Rural Economic Bulletin June 2019

Department for Environment Food & Rural Affairs

In England, 9.5 million people (17% of the population) live in rural areas; 46.2 million (83%) live in urban areas[1].

This leaflet presents the most current data available for a selection of economic indicators that are released on a quarterly basis. Timescales are different across the various datasets.

- The most recent and previous quarters are compared below
- Annual comparison for the most recent quarter are overleaf

[1] ONS 2017 mid-year population estimates

Quarterly change	**Rural**	**Urban**
House prices *average sale price* **year ending Q3 2018 to year ending Q4 2018**	£333,400 ▲ by 0.5%	£306,800 ▲ by 0.4%
Percentage unemployed *aged 16 and over seeking work* **Q4 2018 to Q1 2019**	2.4% ▼ from 2.9%	4.1% ▼ from 4.2%
Claimant count *percentage of working age population on Jobseeker's Allowance* **Q4 2018 to Q1 2019**	0.3% ▼ from 0.4%	0.7% ▼ from 0.9%
Redundancies *per 1,000 workers* **Q4 2018 to Q1 2019**	3.7 ▲ from 3.0	3.3 ▼ from 3.6

Note: some figures are liable to revision in subsequent quarters and so comparisons with previous bulletins should be treated with caution. This is particularly the case for house prices, for which previous quarters may be revised significantly.

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.

House prices *annual change (Q4 2017 to Q4 2018)*

Annual average sale price of houses[1]

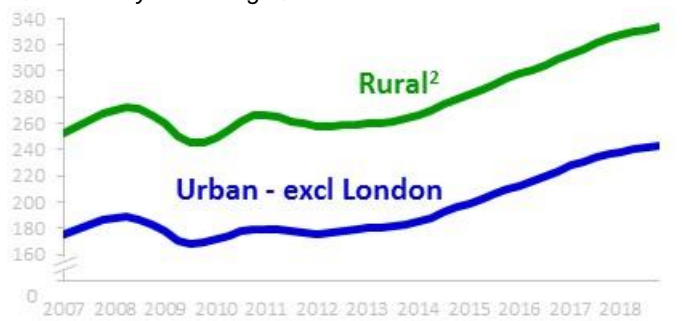| Category	Year ending Q4 2017	Year ending Q4 2018	Change[1]
Rural[2]	£324,600	£333,400	2.7%▲
Rural town & fringe[2]	£292,100	£299,400	2.5%▲
Rural village & hamlet	£358,400	£368,700	2.9%▲
Urban	£300,900	£306,800	2.0%▲
Urban (excl London)	£236,600	£242,900	2.7%▲
London[2]	£603,500	£607,000	0.6%▲
England	**£305,100**	**£311,500**	**2.1%▲**

Source: ONS house price statistics for small areas
[1] Change is calculated using unrounded figures whereas prices are shown rounded to the nearest £100.
[2] There are a total of 983 London MSOAs, all of which are classified as urban except for one which is classified as rural town and fringe and is excluded from the rural figures.

- The average house sale price increased by 2.7% in *rural* areas and 2.7% in *urban areas excluding London* between year ending Q4 2017 and year ending Q4 2018.

Annual average sale price of houses (£000s), year ending Q1 2007 to year ending Q4 2018

Source: ONS house price statistics for small areas

- Average prices in *rural* areas have been consistently above the average found in *urban areas excluding London* (by 37% in year ending Q4 2018) and higher than *urban* areas overall (by 9% for the same period).

- In year ending Q4 2018 average house prices in *rural town and fringe* areas were 23% higher than the average found in *urban areas excluding London* (but 2% lower than *urban* overall), while average house prices in *rural village and hamlet* areas were 52% higher (and 20% higher than *urban* overall).

Economic activity *annual change (Q1 2018 to Q1 2019)*

Percentage of people economically active and inactive[1]

Status	Rural[2] Q1 2018	Rural[2] Q1 2019		Urban[2] Q1 2018	Urban[2] Q1 2019	
Employed[3]	79.0	79.4	▲	75.2	75.6	▲
Unemployed[4]	2.7	2.4	▼	4.5	4.1	▼
Inactive[5]	38.2	38.1	▼	35.4	35.3	▼
Of which retired	27.0	27.3	▲	19.8	19.7	▼

