



Rural cost of living

Overview of key differences in cost of living between rural and urban locations

July 2022



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Kovia Consulting Ltd provides advice and research that draws on a deep understanding of several technical disciplines from earth, environmental and climate science; finance, economics and business management; sustainability; social research and development studies; education; engineering and construction.



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Rural population construct



A rural analysis of the Census 2021 population estimates by the Rural Services Network reveals:

- A 6% increase in Predominantly Rural (PR) population since Census 2011, maintaining the PR proportion of total population at 21%.
- A 15% increase in Urban with Significant Rural (SR) population since Census 2011, increasing the SR proportion of total population by 1% to 14%.
- A 5% increase in Predominantly Urban (PU) population since Census 2011, resulting in a decrease in the PU proportion of total population by 1% to 65%.
- A 27% increase in Predominantly Rural areas of the 65 years and over age group population (Census 2011 to 2021), meaning this age group now accounts for 24% of PR total population, an increase from 20% in 2011.
- A 28% increase in Urban with Significant Rural areas of the 65 years and over age group population (Census 2011 to 2021), meaning this age group now accounts for 21% of SR total population, an increase from 19% in 2011.
- A 15% increase in Predominantly Urban areas of the 65 years and over age group population (Census 2011 to 2021), meaning this age group now accounts for 16% of SR total population, an increase from 15% in 2011.
- For the 85 and over age group, although the population has increased in PR and SR areas by 22% and 24% respectively, as a fraction of total population in these areas they remain at 3% for both. The fraction for PU remains at 2%, with a 12% increase in population in this age bracket.
- By way of comparison, the population changes for age cohorts relevant to local authority funding, Census 2021 compared to 2013 population projections, are as given in table 2 [1].

It should be noted that local authority boundary changes have occurred between Census 2011 and 2021.

Table 1: Evolution of population estimates, Census 2021 and Census 2011

Classification	All persons	Aged 65 years and over	Aged 85 years and over
<i>2021 Census</i>			
Predominantly Urban	36,837,900	5,896,800	776,800
Predominantly Rural	11,724,800	2,857,500	375,700
Urban with Significant Rural	7,927,100	1,647,600	218,600
Total	56,489,800	10,401,900	1,371,100
<i>2011 Census</i>			
Predominantly Urban	35,056,370	5,118,039	696,174
Predominantly Rural	11,057,745	2,256,381	307,473
Urban with Significant Rural	6,898,341	1,286,109	176,481
Total	53,012,456	8,660,529	1,180,128

Table 2: Change in age cohorts, change in population projections between Census 2021 compared to 2013

Classification	Aged 14 years and under, %	Aged 15 years to 64 years, %	Aged 65 years and over, %
Predominantly Urban	2.8	3.9	9.6
Predominantly Rural	1.7	2.2	15.4
Urban with Significant Rural	3.7	4.2	13.6



Purpose



Rural cost of living emergency

The cost of living is a significant issue for people and businesses across the UK and some local councils are declaring a cost-of-living emergency.

Unfortunately, the impact of increasing cost is not always experienced to the same extent and the differential impacts on rural people and businesses are the subject of this report.

Rural people have poor transport connectivity, lack easy access to urban services and employment opportunities. Locally poor connectivity means that many rural areas are more isolated than maps suggest. This is compounded by poorer broadband and mobile phone connectivity in rural locations as indoor 4G coverage remains lower than in urban areas. In 2021, there was residential full fibre coverage in England in 27% of urban areas vs. 25% in rural areas. Equally, 49% of urban locations had Gigabit capable-coverage compared to 26% of rural areas [2].

Out-dated infrastructure and a legacy of other factors and drivers such as growing demand for second homes or employees moving from the city to work from rural homes may contribute to a higher overall cost of living (and doing business) in rural, compared with urban areas. As an example, childcare costs for 2-year-olds increased by 8% in predominantly rural areas between 2019 and 2021, compared to 5% in predominantly urban areas over the same period [3].

While this report does not seek to explain the reasons, it reviews existing data to present evidence and establish 'facts' confirming the cost difference across key aspects including wages, house prices, rent, food prices, heating, council tax and transportation. NOTE: This excludes recent changes which are yet captured in available statistics and are, in many cases, likely to confirm or extend the differential impact.

Evidence presented is fully referenced with details at the back of the report along with an explanation of assumptions made.

"I live 7 miles from the nearest petrol station and public transport is not suitable for many workers. High fuel costs have taken the hourly rate as a self-employed to below minimum wage. Often clients cannot pay a higher hourly rate. As a Personal Assistant working in the community, we bear the cost of what is important i.e., enabling people to live at home or independently".

Personal Assistant



Key issues



The cost of living is higher in rural areas in the respects studied

Our research has found that rural residents working in rural economies earn much less than their urban counterparts and face significantly higher costs in respects studied:



House prices, which are on average 39% higher than in urban areas (exc. London). The rural premium is even more significant in rural villages and hamlets where the average house sale price was £416,200 in Q1 2020, which is **55% higher than in urban areas** excluding London. This results in young people and those on lower income being priced out of rural areas.



Rent: increased demand from renters to live further away from cities since Covid has led to asking rents in suburban and rural areas jumping by 11%. **This is particularly affecting rural households on low income who now spend 47% of their earnings on rent compared to 43% for low-income households in urban areas.** The **61% drop in the availability** of rural locations since the pandemic is a clear indication that the rural housing supply is disappearing.



Food Prices: rural households spent £65.60 a week on food and non-alcoholic beverages, which is **2% more than urban areas.** These differences are also likely to be higher for rural households where physical access to food shops or digital access to online shopping is an issue.



