



Department
for Environment
Food & Rural Affairs

Statistical Digest of Rural England

Rural productivity and gross value added (GVA)

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

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

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

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

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

Any enquiries regarding this publication should be sent to us at:

rural.statistics@defra.gov.uk

Last updated: 21st July 2022

Productivity measured by Gross Value Added (GVA)

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

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

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

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

- In 2020, GVA from Predominantly Rural areas contributed 15.0 per cent of England's GVA, and was worth an estimated £253 billion. This compares with 44.6 per cent from Predominantly Urban areas (excluding London) (£750 billion), 27.9 per cent from London (£470 billion) and 12.5 per cent from Urban with Significant Rural areas (£210 billion).
- All area types have seen small decreases for total GVA since 2019.
- The proportional contribution from Predominantly Rural areas to England's GVA has declined slightly between 2001 and 2020 (from 16.5 per cent to 15.0 per cent) but has shown little change in recent years.
- However, this has been affected by an increase in London's contribution. The proportional contribution of Predominantly Rural areas to the GVA of England excluding London has shown a much smaller decline between 2001 and 2020 (from 21.7 per cent to 20.8 per cent).
- In 2020, the GVA per workforce job in Predominantly Rural areas was £45,400 and in Predominantly Urban areas (excluding London) it was £51,700 (provisional estimates).
- In 2020, the productivity of Predominantly Rural areas was around 81 per cent of that for England as whole (provisional estimate). This had fallen from 89 per cent in 2001, however there has been little change since 2016. The decline in rural areas is in part reflecting an increase in London's contribution to England's overall productivity.

¹ For further information see the ONS website:

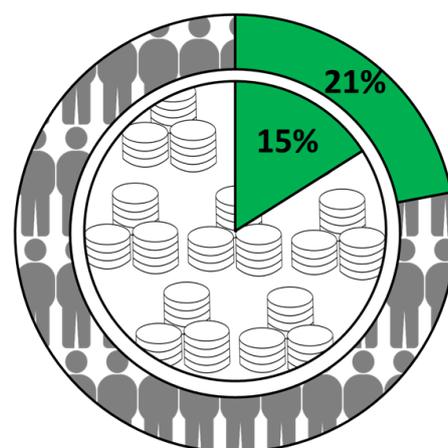
www.consultations.ons.gov.uk/national-accounts/consultation-on-balanced-estimates-of-regional-gva/

Contribution to England's Gross Value Added (GVA)

Contribution to England's Gross Value Added (GVA), by local authority rural-urban classification in England (data broadly at county level apportioned at local district level), 2020 (provisional)