Source: ONS (Labour Force Survey, not seasonally adjusted).
[1] 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.
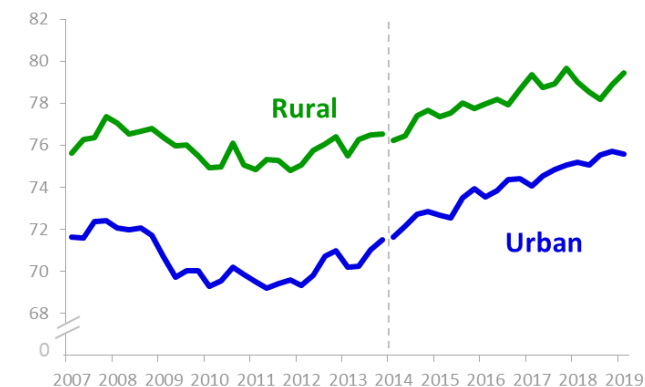[2] According to the Rural-Urban Classification 2011.
[3] As a percentage of people aged 16 to 64 bringing this figure in line with other publications where employment rate is shown as percentage of people aged 16 to 64.
[4] As a percentage of people aged 16 and over who are economically active (in or seeking work).
[5] As a percentage of all people aged 16 and over.

- *Rural* employment is now shown as a percentage of people aged 16 to 64 in line with other standard indicators of employment. It increased by 0.4 percentage points, and was 3.8 percentage points above *urban* areas in Q1 2019.

- Unemployment (as a percentage of those aged 16 and over) decreased by 0.2 percentage points in *rural* areas and was 1.7 percentage points below *urban* areas in Q1 2019.

- The inactivity rate (not in employment or unemployed) in *rural* areas decreased by 0.2 percentage points, it decreased by 0.1 percentage points in *urban* areas.

- Within inactivity, the retirement rate in *rural* areas increased by 0.3 percentage points, it decreased by 0.1 percentage points in *urban* areas.

Percentage employed, Q1 2007 to Q1 2019

Source: ONS (Labour Force Survey).
Dashed line: 2001 Rural-Urban Classification (RUC) applied up to Q4 2013; 2011 RUC applied from Q1 2014; some areas may have changed category between RUC versions.
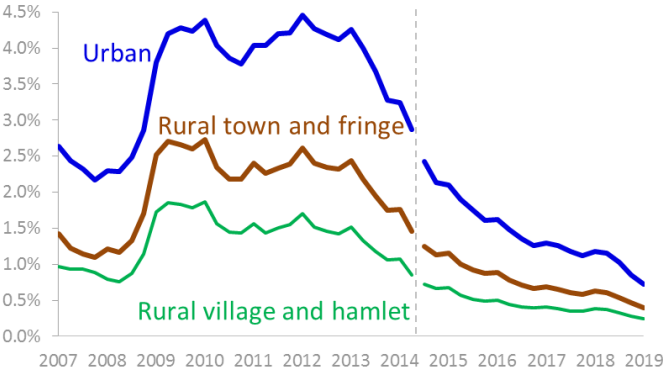
Claimant count *annual change (Q1 2018 to Q1 2019)*

Jobseeker's Allowance claimants as a percentage of the working age population

| Category[1] | Q1 2018 | | Q1 2019 | | Per cent point change |
	Count	Per cent	Count	Per cent	
Rural	28,700	0.5	18,200	0.3	0.2 ▼
Rural town and fringe	18,900	0.6	11,900	0.4	0.2 ▼
Rural village and hamlet	9,800	0.4	6,300	0.2	0.1 ▼
Urban	345,400	1.2	211,000	0.7	0.5 ▼
England	374,100	**1.1**	229,200	**0.7**	**0.4 ▼**

Sources: ONS Jobseeker's Allowance data (via Nomis) and Defra.
Does not include people claiming Universal Credit.
[1] Using the Lower-Layer Super Output Area classification 2011.

- Between Q1 2018 and Q1 2019, the percentage of the working age population claiming Jobseeker's Allowance decreased by 0.2 percentage points in *rural* areas and by 0.5 percentage points in *urban* areas.

Claimants of Jobseeker's Allowance as a percentage of the working age population, Q1 2007 to Q1 2019

Sources: ONS Jobseeker's Allowance data (via Nomis) and Defra.
Does not include people claiming Universal Credit. For further information please see the article 'Jobseeker's Allowance, Universal Credit and the Claimant Count Changes to the Measurement of the Claimant Count' which can be found at:
webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/guide-method/method-quality/specific/labour-market/articles-and-reports/index.html
Dashed line: 2001 Lower-Layer Super Output Area (LSOA) classification applied up to Q2 2014; 2011 LSOA classification from Q3 2014.