Council Tax: in 2022/23, rural residents will pay, on average, **£104 more per head in Council Tax than their urban counterparts.**



Transport: rural households spend on average **£113.90 per week on transport compared to £76.20 for urban households.** For rural households, transport costs represent a **higher proportion of their disposable income (12.3% vs. 9.9%).**



Heating: rural households have a much larger fuel poverty gap than their urban counterpart. In rural areas, the reduction in fuel bills needed to take a household out of full poverty would be **£501, compared to £223 in urban areas.** This is because rural properties tend to be less energy efficient and have a higher incidence of being off the gas grid. This results in the average **estimated energy cost of dwellings in predominantly rural areas being 10% higher than in predominantly urban areas, at £808 per year (before the 2022 price increases).**



Domestic energy poverty and transport energy poverty overlap geographically. This double energy vulnerability tends to concentrate in isolated, rural areas and increase the likelihood of negative impacts upon well-being, highlighting the need to overcome policy silos and calling for an integrated approach recognizing the geographical accumulation of multiple forms of disadvantage.



Wages

(Workplace based earnings)

Lower earnings for employees working in rural areas

There are 549,000 rural businesses in England employing 3.6 million people [4]. They make for a diverse rural economy with 85% of rural businesses unrelated to agriculture, forestry and fishing, and they tend to employ more full-time workers than urban businesses (79% vs. 77%). [6].

However, the median earnings of employees working in predominantly rural areas are **6% lower** than those of employees working in predominantly urban areas [2]. In rural areas, these median earnings amount to £23,117 per annum across all workers, and £28,065 for full-time workers, compared to £24,540 and £29,612 respectively in predominantly urban areas.

Contributing factors may include a higher rate of employment in SMEs (71% vs. 41% in urban areas), the importance of the tourism sector representing 14% of rural jobs (up to 22% in more sparsely populated rural areas compared to 11% in urban areas), and higher seasonality of jobs [6].

Greatest rural / urban disparities observed amongst the lowest earnings

Rural / urban disparities are greatest and **jump to 12% among employees with the lowest earnings (20th percentile)** [5].

High rural / urban inequalities within regions

With the exception of Yorkshire and the Humber where there is no significant difference between rural / urban areas, the median earnings of employees working in predominantly rural areas are consistently lower than the earnings of employees working in predominantly urban areas. The **greatest disparities are within the Southwest and East (15%) and the South East (13%)**.

Employees working in rural areas in the South West have the lowest median workplace-based earnings in England, at £21,344 per annum compared to a national average of £24,376.50 [5]. These figures combine full-time and part-time employment. These disparities illustrate the need for levelling-up both between regions and within regions.

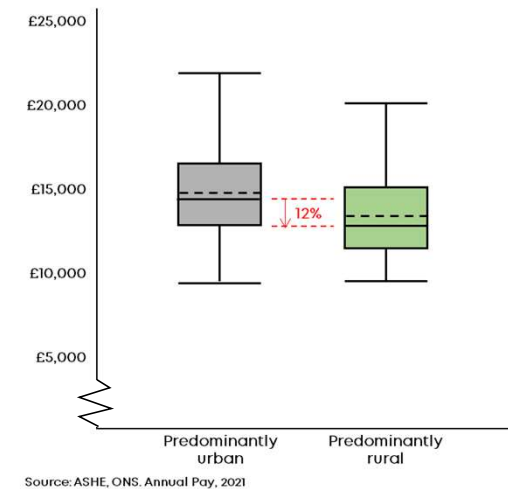
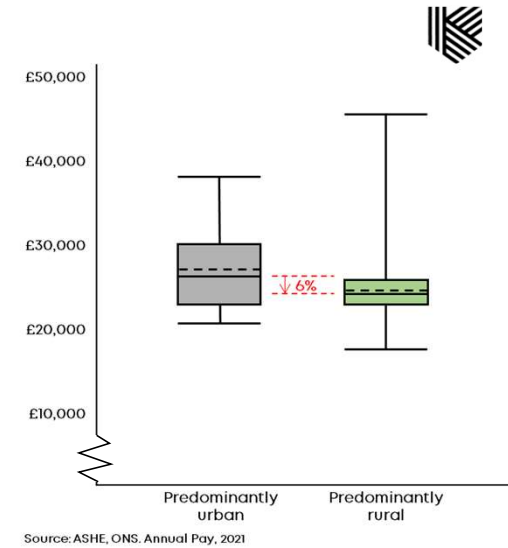
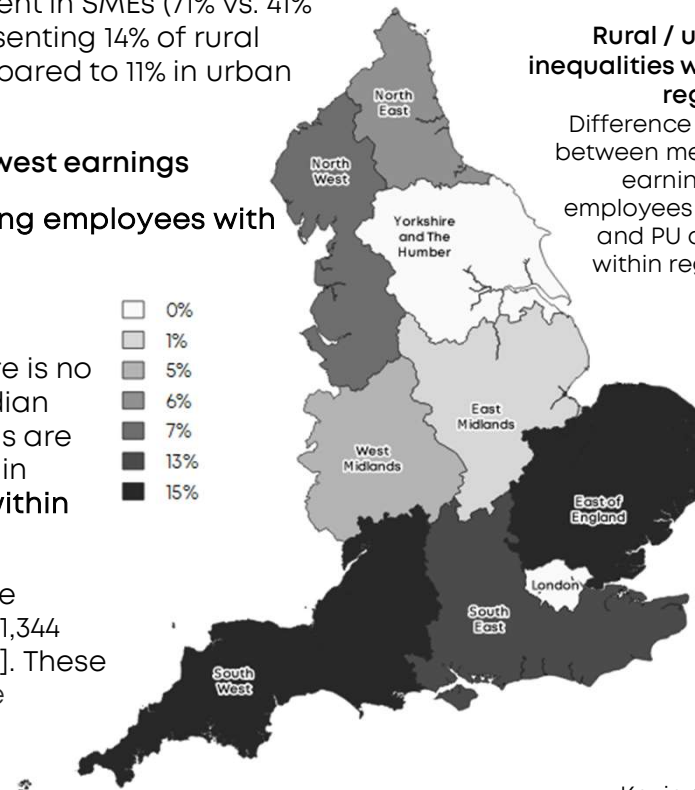
Lower earnings

Comparison of median earnings (combining full-time and part-time employment) for both urban and rural areas. Top shows median earnings and bottom shows lowest earnings (20th percentile)

Top shows median earnings and bottom shows lowest earnings (20th percentile)

Rural / urban inequalities within regions

Difference (in %) between median earnings of employees in PR and PU areas within regions





Higher proportion of rural employees below the Real Living Wage

A significantly higher proportion of employees earn below the Real Living Wage (£9.90 per hour outside London, 2021-22) in predominantly rural areas compared to predominantly urban areas. **48% of employees who are in the 25th percentile for workplace-based earnings earn below the real living wage in predominantly rural areas**, compared to 29% in predominantly urban areas [7].

