



Cross Party Group
POVERTY

Inquiry into poverty in rural Scotland

May 2024

**Cross Party Group in the
Scottish Parliament on Poverty**

Executive summary

We should all be able to fulfil our potential, and live a decent and dignified life, regardless of where we live. So, it is an injustice that 15% of those living rurally in Scotland are experiencing poverty.

Rural poverty in Scotland is deeply rooted but is often over-looked within our policy-making and service design. This inquiry set out to learn about the reality of living in poverty in rural Scotland by exploring a number of key questions:

- Do current measures of poverty accurately capture poverty in rural Scotland? How can we improve measurement?
- What are the causes of poverty in rural Scotland?
- How does the poverty premium function in rural areas?
- What are the challenges for tackling poverty in rural Scotland?
- What are examples of good policy and/or practice in relation to addressing the specific dimensions of rural poverty?

These questions were explored in four evidence sessions which featured experts from across civil society, submissions of pre-written evidence from the CPG's membership, and a lived experience discussion which brought together people with experience of living on a low income in rural Scotland, MSPs and the Cabinet Secretary for Social Justice.

This report reflects what was heard in these spaces, providing an overview of key issues relating to poverty in rural Scotland, as well as policy areas which require further attention to address this. It is an exploratory piece of work, intended to provide further insight into the experiences of rural poverty and – alongside recommendations – it presents discussion questions to form the basis of further policy-making and service design.

Inquiry key findings

- The necessity to travel further to access essential services, employment and training; higher cost of goods; and harsher climates builds additional cost into people's lives and into rural economies. **As a result, the cost of living in rural Scotland is significantly higher than in urban Scotland, which is often referred to as 'the rural premium'.**
- Evidence highlighted that **poverty statistics and measurements are deeply limited in what they can tell us about both the true levels of poverty and, crucially, the experience of poverty in rural Scotland** because they do not take account of this higher cost of living.
- Geography, and its effect on rural lives, also underpin a challenging economic context. In the past, the dominance of agriculture and forestry tended to provide **precarious, low-paid and seasonal employment**. In more recent years, the

An Inquiry into Poverty in Rural Scotland - May 2024

focus of rural economies has changed - becoming more service oriented. However, issues of seasonality and precarity remain common.

- The **nature of seasonal work means that household incomes are at their lowest in the winter when energy costs are highest.**
- Economic challenges in rural Scotland both contribute to, and are compounded by, **trends of depopulation and demographic change.** The results are ageing rural populations, leading to overall population decline and reduced economic activity.
- A number of **services function as enablers to paid employment, including public transport, healthcare, and childcare, with evidence to the inquiry showing that access to these 'enablers' is currently inadequate for many rural residents,** often creating a barrier to paid-work or training.
- Education has a vital role in allowing people living on low incomes to access higher wages and escape poverty, as well as in the broader economic development of rural Scotland. However, **access to education and wider upskilling can be scarce, particularly at higher and further levels.**
- The inquiry heard **that access to good quality, affordable housing with appropriate transport links to jobs, leisure opportunities and public services is lacking.** This contributes to the cycles of de-population, which further weaken rural economies and put more people at risk of poverty.
- Efforts to increase the supply of affordable rural housing are hampered by issues with the availability of appropriate land, the significant extra costs both of installing infrastructure for housing development and of housebuilding itself, and the lack of competition between contractors. Crucially, we heard that **challenges in accessing appropriate housing contributes to fuel poverty,** with people often in stuck in larger dwellings which do not meet their needs.
- For people living in rural Scotland, **transport is the most significant additional cost compared to people living in urban areas, amounting to an additional £50 per week.** Poor, expensive and non-existent public transport denies those living in poverty access to opportunities for employment, education, socialisation, and access to essential services.
- **Rural communities face a disparity in the availability of low cost and affordable food in their local areas,** which poses challenges to food security.
- Access to childcare is a significant problem for rural parents and **the difficulties finding, or affording, childcare is both a driver of poverty and a source of significant stress and distress for families experiencing poverty who depend on childcare for employment security.** This is particularly pertinent for women, who account for the majority of single parents and are more likely to be primary caregivers.
- Underpinning issues with accessing healthcare, **recruiting healthcare professionals was identified as a significant issue, with the lack of services, affordable housing, and lower salaries acting as deterrents for practitioners considering working in island locations.**
- The voluntary sector plays a key role in rural communities, and in particular in supporting people experiencing or at risk of poverty. **As well as experiencing issues of unsustainable, short-term and limited funding, experienced by the**

An Inquiry into Poverty in Rural Scotland - May 2024

third sector across Scotland, rural organisations report that funders can be skewed towards urban perspectives— for example by prioritising projects which reach high volumes of participants or service users. Furthermore, funders do not necessarily factor the higher costs associated with delivering services (e.g., transport and energy costs) into the awards they make to rural projects.

