

Deprivation in rural areas:  
Quantitative analysis and socio-economic classification

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JH Research



## Section 1 Executive summary

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### 1.1 Introduction

- 1.1.1 In commissioning this *Deprivation in rural areas: Quantitative analysis and socio-economic classification* study, the Commission for Rural Communities (CRC) are seeking to fill gaps in the evidence base on rural deprivation highlighted by the CRC Disadvantage Study<sup>1</sup>. The outputs from the project are intended to inform the CRC policy position on issues related to rural disadvantage.
- 1.1.2 In particular, the CRC are looking to enhance the existing research-base on rural deprivation, as well as informing and supporting further research and qualitative assessment of the nature and characteristics of deprivation affecting communities in rural areas.
- 1.1.3 The evidence presented in this report does *not* provide an alternative to the ranking of local areas on the Index of Multiple Deprivation (IMD). It has been designed specifically to estimate the overall rural share of deprivation at an output area, regional and national level, and to identify very small area 'hotspots'. This means that the analysis can be used to highlight the existence of rural deprivation even in areas which are relatively prosperous.

#### *Project objectives*

- 1.1.4 Specifically this project aims to:
- Highlight the *volume and pattern of the rural share of deprivation*: that is, the numbers of people experiencing different forms of deprivation living in rural areas. Our analysis looks at national and regional level, based on a set of key indicators
  - Drill-down below Lower Super Output Area (LSOA) level to *identify small pockets of deprivation in rural areas that are not identified by existing deprivation datasets*. CRC intend to carry out case studies in these hotspots, to provide more detailed descriptions of exclusion and deprivation for individuals, households and communities in these rural areas. We extend and validate the work carried out by OCSI and JH Research across Norfolk<sup>2</sup>, to identify Output Area deprivation levels across England. Validation is based on datasets obtained at Output Area level across England, for example DWP benefit claimant numbers
  - Explore whether there is a *typology of deprived rural communities*, that could be used to characterise and group similar areas and communities based on quantitative socio-economic data-sources. Our work here builds on the ONS Output Area Classifications (OAC), as well as the ONS rural-urban area classification
  - Identify a set of exemplar deprivation 'hotspots' in rural areas<sup>3</sup>, based on the modelled Output Area deprivation data. These include hotspots that are not identified as

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<sup>1</sup> Commission for Rural Communities (2006) *Rural Disadvantage: Reviewing the Evidence*

<sup>2</sup> OCSI (2006). *Rural Deprivation in Norfolk*. Available from [www.norfolk.gov.uk/ruraldeprivation](http://www.norfolk.gov.uk/ruraldeprivation)

<sup>3</sup> Our identification of exemplar deprivation 'hotspots' is provided in a separate report.

particularly deprived using Super Output Area level datasets such as the Index of Multiple Deprivation 2007

## 1.2 Identifying the rural share of deprivation – key messages

- Area-based information only tells part of the story – the majority of deprived people do not live in highly deprived areas
- Rural areas are substantially more deprived based on the location of deprived *people* than based on the location of deprived *areas*
- The ‘rural share of deprivation’ identifies the number of deprived people who live in rural areas, as a proportion of all such deprived people

### *Analysis for England identifies:*

- Of the most deprived 6,496 small areas in England<sup>4</sup>, only 158 (or 2.4%) are rural  
... *but* ...
- 18% of all people with limiting long-term illness in England live in rural areas
- 18% of all people working in elementary occupations in England live in rural areas
- 17% of all households earning less than 60% of the median income in England live in rural areas
- 16% of all those receiving the Pension Credit Guarantee Element in England live in rural areas
- 15% of all Disability Living Allowance claimants in England live in rural areas
- 15% of all adults with no qualifications in England live in rural areas
- 14% of housing lacking central heating in England is in rural areas
- 13% of Incapacity Benefit claimants in England live in rural areas
- 36% of households with no car or van who are more than 60 minutes travel time from a hospital<sup>5</sup> are found in rural areas

### *Analysis for the regions identifies:*

- Only 67 of the 631 most deprived LSOAs in the North East are rural – corresponding to 10.6% of the most deprived areas in the region. However, 18% of the households earning less than 60% of the median income in the North East are in rural areas
- Only 12 of the 1,461 most deprived LSOAs in the North West are rural – corresponding to only 0.8% of the most deprived areas in the region. However, 10% of the households earning less than 60% of the median income in the North West are found in rural areas
- Only 37 of the 976 most deprived LSOAs in Yorkshire and Humber are rural – corresponding to 3.8% of the most deprived areas in the region. However, 17% of the

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<sup>4</sup> The 20% most deprived Lower Super Output Areas (LSOA) on the Index of Multiple Deprivation 2007.

