased by 37% for those living in majority rural authorities, and by 33% in urban authorities outside of London. There was a small decrease in 2020, likely due to the COVID-19 pandemic. Between 2021 and 2024, median earnings increased by 21% in majority rural authorities and by 20% in urban authorities outside of London.

Majority rural and urban authorities outside of London both saw a 7% increase in median annual residence-based earnings between 2023 and 2024. In comparison, the CPIH (Consumer Prices Index including housing costs; a measure of inflation) rose by around 4% in the year ending March 2024. This means that in the year ending March 2024, median earnings were rising faster than inflation. For more information, see: [Consumer price inflation, UK - Office for National Statistics](#).

Proximity to a major town or city is considered within the 2021 Rural-Urban Classification to indicate relative access; please see Note B-4 for more information about the classification.

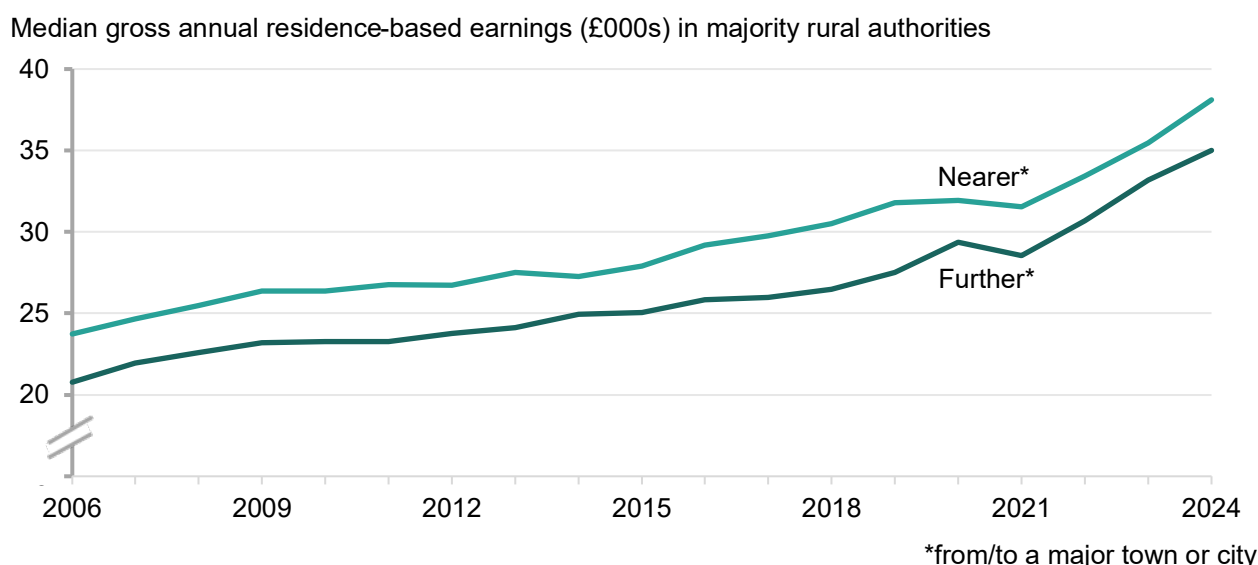
As shown in Figure B-6, between 2006 and 2024, median annual residence-based earnings were higher in majority rural local authorities where the majority of the population lived nearer to a major town or city than in authorities where the majority were further away.

Between 2006 and 2024, there was a gap in median residence-based earnings between majority rural authorities where the majority of the population lived nearer to a major town or city, and those where the majority of the population lived further from a major town or city. In 2006, median annual residence-based earnings were 14% higher in majority rural authorities where the majority of the population lived nearer to a major town or city than in authorities where the majority were further away; by 2024, this difference had decreased to 9%.

In 2024, the median annual residence-based earnings in majority rural authorities where the majority of the population lived nearer to a major town or city was £38,100; this was £3,100 higher than in those authorities where the majority of the population lived further from a major town or city (£35,000).

Figure B-6: Line chart showing median residence-based earnings for majority rural local authorities as defined within the 2021 Rural-Urban Classification, by proximity to a major town or city for the majority of the population, current prices (not adjusted for inflation), 2006 to 2024 (Note B-4)

Annual gross earnings are presented in thousands.



There is a regional influence in median annual residence-based earnings; areas closer to London tend to have the highest median earnings in England. Table B-3 shows the local authorities with the highest median annual residence-based earnings within each type of authority in 2024; all of the authorities shown in the table are located in the East or South East of England.

Table B-3: Local authorities with the highest median annual residence-based earnings within the specified authority type, by 2021 Rural-Urban Classification, 2024

Annual gross earnings are rounded to the nearest £100.

Rural-Urban Classification 2021	Local Authority	Earnings (£)
Majority rural	Uttlesford	47,100
Intermediate rural	Sevenoaks	45,600
Intermediate urban	Brentwood	50,100
Urban (excluding London)	St Albans	53,800
London	Richmond upon Thames	56,000
England	Richmond upon Thames	56,000

In 2024, 'Richmond upon Thames' (in London) had the highest median annual residence-based earnings in England, at £56,000. Outside of London, 'St Albans' (an urban authority with good public transport links to central London) had the highest median annual residence-based earnings, at £53,800.

Of majority rural authorities, 'Uttlesford' in Essex had the highest median annual residence-based earnings in 2024, at £47,100; this was £9,000 less than in 'Richmond upon Thames', and £6,700 less than in 'St Albans'.

There was less of a regional trend when considering the local authorities with the lowest median annual residence-based earnings within each authority type, as shown in Table B-4.

Table B-4: Local authorities with the lowest median annual residence-based earnings within the specified authority type, by 2021 Rural-Urban Classification, 2024

Annual gross earnings are rounded to the nearest £100.

Rural-Urban Classification 2021	Local Authority	Earnings (£)
Majority rural	North Norfolk	31,000
Intermediate rural	Melton	30,800
Intermediate urban	Boston	29,500
Urban (excluding London)	Pendle	28,900
London	Barking and Dagenham	38,000
England	Pendle	28,900

In 2024, 'Pendle' (an urban authority in the North West of England) had the lowest median residence-based earnings in England, at £28,900.

Of majority rural authorities, 'North Norfolk' (in the East of England) had the lowest median residence-based earnings in 2024, at £31,000. In London, 'Barking and Dagenham' had the lowest median residence-based earnings, at £38,000.

Proximity to a major town or city had a notable impact on median residence-based earnings. 'Uttlesford' – with the highest median annual residence-based earnings of majority rural authorities in 2024 – had the majority of its population living nearer to a major town or city. Of majority rural authorities where the majority of the population live further from a major town or city, 'West Oxfordshire' had the highest median annual residence-based earnings (£43,200); this was £3,800 less than in 'Uttlesford'.

In comparison, 'North Norfolk' – with the lowest median annual residence-based earnings of majority rural authorities in 2024 – had the majority of its population living further from a major town or city. Of majority rural authorities where the majority of the population live nearer to a major town or city, 'Wychavon' in Worcestershire had the lowest median annual residence-based earnings (£34,100); this was £3,100 more than in 'North Norfolk'.

Lower quartile earnings

Lower quartile earnings represent the level of earnings below which 25% of employees earn.

In 2024, lower quartile gross annual residence-based earnings in England were £28,000. In majority rural authorities, lower quartile earnings were £27,800 - slightly below the England lower quartile. In urban authorities outside of London, lower quartile earnings were £27,500 - lower than in majority rural authorities. The lower quartile for England is inflated by the lower quartile earnings in London (£32,700). Rural classification estimates include imputation to fill in missing data; for more information, see Note B-5.

Lower quartile earnings have increased over time (not adjusted for inflation).

The line chart in Figure B-7 shows the lower quartile residence-based earnings in majority rural and urban authorities outside of London between 2006 and 2024. There was little difference in lower quartile residence-based earnings between majority rural and urban authorities outside of London. London has been excluded from the chart as the lower quartile earnings are considerably higher. Intermediate (rural or urban) authorities are not included on the chart but their median earnings sit between majority rural and urban authorities outside of London, as shown in the [supplementary data tables](#).

Lower quartile annual residence-based earnings have risen steadily over time in both majority rural and urban authorities outside of London (not adjusted for inflation), with often little difference between these authority types.

At the start of the series, lower quartile annual earnings were £16,200 and £16,400 in majority rural and urban authorities outside of London, respectively. Both authority types saw notable growth in lower quartile earnings, particularly from 2021 onwards (not adjusted for inflation).

Between 2006 and 2020, lower quartile earnings increased by 39% in majority rural authorities, and by 36% in urban authorities outside of London (not adjusted for inflation). There was little to no change in 2020, likely due to the COVID-19 pandemic. Between 2021 and 2024, lower quartile earnings increased by 23% in majority rural authorities, and by 22% in urban authorities outside of London. In terms of the short-term change, majority rural authorities saw a 6% increase in lower quartile annual residence-based earnings between 2023 and 2024, compared to a 7% increase in urban authorities outside of London (not adjusted for inflation).

Figure B-7: Line chart showing lower quartile residence-based earnings for majority rural and urban local authorities in England, as defined within the 2021 Rural-Urban Classification, current prices (not adjusted for inflation) 2006 to 2024

“Urban” excludes London. Annual gross earnings are presented in thousands.



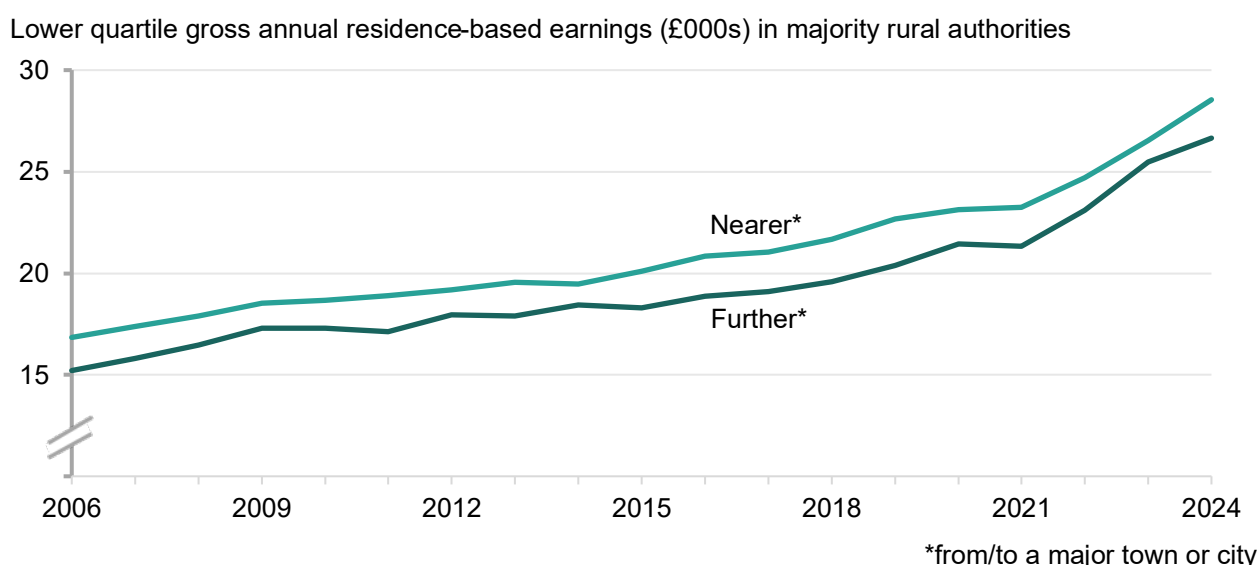
Figure B-8 shows how proximity to a major town or city impacts lower quartile earnings.

Between 2006 and 2024, lower quartile annual residence-based earnings were higher in majority rural local authorities where the majority of the population lived nearer to a major town or city) than in authorities where the majority lived further away.

In 2006, lower quartile annual earnings were 11% higher in majority rural authorities where the majority of the population lived nearer to a major town or city than in authorities where the majority lived further away; by 2024, this difference had decreased to 7%. In 2024, the lower quartile annual residence-based earnings in majority rural authorities where the majority of the population lived nearer to a major town or city (£28,500) was £1,900 higher than those where the majority of the population lived further from a major town or city (£26,700).

Figure B-8: Line chart showing lower quartile residence-based earnings for majority rural local authorities in England as defined within the 2021 Rural-Urban Classification, by proximity to a major town or city for the majority of the population, current prices (not adjusted for inflation), 2006 to 2024 (Note B-4)

Annual gross earnings are presented in thousands.



Comparing workplace-based and residence-based earnings

Workplace-based earnings refer to the income earned by individuals at the location where they work, regardless of where they live. In contrast, residence-based earnings reflect the income of individuals based on their place of residence, regardless of where they are employed. As people do not necessarily work in the same local authority as they live, workplace-based and residence-based average earnings may differ.

The line chart in Figure B-9 highlights the differences in median annual earnings in majority rural authorities when using a workplace-based or residence-based measure. Between 2006 and 2024, median residence-based earnings were consistently higher than median workplace-based earnings in majority rural authorities.

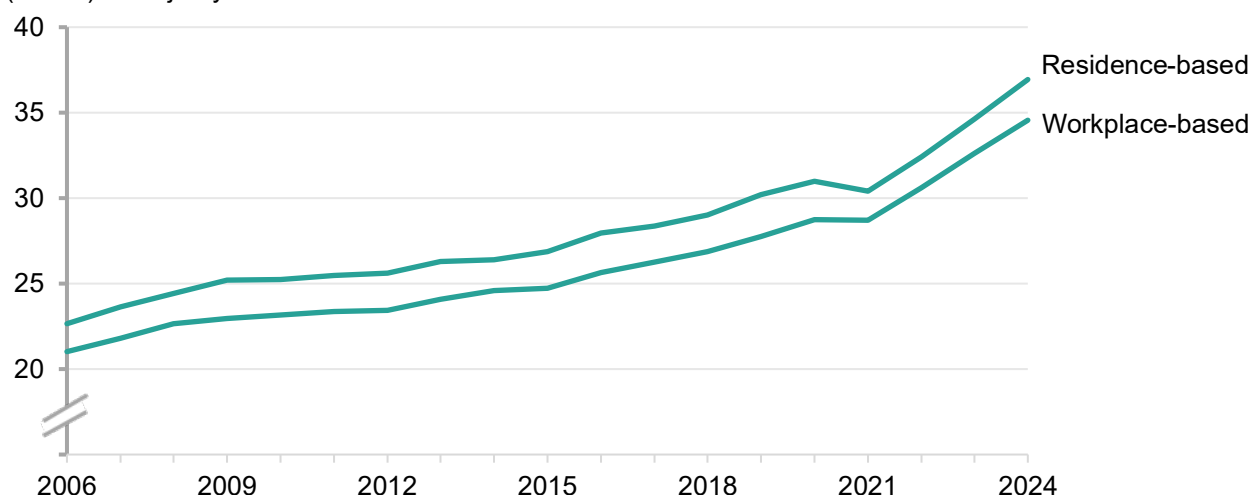
At the start of the series, median annual residence-based earnings (£22,700) were £1,600 higher than median annual workplace-based earnings (£21,000) in majority rural authorities. This was the smallest difference seen between 2006 and 2024. The greatest difference was in 2019, when median residence-based earnings (£30,200) were £2,500 higher than median workplace-based earnings (£27,700) in majority rural authorities.

In 2024, there was still a considerable gap between the different earnings measures; median residence-based earnings in majority rural authorities was £36,900, whilst workplace-based earnings in majority rural authorities were £2,400 less (£34,600).

Figure B-9: Comparison of workplace-based and residence-based median gross annual earnings in majority rural authorities, as defined within the 2021 Rural-Urban Classification, current prices (not adjusted for inflation), 2006 to 2024

Annual gross earnings are presented in thousands.

Comparison between median gross annual workplace-based and residence-based earnings (£000s) in majority rural authorities



In majority rural authorities, residence-based earnings tend to exceed workplace-based earnings due to several factors. A considerable number of residents of majority rural authorities commute to higher-paying jobs in urban or suburban areas; their earnings are counted as majority rural residence-based income but urban workplace-based income, creating a divide between these two measures when focussing on majority rural authorities only. Additionally, more limited local employment opportunities - often characterized by lower wages or fewer jobs - contribute to relatively low workplace-based earnings in majority rural authorities. The trend is further influenced by [remote workers](#), and higher-income individuals who **choose** to reside in rural areas while working for non-local employers.

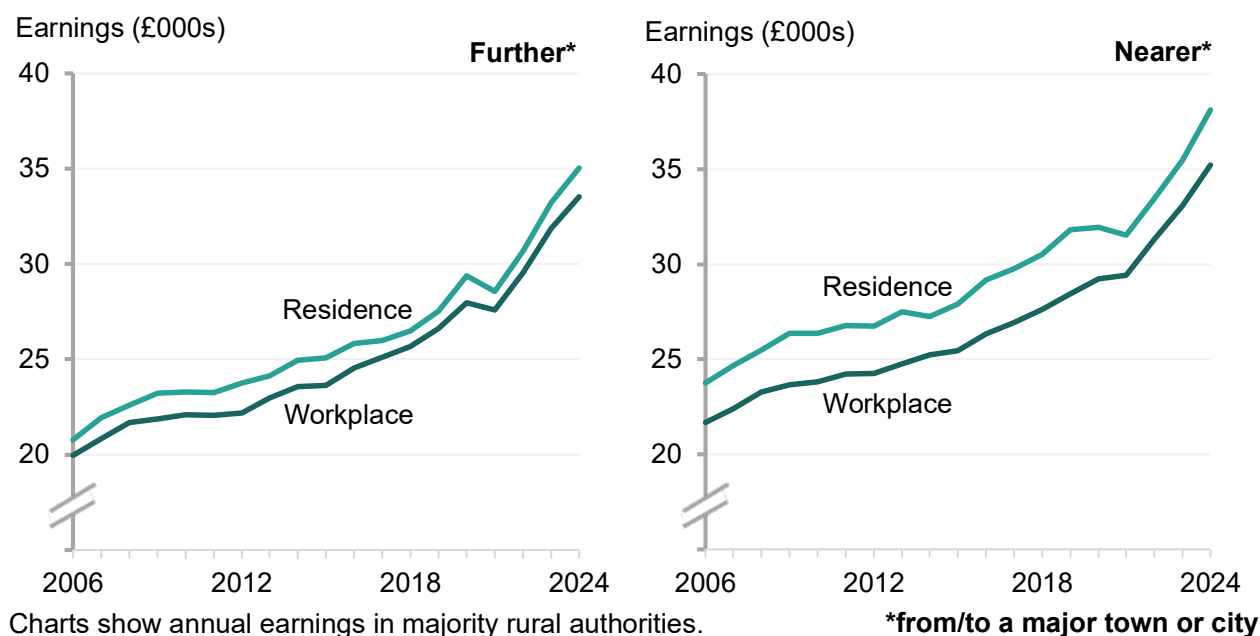
The line charts in Figure B-10 show how proximity to a major town or city impacts median earnings; the left-hand chart shows median annual workplace-based and residence-based earnings in majority rural authorities where the majority of the population live further from a major town or city, whereas the right-hand chart highlights the same metrics for majority rural authorities where the majority of the population live nearer to a major town or city.

In both line charts shown in Figure B-10 (i.e. for all majority rural authorities regardless of proximity to a major town or city), median annual residence-based earnings were higher than median annual workplace-based earnings; however, the gap between median residence-based and median workplace-based earnings was greater in majority rural authorities where the majority of the population lived nearer to a major town or city.

In majority rural authorities where the majority of the population live nearer to a major town or city, higher residence-based than workplace-based earnings suggests that residents are more likely to commute to urban jobs, which typically offer higher pay (see Figure B-1).

Figure B-10: Comparison of workplace-based and residence-based median gross annual earnings in majority rural authorities where the majority of the population lived further from (left-hand chart) or nearer to (right-hand chart) a major town or city, in England, current price (not adjusted for inflation), 2006 to 2024 (Note B-4)

Annual gross earnings are presented in thousands.



At the start of the series, the difference between median annual workplace-based and residence-based earnings in majority rural authorities where the majority of the population lived further from a major town or city was £800; this was one of the smallest differences between 2006 and 2024. In comparison, the greatest difference in earnings measures was in 2012, where median annual residence-based earnings were £1,600 higher than workplace-based earnings.

In majority rural authorities where the majority of the population lived nearer to a major town or city, the difference between median annual workplace-based and residence-based earnings was £2,000 at the start of the series; this gap between earnings measures was more than double the size of that in majority rural authorities where the majority of the population lived further from a major town or city. The greatest difference in earnings in majority rural authorities where the majority of the population lived nearer to a major town or city was in 2019, where median annual residence-based earnings were £3,400 higher than workplace-based earnings.

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 (residence and workplace analysis): www.nomisweb.co.uk/articles/1066.aspx

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.

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

- **Note B-2**

Time series data within this section used local authorities as at 2023. The 2021 Rural-Urban Classification has been applied. For more information, see: [Rural Urban Classification - GOV.UK](https://gov.uk/rural-urban-classification)

- **Note B-3**

Data presented within this section are available in the [Rural economy supplementary data tables](#).

- **Note B-4**

RUC21 provide information regarding the areas' proximity to a major town or city to indicate relative access. "Nearer to a major town or city" is defined as being within a 30-minute drive of a major town or city and, "further from a major town or city" is defined as being more than a 30-minute drive by car from a major town or city. In this context "a major town or city" is defined as a built-up area with a population of at least 75,000 residents.

A local authority is classified as "majority further from a major town or city" have if at least 50% of their population are further from a major town or city, and similarly a local authority classified as "majority nearer to a major town or city" have less than 50% of their population further from a major town or city.

This proximity measure is independent of the rurality measure in that it relates to all of the population within the local authority - not just the rural proportion.

- **Note B-5**

Earnings data comes from the Local Authority-level dataset of the Annual Survey of Hours and Earnings release. They are based on full-time workers, and represent earnings from each tax year ending 5th April. Earnings are taken for employees on adult rates of pay who have been in the same job for more than a year.

Annual earnings data are missing for some Local Authorities; in these situations, annualised weekly earnings have been used instead. As these figures are not produced on an identical basis to annual earnings, they are not directly comparable; annualised weekly earnings may overestimate or underestimate annual earnings. To reduce this effect, all earnings figures have been rounded to the nearest £100; therefore, values may not sum to totals.

Values for overall earnings in England are reported as they are directly from the Survey, and do not include imputation.

C. Redundancies

Redundancies rates fluctuate, but overall, there is little difference in the rate of redundancies for people living in Rural areas and Urban areas.

Key findings

The main statistics shown within this section are detailed as follows:

Redundancy rates in latest quarter were higher in Rural areas than in Urban areas

- In Quarter 4, 2024 there were 4.6 redundancies per 1,000 employees living in Rural areas, compared with 4.1 redundancies in Urban areas.