The National Living Wage is calculated by Government as a percentage of median earnings. Although a voluntary scheme, the Real Living Wage is calculated according to the cost of living nationally and based on a basket of household goods and services, which makes it a particularly relevant metric in the current context.

The Real Living Wage is currently the same across the UK (except London). A different rate for rural and urban areas would make sense to account for disparities between rural and urban cost of living.

Self-employed: the data gap

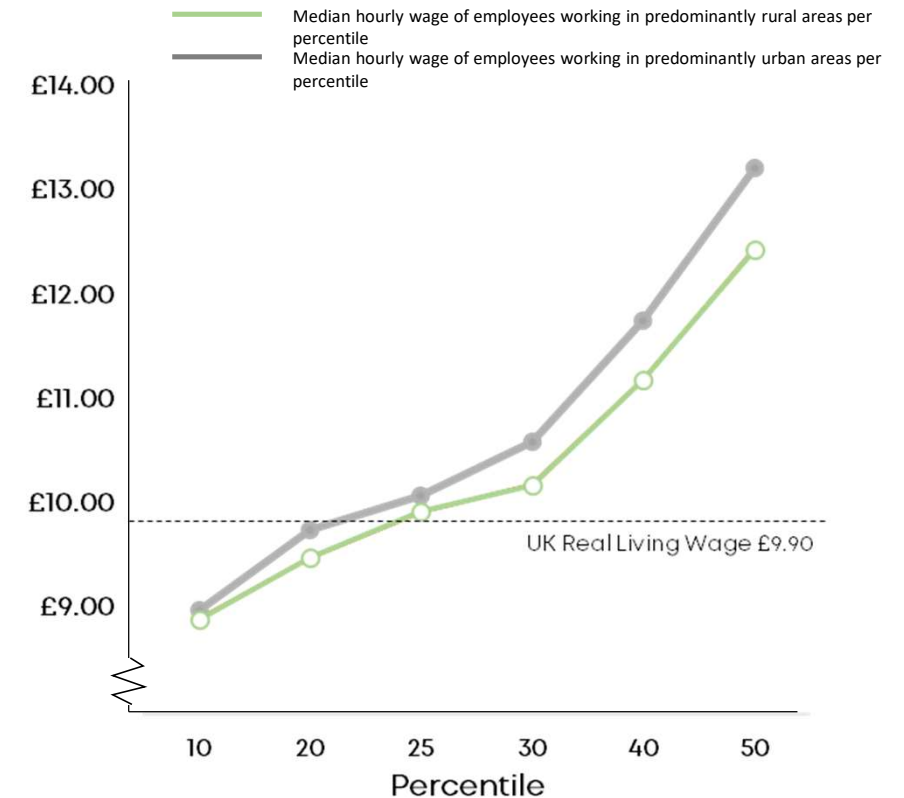
There is little information on self-employment in rural / urban areas and no information on their earnings. **ONS data from 2011 shows that on average across rural areas, 13.34% of the working age population is self-employed**, compared to 8.81% in urban areas [8].

The more disperse the rural setting, the higher the self-employment rate (up to 24.74% in rural hamlets and isolated dwellings in a sparse setting).

Given the high rate of self-employment in rural areas, better knowledge of their financial situation is needed to understand how they are impacted by the cost-of-living crisis and inform the development of adequate policies. As an example, lack of data currently means it is not possible to assess housing affordability for this important segment of the rural population.

More rural employees earn less than Real Living wage

Note current Real Living Wage applied against 2021 data



Source: ASHE, ONS. Hourly Pay Gross for all employee jobs, UK, 2021



“I feel ashamed of what wage rate is acceptable to staff. Younger staff are happier to accept it if it means they don’t have to move away and if they can work from home to reduce travel costs. I lose staff who are starting a new family who either have to find a new job, if they are lucky it pays more, or they simply move away.”

Manager, small business

“The assumption is that because the district is within 20miles of a City we are all commuters and benefit from high wages, however it takes around an hour by any mode of transport – rural issues are more widespread than is realised”

Local councillor

“There should be a rural rating for schoolteachers to consider costs like travel. I drove 80miles a day (40miles each way) to get to my school and that is an average among my colleagues”

School teacher

“Sometimes I can’t believe I work for less than half the pay that I received for an almost identical job in the City.”

HR Manager



House price



Average house sale price is higher and has increased more recently in rural areas

The average house sale price in rural areas was £373,000 in year ending Q1 2021. This is **39% more** than in urban areas (exc. London). Since 2007, average house prices in rural areas have been consistently above the average found in urban areas excluding London.

There was a **10% increase** in average house prices in rural areas between the years ending Q1 2020 and Q1 2021, compared to an 8.2% increase in urban areas exc. London [3]. In some rural and coastal areas, house prices were rising at three times the national rate, such as North Devon (22.5%) and Richmondshire (21.4%) [9].