<sup>5</sup> By walking or public transport

households earning less than 60% of the median income in Yorkshire and Humber are in rural areas

- Only 27 of the 482 most deprived LSOAs in the East Midlands are rural – corresponding to only 5.6% of the most deprived areas in the region. However, 26% of the households earning less than 60% of the median income in the East Midlands are in rural areas
- Only 2 of the 917 most deprived LSOAs in the West Midlands are rural – corresponding to only 0.2% of the most deprived areas in the region. However, 13% of the households earning less than 60% of the median income in the West Midlands are in rural areas
- Only 4 of the 220 most deprived LSOAs in the East of England are rural – corresponding to only 1.8% of the most deprived areas in the region. However, 30% of the households earning less than 60% of the median income in the East of England are in rural areas
- Only 3 of the 271 most deprived LSOAs in the South East are rural – corresponding to only 1.1% of the most deprived areas in the region. However, 19% of the households earning less than 60% of the median income in the South East are in rural areas
- Only 6 of the 278 most deprived LSOAs in the South-West are rural – corresponding to only 2.2% of the most deprived areas in the region. However, 33% of the households earning less than 60% of the median income in the South West are in rural areas.

### 1.3 Output Area deprivation levels across rural England – key messages

- In order to identify pockets of deprivation in rural areas we have developed statistical models of the Indices of Deprivation 2004 datasets for all Output Areas in England
- Validation against benefits data provided by DWP for a 20% sample of all OAs in England shows that our modelled deprivation indicators give a good match to real benefits data
- The Output Area IMD 2004 modelled data identifies a set of 1,178 rural areas ranked among the most deprived 20% in England. This corresponds to 3.6% of the rural OAs, higher than the proportion of rural LSOAs ranked among the most deprived 20% in England at LSOA level (2.6%). In other words, at the more detailed OA level, more rural areas appear deprived than at the coarser-grained LSOA level
- Just under one-third (31%) of all deprived rural OAs in England are located in the North East region – 362 OAs. A further 20% are located in the Yorkshire and Humber region – 240 OAs
- The Output Area IMD 2004 modelled data identifies a large number of previously hidden pockets of deprivation in rural areas. However, the most deprived areas in England are still overwhelmingly urban
- Analysis of Census OA level data shows that most deprived rural areas are characterised by high levels of unemployment; high levels of lone parents; very high levels of social housing; high levels of limiting long-term illness and very high levels of adults with no qualifications. Of those who are working, nearly one-third are employed in routine or semi-routine occupations

- In other words, based on quantitative indicators of deprivation, deprived rural areas look rather like deprived urban areas – and people living in these areas are likely to experience the same sorts of high levels of worklessness, poor health, and low skills that people living in deprived urban areas are also likely to experience<sup>6</sup>.

#### 1.4 Developing a *provisional* socio-economic classification of deprived rural areas – key messages

- We have developed a *provisional* socio-economic classification of deprived rural areas. The classification has been developed at Output Area level, based on the characteristics of the 1,178 most deprived rural Output Areas across England
- The provisional classification has produced ten distinct categories. We have provided working names for these categories:

Rural-urban classification (Countryside Agency 2004)	<i>Provisional</i> socio-economic classification of deprived rural areas
Small town & fringe	<ul style="list-style-type: none"> <li>• Manufacturing economy with high levels of social housing</li> <li>• Older people and social housing</li> <li>• Younger families and terraced housing</li> <li>• Older people and private flats</li> </ul>
Villages	<ul style="list-style-type: none"> <li>• Accessible villages with high levels of social and terraced housing</li> <li>• Agricultural areas with poor quality housing</li> <li>• Older workers and private accommodation in poor quality</li> </ul>
Hamlet & isolated dwellings	<ul style="list-style-type: none"> <li>• Hamlets with terraced housing</li> <li>• Remote agricultural areas</li> <li>• Older people and poor quality private housing</li> </ul>

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<sup>6</sup> Note that we are not saying that people’s *experience* of deprivation is the same in highly deprived rural and urban areas – simply that based on quantitative indicators of deprivation, the most deprived rural areas look quite similar to deprived urban areas.