Average redundancy rates in 2024 were lower in Rural areas than in Urban areas

- When looking at the average rate for 2024, rates were higher for those living in Urban areas with an average rate of 3.7 redundancies per 1,000 employees, compared with 3.4 redundancies for Rural areas.

Redundancy rates show considerable fluctuation over time

- For those living in Rural areas, redundancy rates peaked in Q3 2020 at 11.5 redundancies per 1,000 employees; in Urban areas, the peak was slightly later (Q4 2020, 13.9 redundancies per 1,000 employees).
- The lowest redundancy rates between 2019 to 2024 were in Q2 2022, where there were 1.5 redundancies per 1,000 employees living in Rural areas, and 1.9 redundancies per 1,000 employees living in Urban areas.
- Overall, both Rural and Urban areas have shown an increase in redundancies over the period 2019 to 2024 (both by just under 1 redundancy per 1,000 employees).

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 4 2024, redundancy rates were higher for employees living in Rural areas than in Urban areas, at 4.6 and 4.1 redundancies per 1,000 employees respectively. Rates had increased in both Rural and Urban areas when compared with the previous quarter, increasing by 1.9 and 0.5 redundancies per 1,000 employees respectively.

However, annual changes show redundancy rates decreasing in Rural areas (by 1.4 per 1,000 employees to 18,700 redundancies in Rural areas) while they increased in Urban areas (by 0.3 per 1,000 employees to 86,100 redundancies in Urban areas).

Redundancy rates in England have fluctuated over time, although both Rural and Urban areas have shown an overall increase in redundancies over the period 2019 to 2024 of just under 1 redundancy per 1,000 employees for both settlement types.

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 Quarter 4 (Q4) 2024 (i.e., October to December 2024).

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

In Q4 2024, redundancy rates were higher for those living in Rural areas than in Urban areas, at 4.6 and 4.1 redundancies per 1,000 employees respectively. This is shown in Table C-1. Proportionally more people were made redundant in Q4 2024 than in the previous quarter in England, increasing from 3.4 to 4.2 redundancies per 1,000 employees. In Rural areas specifically, there were 1.9 more redundancies per 1,000 employees in Q4 compared to Q3 2024; in Urban areas, there was a smaller increase of 0.5 redundancies per 1,000 employees across the same period.

In absolute terms, 18,700 people living in Rural areas were made redundant in Q4 2024 - 7,300 more than in Q3 2024. 86,100 people living in Urban areas were made redundant - 12,700 more than in Q3 2024.

Table C-1: Redundancies in England, by 2011 Rural-Urban Classification (counts, rates per 1,000 workers), Q3 and Q4 2024 (Note C-1, Note C-2)

Rates are rounded to the nearest 0.1 redundancies per 1,000 employees living within the specified settlement type, and counts are rounded to the nearest 100 people.

2011 Rural-Urban Classification	Count, Q3 2024	Rate, Q3 2024	Count, Q4 2024	Rate, Q4 2024	Direction of change
Rural	11,400	2.8	18,700	4.6	Increase
Urban	73,400	3.6	86,100	4.1	Increase
England	84,800	3.4	104,700	4.2	Increase

Redundancies – annual change

As well as presenting quarterly changes, we can show annual change based on the most recent quarter. In Quarter 4 (Q4) 2024, redundancy rates in England had showed little change when compared with Q4 2023; the redundancy rate remained at 4.2 redundancies per 1,000 employees (Table C-2).

There were proportionally fewer people made redundant in Q4 2024 compared to the year prior in Rural areas, but in Urban areas, the redundancy rate instead increased. In Rural areas, there were 1.4 fewer redundancies per 1,000 employees by Q4 2024. However, in Urban areas, there were 0.3 more redundancies per 1,000 employees. This is equivalent to a decrease of 6,400 redundancies in Rural areas and an increase of 8,000 redundancies in Urban areas between Q4 2023 and Q4 2024.

Table C-2: Redundancies in England, by 2011 Rural-Urban Classification (counts, rates per 1,000 workers), Q4 2023 and Q4 2024 (Note C-1, Note C-2)

Rates are rounded to the nearest 0.1 redundancies per 1,000 employees living within the specified settlement type, and counts are rounded to the nearest 100 people.

2011 Rural-Urban Classification	Count, Q4 2023	Rate, Q4 2023	Count, Q4 2024	Rate, Q4 2024	Direction of change
Rural	25,100	6.0	18,700	4.6	Decrease
Urban	78,100	3.8	86,100	4.1	Increase
England	103,200	4.2	104,700	4.2	Little to no change

Note:

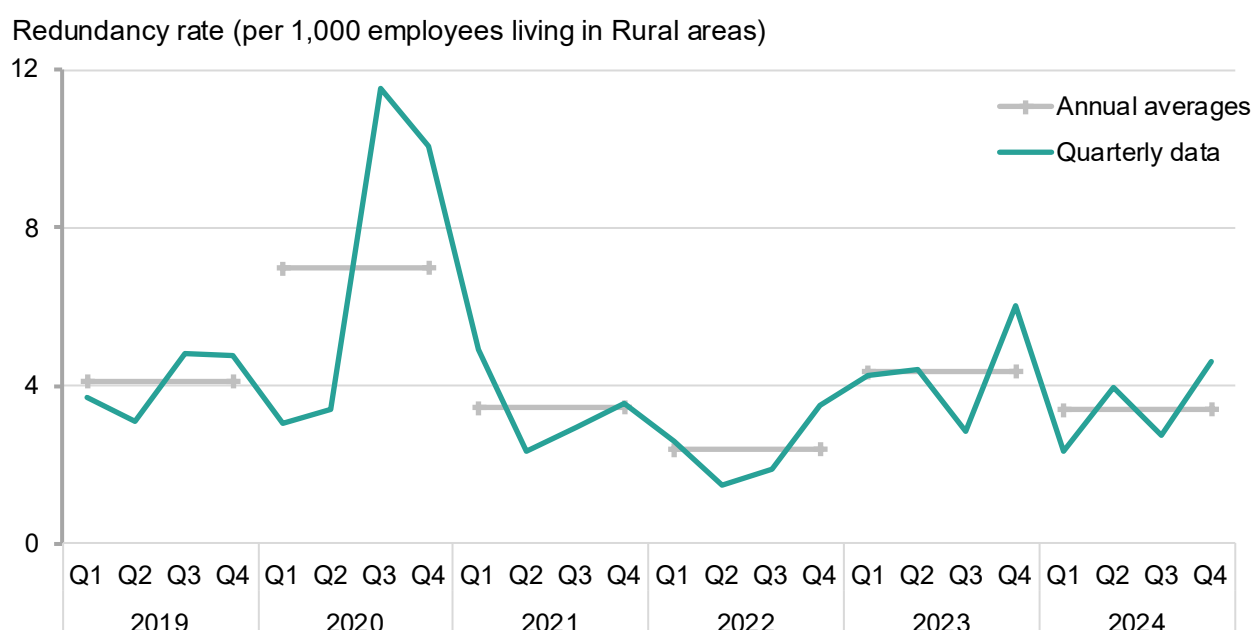
In Table C-1 and Table C-2, the 'direction of change' columns indicate the magnitude of change over the period shown. 'Small increase / small decrease' indicates a change of $\pm 3\%$ while 'increase/decrease' indicates a change of $\pm 6\%$. Where the change does not meet the $\pm 3\%$ threshold the tables will show 'little to no change'. These dashboards show the direction of change over the last quarter/year, is provided to give an indication only, and may not represent a clear improvement or deterioration.

Redundancies – long-term trends

Redundancy rates have fluctuated over time. The line chart in Figure C-1 shows quarterly redundancy rates for Rural residents from 2019 to 2024, along with annual averages. When focussing on quarterly data, there is much more variation in the redundancy rate in Rural areas compared to the annual averages.

Figure C-1: Line chart showing redundancy rate per 1,000 employees living in Rural areas from the 2011 Rural-Urban Classification, in England, Q1 2019 to Q4 2024 and annual averages 2019 to 2024 (Note C-1, Note C-2, Note C-3)

Annual averages have been calculated from the four quarters within the specified calendar year. They are represented by horizontal grey lines, and indicate the impact of quarterly variation.



The line chart can be described as follows:

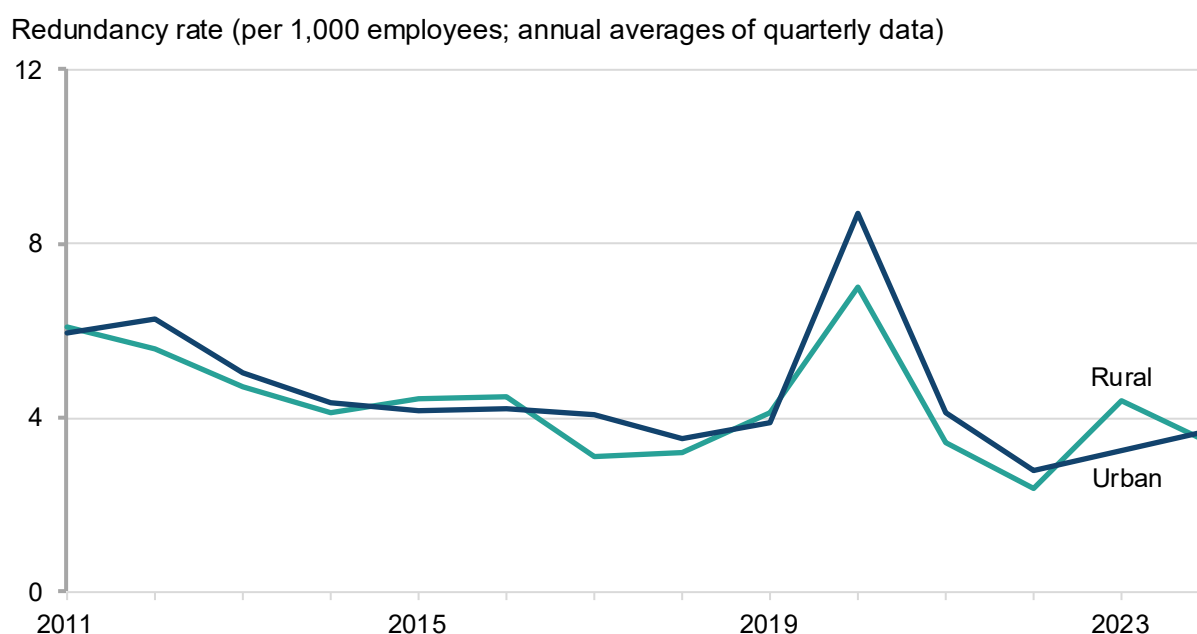
- In 2019 and early 2020, the redundancy rate remained relatively stable between 3 and 5 redundancies per 1,000 employees living in Rural areas.
- The redundancy rate in Rural areas peaked in Q3 2020, reaching nearly 12 redundancies per 1,000 employees; this is likely an impact of the COVID-19 pandemic.
- There was a steep decline in the redundancy rate through 2021, with rates dropping below 3 redundancies per 1,000 employees living in Rural areas.
- From 2022, the redundancy rate in Rural areas fluctuated between around 1 redundancy per 1,000 employees (Q2 2022) and 6 redundancies per 1,000 employees (Q4 2023).
- As of Q4 2024, there were 4.6 redundancies per 1,000 employees living in Rural areas.
- Annual averages mirror the trends of quarterly data, however specific quarter-on-quarter variation has been smoothed. The highest annual average between 2019 and 2024 was in 2020, where there were 7 redundancies per 1,000 employees living in Rural areas. The lowest annual average across the same period was in 2022, with just over 2 redundancies per 1,000 employees.

The annual averages for the redundancy rate in Rural areas shown on Figure C-1 can be compared to those in Urban areas; this is shown on the line chart in Figure C-2. There is no overall consistency regarding which settlement type has the higher rates of redundancy; the annual average redundancy rate was higher in Rural areas than Urban areas in 2011, 2015, 2016, 2019, and 2023. For all other years between 2011 and 2024, the annual average redundancy rate was lower in Rural areas compared to Urban areas.

The line chart in Figure C-2 can be described as follows:

- From 2011 to 2019, redundancy rates in both Rural and Urban areas followed a similar downward trend, decreasing from around 6 to 4 redundancies per 1,000 employees.
- In 2020, Rural and Urban areas both saw sharp increases in redundancy rates, coinciding with the economic impact of the COVID-19 pandemic; the Rural redundancy rate peaked at 7 redundancies per 1,000 employees, compared to around 9 redundancies per 1,000 employees living in Urban areas.
- In 2021 and 2022, redundancy rates fell below pre-pandemic levels, reaching lows between 2 and 3 redundancies per 1,000 employees in both Rural and Urban areas.
- There was an increase in redundancy rate in 2023, followed by a slight decrease in 2024; there were between 3 and 4 redundancies per 1,000 employees in both Rural and Urban areas in 2024.

Figure C-2: Line chart showing annual average redundancy rates per 1,000 employees, by 2011 Rural-Urban Classification, in England, 2011 to 2024 (Note C-1, Note C-2, Note C-3)
Annual averages have been calculated from the four quarters within the specified calendar year.



Redundancies explanatory notes

- **Note C-1**

Source: ONS Labour Force Survey.

- **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**

Redundancy data (numbers and rates) back to 2006 can be found in the [Rural Economic Bulletin supplementary data tables](#) (see worksheet CA).

D. Unemployment-related benefits

Proportionally fewer people claim Universal Credit or Jobseeker's Allowance owing to being unemployed in Rural areas than in Urban areas.

Key findings

The main statistics shown within this section are detailed as follows:

Proportionally fewer claiming unemployment benefits in rural areas than in urban

- In Quarter 4, 2024, the proportion of the working age population that were claiming either Universal Credit or Jobseeker's Allowance owing to being unemployed was 2.2% in Rural areas; in Urban areas it was 4.7%.
- This equates to 124,000 claimants in Rural areas and 1.4 million claimants in Urban areas.

Proportions claiming unemployment benefits are lower the more rural an area is

- In Quarter 4, 2024, the proportion of the working age population that were claiming either Universal Credit or Jobseeker's Allowance owing to being unemployed living in Rural Village and Hamlet areas was 1.9%, whilst in Rural Town and Fringe areas, it was 2.5%.
- This equates to 49,000 claimants in Rural Village and Hamlet areas, and 75,000 claimants in Rural Town and Fringe areas.

The numbers claiming unemployment benefits have increased longer-term

- Between Quarter 1 2015 and Quarter 4 2024, the proportion of claimants increased by 1.3 percentage points in the most rural areas, from 0.7% to 1.9%; and by 1.3 percentage points in Rural Town and Fringe areas, from 1.2% to 2.5%.
- However, in Urban areas, the proportional increase in claimants was double that of Rural areas; the proportion of claimants increased by 2.5 percentage points between Quarter 1 2015 and Quarter 4 2024, from 2.2% to 4.7%.

Summary

The term 'Claimant Count' is used to describe those who are receiving a benefit to help with living costs whilst looking for work. In this update of Claimant Count estimates we have used a new data source; the Office for National Statistics Claimant Count analysis which is an official statistic in development measuring the number of people who are receiving a benefit principally for the reason of being unemployed. The Claimant Count consists of those receiving Jobseeker's Allowance, and Universal Credit claimants who are in the 'searching for work' category. This is a change from previous Claimant Count analysis which was based solely on those receiving Jobseeker's Allowance. This latest update aims to present a more complete picture of the number of working-age population who are receiving a benefit because they are unemployed.

In Quarter 4 2024, 2.2% of the working-age population was claiming Universal Credit or Jobseeker's Allowance in Rural areas, compared with 4.7% in Urban areas. The number of claimants had shown no real change compared with the previous quarter in both Rural and Urban areas.

On an annual basis, the number of claimants has increased in Rural areas between Quarter 4 2023 and Quarter 4 2024 by 13,200 claimants; an increase of 12%. In Urban areas claimant numbers have also increased (up 167,200 claimants, an increase of 14%) over the same period.

When considering long-term trends the total numbers of claimants have been generally rising between 2015 and 2024. The percentage of the working age population claiming either Universal Credit or Jobseeker's Allowance has been consistently higher in Urban areas, while proportions are lowest in Rural Villages and Hamlets.

Background information

When a person is economically active but unemployed, sometimes they will need financial help whilst they are looking for a job. Analysis in this section uses ONS data on Claimant Counts which measures the number of people who are receiving a benefit principally for the reason of being unemployed. Currently, the Claimant Count consists of those receiving Jobseeker's Allowance and Universal Credit claimants in the "searching for work" category.

Within this section, all claimants contribute towards the unemployment rates seen in [Section A](#). However, not all people included within the unemployment rates will be claiming Jobseeker's Allowance or Universal Credit. For the majority of unemployed people who do not claim, it is likely because they do not qualify. However, there will still be a number of people within each area who qualify for these benefits but do not claim. Whilst unemployment rates and claimant rates are not directly comparable, they complement each other, and often move in parallel.

[Universal Credit](#) is a single payment for each household, to help with living costs for those on a low income or out of work. Support for housing costs, children and childcare costs are integrated into Universal Credit. The analysis within this section is not fully representative of all Universal Credit claimants; only those described as "searching for work" have been included within this publication.

[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 that will be paid as long as a person is [eligible](#).

It should be noted that Universal Credit has become predominant and the number of claimants for Jobseeker's Allowance has been declining longer term. New claims for income-based JSA are no longer allowed, and existing claimants are being moved to Universal Credit through a process called "managed migration".

Universal Credit has been gradually rolled out in stages. It was initially available to a limited range of claimants, principally single working age people with no children and seeking work. The national expansion of Universal Credit to the full range of claimants was started in May 2016. By December 2018 it was available in every Jobcentre across Great Britain. A pilot for the managed migration of claimants on benefits being replaced by Universal Credit began in July 2019. See Note D-4 for further information.

Claimant Count – short-term trends

Data for the number of people claiming Universal Credit (UC) or Jobseeker's Allowance (JSA) is collected monthly. This monthly data is used to produce quarterly estimates. The latest data presented are for Quarter 4 (Q4) 2024.

A lower proportion of people claimed UC or JSA owing to being unemployed in Rural areas than in Urban areas in Q4 2024; 2.2% of the working-age population were claimants in Rural areas, compared with 4.7% in Urban areas (Note D-2). The number of claimants for Q4 2024 has seen very little change in both Rural and Urban areas when compared with the previous quarter (Q3 2024). In absolute terms, there were 3,400 fewer people claiming UC or JSA in Q4 2024 than the previous quarter in Rural areas; this is equivalent to a 3% decrease. In Urban areas, there was a smaller proportional decrease (2%) compared to Rural areas, however the absolute difference in claimants was larger (32,100 fewer people), as shown in Table D-1.

Table D-1: Claimants of Universal Credit or Jobseeker's Allowance owing to being unemployed in England, by 2011 Rural-Urban Classification (count and proportion of the working-age population), Q3 2024 and Q4 2024 (Note D-1, Note D-2, Note D-3)

Rates (i.e., the proportion of the working-age population) are rounded to the nearest 0.1%, and counts are rounded to the nearest 100 people.

2011 Rural-Urban Classification	Count, Q3 2024	Rate, Q3 2024	Count, Q4 2024	Rate, Q4 2024	Direction of change
Rural Town and Fringe	77,100	2.6%	74,900	2.5%	Small decrease
Rural Village and Hamlet	50,500	2.0%	49,300	1.9%	Little to no change
All Rural	127,600	2.3%	124,200	2.2%	Little to no change
All Urban	1,421,000	4.8%	1,388,900	4.7%	Little to no change
England	1,548,600	4.4%	1,513,100	4.3%	Little to no change

Claimant Count – annual change

As well as presenting quarterly changes, we can show annual changes which are based on the latest quarter presented. In Quarter 4 (Q4) 2024, 180,400 more people claimed Universal Credit (UC) or Jobseeker's Allowance (JSA) owing to being unemployed in England than in Q4 2023.

There were 12% more claimants of UC or JSA owing to being unemployed in Rural areas in Q4 2024 compared to Q4 2023. In Urban areas, there was a slightly bigger increase, at 14%. This is shown in Table D-2.

Table D-2: Claimants of Universal Credit or Jobseeker's Allowance owing to being unemployed in England, by 2011 Rural-Urban Classification (count and proportion of the working-age population), Q4 2023 and Q4 2024 (Note D-1, Note D-2, Note D-3)

Rates (i.e., the proportion of the working-age population) are rounded to the nearest 0.1%, and counts are rounded to the nearest 100 people.

2011 Rural-Urban Classification	Count, Q4 2023	Rate, Q4 2023	Count, Q4 2024	Rate, Q4 2024	Direction of change
Rural Town and Fringe	68,000	2.3%	74,900	2.5%	Increase
Rural Village and Hamlet	43,000	1.7%	49,300	1.9%	Increase
All Rural	111,000	2.0%	124,200	2.2%	Increase
All Urban	1,221,700	4.1%	1,388,900	4.7%	Increase
England	1,332,700	3.8%	1,513,100	4.3%	Increase

Note:

- In Table D-1 and Table D-2, the 'direction of change' column indicates the magnitude of change over the period shown. 'Small increase / small decrease' indicates a change of $\pm 3\%$ while 'increase / decrease' indicates a change of $\pm 6\%$. Where the change does not meet the $\pm 3\%$ threshold the table will show 'little to no change'. This dashboards show the direction of change over the last quarter/year, are provided to give an indication only, and may not represent a clear improvement or deterioration.

Claimant Counts – long-term trends

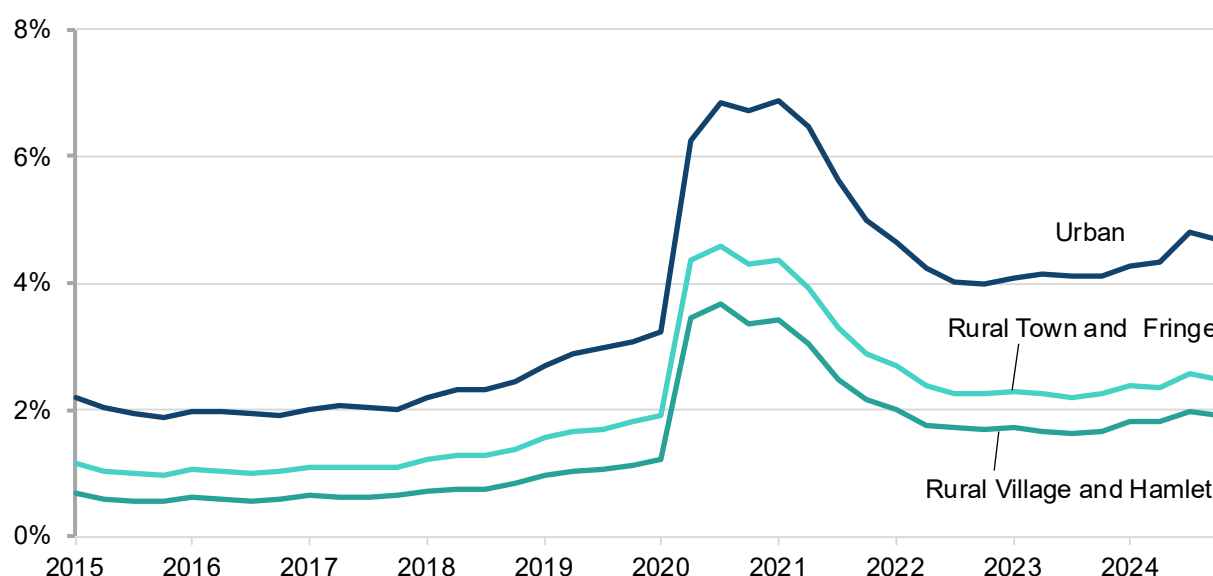
Claimant counts fluctuate over time. The long-term quarterly trends are shown within this section, up to the latest quarter presented. The line chart in Figure D-1 shows quarterly data for people claiming Universal Credit (UC) or Jobseeker's Allowance (JSA) from 2015.