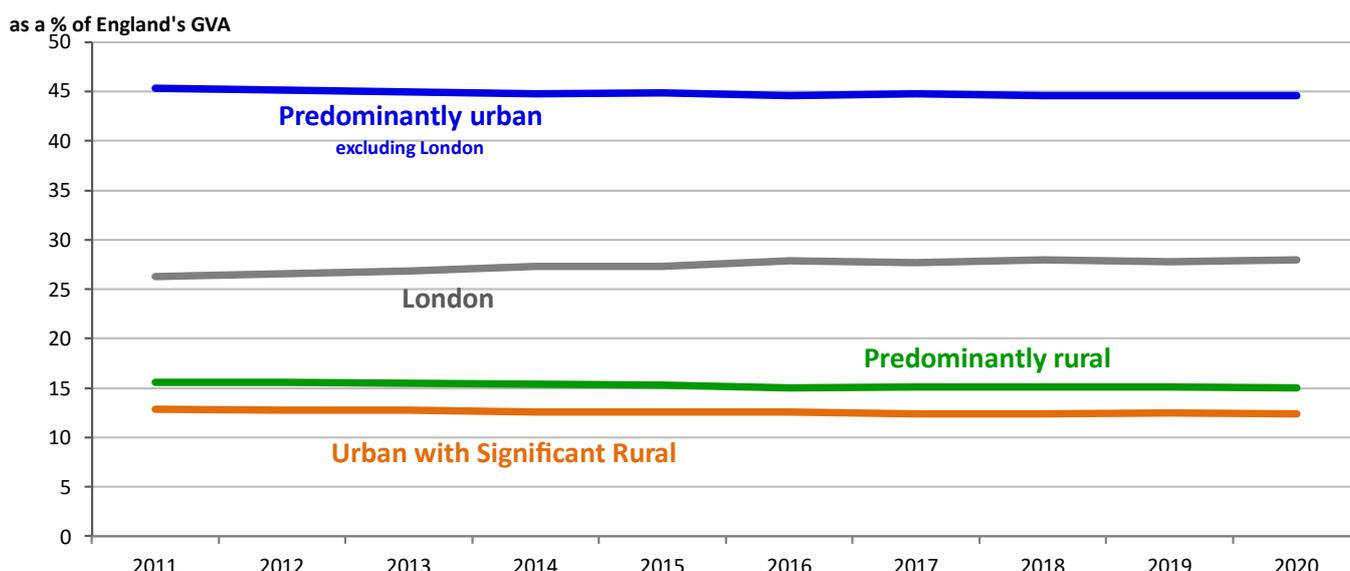
2011 Local Authority Classification	GVA (£m)	share	Broader classification	GVA (£m)	share
London	470,300	28.0%	London	470,300	28.0%
Urban with Major Conurbation	285,500	17.0%	Predominantly Urban excl. London	750,200	45.0%
Urban with Minor Conurbation	46,800	3.0%			
Urban with City and Town	417,900	25.0%			
Urban with Significant Rural	209,700	12.0%	Urban with Significant Rural	209,700	12.0%
Largely Rural	154,600	9.0%	Predominantly Rural	252,600	15.0%
Mainly Rural	98,000	6.0%			
England	1,682,800	100%	England	1,682,800	100.0%

- Predominantly Urban areas (excluding London) make the largest contribution to England's GVA, estimated at £750 billion (45 per cent), followed by London's £470 billion (28 per cent). Predominantly Rural areas contributed an estimated £253 billion (15 per cent) in 2020.
- These GVA figures are based on GVA at broadly county level apportioned at local district level to provide a more refined analysis of GVA across the local authority classification. The total GVA for rural and urban areas in the table above is different to the industry breakdown following this and is less finely detailed being based on data at broadly county level.

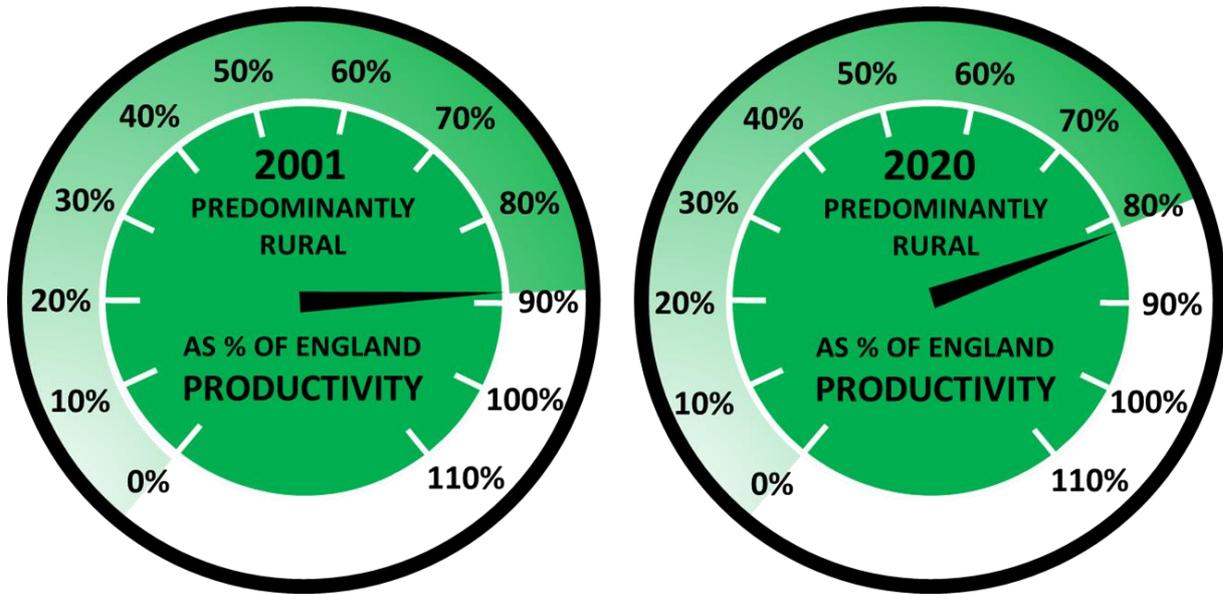


While predominantly rural areas account for **21%** of the population they contribute around **15%** of England's economy