Redundancies *annual change (Q1 2018 to Q1 2019)*

Count of redundancies and rates[1] per 1,000 workers

| Category[2] | Q1 2018 | | Q1 2019 | |
	Count	Rate[1]	Count	Rate[1]
Rural	15,000	3.8	14,000	3.7
Urban	70,000	3.7	65,000	3.3
England	**85,000**	**3.7**	**79,000**	**3.4**

Source: ONS (Labour Force Survey).
[1] 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.
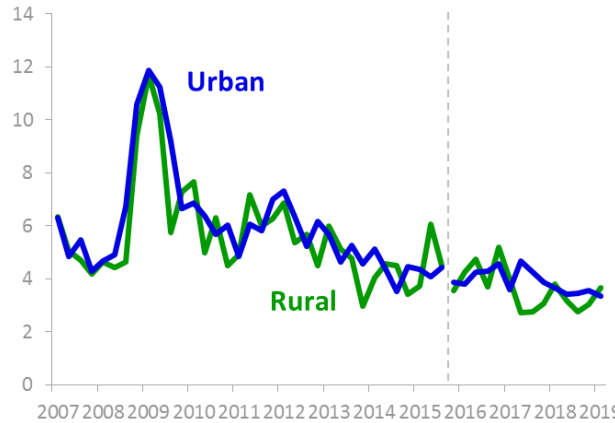*[2] 2001 Rural-Urban Classification (RUC) applied up to Q3 2015, 2011 RUC from Q4 2015.*

- In Q1 2019 14,000 people living in *rural* areas were made redundant, 1,000 fewer than a year earlier in Q1 2018.

- The redundancy rate in *rural* areas decreased from 3.8 to 3.7 redundancies per 1,000 workers between Q1 2018 and Q1 2019, in *urban* areas the rate decreased from 3.7 to 3.3 redundancies per 1,000 workers.

Count of redundancies and rates[1] per 1,000 workers, split by sector, Q1 2019

| Sector | Rural[2] | | Urban[2] | |
	Count	Rate[1]	Count	Rate[1]
Agriculture, fishing, energy and water	*	*	*	*
Manufacturing industries	3,000	6.2	14,000	7.1
Construction	*	*	7,000	7.6
Distribution, hotels and restaurants	2,000	2.7	12,000	3.2
Transport and communication	*	*	2,000	1.7
Finance and business services	4,000	6.4	13,000	3.3
Education, health and public admin	*	*	13,000	2.1
Other services	*	*	*	*
All industries	**14,000**	**3.7**	**65,000**	**3.3**

Source: ONS (Labour Force Survey).
[1] 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 rather than workplace.
[2] According to the Rural-Urban Classification 2011.
[*] Data suppressed to prevent disclosure.
[-] Count value less than 1,000.

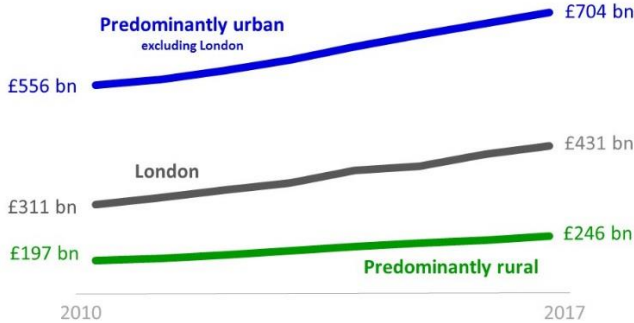*Redundancies per 1,000 employees, Q1 2007 to Q1 2019*

Source: ONS (Labour Force Survey).
Dashed line: 2001 Rural-Urban Classification (RUC) applied up to Q3 2015, 2011 RUC from Q4 2015.

Rural productivity measured by Gross Value Added (GVA)

- In 2017 rural productivity was £246bn, an increase of 3% on 2016.

GVA (£billion) at current basic prices, 2010 to 2017

Source: ONS

Areas forming settlements with populations of over 10,000 are urban, while the remainder are defined as *rural town and fringe*; *village;* or *hamlet and isolated dwellings*.

For more information about the 2011 Rural-Urban Classification visit: www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/series/rural-urban-definition