The trends seen in the Figure D-1 are summarised below.

- The percentage of the working-age population claiming UC or JSA owing to being unemployed has been consistently higher in Urban areas than in Rural areas; proportions were consistently lowest in the most rural areas (Rural Villages and Hamlets).
- Percentages of UC or JSA claimants owing to being unemployed saw overall increases in all settlement types between 2015 and 2024. In Rural Town and Fringe areas, the percentages of claimants doubled between Q1 2015 and Q4 2024, from 1.2% of the working-age population to 2.5%, respectively.
- In Rural Villages and Hamlets, percentages were nearly three times higher in Q4 2024 (1.9%) compared to Q1 2015 (0.7%). In Urban areas, percentages were around 2.4 times higher in Q4 2024 (4.7%) compared to Q1 2015 (2.2%). Therefore, whilst Urban areas saw the greatest percentage increase in claimants across the period, increases in Rural claimants were also significant.

- All settlement types saw large increases in claimants between Q1 and Q2 2020; this is likely due to the COVID-19 pandemic. In Rural areas, the proportion of the working-age population as claimants peaked in Q3 2020, at 4.6% in Rural Town and Fringe areas and 3.7% in Rural Villages and Hamlets. In Urban areas, the proportion of claimants peaked instead in Q1 2021, at 6.9%.
- During 2021, the percentage of claimants fell quickly. Percentages did not return to pre-pandemic levels, and since mid-2023 claimant rates have generally been increasing.

Figure D-1: Line chart showing claimants of Universal Credit and Jobseeker's Allowance as a percentage of the working age population, Q1 2015 to Q4 2024, England, 2011 Rural-Urban Classification (Note D-1, Note D-2, Note D-3)



Claimant Count explanatory notes

• Note D-1

Source: ONS Claimant Count data (Universal Credit and Jobseeker's Allowance) via [Nomis](#).

• Note D-2

Working age population is those aged 16 to 64.

• Note D-3

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.

• Note D-4

A timeline detailing the key events in the implementation of Universal Credit can be found in the Background information section of the ONS document '[Universal Credit statistics: background information and methodology](#)'.

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

In 2023, Gross Value Added (GVA) in rural areas was £259 billion and accounted for 12% of England's GVA. At Local Authority-level, output in majority rural local authorities totalled £167 billion (8%) in 2023 and a further £200 billion (9%) was generated in intermediate rural local authorities, combining to £367 billion.

Key findings

The main statistics shown within this section are detailed as follows:

Rural areas account for 12% of England's GVA

- In 2023, rural areas contributed £259 billion to England's Gross Value Added (GVA), representing 12.2% of the total GVA for England.
- Smaller rural settlements contributed 7% to England's GVA and larger rural settlements contributed 5%.
- Over the period 2001 to 2023 the proportional contribution of rural areas to England's GVA has fallen slightly – 12.8% in 2002, down to 11.7% in 2016 and at 12.2% in 2023.

Majority rural authorities account for 8% of England's GVA

- In 2023, majority rural local authorities contributed £167 billion to England's GVA, representing 7.9% of the total GVA for England. In 2001, majority rural local authorities accounted for 8.3% of the total GVA for England.
- Two-thirds of the GVA from majority rural authorities - £112 billion - came from authorities where the majority of the population lived nearer to a major town or city; the remaining £55 billion came from those authorities where the majority of the population lived further from a major town or city.

Relative productivity in majority rural authorities is lower than it was in 2001

- Productivity of majority rural local authorities measured using GVA per workforce job was around 92% of that for England (excluding London) in 2023.
- In 2001, productivity of majority rural local authorities measured using GVA per workforce job was around 96% of that for England (excluding London).
- Relative productivity in majority rural local authorities has fallen most in local authorities where the majority of the population lived further from a major town or city (from 92% in 2001 to 82% in 2023).

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 2023, rural areas contributed £259 billion to England's GVA, representing 12.2% of the total GVA for England. This estimate is based on the GVA in rural areas using new more localised GVA data. Hitherto estimates for the rural economy were based on GVA at Local Authority.

The new estimate of £259 billion generated in rural areas, based on the new more detailed GVA data, is more representative of the output in rural areas. It will include the output from all rural areas across all local authorities. However, many people who live in rural areas work in urban areas, so it does not reflect the output of the rural population but of economic activity in rural areas. It is still important to consider the economy at Local Authority-level, not least owing to the inextricable economic and social links between rural and urban areas within local authorities.

The new 2021 Rural-Urban Classification of Local Authorities is not strictly comparable with the previous classification. Under the new classification, output in majority rural local authorities totalled £167 billion (8%) in 2023 and a further £200 billion (9%) was generated in intermediate rural authorities, combining to £367 billion.

GVA per workforce job is a measure of productivity where total output is divided by the number of individuals in the workforce. In 2023, the productivity of majority rural local authorities was around 92% of the average for England excluding London and had declined from 96% in 2001. For intermediate rural authorities it was 97% of the average for England excluding London, having declined from 100% in 2001.

The greatest gap in productivity relative to the England average was in local authorities where the majority reside further from a major town or city.

- For **majority rural** local authorities with a majority residing **further from** a major town or city, productivity in 2023 was 82% of the average for England excluding London, down from 92% in 2001.
- For **majority rural** authorities with a majority residing **nearer to** a major town or city, productivity in 2023 was 97% of the average for England excluding London, down from 99% in 2001.

Background information

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

The Office for National Statistics has produced new estimates of GVA for Lower Super Output Areas (LSOA), which means that for the first time it is possible to produce estimates for GVA for rural areas rather than at Local Authority-level.

See: [UK small area gross value added \(GVA\) estimates - Office for National Statistics](#) for more details of the underlying data.

Estimates are also affected by the new 2021 Rural-Urban classification both for LSOAs and for Local Authorities.

GVA estimates in this report have been also affected by changes to Local Authority boundaries (Note E-13), and most notably, the new 2021 Rural-Urban Classification; figures published previously using the 2011 Rural-Urban Classification are not comparable.

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 2023, rural areas contributed £259 billion to England's GVA, representing 12.2% of the total GVA for England. This is only the second time an estimate has been produced for the GVA in rural areas using new more localised GVA data. Hitherto estimates were based on GVA at Local Authority-level.

The bar chart in Figure E-1 shows that smaller rural settlements contributed 7% to England's GVA and larger rural settlement contributed 5%. Urban areas contributed 88% to England's GVA, 27% of which comes from London (Table E-1).

Figure E-1: Bar chart showing contribution to England's Gross Valued Added (GVA), by 2021 Rural-Urban Classification for LSOAs in England, 2023 (provisional)

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

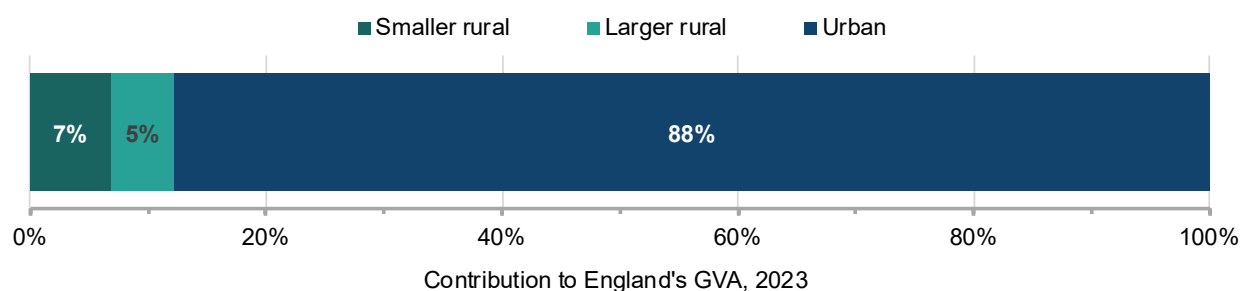
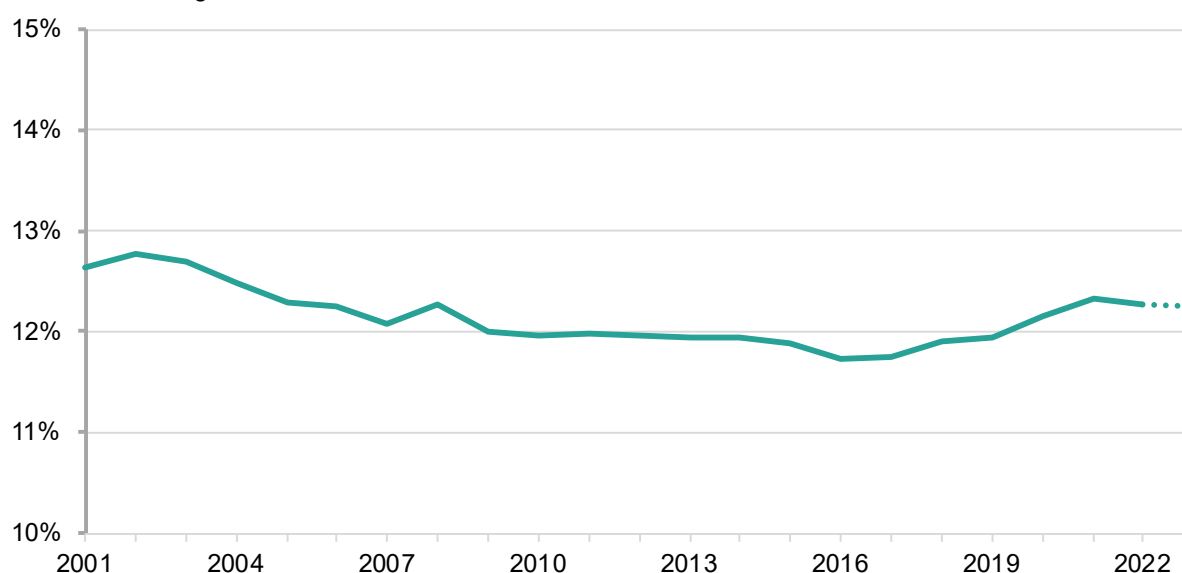


Figure E-2: Line chart showing contribution from rural areas to England's Gross Valued Added (GVA), by 2021 Rural-Urban Classification for LSOAs in England, 2001 to 2023 (provisional)

Dotted line indicates that results are provisional.

Contribution to England's GVA in rural areas



The line chart in Figure E-2 shows that proportionally the contribution has changed only a little over the last 20 years – it was 12.6% in 2001, 12.0% in 2011 and at its lowest in 2016 at 11.7%. More recently it had increased to 12.3% in 2021, falling to 12.2% in 2023.

Previous estimates of the rural economy were based on the GVA arising in Predominantly Rural Authorities (using the 2011 Rural-Urban Classification), which in 2022 was £315 billion. Using the newer 2021 rural urban classification (Note E-14), output in majority rural local authorities totalled £167 billion in 2023. A further £200 billion was generated in intermediate rural authorities, combining to £367 billion, but the 2021 and 2011 rural urban classifications for local authorities are not comparable. While the estimate of £259 billion, which is based on Lower Super Output Areas (LSOAs), is lower it is more representative of the contribution of rural areas. As many people living in rural areas work in urban areas, it does not reflect the output from the rural population as such but of economic activity in rural areas.

Estimates based on aggregating the GVA of local authorities include the output of the whole authority and so include the urban areas within them and exclude rural areas not within them. However, it is still relevant to consider output at Local Authority level, not least owing to the inextricable economic and social links between rural and urban areas within authorities.

Table E-1 shows that majority rural local authorities contributed 8% (£167 billion) of England's GVA in 2023 and a further 9% (£200 billion) was contributed by intermediate rural local authorities, combining to 17% (£367 billion) (Note E-1 and Note E-2).

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-1 and Table E-2 differ from the industry breakdown following this and is less finely detailed being based on data at broadly county level.

Table E-1: Contribution to England's Gross Value Added (GVA) within each area described in the 2021 Rural-Urban Classification in England, as at 2001, 2011, and 2023

Contribution has been presented as a percentage share, rounded to the nearest 0.1%.

Rural-Urban Classification	2001	2011	2023
Majority rural	8.3%	8.0%	7.9%
Intermediate rural	10.0%	9.6%	9.5%
Majority or intermediate rural	18.3%	17.6%	17.4%
Intermediate urban	11.0%	10.5%	10.1%
Urban (excluding London)	46.4%	45.6%	45.3%
London	24.2%	26.3%	27.3%
Urban	81.7%	82.4%	82.6%
England	100.0%	100.0%	100.0%

The contributions of GVA by different types of authority as a proportion of total GVA for England has remained relatively stable for all area types over the last 20 plus years and has been strongly affected by growth seen in London. Table E-2 shows that for majority rural local authorities, the contribution has declined from 8.3% to 7.9% over the period. Most of this decline has been within those authorities with a majority residing further from a major town or city – declining from 2.9% in 2001 to 2.6% in 2023.

Table E-2: Contribution to England's Gross Value Added (GVA) within majority rural local authorities as described in the 2021 Rural-Urban Classification in England, by proximity to a major town or city, as at 2001, 2011, and 2023

Contribution has been presented as a percentage share, rounded to the nearest 0.1%.

Proximity to a major town or city	2001	2011	2023
Majority further from	2.9%	2.8%	2.6%
Majority nearer to	5.4%	5.2%	5.3%
All majority rural	8.3%	8.0%	7.9%

Table E-3 shows that in 2023 majority rural local authorities contributed £167 billion (7.9%) to England's GVA and intermediate authorities contributed £200 billion (9.5%).

Table E-4 shows that £112 billion of the contribution from majority rural local authorities came from those with a majority residing nearer to a major town or city and £55 billion came from those authorities with a majority residing further from a major town or city.

Table E-3: Contribution to England's Gross Value Added (GVA) within each area described in the 2021 Rural-Urban Classification in England, 2023

Contribution has been presented as a percentage share, rounded to the nearest 0.1%, and in £millions (£m), rounded to the nearest £100m.

Rural-Urban Classification	GVA (£m)	Percentage share
Majority rural	166,700	7.9%
Intermediate rural	200,200	9.5%
Majority or intermediate rural	366,900	17.4%
Intermediate urban	212,700	10.1%
Urban (excluding London)	956,500	45.3%
London	577,100	27.3%
Urban	1,746,300	82.6%
England	2,113,300	100.0%

Table E-4: Contribution to England's Gross Value Added (GVA) within majority rural local authorities as described in the 2021 Rural-Urban Classification in England, by proximity to a major town or city, 2023

Contribution has been presented as a percentage share, rounded to the nearest 0.1%, and in £millions (£m), rounded to the nearest £100m.

Proximity to a major town or city	GVA (£m)	Percentage share
Majority further from	54,600	2.6%
Majority nearer to	112,100	5.3%
All majority rural	166,700	7.9%

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). Please note, this section uses an England figure in its comparisons that excludes London. This differs from the previous section where London is included from the England total.

Table E-5 shows that compared with the average productivity for England excluding London, productivity in majority rural local authorities has fallen in relative terms from 96.2% of the average in 2001 to 91.7% in 2023. For intermediate rural authorities it was 97% of the average for England excluding London in 2023, having declined from 100% in 2001

Table E-5: Gross Value Added (GVA) per workforce job (WFJ) as percentage of England level, within each area described in the 2021 Rural-Urban Classification in England, as at 2001, 2011, and 2023

Productivity (GVA per WFJ) has been presented as a percentage of the England total excluding London, creating an index of change; values have been rounded to the nearest 0.1%.

Rural-Urban Classification	2001	2011	2023
Majority rural	96.2	90.6	91.7
Intermediate rural	99.7	95.7	96.8
Majority or intermediate rural	98.1	93.3	94.4
Intermediate urban	105.8	103.0	101.1
Urban (excluding London)	99.5	102.1	102.1
London	145.3	155.1	142.9
England excluding London	100.0	100.0	100.0

Table E-6 shows that within majority rural local authorities, the fall in productivity relative to the average is more pronounced for authorities with a majority residing further from a major town or city and that in 2023 productivity relative to the England average excluding London was 82.4% (down from 91.9% in 2001). For majority rural authorities with a majority residing nearer to a major town or city, the fall in productivity relative to the England average excluding London was much smaller (97.7% in 2023, down from 98.7% in 2001).

Table E-6: Gross Value Added (GVA) per workforce job (WFJ) as percentage of England level, within majority rural local authorities as described in the 2021 Rural-Urban Classification in England, by proximity to a major town or city, as at 2001, 2011, and 2023

Productivity (GVA per WFJ) has been presented as a percentage of the England total excluding London, creating an index of change; values have been rounded to the nearest 0.1%.

Proximity to a major town or city	2001	2011	2023
Majority further from	91.9	84.8	82.4
Majority nearer to	98.7	94.0	97.1
All majority rural	96.2	90.6	91.7

Table E-7 shows that average GVA per workforce job in majority rural local authorities at £56,400 was £5,100 lower compared with the average for England excluding London of £61,500; while in urban local authorities excluding London at £62,700, it was £1,300 higher.

Table E-7: Gross Value Added (GVA) per workforce job (WFJ) within each area described in the 2021 Rural-Urban Classification in England, 2023

Productivity (GVA per WFJ) has been presented in £, rounded to the nearest £100, and as a percentage of the England total excluding London, creating an index of change; values have been rounded to the nearest 0.1%.

Rural-Urban Classification	GVA per WFJ (£)	Comparison to England total excluding London
Majority rural	56,400	91.7
Intermediate rural	59,500	96.8
Majority or intermediate rural	58,000	94.4
Intermediate urban	62,100	101.1
Urban (excluding London)	62,700	102.1
London	87,800	142.9
England excluding London	61,500	100.0

Table E-8 shows that the average GVA per workforce job in majority rural local authorities with a majority residing further from a major town or city at £50,600, was at least £9,000 lower than in those authorities with a majority residing nearer to a major town or city.

Table E-8: Gross Value Added (GVA) per workforce job (WFJ) within majority rural local authorities as described in the 2021 Rural-Urban Classification in England, by proximity to a major town or city, 2023

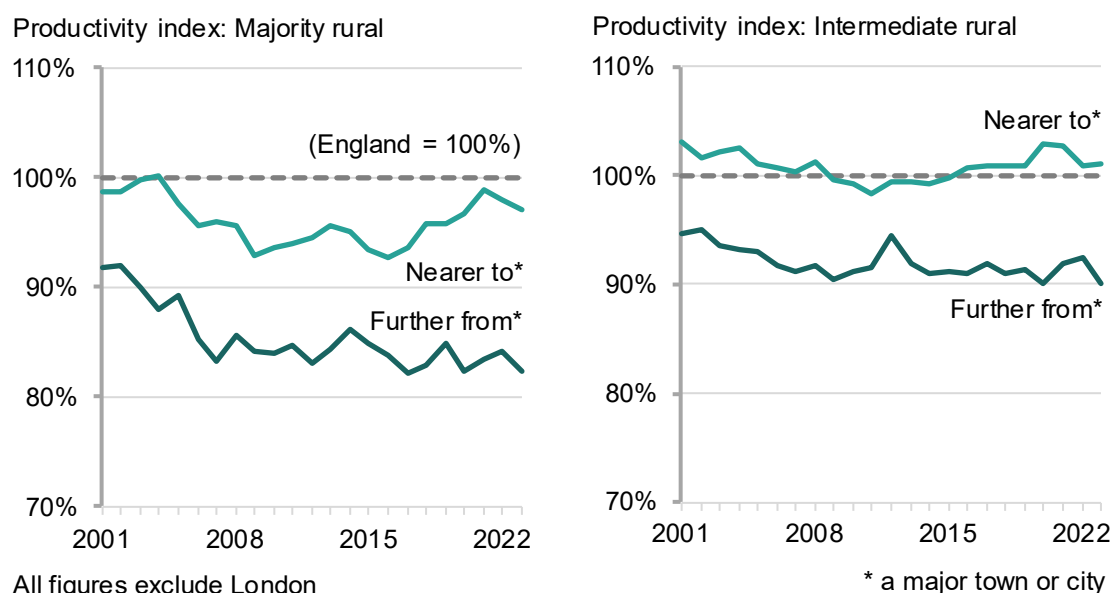
Productivity (GVA per WFJ) has been presented in £, rounded to the nearest £100, and as a percentage of the England total excluding London, creating an index of change; values have been rounded to the nearest 0.1%.

Proximity to a major town or city	GVA per WFJ (£)	Comparison to England total excluding London
Majority further from	50,600	82.4
Majority nearer to	59,700	97.1
All majority rural	56,400	91.7

The line charts in Figure E-3 show that the fall in productivity relative to the average for England excluding London has been more pronounced for authorities with a majority residing further from a major town or city, particularly so for majority rural local authorities. Productivity in intermediate rural local authorities with a majority residing nearer to a major town or city has been above the average for England excluding London since 2016.

Figure E-3: Line charts showing the productivity index (England excluding London = 100) for majority rural (left-hand chart) and intermediate rural (right-hand chart) local authorities as described in the 2021 Rural-Urban Classification in England, by proximity to a major town or city, 2001 to 2023

Change is measured against the national productivity level, where England = 100%, as represented by the horizontal dashed line on the charts. All values on the charts exclude London.



Notes

- GVA per workforce job is a measure of GVA divided by the workforce number.
- The analysis uses the 2021 Local Authority Rural-Urban Classification for all years to allow comparison.