Young people are priced out of rural properties

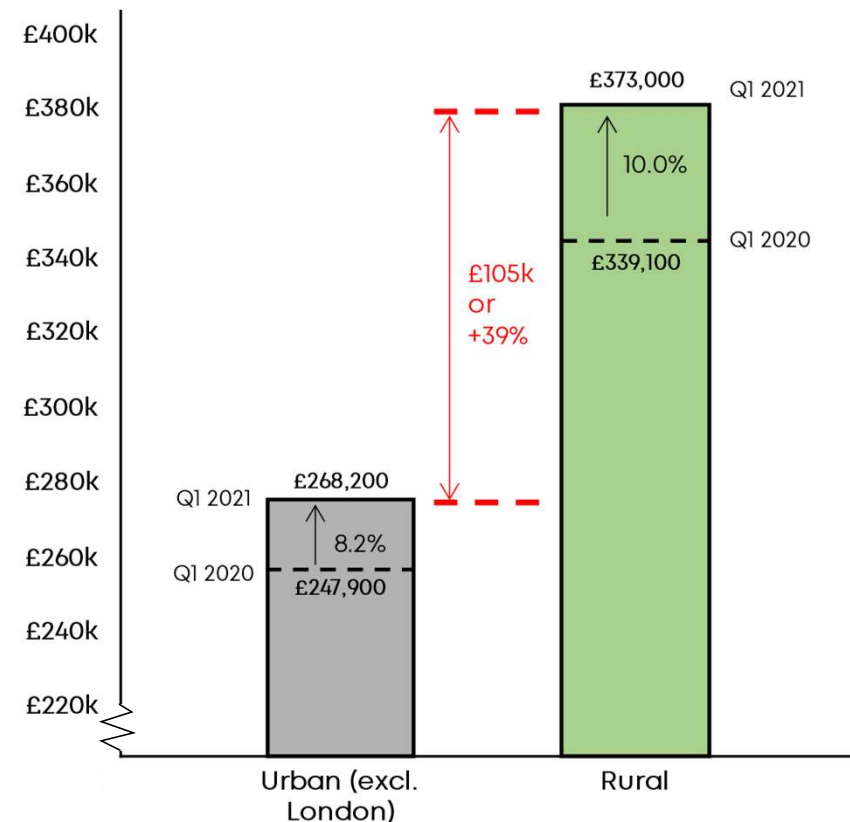
The housing costs rises on top of pre-existing disparities between urban and rural incomes mean people living in rural and coastal areas – particularly the young and those on lower incomes – are at risk of being priced out of the housing market. More young people living in rural settings struggle to get on the property ladder compared with their urban counterpart and by 2020, it was estimated there were 132,000 fewer young homeowners in rural areas in England than in 2010.” [10].

House prices are the most expensive and have increased the most in rural villages and hamlets

In rural villages and hamlets, the average house sale price increased by 11.2% between the years ending Q1 2020 and Q1 2021 to reach £416,200, which is 55% higher than the average house sale price in urban areas (exc. London) [6].

Rural housing premium

Considering higher overall average sale price and greater quarterly price growth in rural areas.



Source: Rural Economic Bulletin, Defra, 2021



Housing in less affordable in rural areas and urban with significantly rural areas

In predominantly rural areas, the median house price is 9.8 times the median workplace-based annual earnings. This is c.20% more than in predominantly urban areas (exc. London) [11].

A clear north / south divide in housing affordability

In the East, South East and South West, the median house price is 9.57 to 11.84 times the median gross annual residence-based earnings in predominantly rural areas, this is around double the ratio found in rural areas in the North East and North West (5.47 – 6.56). The East Midlands and West Midlands fall in between these values with a respective ratio of 7.65 and 9.40.

Yorkshire and the Humber reveal the greatest difference (56%) in affordability ratio between its predominantly rural (9.14) and predominantly urban areas (5.85). [11].

Holiday homes are disproportionately in rural areas

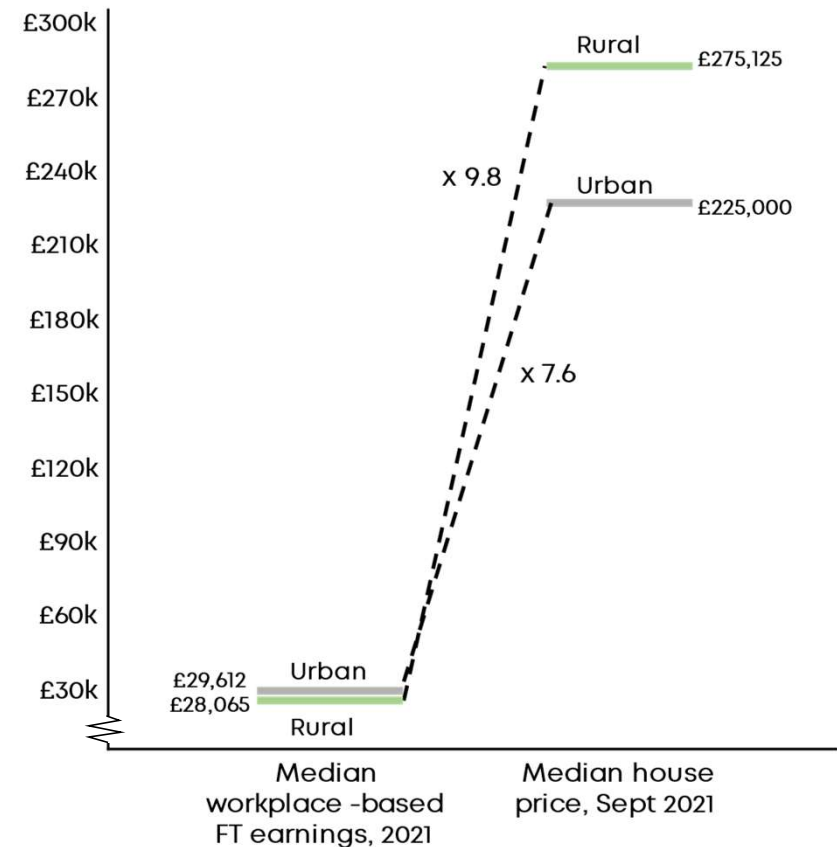
In predominantly rural areas, approximately 10 in every 1,000 properties liable to pay council tax are second homes, compared to 4 in every 1,000 properties in predominantly urban areas.