- Submissions to the inquiry highlighted the limits to **the effectiveness of our welfare and social security system in combatting poverty in rural Scotland as benefit levels do not reflect the cost of living rurally and benefit take-up is significantly lower in rural areas.**
- While the inadequacy of current social security support points to the necessity of new approaches, such as the Minimum Income Guarantee (MIG), there were questions as to how the realities of financial insecurity in rural Scotland have been factored into the design of the MIG. **Inquiry evidence supported the idea of piloting the MIG in rural settings.**

Conclusion and recommendations

This inquiry has shown the complexity and interconnected nature of a range of policy problems facing rural Scotland generally, all of which create further challenges for those in rural communities who are on low incomes or at risk of poverty.

At the heart of many of the challenges highlighted in the submissions we received were the following common threads:

- The additional cost of living faced by rural communities is a distinctive feature of rural poverty and is not currently reflected in general policy or in anti-poverty policy;
- The two most significant drivers of additional costs are transport and energy;
- Cost of living pressures combined with the challenges of geography create additional barriers to accessing public services and we heard that access to childcare rurally is a particular concern.

Implications for policy-making

This report and these common threads show that:

- We need an anti-poverty strategy which takes much better account of rural experiences; and
- We need key rural policy (i.e., the forthcoming Rural Delivery plan) to be developed with an anti-poverty lens.

Both of these policy perspectives will need to include focussed, ambitious and joined up plans to tackle the key structural causes of poverty in rural Scotland. The CPG has heard that transport; energy; and childcare should be among the early policy priorities.

An Inquiry into Poverty in Rural Scotland - May 2024

Alongside action to address these issues, there remains a clear need for further research and evidence relating to the dynamics of poverty in rural Scotland, including who is experiencing it, where, what drives it and – crucially – what is working to combat it.

Full list of recommendations

- The Rural Delivery plan should include a plan to implement a rural lens approach to all Scottish Government policy-making to ensure that rural experiences and needs are considered from the beginning of the policy-making process.
- The Rural Delivery Plan should include plans to ensure policy makers and others have as accurate and in depth information on rural poverty and its drivers as possible. This should include:
 - A commitment to regular updates of the Scottish Government's rural poverty publication (Poverty in Rural Scotland: A Review of Evidence).
 - Exploring refined measures of poverty which fully take account of the additional costs facing rural communities.
 - Mechanisms to ensure data and evidence on the experience of marginalised groups in rural Scotland is collected and updated regularly.
- The Scottish Government should consider the full range of levers at its disposal to encourage greater take-up of the real Living Wage amongst rural employers. This should look to combine conditionality approaches with incentive based approaches.
- The Scottish Government must ensure it meets its target to ensure 10% of the 110,000 affordable homes to be delivered by 2032 are in remote, rural and island communities.
- The Scottish and UK Governments should introduce rural uplifts in any future energy support packages.
- The Scottish Government should lobby the UK government to provide proper regulation of currently unregulated alternative fuel sources.
- Community energy schemes represent an enormous opportunity for rural communities to benefit from the resources at their disposal. The Scottish Government should provide support to communities to ensure that people on low incomes play a full role in and benefit from schemes.
- Rural local authorities introducing franchising or new Bus Service Improvement Partnerships (BSIPS), should ensure that residents with lived experience of living on a low income and the rural premium have a significant role in shaping plans
- Expand concessionary travel to under 25s, people in receipt of low-income and disability benefits, and unpaid carers.
- Integrate our transport systems and expand concessionary travel to include all modes of transport including rail, ferry and tram.