Gross Value Added (GVA) by Local Authority Classification as a percentage of England GVA, 2011 to 2020 (provisional)



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



The productivity rate in Predominantly Rural areas fell from **89%** of the England average to **81%** between 2001 and 2020, but there was little change over the last 5 years.

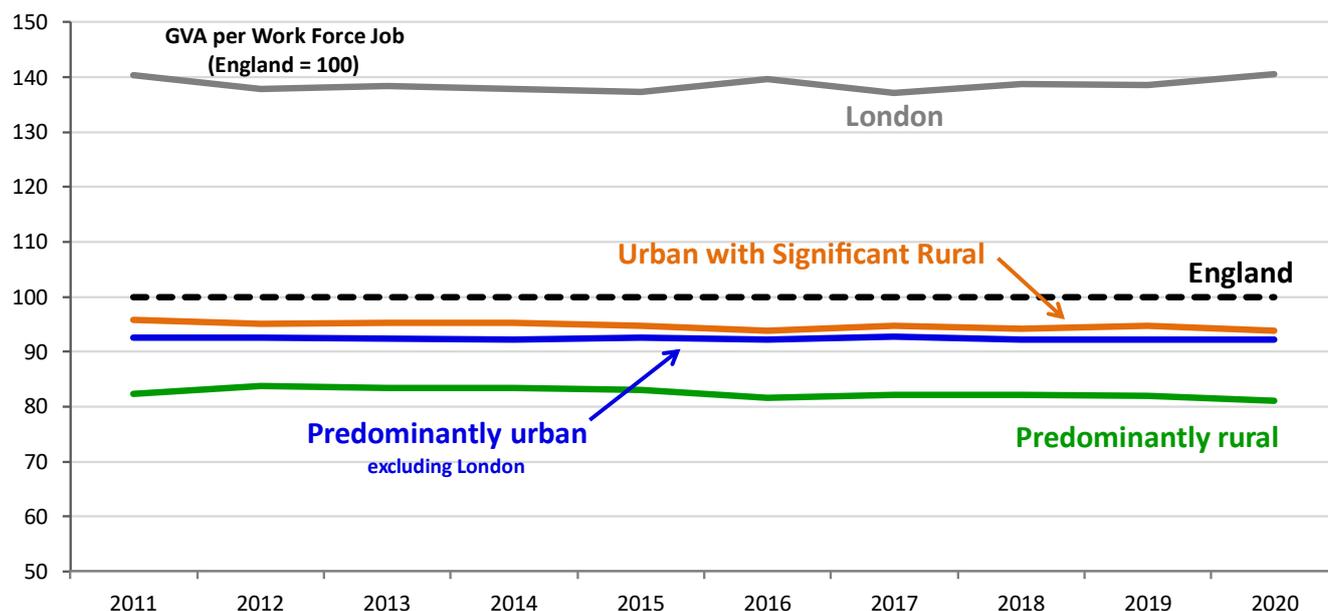
- The fact that rural areas have not kept pace with economic growth elsewhere in the country partly reflects urban growth in the financial services sector, especially in London – and other factors such the size of economic sectors in rural areas and the size of businesses – rather than a decline in rural productivity as such.
- A table of GVA figures broken down by broad local authority rural-urban classification covering 2001 to 2020 (provisional) is available in the [rural economy supplementary data tables](#).