Eight of the ten local authorities with the highest rates of second home ownership (excluding London) are in predominantly rural areas - the highest of which, North Norfolk, has a 10% second home ownership. It is followed by the Isles of Scilly (8.8%), South Hams (8.3%), South Lakeland (7.3%), Chichester (5.8%) and Cornwall (5.1%). [12].

These don't factor in the more than 11,000 second homes that have become holiday lets since the start of the Covid pandemic [13].

Rural housing premium

The ratio of house price to earning emphasises the issue with affordability of rural homes



Source: House price to earnings ratios, ONS, 2021



“I am still living with my parents and don’t see that I am going to be able to afford somewhere in the short-term unless it is a long way away from where I teach.”

School teacher

“House prices are obscene and wages pitiful.”

Junior manager

“Young families fight for homes against cash buyers from urban areas who are offering £10k, £20k to £30k over the asking price. Young families that grow up in communities in scenic villages or those by the coast accept they will not be able to bring their children up in the same place.”

Manager, small business



Rent





Rent less affordable in rural areas for low-income households

In 2021, on average, the percentage of monthly earnings spent on rent showed very similar levels of affordability in predominantly rural, predominantly urban (exc. London), and urban with significant rural areas (34%). However, **for households with the lowest income, rent was less affordable in rural areas.** Workers in the 25th percentile for residence-based earnings spent 47% of their earnings on rent in predominantly rural areas, compared to 43% in predominantly urban areas [14].

This issue is further compounded by the fact that “affordable rented housing” is defined in national policy as a rent of no more than 80% of the local market rent, rather than being tied to local wages. In practice, **affordable rented housing is unaffordable on rural wages.**

A higher rise in asking rents in suburban and rural areas since the pandemic

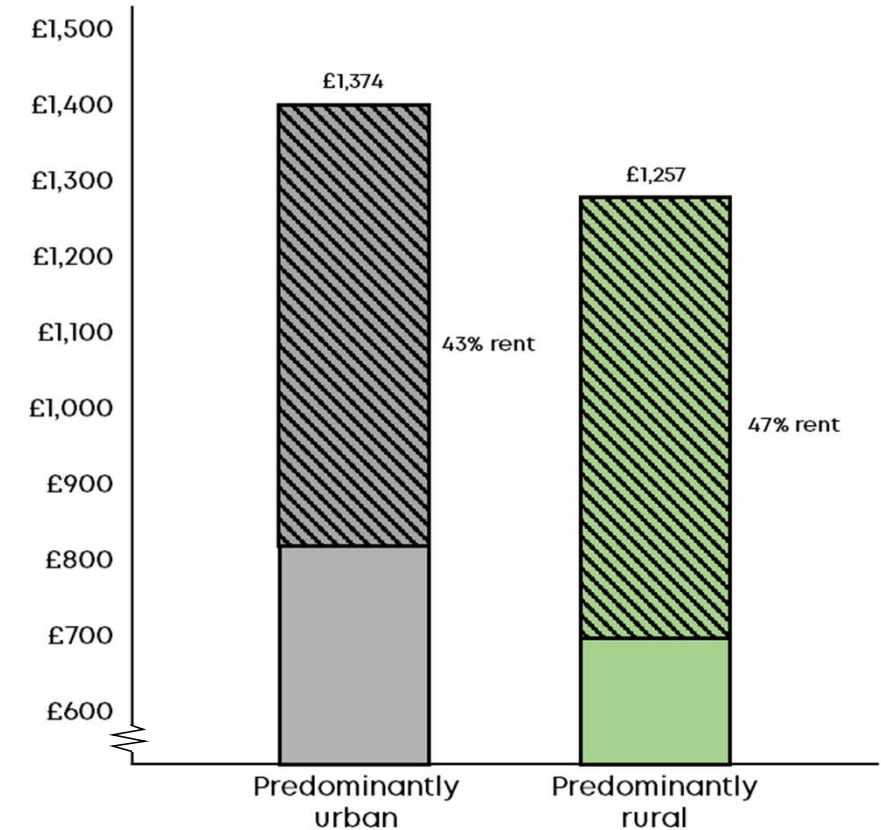
Since the pandemic started, increased demand from renters to live further away from cities has led to **asking rents in suburban and rural areas jumping by 11%, compared to just 2% in urban areas** [15].

More competition for rental properties in suburban and rural areas since Covid

A drop of 45% in available homes to rent in suburban areas and 61% in rural locations has meant more competition among renters for homes. Demand for each available property is up 155% compared with pre-pandemic levels in suburban areas, and up 224% in rural locations. Over the same period, demand for urban locations rose by 82% [15].

Affordability of rent

At the 25th percentile of earnings a greater proportion is required for rent in rural areas.



Source: ASHE, ONS, 2021



An exponential increase in holiday lets

The 148,000 homes available for short-term lets in 2021 represent a **1,000% increase in holiday lets nationally between 2015-21**. It had been suggested that some landlords capitalised on domestic tourism through holiday lets during the pandemic, leaving fewer long-term lets for prospective tenants. These figures compare to 176,000 rural families on social housing waiting lists [16].

A significant decrease in rental property availability in suburban and rural areas

Greater popularity of rentals in suburban / rural areas combined with an explosion of holiday lets have meant less homes to choose from for local populations in rural settings. 64% of all available rental properties on Rightmove are now in urban locations (48% pre-pandemic) compared to 33% in suburban areas (46% previously) and 3% in rural areas (6% previously) [8]. **The rural housing supply is disappearing** and the fall in supply of lettings is most widespread in the Midlands, the East of England and the South West [15].