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

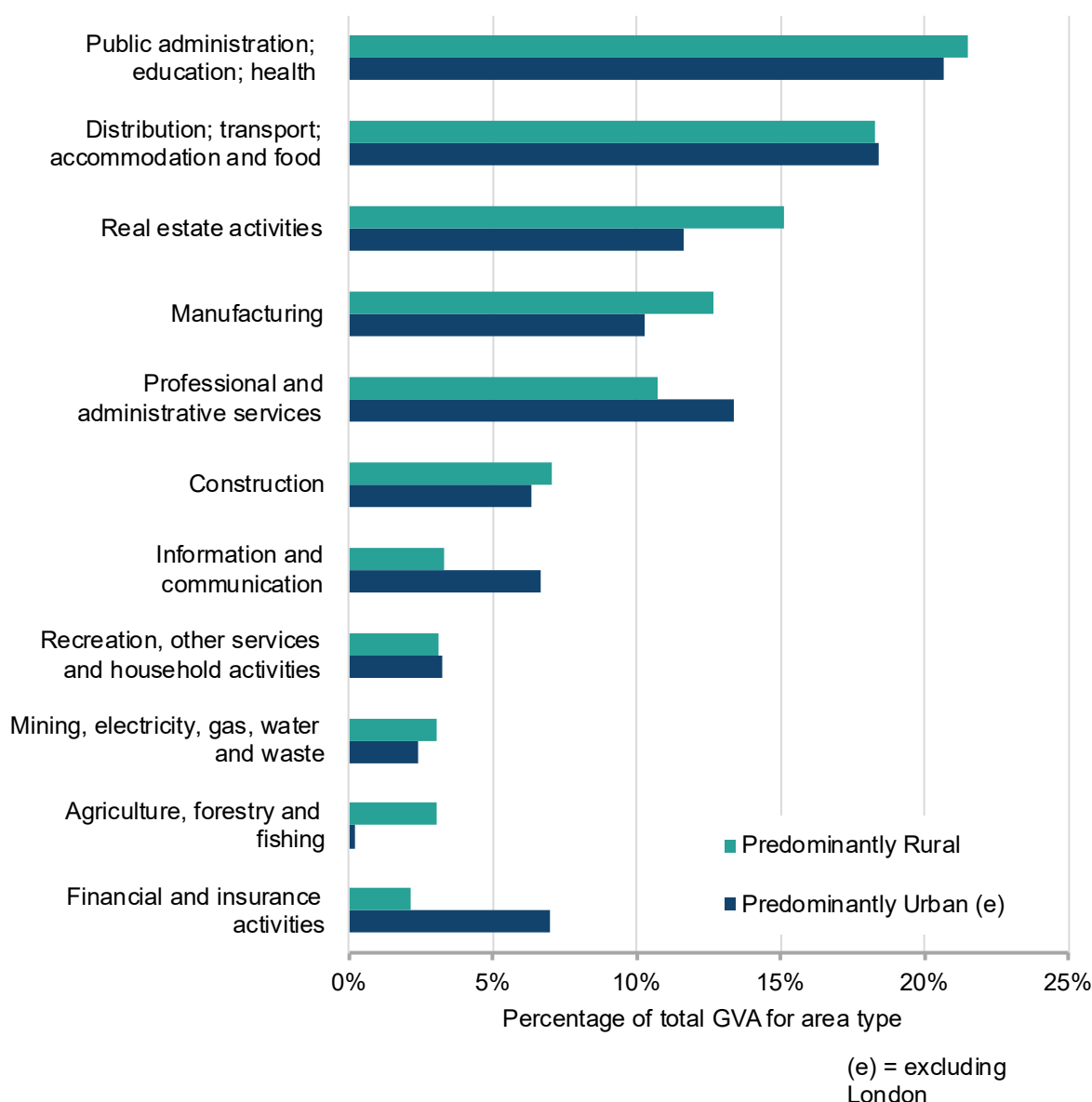
Note that this section is based on the 2011 Rural-Urban Classification and will be updated to reflect the new 2021 classification in due course. Different sections of the economy contribute very different amounts to England's GVA with over half of all GVA coming from just 3 sector groups of 'Public administration; education; health', 'Distribution; transport; accommodation and food' and 'Real estate activities' (see Figure E-5).

The bar chart in 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-4: Bar chart showing percentage breakdown of Gross Value Added (GVA) by industry, and by Local Authority 2011 Rural-Urban Classification in England, 2022 (provisional) (Note E-7, Note E-8, 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-9).

Table E-9: 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 2022 (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 2022 (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.

- **Note E-14**

The 2021 rural-urban classification was released on 6 March 2025. It includes a classification for Local Authorities based on the proportion of their populations in rural areas:

- **Majority rural authorities** have 50% or more of their population in rural areas
- **Intermediate rural authorities** have between 35% and less than 50% of their population in rural areas
- **Intermediate urban authorities** have between 20% and less than 35% of their population in rural areas
- **Urban authorities** have less than 20% of their population in rural areas

Further information on the 2021 rural-urban classification can be found on the [Rural Urban Classification](#) webpage.

F. Business demographics

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

Key findings

The main statistics shown within this section are detailed as follows:

The more rural the area the higher the number of businesses per head of 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.
- 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, it was largely due to the small population.

Most Rural businesses have less than 50 employees

- In Rural areas overall, 30% of people were employed by businesses with between 10 and 49 employees in 2022/23. In Urban areas, 30% of businesses employed at least 250 people.
- A micro-business is a business with between 1 and 9 employees; 27% of employees in Rural areas worked for a micro-business in 2022/23 compared to 19% in Urban areas.
- In Rural areas, 16% of businesses had no employees: they were sole traders and/or partnerships. In Urban areas, just 7% of businesses had no employees.

Rural SMEs provide proportionally more employment than urban, but lower turnover

- In Rural areas, 99.8% of all registered businesses are SMEs, compared to 99.5% in Urban areas. In absolute terms, there were 550,000 registered SMEs in Rural areas and 1.8 million in Urban areas.
- In 2022/23, SMEs accounted for 70% of employment in Rural areas compared to 42% in Urban areas.
- Average turnover per person employed is lower in Rural registered SMEs - at £133,000 - than the £214,000 per person turnover of Urban registered SMEs.

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).

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

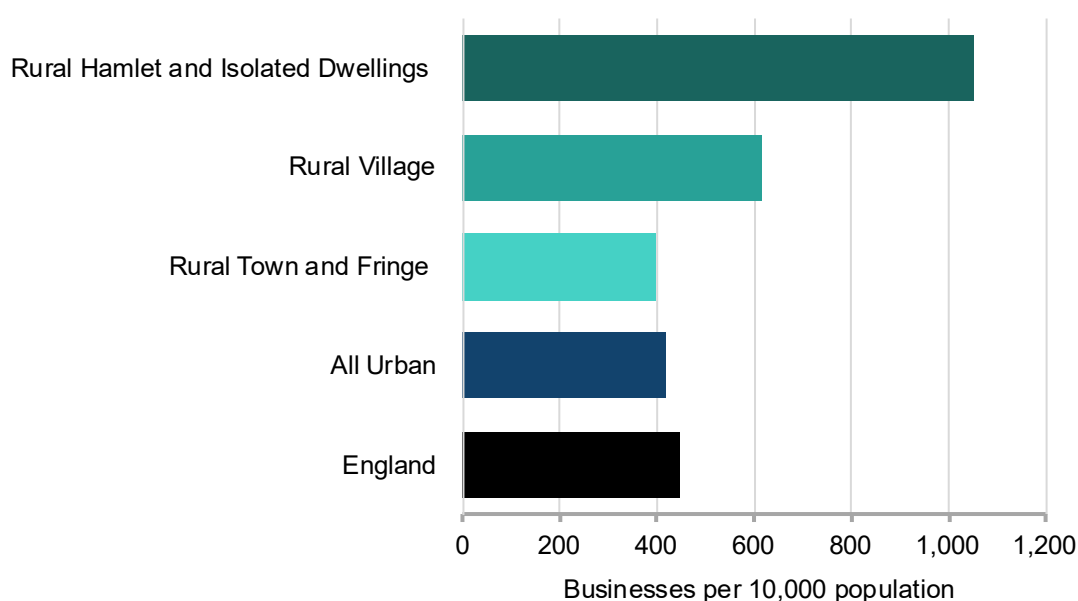
Business composition is based on Enterprises, which is the level at which businesses are registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE). In the case of a business operating at only one address, it will be registered at that address, but for businesses operating in several locations, 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.

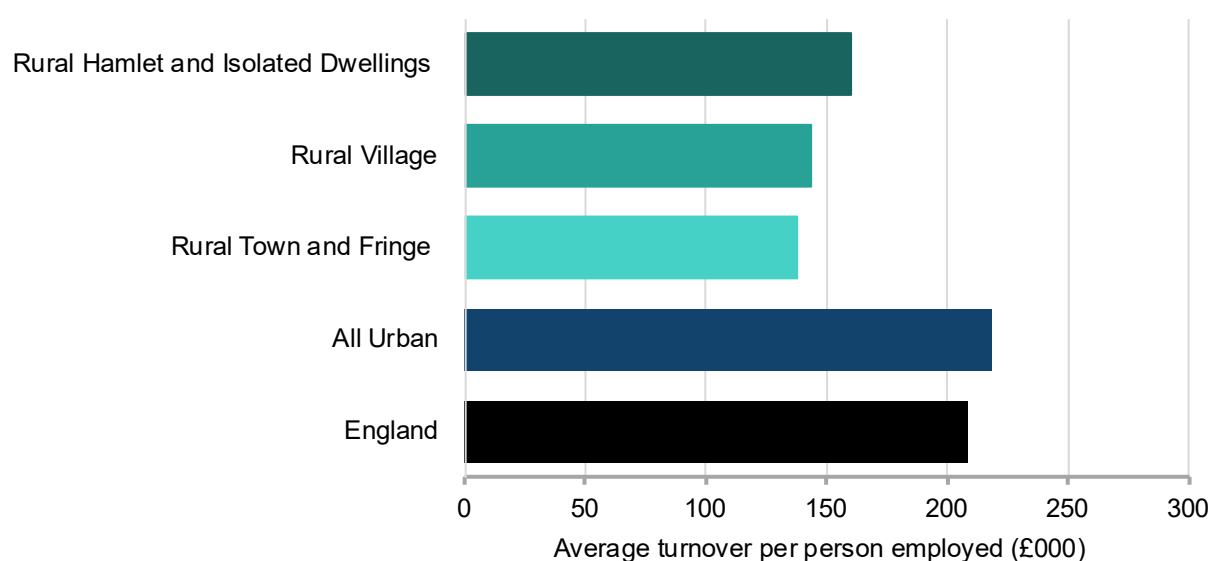
Figure F-1: Bar chart showing the number of registered businesses (single-site or headquarters) per 10,000 population, by Rural-Urban classification, in England, 2022/23 (Note F-1, Note F-2, Note F-3)



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)



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-3 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).

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.

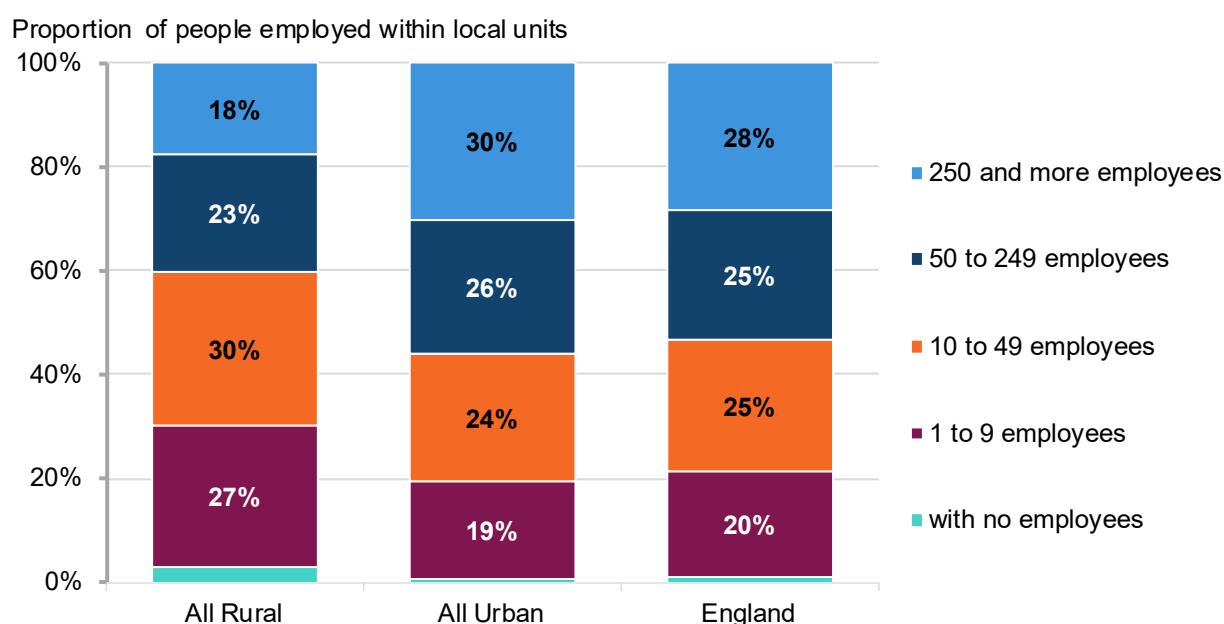
A micro-business is a business with between 1 and 9 employees. The proportion of people employed in micro-businesses in Rural areas was 9 percentage points higher than in Urban areas (27% and 19% respectively).

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-4).

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%).

Figure F-3: 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-4)

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



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 65 and the title for Figure F-5 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-5), 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-5).

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-6)

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-6).

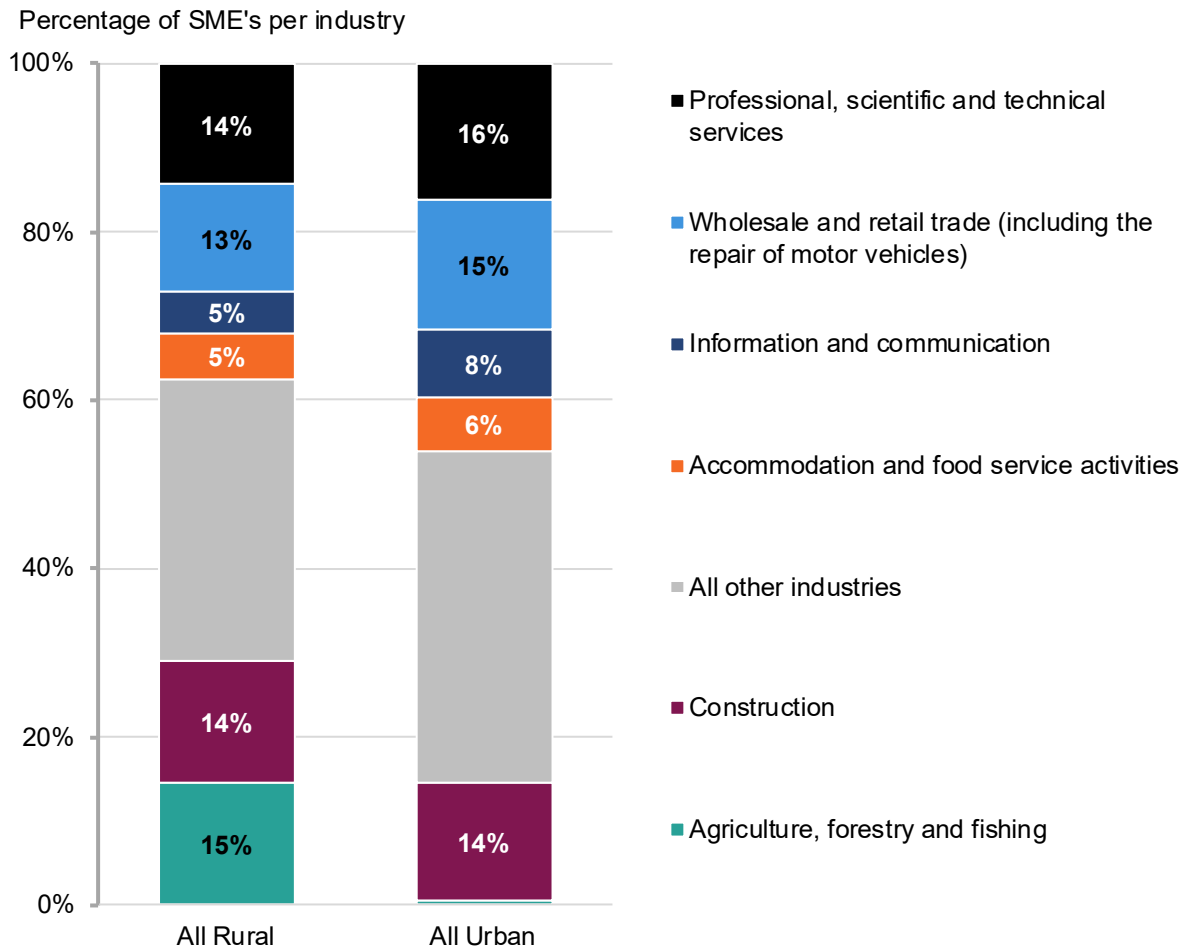
The stacked column chart in Figure F-4 shows those sectors where the business count proportions by sector for the Rural-Urban Classifications differs the most from England averages. Service type sectors are shown at the top with Construction and 'Agriculture, forestry and fishing' at the bottom.

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-4: Stacked column chart showing percentage of registered small and medium enterprises by industry and Rural-Urban Classification, in England, 2022/23 (Note F-7)

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

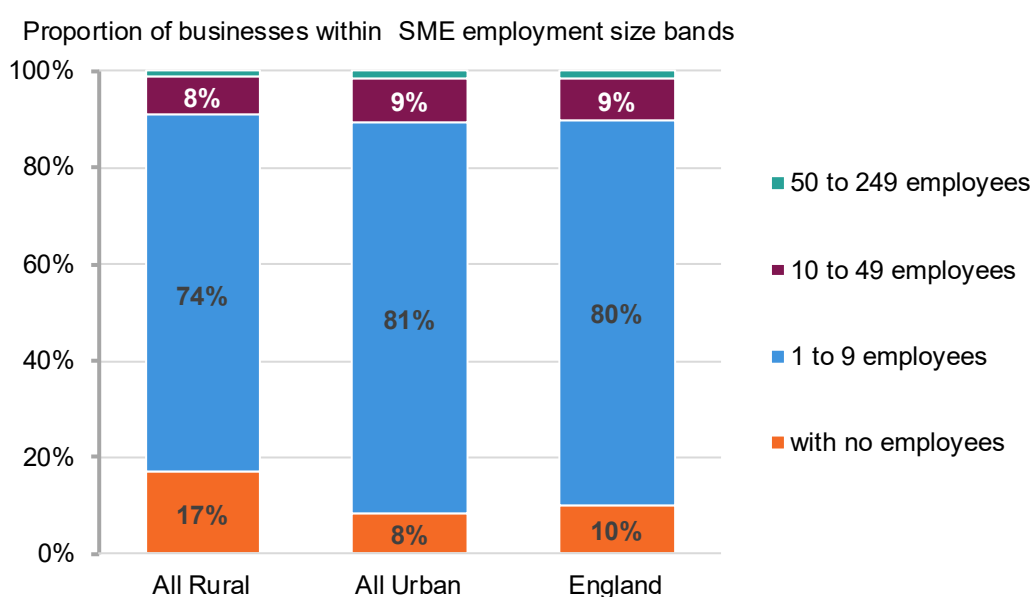


The following paragraph and the title for Figure F-5 have been amended. They previously referred to numbers of employees when they should have referred to numbers of businesses.

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-5. Tables showing these additional more detailed breakdowns can be found in the Rural economy supplementary data tables. See Note F-6 for further details.

Figure F-5: 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-5 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-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-5**

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-6**

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-7**

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%).

Key findings

The main statistics shown within this section are detailed as follows:

The mix of businesses is similar in Rural and Urban areas plus agriculture

- In Rural areas in 2022/23, the industry type with the greatest percentage of businesses was ‘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%. These latter three sectors also account for the largest proportion of businesses in Urban areas.
- The more Rural the area, the greater the proportion of the businesses accounted for by ‘Agriculture, forestry and fishing’. In Rural areas, 83,100 businesses were within this category. Specifically, in Rural Hamlets and Isolated Dwellings, 24% of all businesses were within the ‘Agriculture, forestry and fishing’ category.

The same sectors employ the largest share of workers in Rural and Urban areas

- 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 second place was ‘Wholesale and retail trade (including repair of motor vehicles)’ which accounted for 13% of employment in Rural areas and 15% in Urban areas.
- ‘Agriculture, forestry and fishing’ is the only sector that employs more workers in Rural areas than in Urban areas; in 2022/23, this sector accounted for 312,000 workers in Rural areas and 49,000 workers in Urban areas.
- The more Rural the area, the greater the proportion of the total employment accounted for by ‘Agriculture, forestry and fishing’ businesses. In Rural Hamlets and Isolated Dwellings, 12% of all workers were employed by businesses within this category.

70,000 rural tourism related businesses employ 600,000 people

- In 2022/23, tourist-related businesses accounted for 12% of all registered businesses in Rural areas; in Urban areas, they accounted for 13% of all registered businesses.
- Employment from tourism-related businesses accounts for 0.6 million roles in Rural areas and 2.5 million roles in Urban areas. However, the proportion of employment in tourism-related roles is higher in Rural areas (14%) than in Urban areas (11%).