An Inquiry into Poverty in Rural Scotland - May 2024

- Ensure that local authority funding enables the design of public transport services and routes which meet the needs of local people, including ensuring funding allocated to rural local authorities recognise the rural premium and the transformative potential improved transport would have for rural communities.
- The Scottish Government should convene food suppliers, supermarkets and other stakeholders (including lived experience groups) to explore solutions to higher food costs experienced by some rural communities.
- The Rural Delivery Plan should include a targeted strategy to ensure adequate delivery of the 1140 hours entitlement in rural Scotland, including a focus on flexibility.
- The Care Inspectorate should work with rural local authorities to explore adaptations to guidelines which currently restrict efforts to expand childcare rurally.
- As per recommendations set out by the Scottish Council for Voluntary Organisations, the Scottish Government should introduce fair and sustainable funding of three years or more for the third sector.
- Explore opportunities to build-in rural uplifts into third sector grants and funding awards (including by independent funders).
- The Rural Delivery Plan should include measures to significantly increase benefit take up in rural communities.
- The Scottish Government should explore the possibility of piloting the Minimum Income Guarantee in a rural area.
- The Scottish Government should ensure that, where possible, face-to-face provision of welfare advice and support is available, alongside digital or phone provision

Introduction and overview

This inquiry set out to learn about the reality of living in poverty in rural Scotland and answer the following questions:

- Do current measures of poverty accurately capture poverty in rural Scotland? How can we improve measurement?
- What are the causes of poverty in rural Scotland?
- How does the poverty premium function in rural areas?
- What are the challenges for tackling poverty in rural Scotland?
- What are examples of good policy and/or practice in relation to addressing the specific dimensions of rural poverty?

To begin to answer these questions, we conducted four evidence sessions over the course of 2023 which featured experts from across civil society. We covered issues such as: health, child poverty, housing, income from work, social security, the Minimum Income Guarantee, childcare, mental health and food access. We also hosted a lived experience discussion, bringing together people with experience of living on a low income in rural Scotland and MSPs from both the Social Justice and Social Security and the Rural Affairs and Islands Committees, as well as the Cabinet Secretary for Social Justice. To form this report, we asked our members to submit pre-written evidence exploring the issue of rural poverty and received 28 submissions.

This report reflects what we have heard across the four evidence sessions, as well as from written submissions – a list of which can be found at the end of this report – and the Poverty Alliance's knowledge of the rural poverty landscape, gained through our ongoing work in this space. It is not intended to be an exhaustive survey of the issue, which is inherently large. As such, we expect there to be gaps and areas which deserve more time and attention than they receive in this report. However, this report provides an overview of key issues relating to poverty in rural Scotland, as well as the policy areas which require further attention to address this injustice.

This is an exploratory piece of work, intended to provide further insight into the experiences of rural poverty. Alongside recommendations, this report presents a series of discussion questions that can help inform further policy-making and service design. We look forward to continuing to work with members of the CPG on Poverty, as well as the Poverty Alliance membership, to answer these questions, and to advocate for further action to address rural poverty.

Contextualising and understanding rural poverty - what is distinctive?

This report will focus on a range of factors which shape the experience of poverty in rural Scotland. Ultimately, the fundamental experience of being in poverty does not differ based on where in Scotland you live. Whether in a town, city, village or island:

“Poverty means not being able to heat your home, pay your rent, or buy the essentials for your children. It means waking up every day facing insecurity, uncertain, and impossible decisions about money. It means facing marginalisation – and even discrimination – because of financial circumstances.” (Joseph Rowntree Foundation)¹

However, the inquiry has shown that there are distinctive features of rural poverty and therefore distinctive challenges for policy-making and service design.

Geography

Rural Scotland has more dispersed populations who face larger distances, physical barriers to travel and a harsher climate. All of this builds additional cost into people's lives, and wider economic systems, through the higher costs of fuel and energy for travel and for heating.

The result is that the cost of living is significantly higher in rural Scotland than in urban Scotland, a feature sometimes referred to as ‘the rural premium’. The Scottish Government estimates that the minimum cost of living in remote rural Scotland is between 15% and 30% higher than urban parts of the UK.² At the same time, access to public and private services which might mitigate the impacts of a higher cost of living is not consistent, this is because:

- The state faces challenges in delivering services because:
 - Populations are more dispersed and ‘harder to see’; and
 - Policy is made and services are designed with urban experiences in mind.
- Markets are less good at meeting the needs of individuals and communities because:
 - Higher costs of doing business can lead to higher prices;
 - Smaller and more captive markets can mean less consumer choice and less downward pressure on prices; and
 - Markets are oriented towards urban consumers meaning products are not suited to rural lives (e.g., household energy tariffs).