Notes: The GVA figures are based on GVA at broadly county level apportioned at local district level to provide a more refined analysis of GVA across the local authority classification. Data have been recalculated based on ONS Local Authority GVA figures. www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalregionalgrossvalueaddedbalancedperheadandincomecomponents www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedbalancedlocalauthoritiesbynuts1region Balanced GVA uses the income approach and the production approach for estimating GVA. It takes the strengths from both approaches to produce a new balanced measure of regional GVA. This gives users a single measure of economic activity within a region.

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

Gross Value Added (GVA) per Workforce Job

GVA per workforce job (£), by Local Authority Classification compared with England as a whole, 2011 to 2020 (provisional)



Gross Value Added (GVA) per workforce job (WFJ) (£ and as percentage of England level), by Local Authority Classification in England, 2020 (provisional)

	£	As percentage of England level
London	78,700	141
Urban with Major Conurbation	50,500	90
Urban with Minor Conurbation	45,200	81
Urban with City and Town	53,300	95
Urban with Significant Rural	52,500	94
Largely Rural	45,900	82
Mainly Rural	44,600	80
Predominantly Urban (excl. London)	51,700	92
Predominantly Rural	45,400	81
England	56,000	100

- The nominal GVA per workforce job is highest in London at around £78,700 per workforce job in 2020 (provisional estimate). After London, Urban with City and Town areas had the highest values per workforce job (around £53,300).
- For 2020, the GVA per workforce job in Predominantly Urban areas (excluding London) areas was £51,700 and in Predominantly Rural areas it was £45,400.
- In 2020 the productivity of Predominantly Rural areas was around 81 per cent of that for England as a whole (provisional estimate). This had fallen from 89 per cent in 2001 but is affected by the increases in London's contribution affecting England's overall productivity.
- A table of GVA per workforce job figures broken down by broad local authority rural-urban classification covering 2001 to 2020 (provisional) is available in the [rural economy supplementary data tables](#).

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

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

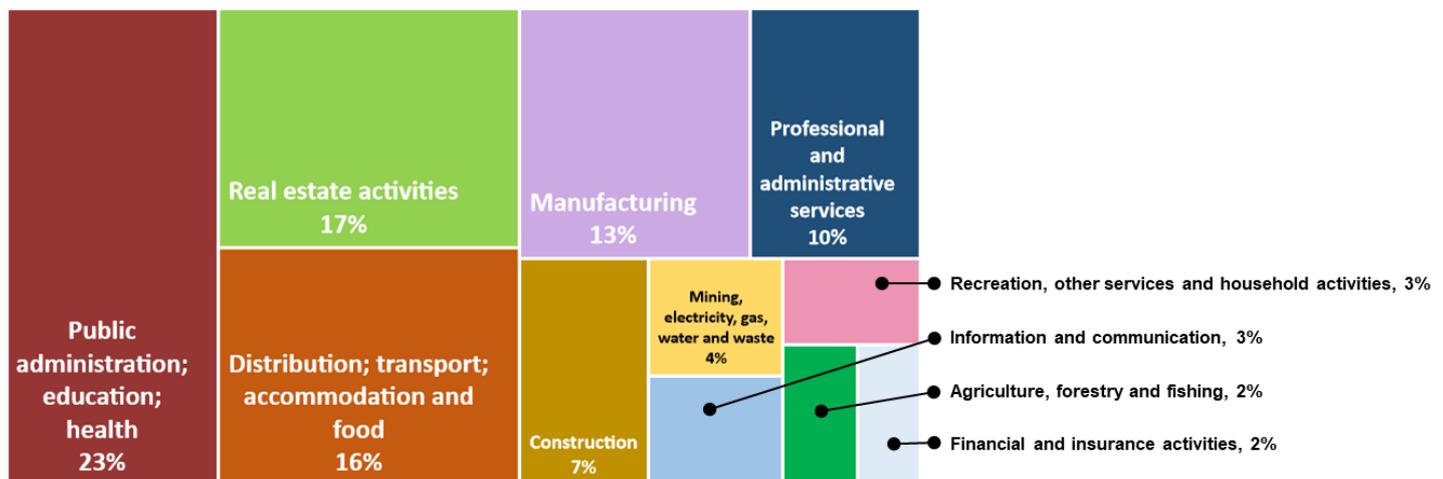
The analysis uses the 2011 Local Authority Rural Urban Classification for all years to allow comparison.