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

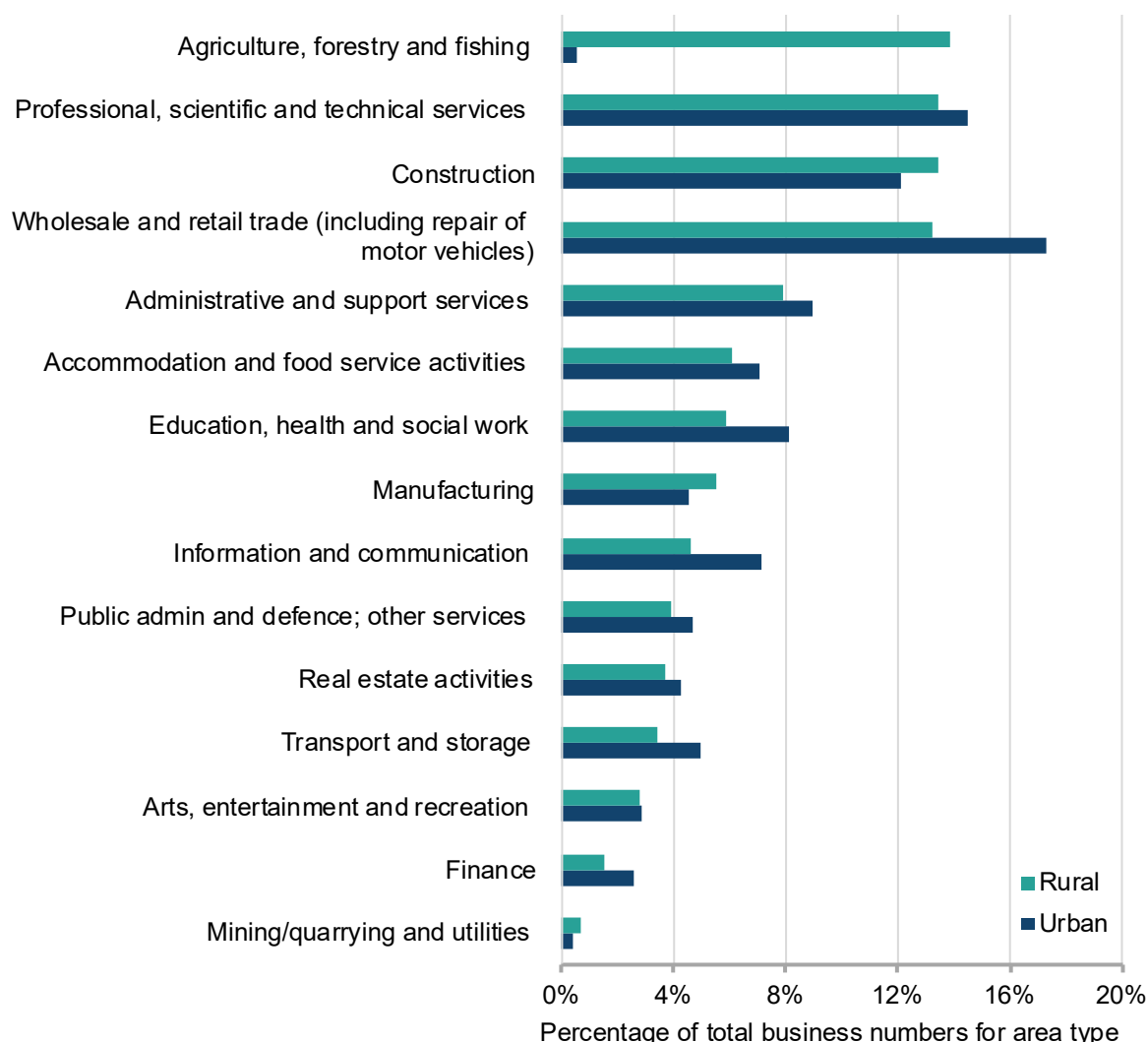
Important note: 'Businesses by industry type' and 'Businesses by size band' are based on Local Unit. This better reflects the make-up of Rural businesses as there can be many local business units in Rural areas whose headquarters are elsewhere (although this can apply vice versa).

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)

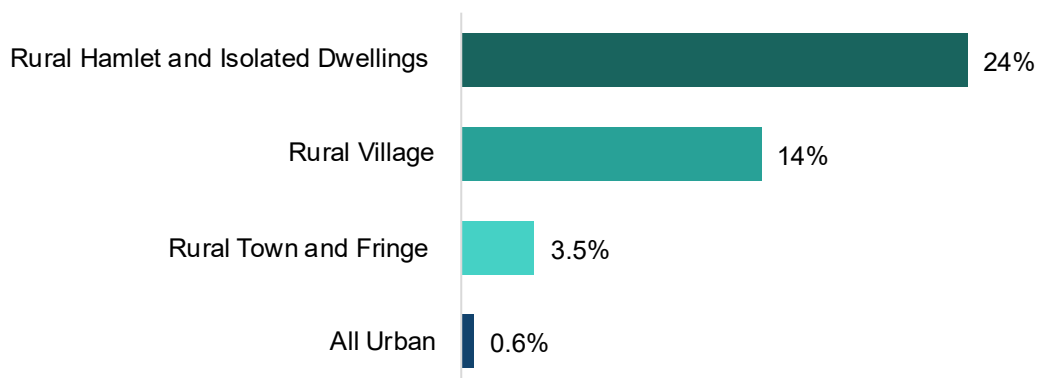
The legend is presented in the same order and orientation as the clusters of bars.



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.

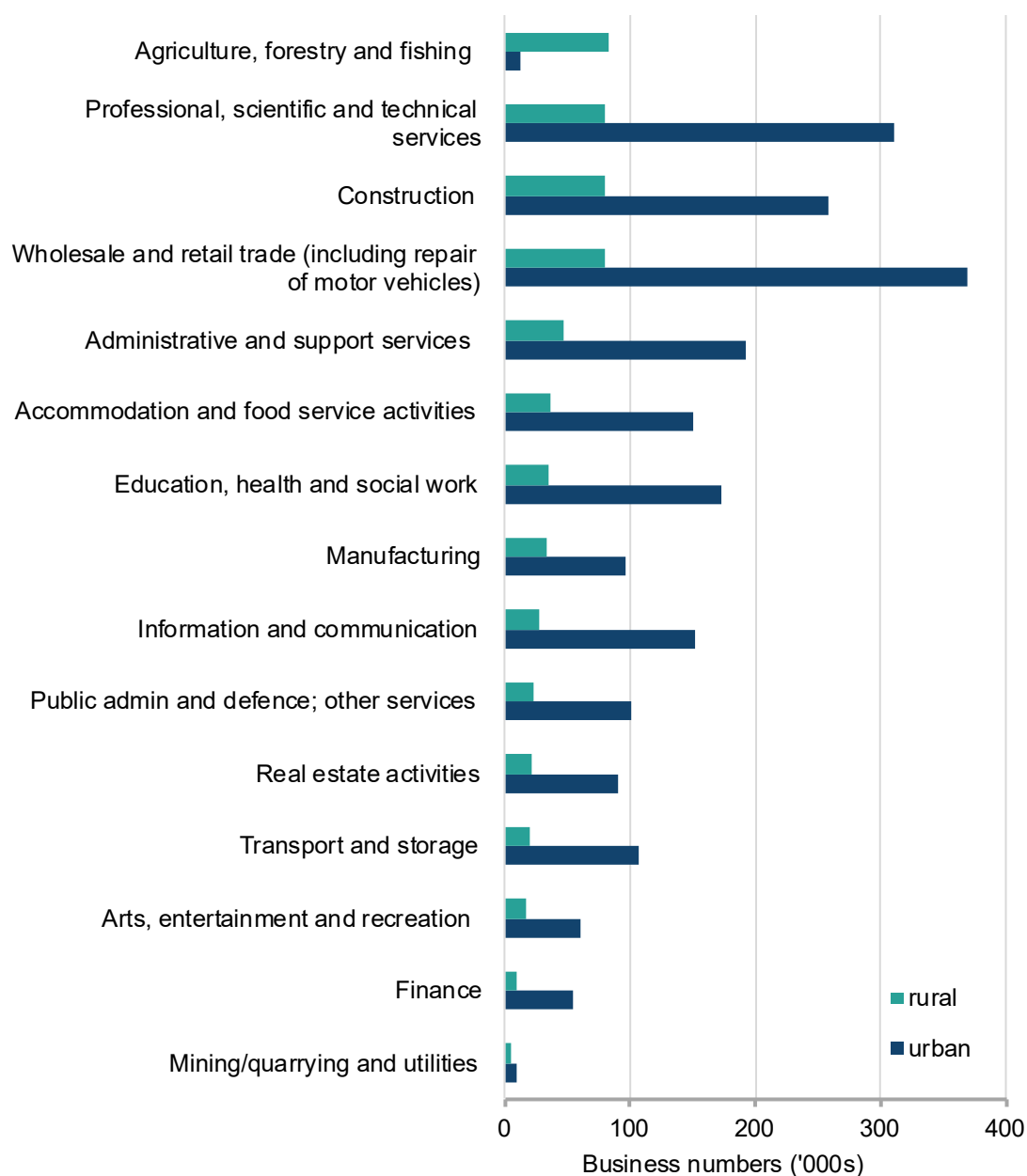
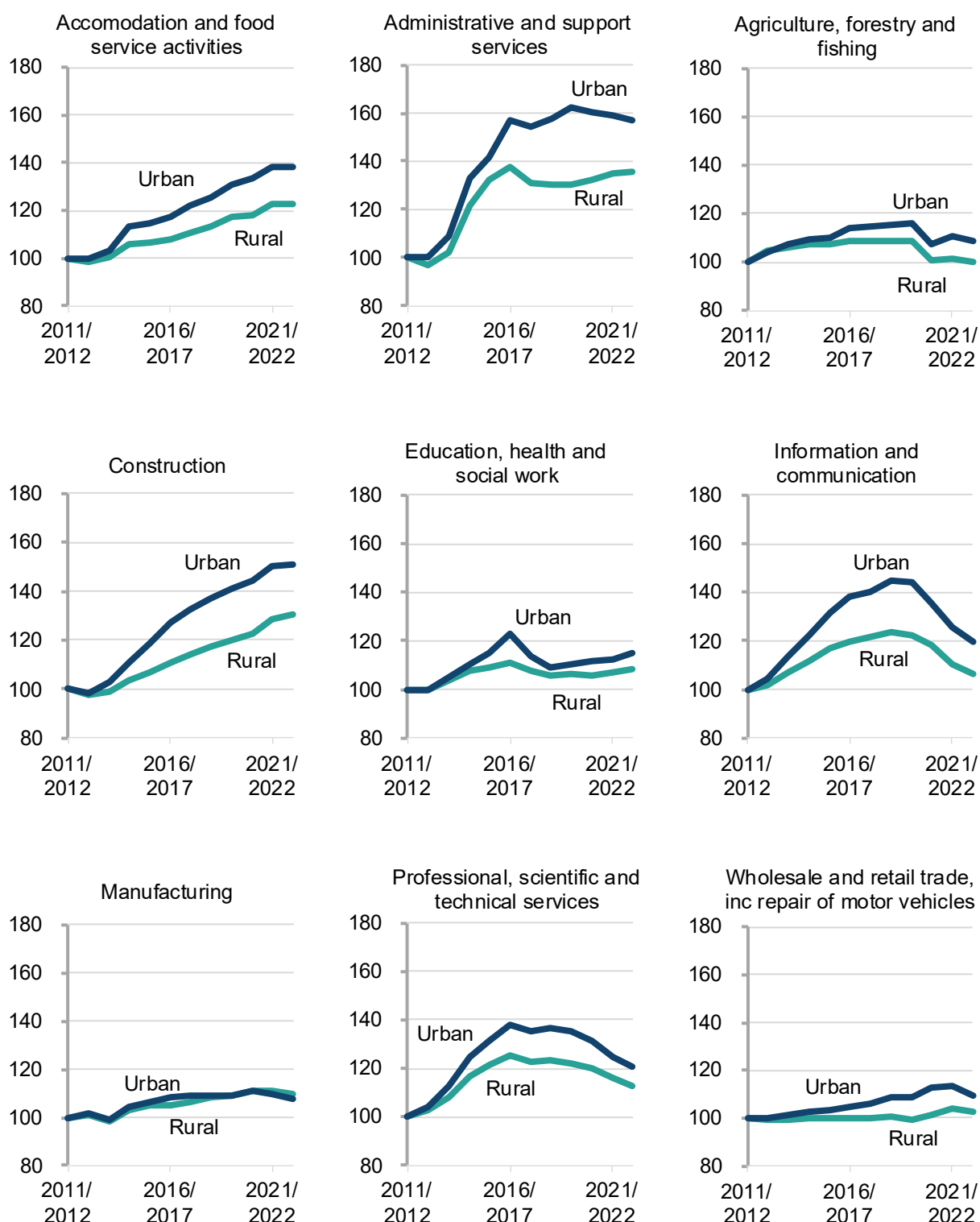


Figure G-4: Line charts showing Index (2011/12 = 100) of change in numbers of local units of registered businesses in Rural and Urban areas by industry between 2011/12 and 2022/23, in England (Note G-2)

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).

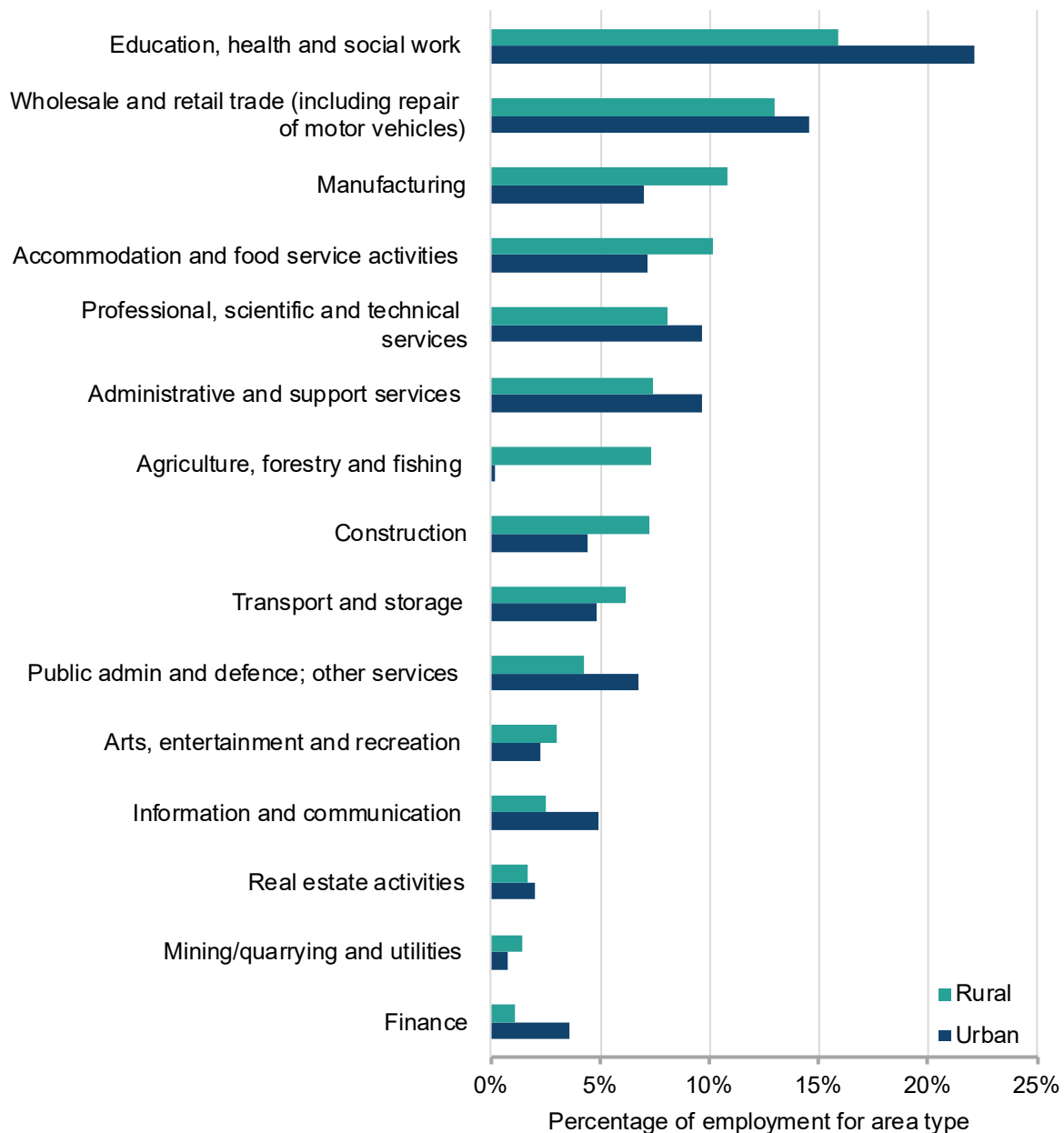
The number of people employed is a sum of employees and self-employed people who run the business.

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%.

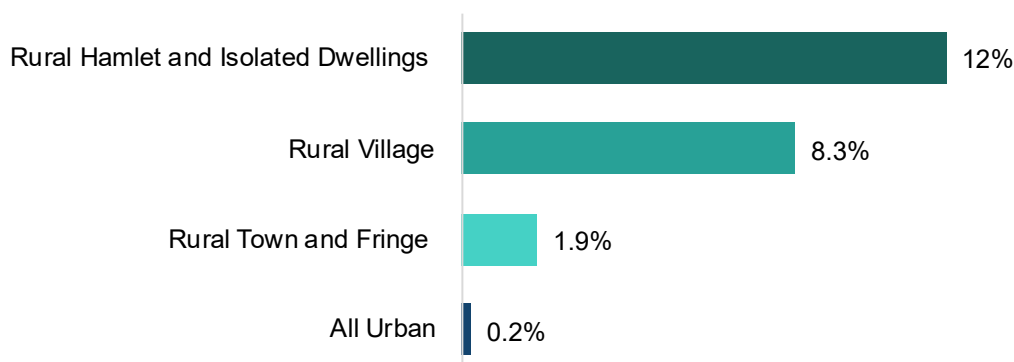
Figure G-5: Clustered bar chart showing percentage of employment within local units of registered businesses by industry, by Rural-Urban Classification, in England, 2022/23 (Note G-2)

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

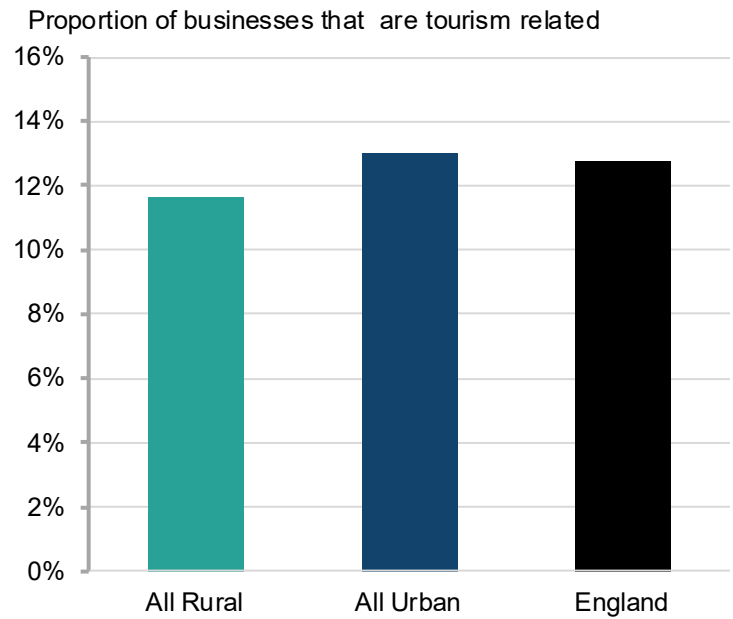


Figure G-8 shows that when considered as a proportion of total employment the proportion for those working in tourism related industries is higher in Rural areas (14%) compared with 11% in Urban areas.

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

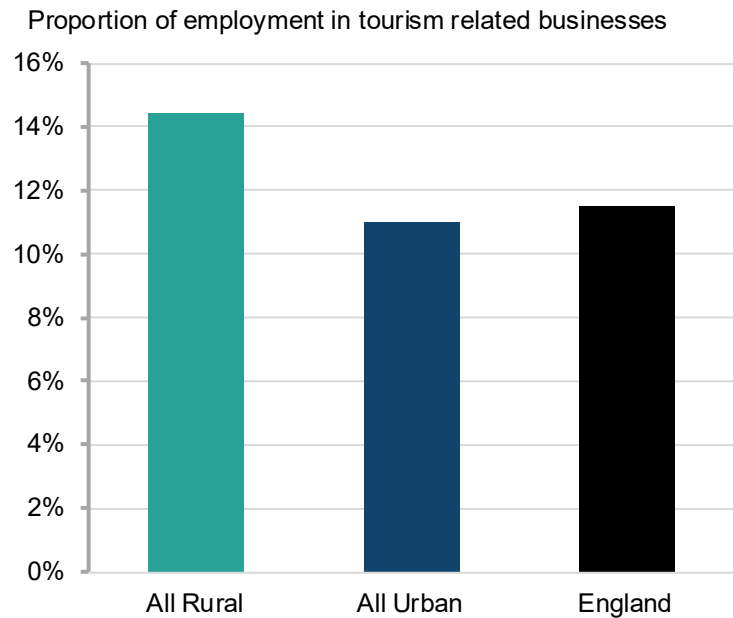


Table G-1: Numbers of local units of registered businesses and employment numbers for tourism related businesses, by Rural-Urban Classification, 2022/23 (Note G-1 and Note G-3)

	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. Business survival and growth

Business start-ups and deaths per head of population are lower in Predominantly Rural areas, but overall, Predominantly Rural areas have more businesses per head of population than in Predominantly Urban areas (excluding London). Business survival rates are higher in Predominantly Rural areas, but these areas have a lower rate of high-growth enterprises.

Key findings

The main statistics shown within this section are detailed as follows:

Business start-ups per head of population are lower in Rural areas

- In 2023, there were 39 registered business start-ups per 10,000 population in Predominantly Rural areas compared with 43 per 10,000 population in Predominantly Urban areas (excluding London).
- Between 2018 to 2023 in Predominantly Rural areas, there were between 42 and 45 business start-ups per 10,000 population; in Urban areas, there were between 43 and 52 per 10,000 population.

Business deaths per head of population are lower in Rural areas

- In 2023, there were 39 business deaths per 10,000 population in Predominantly Rural areas compared with 44 per 10,000 population in Predominantly Urban areas (excluding London).
- Between 2018 to 2023 in Predominantly Rural areas, the number of business deaths remained between 35 and 45 per 10,000 population; in Urban areas it remained between 40 and 50.

Business counts per head of population are stable in both Rural and Urban areas

- Between 2018 and 2023, the number of active businesses per population was consistently higher in Predominantly Rural areas when compared with Predominantly Urban areas (excluding London). In Predominantly Rural areas, it was between 420 and 430 registered businesses per 10,000 population and in Predominantly Urban areas it was between 370 and 390 registered businesses per 10,000 population.

Longer-term business survival rates are better in Rural areas than in Urban areas

- Survival rates after one year were similar in Predominantly Rural and Predominantly Urban areas (excluding London). In Predominantly Rural authorities, 95% of business start-ups were still active 1 year later compared with 94% in Predominantly Urban areas (excluding London).
- After 5 years, the gap in survival rates between Predominantly Rural and Predominantly Urban areas (excluding London) had widened to 8 percentage points. In Predominantly Rural areas the 5-year business survival rate was 45% but in Predominantly Urban areas (excluding London) it was 37%.
- In 2023, nearly a quarter of all Predominantly Rural authorities had a business survival rate of at least 50% in the fifth year after the business had started.

Summary

Between 2018 and 2023 numbers of registered business start-ups per head of population were consistently lower in Predominantly Rural than in Predominantly Urban areas (excluding London). In 2023, there were 39 registered business start-ups per 10,000 population in Predominantly Rural areas compared with 43 per 10,000 population in Predominantly Urban areas (excluding London). In all settlement types, numbers of business start-ups were lower in 2023 than they were in 2018.

The number of business deaths per head of population were consistently lower in Predominantly Rural areas between 2018 and 2023, when compared with Predominantly Urban areas (excluding London). In 2023, there were 39 registered business deaths per 10,000 population in Predominantly Rural areas compared with 44 per 10,000 population in Predominantly Urban areas (excluding London). In Predominantly Rural and Predominantly Urban (excluding London) areas business deaths were slightly higher in 2023 than they were in 2018, while in London they were slightly lower.