Rural homelessness on the rise

Against this background, **rural homelessness increased by 115% between 2017-2020 to reach 19,975**. This surge is almost double the national increase [17].

“In Cornwall, the housing crisis has proved to be obvious and creeping for many years. I felt change coming when I was out-priced from rent in a coastal town, where I had lived on & off for twenty years. Even at managerial level I was finding it hard to pay overheads year on year. Finally, I was given tenancy notice post-pandemic and became homeless because there was nowhere affordable to rent. It coincided with the time when I became more and more unwell and too ill to work. I now live in a shared charity organisation home, waiting to return to Council accommodation.”

Junior Manager



Food price



Rural areas spent more on food & non-alcoholic beverages in 2020

In 2020, households in **rural areas spent 2% more** on food and non-alcoholic beverages than urban areas (£65.60 vs. £64.20 per week). Households in rural villages spent the largest amount at **£70.50 per week**.

For all areas, weekly spend on food equates to roughly 8% of their disposable income [18].

Food prices continue to rise

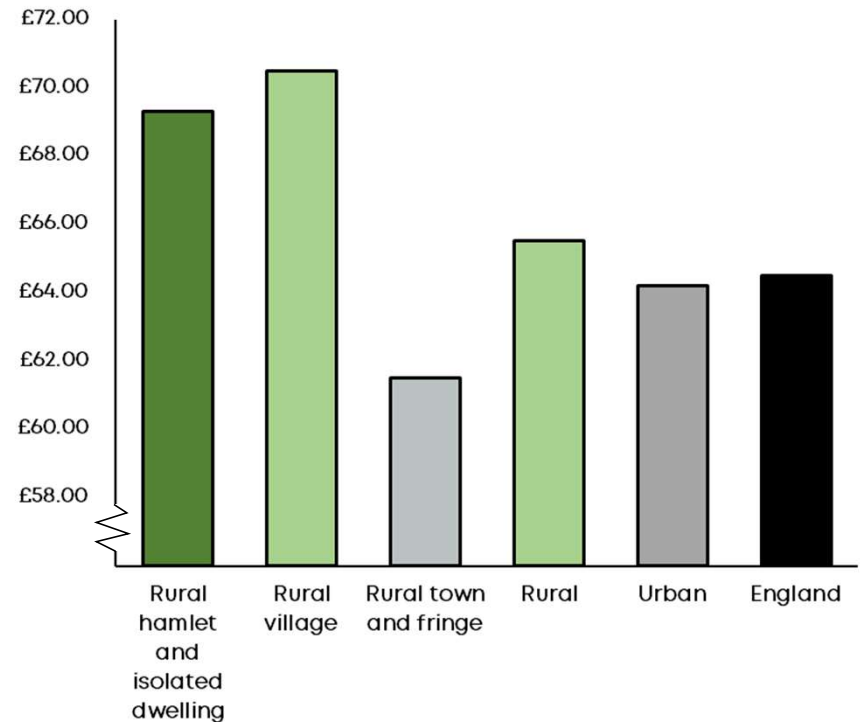
Between May 2021- May 2022, **food items increased 8.5%**. The ONS reports that the price increase is partly due to challenges faced by food and drink businesses including supply chain issues, increasing costs, and labor shortages [19].

Access to affordable food

Household food security does not only depend on food affordability, but also on the ability of consumers to **physically access food shops**. A recent report by the Institute for Fiscal Studies suggests that households living in rural areas without access to a car are more likely to use local shops, **where food prices can be higher**. More research is also needed to understand how rural households without digital access to online food shopping might be impacted financially. [20]

The average weekly spend on food is higher in more rural areas

Rural villages and hamlets spend more per week on food and non-alcoholic beverages



Source: Living Costs and Food Survey, ONS, 2020



“I don’t have a lavish life by any means and while I know where to pick up the basics (food), I can’t afford to go out anywhere near where I live. All the restaurants cater for tourists and second homeowners. Convenience stores also look to cater for them. It was obviously less of a problem during lock down but it can get you down.”

Personal Assistant

“My in-laws that grew up and live in a City think we can grow our own food! We are completely reliant on the supermarkets and their pricing strategies. Locally produced goods come at a premium which is a shame as we can’t afford them and means we are not able to support local businesses.”

Manager, small business

“From none to two food banks are now open within our local village in the last three years.”

Local councilor



Council tax



Council Tax is more expensive in predominantly rural areas

In 2022/23, rural residents will pay, on average, £104 more per head in Council Tax than their urban counterparts.

The difference between council tax in predominantly rural and predominantly urban areas varies across regions. In 2021, **the largest difference was in Yorkshire and the Humber (7%)**, followed by the northeast (5%).

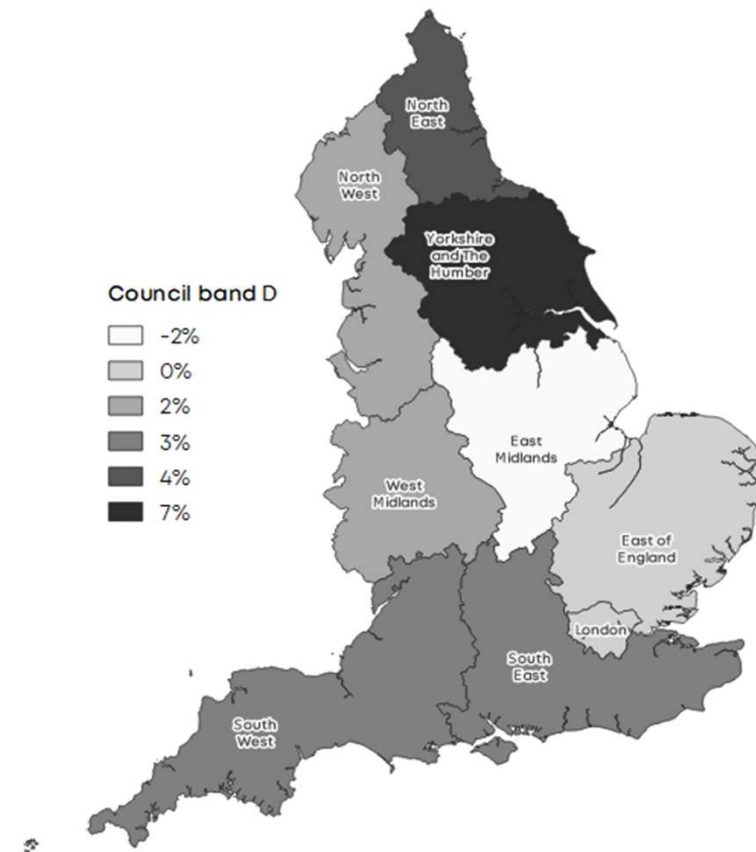
Areas with the lowest council tax were in London while the most expensive council tax was found in rural areas. Rutland, the UK's smallest county, had the highest band D council tax at £2,125 per year, which was 12% more than the median band D council tax across England [21].