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

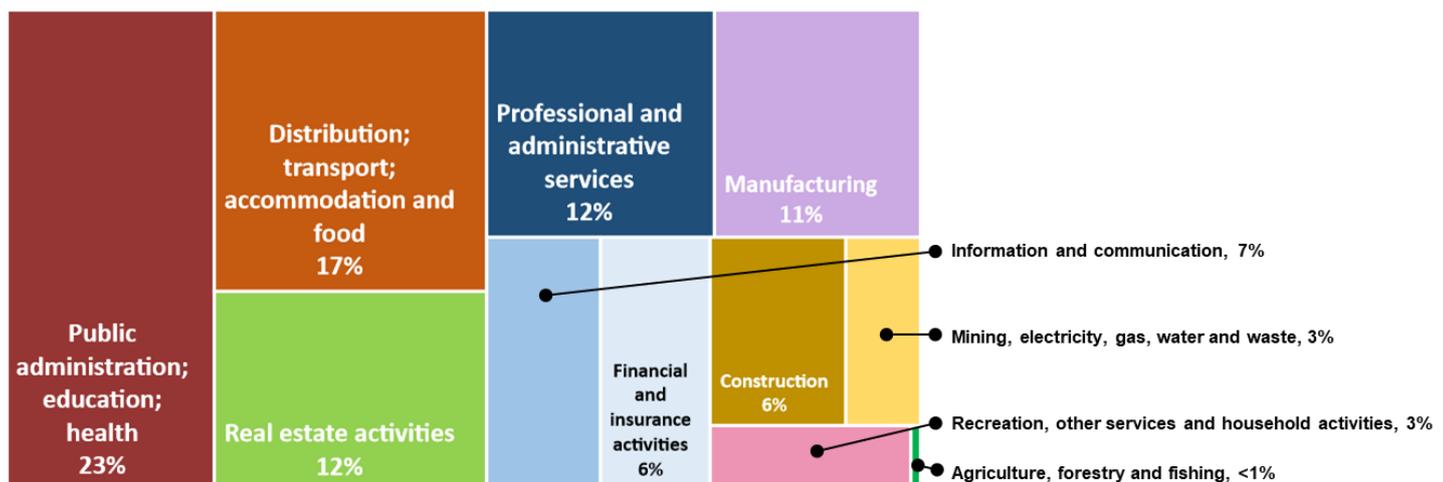
Contribution to England's Gross Value Added (GVA) by Industry

Percentage breakdown of Gross Value Added (GVA) by industry, and by Local Authority Classification in England, 2020 (provisional)

Predominantly Rural areas:



Predominantly Urban areas (excl. London):



- The industrial breakdown is broadly similar across Predominantly Rural areas and Predominantly Urban areas (excluding London). In both area types the combined sector of 'Public administration; education and health' contributes the most to GVA at 23 per cent of GVA for the area type.
- In Predominantly Rural areas the sectors where contributions to GVA are more significant are 'Real estate activities' (17 per cent in Predominantly Rural areas and 12 per cent in Predominantly Urban areas (excluding London) and 'Manufacturing' (13 per cent in Predominantly Rural areas and 11 per cent in Predominantly Urban areas).
- Conversely, in Predominantly Urban areas the sectors where contributions to GVA are more significant are 'Financial and insurance activities' (2 per cent in Predominantly Rural areas and 6 per cent in Predominantly Urban areas (excluding London) and 'Information and

communication' (3 per cent in Predominantly Rural areas and 7 per cent 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.

- 'Agriculture, forestry and fishing' contributed 2 per cent (£5.7 billion) to Predominantly Rural GVA.
- The industry breakdown is based on the lowest level of geography available which is broadly at county level.
- **The totals for GVA for Predominantly Rural and Predominantly Urban areas are different from the headline figures for GVA earlier in this section. This is because the industrial breakdown is calculated using a coarser rural-urban classification which will tend to increase the areas classed as Predominantly Urban. For the total GVA of each type of area the headline figures should be used.**
- A table of 2020 (provisional) GVA figures broken down by industry and broad local authority rural-urban classification is available in the [rural economy supplementary data tables](#).

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

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