Between 2018 and 2023 the number of active businesses per population were consistently higher in Predominantly Rural areas when compared with Predominantly Urban areas (excluding London). In 2023, there were 421 active businesses per 10,000 population in Predominantly Rural areas compared with 374 per 10,000 population in Predominantly Urban areas (excluding London). When looking at changes since 2018 both Predominantly Rural areas and Predominantly Urban (excluding London) had lower numbers of active businesses in 2023 than in 2018, while numbers in London had increased slightly.

When considering the 5-year business survival rate for those businesses that started in 2018, 45% of businesses had survived in Predominantly Rural areas, compared with 37% for Predominantly Urban areas (excluding London). While business survival rates decrease over the five years following business start-up for all area types, survival rates were consistently highest in Predominantly Rural areas.

Since 2019 the proportion of high-growth businesses has been consistently lowest in Predominantly Rural areas. In 2023, the proportion of high-growth businesses in Predominantly Rural areas was 4.3%, slightly lower than the 4.6% for Predominantly Urban areas (excluding London). When looking at changes since 2018 both Predominantly Rural areas and Predominantly Urban (excluding London) had smaller proportions of high-growth businesses in 2023 than in 2018 while in London the proportion had increased slightly.

Note on business counts

The following sections use data from the [ONS business demography dataset](#) which presents data at the Local Authority level of detail. Business counts presented in this section will differ from those in [Section F](#), which uses the more granular Output Area-level Rural-Urban Classification.

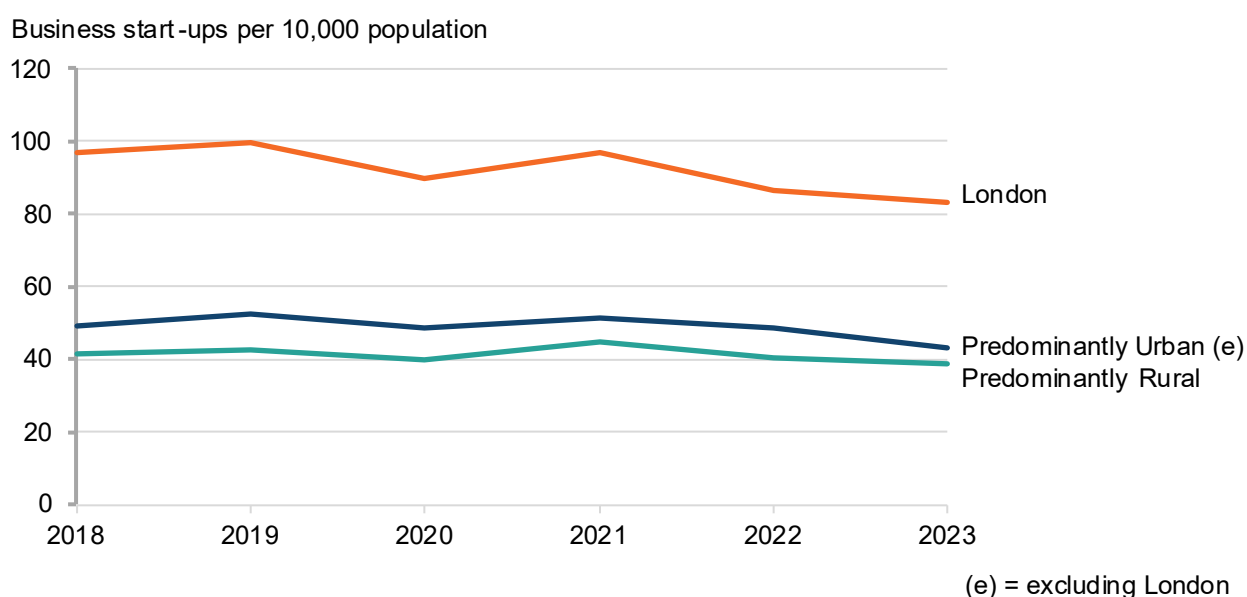
In the Local Authority-level classification, a whole Authority is designated as Predominantly Rural if the majority of the population resides in Rural areas, regardless of any Urban Output Areas there may be; the same is true for Rural Output Areas within Predominantly Urban Local Authorities. Therefore, differences may occur between the results presented in this section and Section F. Despite the different granularity of data, the overall trends are similar between sections; in both Section H and Section F, there were proportionally more businesses in (Predominantly) Rural areas than in (Predominantly) Urban areas.

Business start-ups

Business start-ups are identified as a business that is present in the current year but did not exist in the previous two years.

The line chart in Figure H-1 shows the number of registered business start-ups per population by Rural-Urban Classification between 2018 and 2023. Over this period the numbers of registered business start-ups per population were consistently lower in Predominantly Rural areas than in Predominantly Urban areas (excluding London) whilst numbers were highest in London. In all settlement types, numbers of business start-ups per population fluctuated between 2018 and 2021, and then fell between 2021 and 2023.

Figure H-1: Line chart showing the number of registered business start-ups per 10,000 population by Local Authority Rural-Urban Classification, in England, 2018 to 2023 (Note H-1 and Note H-2)



In 2023, there were 39 registered business start-ups per 10,000 population in Predominantly Rural areas compared with 43 per 10,000 population in Predominantly Urban areas (excluding London). These numbers show a decrease on 2022 start-ups of 5% in Predominantly Rural areas compared with a larger decrease in Predominantly Urban areas (excluding London) of 11%. When looking at changes since 2018 both Predominantly Rural areas and Predominantly Urban areas (excluding London) had lower numbers of business start-ups in 2023 than in 2018 (by 3 and 6 business start-ups respectively).

Business deaths

A business death is defined as a business that was classed as an active business in one year then is no longer present in data for the following two years.

The line chart in Figure H-2 shows the number of registered business deaths per population by Rural-Urban Classification between 2018 and 2023. The line chart shows that between 2018 and 2023 the number of business deaths per population were consistently lower in Predominantly Rural areas when compared with Predominantly Urban areas (excluding London). Between 2018 and

2020 there was some fluctuation in numbers in Predominantly Rural areas while numbers in Predominantly Urban areas (excluding London) remained stable. Between 2020 and 2022 both Predominantly Rural and Predominantly Urban areas (excluding London) saw a rise in the number of business deaths, with numbers then falling into 2023. In London, numbers were consistently higher, showing the same general pattern with a gradual increase up to 2022, falling again into 2023.

In 2023, there were 39 registered business deaths per 10,000 population in Predominantly Rural areas compared with 44 per 10,000 population in Predominantly Urban areas (excluding London). These numbers show a 10% decrease compared to business deaths in 2022 in Predominantly Rural areas, and an 11% decrease in Predominantly Urban areas (excluding London) of 11%. When looking at changes since 2018, Predominantly Rural areas had higher numbers of business deaths in 2023 than in 2018 (by 2 business deaths) whilst Predominantly Urban areas (excluding London) and in London the numbers showed little change over the same time period.

Figure H-2: Line chart showing the number of registered business deaths per 10,000 population by Local Authority Rural-Urban Classification, in England, 2018 to 2023 (Note H-1 and Note H-2)

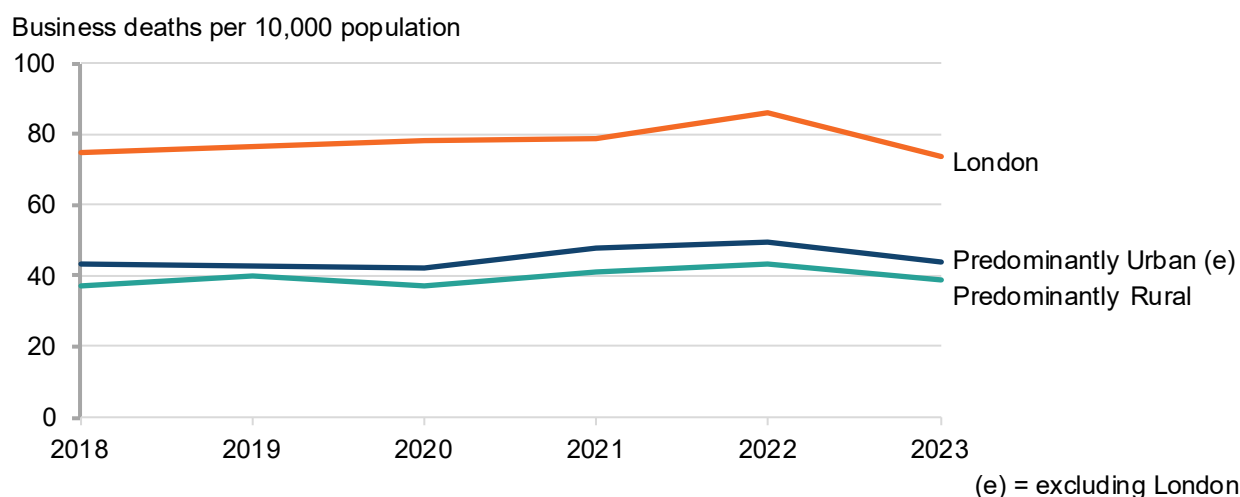


Table H-1 and Table H-2 show the 10 Local Authorities with the greatest numbers of business start-ups and business deaths per 10,000 population in Predominantly Rural areas in 2023. Waverley (Surrey) had the greatest number of business start-ups with 54 businesses per 10,000 population in 2023, while Wychavon (Worcestershire) had the greatest number of business deaths (69 per 10,000 population). There were six Local Authorities that appeared in both top ten lists which suggests these areas saw a greater level of business turnaround than others. These areas were: Waverley (Surrey), Stratford-on-Avon (Warwickshire), Sevenoaks (Kent), Uttlesford (Essex), Harborough (South Leicestershire) and Winchester (Hampshire).

Table H-1: The 10 Predominantly Rural areas with the highest number of business start-ups per 10,000 population in 2023

Predominantly Rural areas	Business start-ups per 10,000 population
Waverley	54
Stratford-on-Avon	53
Sevenoaks	53
Cotswold	52
Uttlesford	52
Harborough	52
Winchester	50
West Suffolk	49
East Hampshire	49
Maldon	48

Table H-2: The 10 Predominantly Rural areas with the highest number of business deaths per 10,000 population in 2023

Predominantly Rural areas	Business deaths per 10,000 population
Wychavon	69
Stratford-on-Avon	64
Winchester	59
South Kesteven	56
Uttlesford	53
Waverley	53
Sevenoaks	50
Harborough	50
Ribble Valley	49
Newark and Sherwood	49

Table H-3: The 10 Predominantly Urban (excluding London) areas with the highest number of business start-ups per 10,000 population in 2023

Predominantly Urban (excluding London) areas	Business start-ups per 10,000 population
Hertsmere	82
Elmbridge	65
Three Rivers	64
Watford	63
Manchester	63
Slough	62
Windsor and Maidenhead	61
Thurrock	59
Oadby and Wigston	59
St Albans	58

Table H-4: The 10 Predominantly Urban (excluding London) areas with the highest number of business deaths per 10,000 population in 2023

Predominantly Urban (excluding London) areas	Business deaths per 10,000 population
Wolverhampton	76
Hertsmere	69
Brighton and Hove	68
Bromsgrove	67
St Albans	64
Elmbridge	64
Peterborough	63
Rugby	61
Windsor and Maidenhead	61
Mansfield	61

Table H-3 and Table H-4 show the 10 Local Authorities with the greatest numbers of business start-ups and business deaths per 10,000 population in Predominantly Urban areas (excluding London) for 2023. Hertsmere (Hertfordshire) had the greatest number of business start-ups with 82 businesses per 10,000 population, while Wolverhampton (West Midlands) had the greatest number of business deaths (76 per 10,000 population). There were four Local Authorities that appeared in both top ten lists: Hertsmere (Hertfordshire), Elmbridge (Surrey), Windsor and Maidenhead (Berkshire), and St Albans (Hertfordshire).

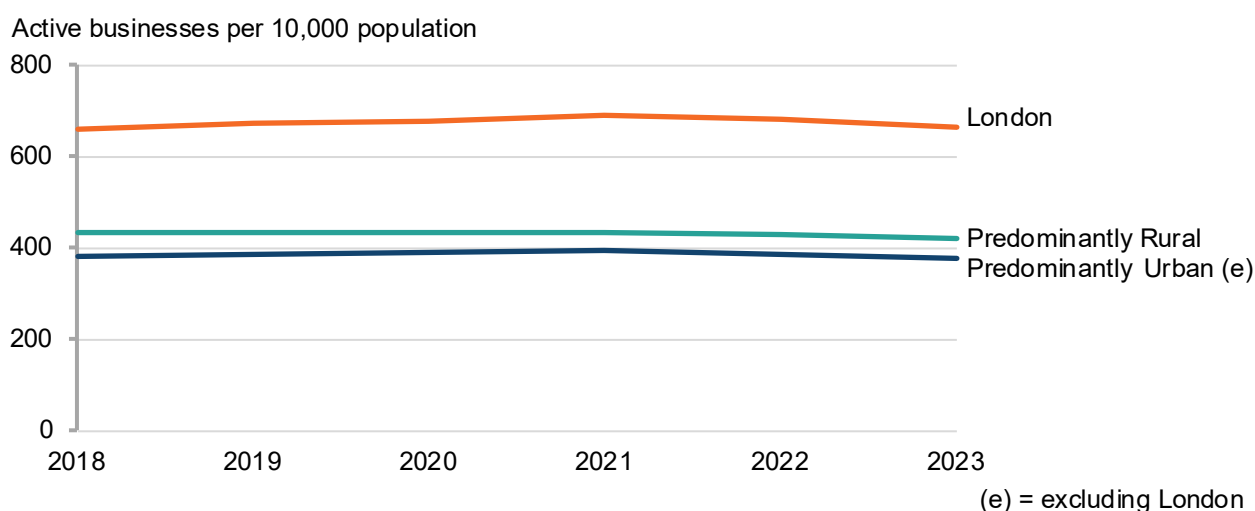
Business count

This section provides a count of those businesses considered to be active businesses, which is those that had either turnover or employment at any point during the reference year.

The line chart in Figure H-3 shows the number of active registered businesses per population by Rural-Urban Classification between 2018 and 2023. The line chart shows that between 2018 and 2023 the number of active businesses per population was consistently higher in Predominantly Rural areas when compared with Predominantly Urban areas (excluding London). Between 2018 and 2022 the number of active businesses was stable in Predominantly Rural areas and Predominantly Urban areas (excluding London) at around 430 and 385 active businesses per 10,000 population respectively. This was followed by a slight fall in numbers of active businesses into 2023. In London, numbers of active businesses per 10,000 population saw a gradual increase between 2018 (660) to 2021 (688) after which they have fallen back to 662 in 2023.

In 2023, there were 421 active businesses per 10,000 population in Predominantly Rural areas compared with 374 per 10,000 population in Predominantly Urban areas (excluding London). These numbers show a decrease on 2022 business numbers of 2% in Predominantly Rural areas compared with a decrease in Predominantly Urban areas (excluding London) of 3%. When looking at changes since 2018 both Predominantly Rural areas and Predominantly Urban (excluding London) had lower numbers of active businesses in 2023 than in 2018 (by 10 and 6 active businesses respectively) while in London numbers have increased by 2 over the same time period.

Figure H-3: Line chart showing the number of active registered businesses per 10,000 population by Local Authority Rural-Urban Classification, in England, 2018 to 2023 (Note H-1 and Note H-2)

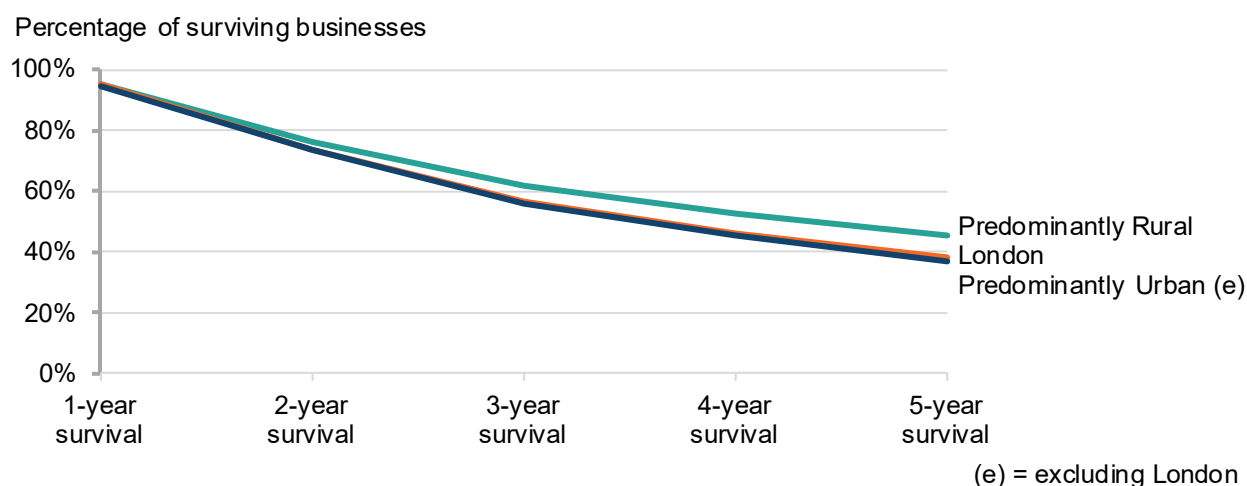


Business survival rates

This section looks at businesses that were started in 2018, tracking how rates of survival change over the following five years.

The line chart in Figure H-4 shows that while business survival rates decrease over the five years following business start-up for all area types, survival rates are consistently highest in Predominantly Rural areas. The gap between survival rates in Predominantly Rural areas and Predominantly Urban areas increased throughout the five years from 2018. Rates of survival were similar after year 1 with Predominantly Rural areas showing a business survival rate of 95%, compared with 94% for Predominantly Urban areas (excluding London). By year 5 the gap between the area types had widened to 8 percentage points, with Predominantly Rural areas having a business survival rate of 45% (compared with 37% for Predominantly Urban areas, excluding London).

Figure H-4: Line chart showing the survival rate of businesses started in 2018, by Local Authority Rural-Urban Classification, in England, 2018 to 2023 (Note H-1 and Note H-2)



The maps in Figure H-5 and Figure H-6 show the proportion of businesses started in 2018 that had survived for five years into 2023, by Local Authority area. Predominantly Rural authorities are mapped in Figure H-5 which shows that of the 91 Predominantly Rural authorities, 5 authorities had a survival rate of 40% or less businesses surviving for 5 years, 65 authorities had a survival rate of between 40% and 50% of businesses, while 21 authorities had a survival rate of more than 50% of businesses. This means that for Predominantly Rural Local Authorities, nearly a quarter of all Authorities had a business survival rate of at least 50% in the fifth year after the business had started. West Devon was the Predominantly Rural Local Authority with the highest survival rate for businesses in their fifth year (59% of businesses), while Central Bedfordshire had the lowest rate of survival (28%).

Figure H-6 shows the situation for Predominantly Urban and Urban with Significant Rural Local Authorities, covering a total of 235 authorities. This shows there were 93 authorities that had a survival rate of 40% or less businesses surviving for 5 years, 135 authorities had a survival rate of between 40% and 50% of businesses, while just 7 authorities that had a survival rate of more than 50% of businesses. Weymouth and Portland (Dorset) was the Predominantly Urban and Urban with Significant Rural Local Authority with the highest survival rate for businesses in their fifth year (53% of businesses), while Bromsgrove (Worcestershire) had the lowest rate of survival (13%).

Figure H-5: Map showing the five-year survival rate of businesses started in 2018, by Local Authority area, in Predominantly Rural areas in England (Note H-2)

White areas on the map represent Predominantly Urban and Urban with Significant Rural areas, which are instead presented in Figure H-6.