Rural authorities are more reliant on income through council tax

The Rural Service Network (2020) describe how *“core spending power is 42% higher in predominantly urban authorities compared to predominantly rural authorities. This means that rural authorities are much more reliant on income from council tax”* [22].

Council tax

Council tax band D is generally more expensive in rural regions.





Heating (and cooling)



A higher fuel poverty gap in rural areas

In 2020, households living in urban and rural areas had the same rates of fuel poverty (13.5%), but **rural households had a much larger fuel poverty gap, at £501**. The average fuel poverty gap for England was estimated at £223. [23]. The fuel poverty gap is defined as the reduction in fuel bills needed to take a household out of fuel poverty

According to the new Low Income Low Energy Efficiency (LILEE) indicator, a household is considered to be fuel poor if a) they have a fuel poverty energy efficiency rating of band D or below and; b) they would be left with a residual income below the official poverty line if they were to spend their modelled energy costs.

Less energy efficient homes in rural areas

Households in rural areas tend to be in less energy efficient properties, with 60.53% of rural dwellings with an EPC of D or below, compared with an average across England of 58.51%.

Higher proportion of rural properties off the gas grid

Rural properties have a higher incidence of being off the gas grid, using oil, coal or liquid petroleum gas for heating. On average across local authorities in predominantly rural areas, 14.16% of dwellings are heated by oil or other off-the-grid options, against 1.58% of dwellings in predominantly urban areas. Being off the gas grid is associated with a higher incidence of fuel poverty. Of households living in properties not on the gas grid, 19.4% are fuel poor compared to 12.3% on the gas grid [23].

The government has recently proposed a “heat pump first” approach, which will end the installation of new fossil fuel heating in off-the-gas-grid English homes in 2026, and in 2035 for on-gas-grid properties. However, a recent report by Liquid Gas found that **of 1,000 rural off-grid homes, 93% would not be able to afford to move to heat pumps to decarbonize their heating systems**, with the cost running up to £30,000. Instead, Liquid Gas suggests a mixed technology approach that uses low carbon technologies and fuel [24].

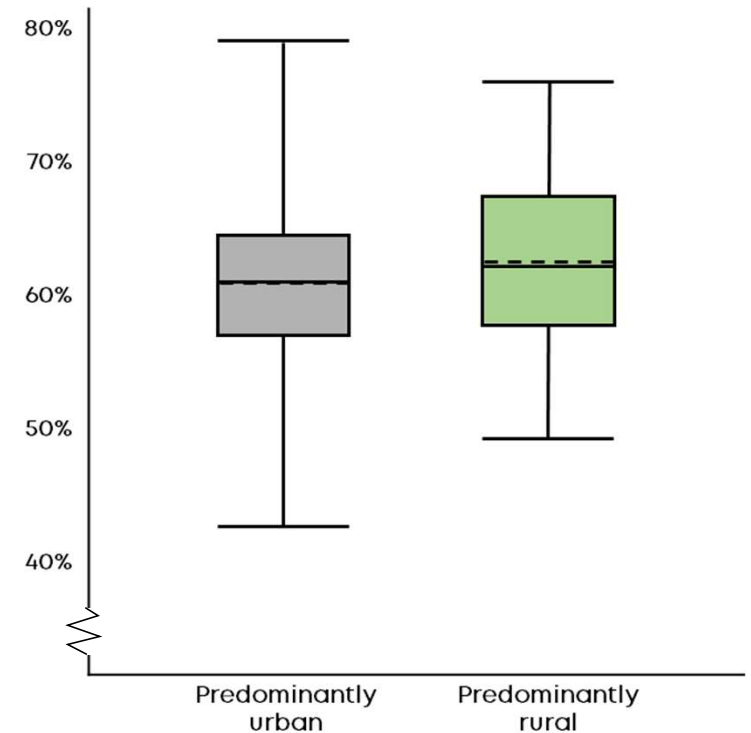
Resulting in higher energy costs for rural dwellings

The median estimated energy cost of dwellings in predominantly rural areas is £808 per year, which is 10% more than in predominantly urban areas.

Across all regions, the median estimated energy cost of dwellings is systematically higher in predominantly rural areas than in predominantly urban areas, with differences ranging from 4% in the South East to 17% in Yorkshire and the Humber, where the median energy cost reaches its highest level at £887 in predominantly rural areas. These figures refer to the year ending 2021 and predate the rise in the energy price cap so we can reasonably assume that the rural premium has further increased since [23].

Less energy efficient

A greater proportion of rural dwellings have a rating (EPC) of D or below.



Source: EPC Data, DLuHC, 2021



“Dealing with a very limited number of off-grid gas suppliers we feel that we are trapped as going on grid is not an option. We dread when the tank is filled and when we have to sign up to a new tariff. Thank goodness we have fireplaces.”

Manager, small business

“I am just not sure I can afford a home that might have a high rated EPC”.