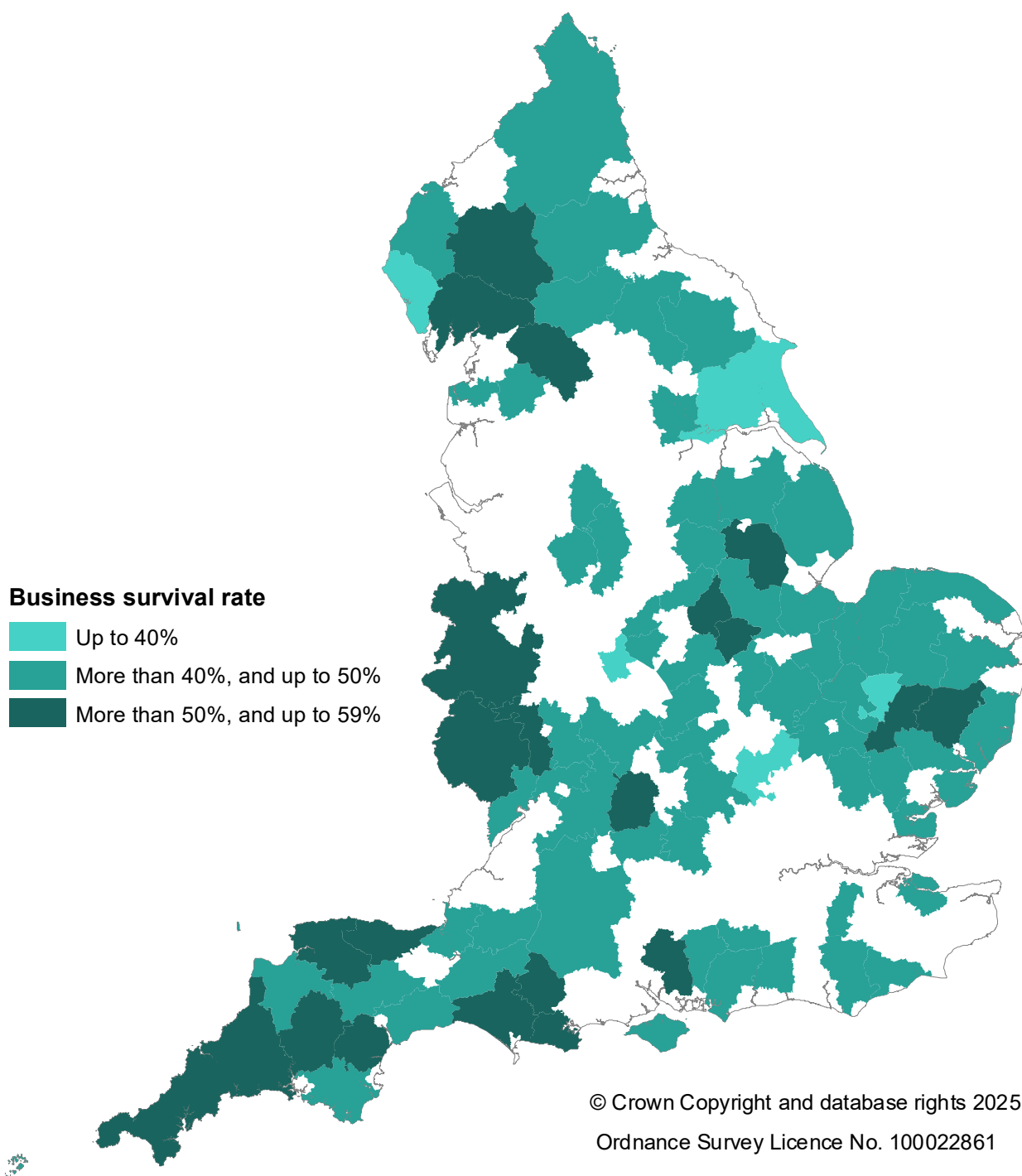
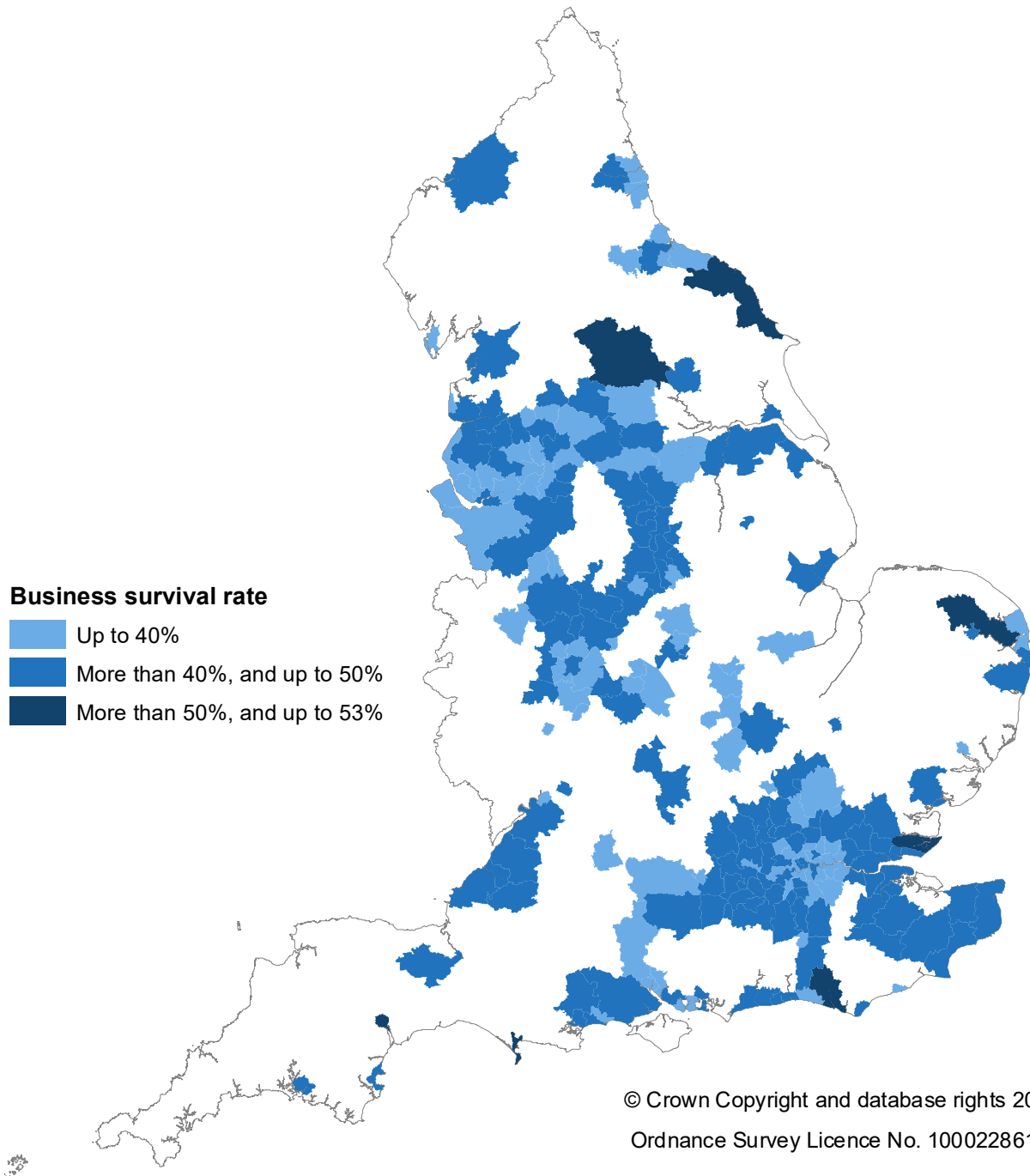


Figure H-6: Map showing the five-year survival rate of businesses started in 2018, by Local Authority area, in Predominantly Urban and Urban with Significant Rural areas in England (Note H-2)

White areas on the map represent Predominantly Rural areas, which are instead presented in Figure H-5.



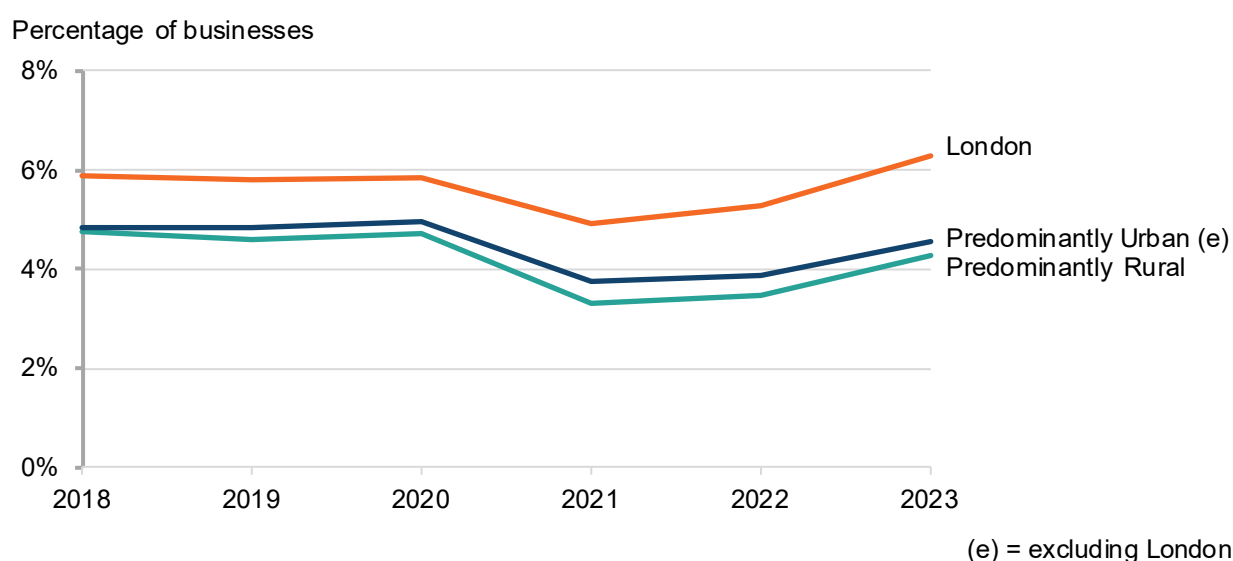
High-growth businesses

High-growth businesses are those enterprises with an average annualised growth of 20% per annum, over a three-year period. Growth is measured in terms of employment. Analysis is limited to businesses with 10 or more employees to avoid the growth of small businesses distorting results.

The line chart in Figure H-7 shows high-growth businesses as a proportion of all businesses with 10 or more employees between 2018 and 2023. In 2018 both Predominantly Rural and Predominantly Urban (excluding London) areas had the same proportion of high-growth businesses (4.8%). In 2019 the proportion in Predominantly Rural areas dropped slightly while Predominantly Urban (excluding London) areas remained stable. Since 2019 the proportion of high-growth businesses has consistently been lowest in Predominantly Rural areas. All settlement types have seen the same pattern since 2019, with the proportion of high-growth businesses remaining stable between 2019 and 2020, followed by a steep drop into 2021, and then increasing proportions of high-growth businesses between 2021 and 2023. The proportion of high-growth businesses was consistently highest in London.

In 2023, the proportion of high-growth businesses in Predominantly Rural areas was 4.3%, slightly lower than the 4.6% for Predominantly Urban areas (excluding London). This was an increase on 2022 proportions of 0.8 percentage points in Predominantly Rural areas compared with an increase in Predominantly Urban areas (excluding London) of 0.7 percentage points. When looking at changes since 2018 both Predominantly Rural areas and Predominantly Urban (excluding London) had smaller proportions of high-growth businesses in 2023 than in 2018 (by 0.5 and 0.3 percentage points respectively) while in London the proportion had increased by 0.4 percentage points over the same time period.

Figure H-7: Line charting showing the proportion of businesses that are high-growth businesses, by Local Authority Rural-Urban Classification, in England, 2018 to 2023 (Note H-1 and Note H-2)



The maps in Figure H-8 and Figure H-9 show the proportion of all businesses with 10 or more employees that were considered high-growth businesses, in 2023, by Local Authority area. Predominantly Rural authorities are mapped in Figure H-8 which shows that of the 84

Predominantly Rural authorities, 35 authorities had 4% or fewer high-growth businesses, 32 authorities had between 4% and 5% high-growth businesses, 16 authorities had between 5% and 7% high-growth businesses, while just one authority had more than 7% of businesses with 10 or more employees being high-growth businesses. Waverley (Surrey) was the Predominantly Rural Local Authority with the greatest proportion of high-growth businesses (7.8% of businesses with 10 or more employees), while the Isles of Scilly had the lowest proportion of high-growth businesses (less than 0.1%). It is worth noting that Waverley is also the Predominantly Rural Local Authority with the highest rate of building start-ups per 10,000 population in 2023, whilst also featuring in the top 10 for business deaths.

Figure H-9 shows the situation for Predominantly Urban and Urban with Significant Rural Local Authorities, covering a total of 225 authorities. This shows there were 81 authorities with 4% or fewer high-growth businesses, 81 authorities with between 4% and 5% high-growth businesses, 53 authorities with between 5% and 7% high-growth businesses, and 10 authorities that had more than 7% of businesses being high-growth businesses. The top 5 authorities for proportion of high-growth businesses were all London authorities, with the City of London being the highest at 9.4% of businesses. Outside of London, Oxford was the Predominantly Urban and Urban with Significant Rural Local Authority with the greatest proportion of high growth businesses (7.6% of businesses), while Eastbourne (East Sussex) had the lowest proportion of high growth businesses (1.4%).

Figure H-8: Map showing high-growth businesses as a proportion of all businesses with 10 or more employees, by Local Authority area, in Predominantly Rural areas in England, in 2023 (Note H-2)

White areas on the map represent Predominantly Urban and Urban with Significant Rural areas, which are instead presented in Figure H-9.

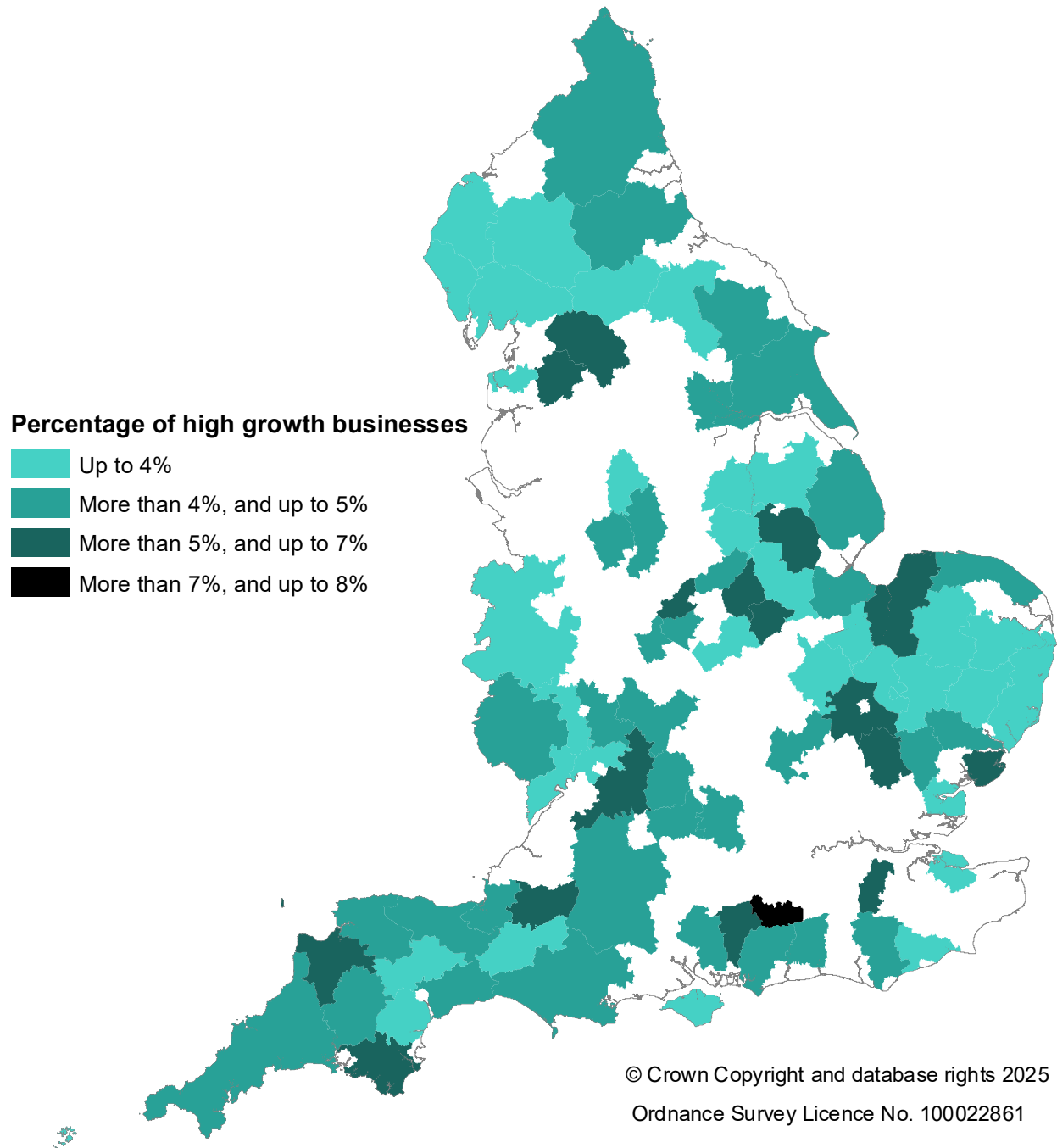
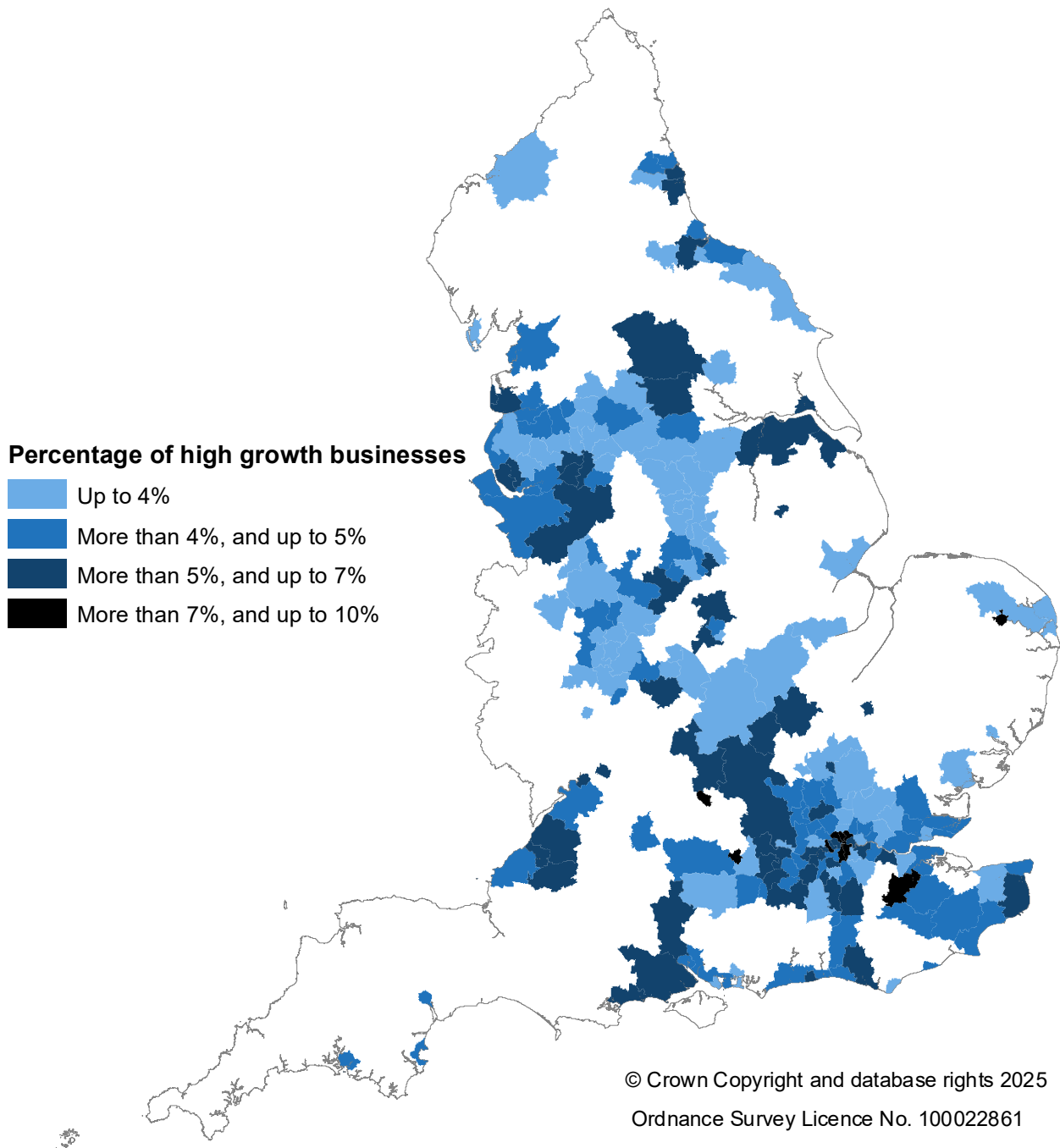


Figure H-9: Map showing high-growth businesses as a proportion of all businesses with 10 or more employees, by Local Authority area, in Predominantly Urban and Urban with Significant Rural areas in England, in 2023 (Note H-2)

White areas on the map represent Predominantly Rural areas, which are instead presented in Figure H-8.



Business survival and growth notes

- **Note H-1**

Tables of the data in this section are available in the [Rural Economic Bulletin Supplementary data tables](#).

- **Note H-2**

Source: [ONS Business Demography dataset](#)

I. 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.

Key findings

The main statistics shown within this section are detailed as follows:

Location has little effect on the innovation practices of businesses surveyed

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

Less capital investment per employee in rural areas than in urban areas

- Companies undertake 'capital investment' when spending money on fixed assets (with the expectation that productivity will increase as a result of the investment). In 2018, investment per head was around £4,700 in Predominantly Rural areas and around £4,900 in Predominantly Urban areas excluding London.
- With the exception of 2017 when they were the same, the investment per head Predominantly Rural areas has been lower than the England average over the period 2007 to 2018.

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 I-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 I-1: Percentage of businesses in England engaged in broader innovation-related activities, 2012 to 2014 (Note I-1)

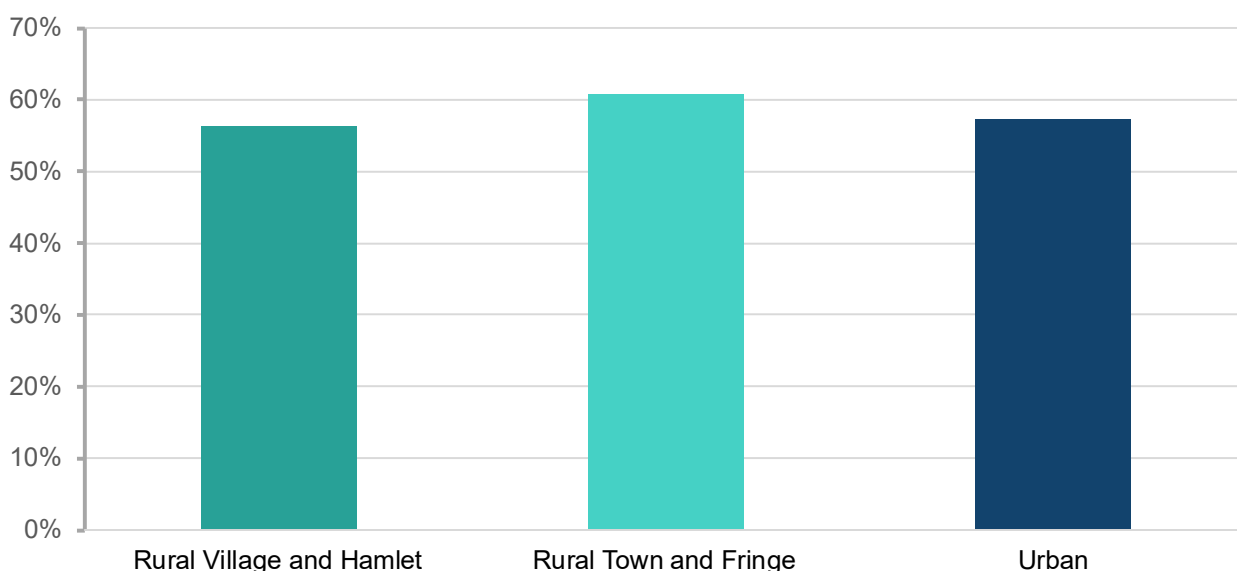


Table I-1: Business involvement with broader-innovation-related activities, 2012 to 2014

	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

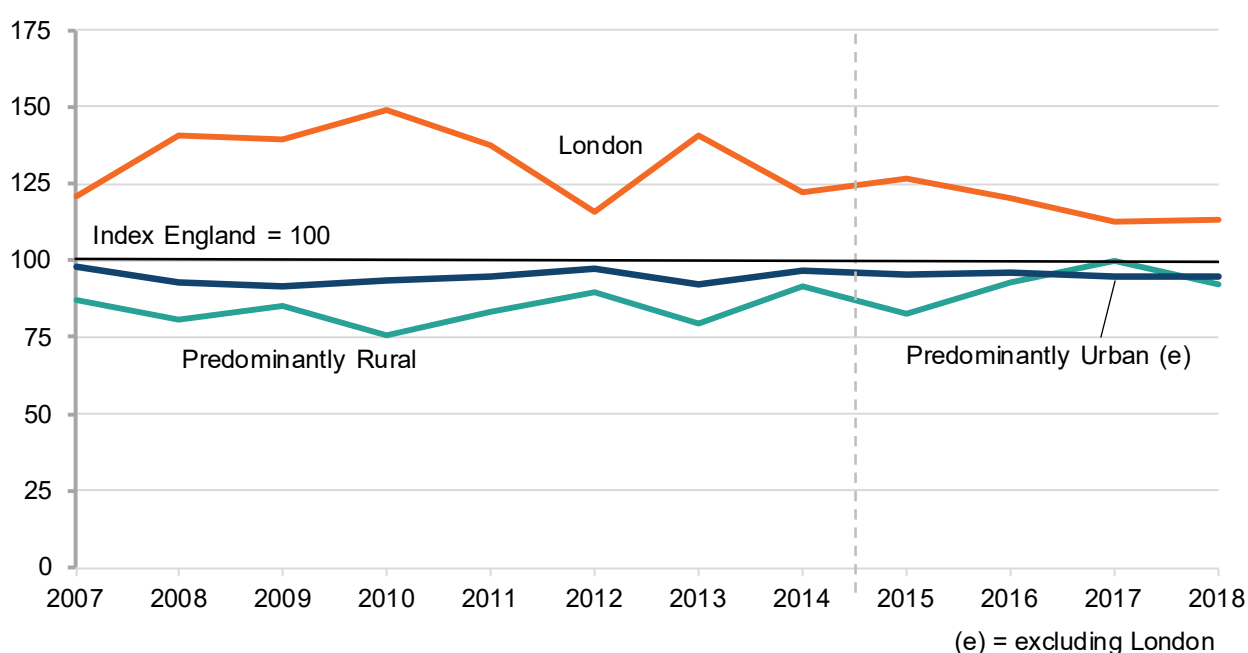
Companies undertake 'capital investment' when spending money on fixed assets (typically land, buildings or machinery) with the expectation that productivity will increase as a result of the investment. Capital investment in absolute terms is only available at current prices so caution should be used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

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



Notes

- Figure I-2 note: Dashed line shows that from 2015 employee numbers include estimates from businesses that are solely PAYE ([Note I-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 I-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 I-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 I-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 I-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 I-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. Internal migration
- D. Local Authority population data
- E. Census 2021: Population

2. [Housing](#)

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

3. [Health and Wellbeing](#)

- A. Life expectancy and Mortality
- B. Wellbeing
- C. NHS Dentistry provision
- D. NHS 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. Mobile coverage
- C. Travel behaviours
- D. Access to personal transport
- E. Access to services
- F. Home working

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

- A. Schools and their workforce
- B. Class sizes
- C. Secondary education attainment
- D. School inspections
- E. Free school meals - eligibility
- F. Alternative and specialist education provision
- G. Progression to higher education
- H. Apprenticeships and on-the-job training
- I. Workforce education level

7. [Rural Economic Bulletin](#)

- A. Employment
- B. Earnings
- C. Redundancies
- D. Unemployment-related benefits
- E. Output and productivity measured by Gross Value Added (GVA)
- F. Business demographics
- G. Businesses by industry
- H. Business survival and growth
- I. 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. Central heating
- E. Energy Consumption
- F. Estimated carbon dioxide (CO₂) emissions

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.