Personal Assistant

“We have been in an energy crisis for years.”

School teacher



Transport



Transport has the largest disparity between household expenditure in rural and urban areas

In 2020, urban areas spent £76.20 per household per week on transport vs. £113.90 in rural areas (a 49% difference). This disparity remains in the percentage spent on transport against disposable income, at 12.3% in rural areas and 9.9% in urban.

Households in rural villages spent the most on transport at £131.00 per week, which accounted for 14.8% of their weekly disposable income and was £55 higher than households in urban areas [18].

Rural households take more trips, and travel greater distances by car/ van

The National Travel Survey (2020) found that individuals from 'rural villages, hamlets and isolated dwellings' took 17% more trips driving a car or van (on average) than those in 'urban cities and towns'. 'Rural towns and villages' took 7% more trips in their car or van than urban cities and towns.

The distance travelled shows greater disparity. The average miles travelled driving a car or van in 'rural villages, hamlets and isolated dwellings' is 54% higher than in 'Urban cities and towns'. 'Individuals in rural towns and villages travelled 33% more in their car or van than individuals living in urban cities and towns'.

Rural households are also more reliant upon owning vehicles for each driver. Individuals from urban cities and towns take 9% more trips as passengers than those from rural villages / hamlets and isolated dwellings [25].

Travel to education or training is more difficult in rural areas

16-18 year olds in rural locations face challenges in relation to education and training accessibility as complex journeys are common, resulting in a reliance upon parents for lifts at least for part of the journey. Where buses are available, schedules and routes are often inconvenient and result in "whole day out" trips [26].

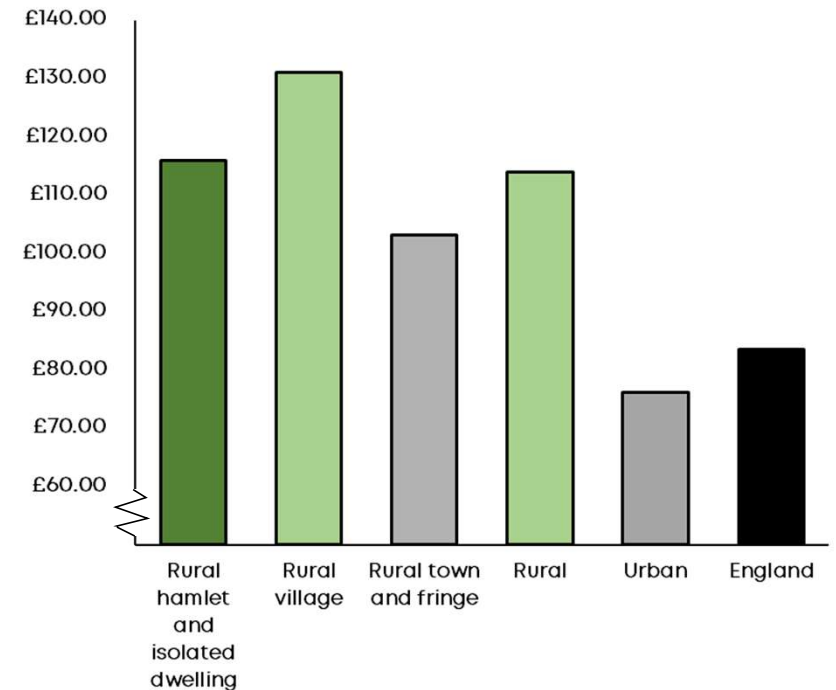
Bus routes continue to be cut

In the 10 years between 2011/2012-2021/2022, bus service provision across England (measured using bus vehicle miles) decreased by 27%. Campaign for better transport (June 2022) analysed funding allocations for public transport and found that the authorities that missed out on Bus Service Improvement Plans are rural unitary authorities and larger counties with a dispersed population [27].



The average weekly spend on transport is higher in more rural areas

Rural villages and hamlets spend more per week on transport than more urban areas



Source: Living Costs and Food Survey, ONS, 2020



On rural living... *“There is a big difference between finding peace and feeling cut-off. I do have a car, which is essential in rural areas for both work and community connection, I find I am now scraping any money I have to keep it running due to fuel and cost of repair increasing, both for healthcare appointments and my own sanity, to see friends etc. Public transport has always been painful here, long journeys to get anywhere & its expensive, really expensive.*

Junior Manager

“Evs? the infrastructure available is a joke. Low carbon transport policy was written by people in towns.”

Manager, small business

“I live 7 miles from the nearest petrol station and public transport is not suitable for many workers. High fuel costs have taken the hourly rate as a self-employed to below minimum wage. Often clients cannot pay a higher hourly rate. As a Personal Assistant working in the community, we bear the cost of what is important i.e., enabling people to live at home or independently”.

Personal Assistant



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Technical note

Rural – Urban Classification: The 2011 rural-urban classification (RUC) for Local Authority Districts in England was used for statistical analysis of the different datasets listed as references. Local authorities are categorised as rural or urban based on the percentage of their resident population in rural areas or “rural-related” hub towns.

Specifically, the local authority level classification is primarily based on aggregating Output Areas (England is divided into 171,372 Output Areas which on average have a resident population of 309 people), but it also includes the identification of small hub towns (10,000 to 30,000 people) which are treated as rural as they are considered an integral part of the wider rural area and provide a hub for services.

Under this classification, each Local Authority District 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 six categories are as follows:

- Mainly rural and largely rural: both are considered as predominantly rural (50% or more of the resident population lives in rural areas or rural-related hub towns)
- Urban with significant rural (population 26 to 49% rural including hub towns)
- Urban with city and town; urban with minor conurbation; urban with major conurbation: these are considered predominantly urban (74% or more of the resident population lives in urban areas:

It is worth noting that because the classification groups large populations together under one category, an authority with a sizeable rural population can be still categorised as urban as it is based on the share of the resident population that is rural, not the absolute number of people



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