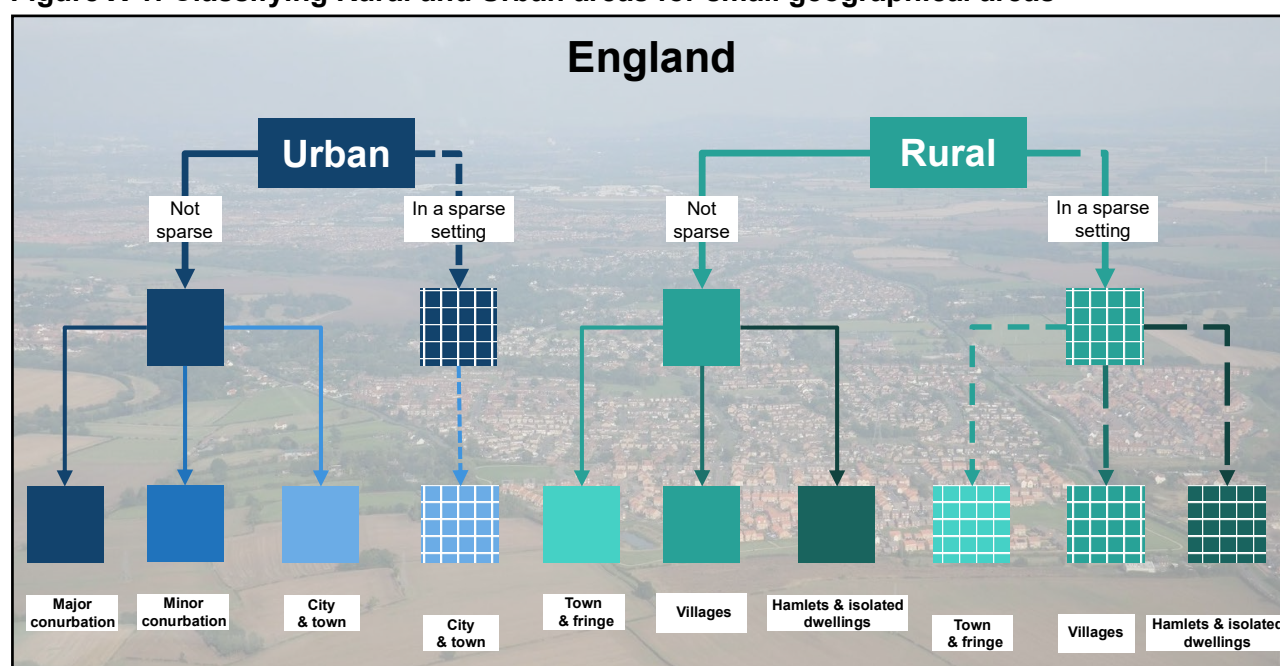
There is a further document including the individual Local Authority data tables, which have been separated for ease of use.

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

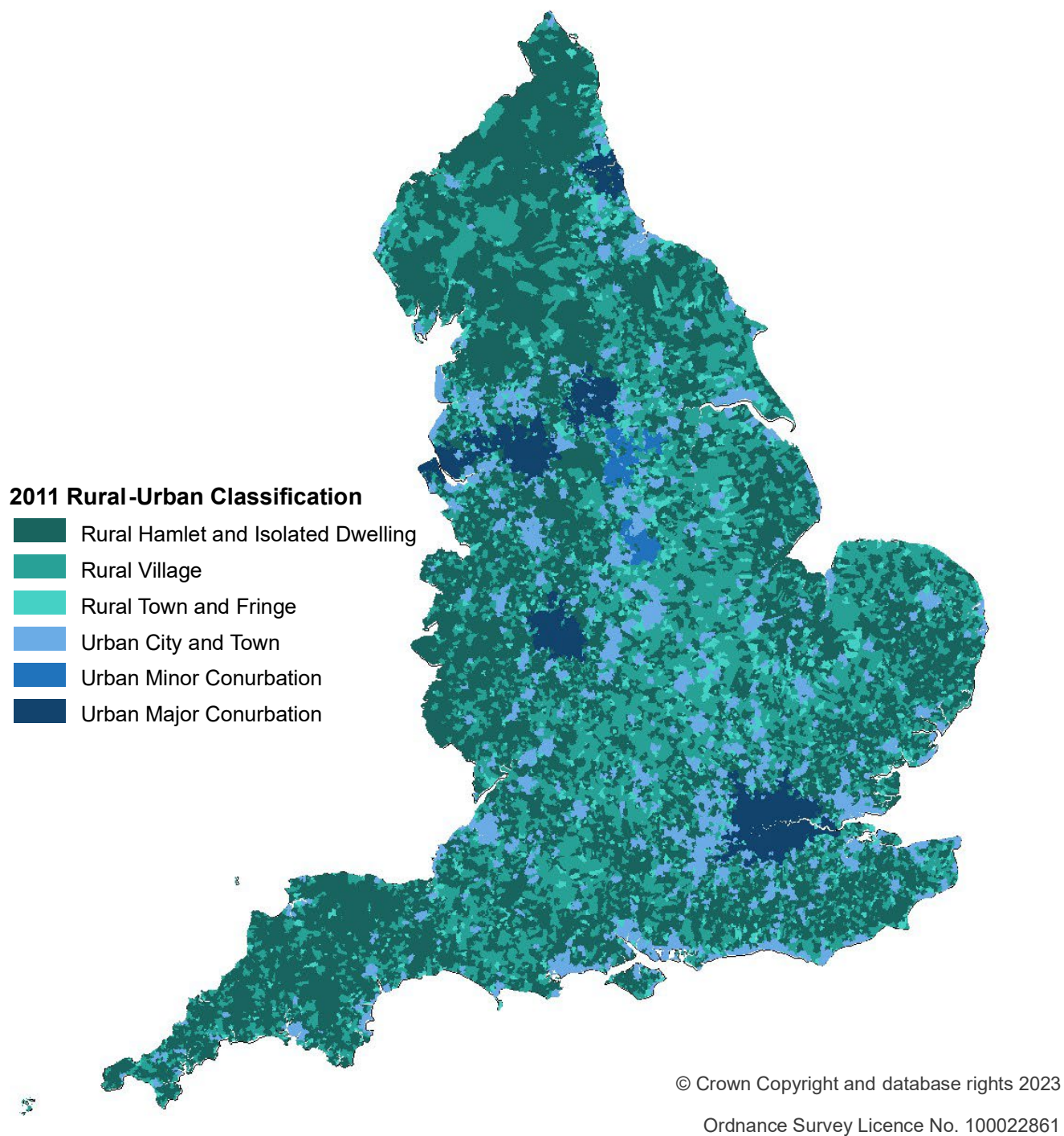
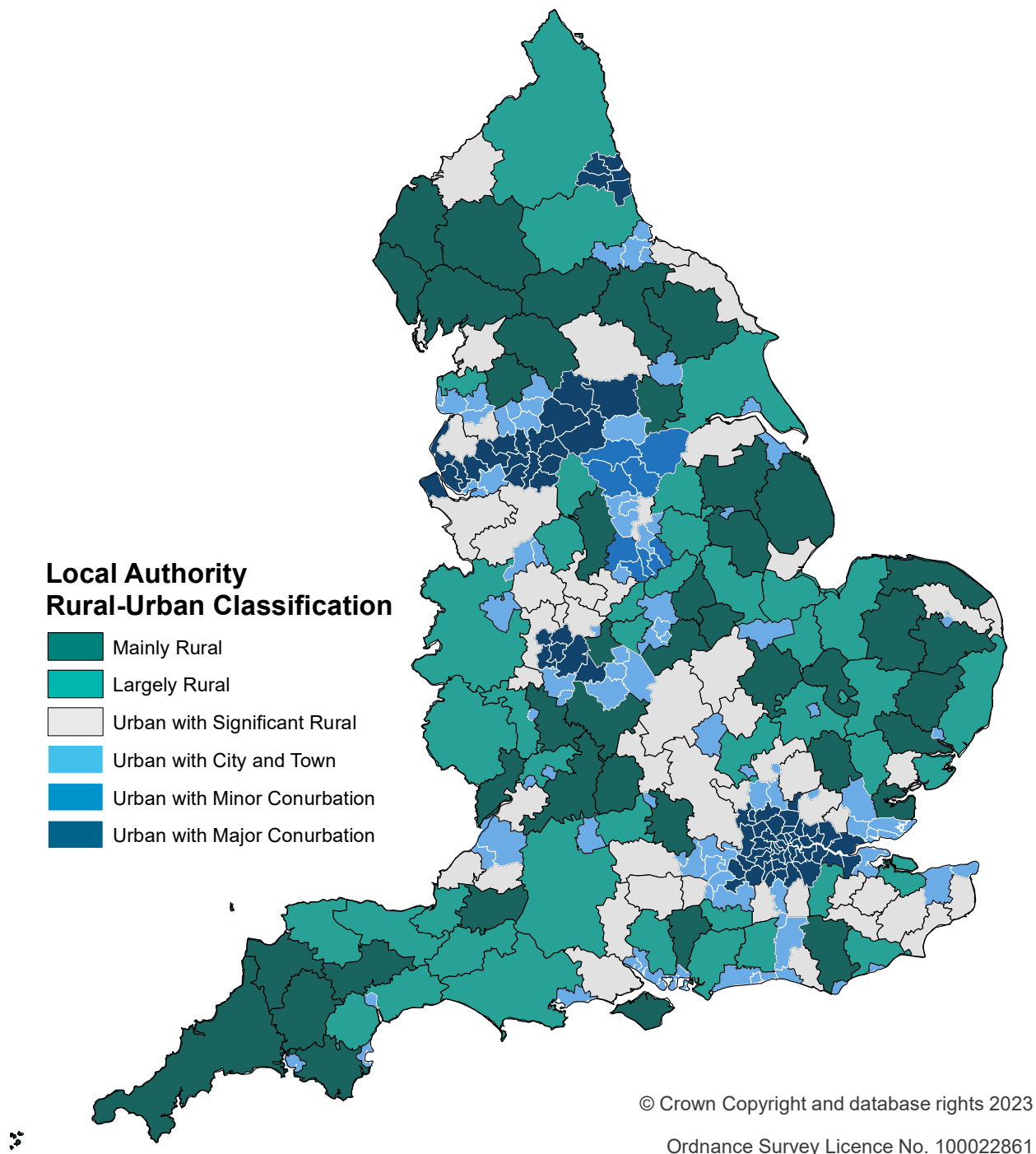
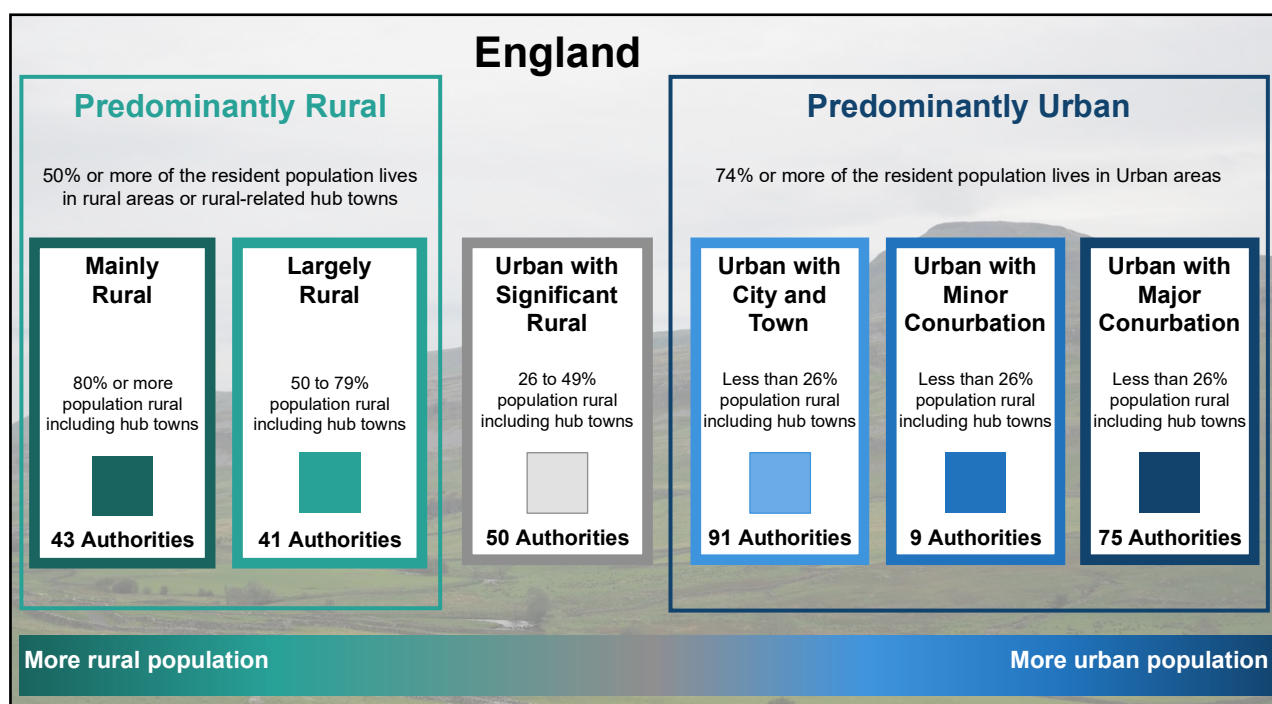


Figure X-3: Map of the 2011 Rural-Urban Classification for Local Authority Districts and Unitary Authorities in England



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

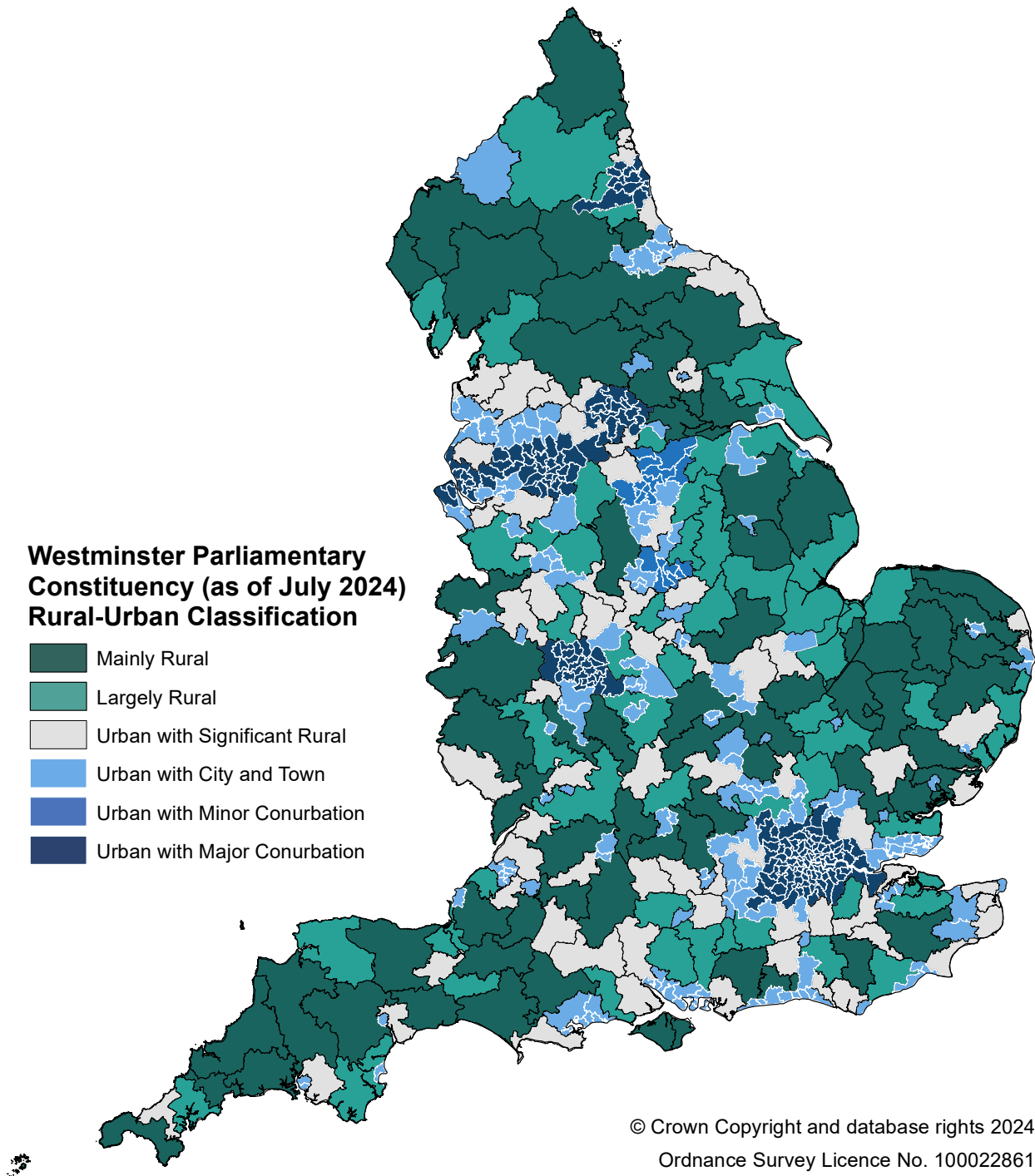
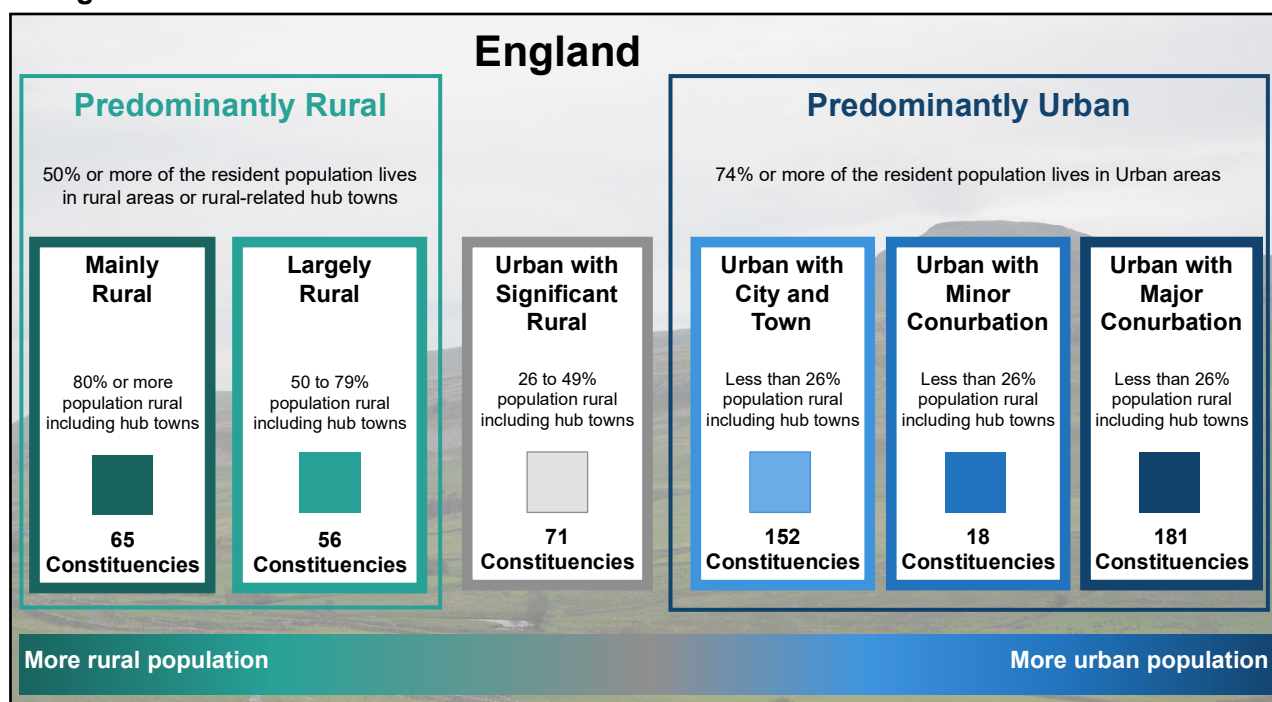


Figure X-6: 2011 Rural-Urban Classification for Westminster Parliamentary Constituencies in England



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/