¹ Joseph Rowntree Foundation, What is poverty? (Online) Available from: <https://www.jrf.org.uk/deep-poverty-and-destitution/what-is-poverty>

² Scottish Government, *Poverty in Rural Scotland: A Review of Evidence*, (Page 21)

An Inquiry into Poverty in Rural Scotland - May 2024

The Economy

Geography, and its effect on rural lives, underpin a challenging economic context. In the past, the dominance of agriculture and forestry tended to provide precarious, low-paid and seasonal employment. In more recent years, the focus of rural economies have changed - becoming more service oriented, including through increased tourism, but low pay, seasonality and precarity remain common.³

Demography

Economic challenges in rural Scotland both contribute to, and are compounded by, trends of depopulation and demographic change: inward flows to some rural areas of commuters and/or retirement migrants combine with the departure of young people for education, secure employment and affordable housing. The results are ageing rural populations, leading to overall population decline and reduced economic activity. This cycle, where depopulation and demographic shift are driven by economic and social challenges, and in turn contribute to deepening those challenges, is summed up by Changeworks:

“The high costs of energy means that local households reduce their spending on local goods and services and engage less in social activities. Both depopulation and reduced household spending affect local businesses which may be forced to close or move to areas with greater economic potential due to staff shortages or loss of income. The resulting economic downturn has a secondary impact on rural communities as local employment opportunities dwindle and households must travel longer distances for work, again increasing the rural cost of living.”⁴

What do we mean by rural Scotland?

The Scottish Government define rural Scotland as ‘settlements with a population of less than 3,000.’ In applying this definition within the context of this inquiry, we have utilised the Scottish Government ‘Rural and Environment Science and Analytical Services’ (RESAS) classification. This classification is regularly used within policy-making and data analysis, including by the Office for National Statistics and within Skills Development Scotland’s Regional Skills Assessments.³

The RESAS classification designates 15 Scottish local authorities as ‘mainly rural’ or ‘Islands and remote rural’:

- Aberdeenshire
- Angus

³ Shucksmith, M, Chapman, P, Glass, J and Atterton J: *Rural Lives: understanding financial hardship and vulnerability in rural areas*, 2021

⁴ Changeworks, *A Perfect Storm: Fuel Poverty in Rural Scotland*, 2023

An Inquiry into Poverty in Rural Scotland - May 2024

- Argyll and Bute
- Clackmannanshire
- Dumfries and Galloway
- East Ayrshire
- East Lothian
- Na h-Eileanan Siar
- Highland
- Moray
- Orkney Islands
- Perth and Kinross
- Scottish Borders
- Shetland Islands
- South Ayrshire

Importantly, as well as enormous diversity of experience and context within these local authorities, there are pockets of rurality in local authorities not represented in this list which are predominantly urban. The Scottish Government's urban-rural classification reflects this diversity to some extent by distinguishing between 'accessible rural' (less than 30 minute drive time to the nearest settlement with a population of 10,000 or more) and 'remote rural' (greater than 30 minute drive). Importantly, there is no consistency across the UK in definitions of rural for use in official statistics, which makes learning from policy-making and evidence from across the UK harder.

In this report, we have sought to identify where evidence and experiences are particularly relevant to certain places – whether this be more or less accessible rural areas, islands, or the experiences of those who live in small towns within predominantly rural areas. However, we heard from many contributors to the CPG that one of the key challenges for centralised policy-making (e.g., from Holyrood or Westminster) is that there is no such thing as a single, homogenous rural identity.

Policy-making

A common theme throughout submissions to the CPG has been the extent to which rural experiences are poorly reflected in policy-making in Holyrood and Westminster. Submissions from Scottish Rural Action detailed the distinction between different approaches to 'including' rural in policy-making:

- Rural mainstreaming: incorporating rural in policy-making without giving it particular consideration (i.e. it is assumed that policy-makers will be able to consider how a policy affects a rural area without needing a particular prompt);
- Rural proofing: recognises that policy-makers need particular prompts, generally applied at policy development phase, otherwise they remain biased towards an urban-centric design (Island Communities Impact Assessments are a good example); and

An Inquiry into Poverty in Rural Scotland - May 2024

- A rural lens: takes things a step further and asks that policy-makers consider rural areas at policy inception, through development and implementation, each stage requiring a different prompt or tool to overcome urban bias and deliver outcomes for rural and island communities.

The Scottish Government's approach has primarily been one of rural mainstreaming, with the exception of Island Community Impact Assessment which were introduced as a result of the 2018 legislation.⁵ More recently, there has been interest in adopting a rural lens for policy-making across the Scottish Government, but the development and implementation of this has not yet been completed.

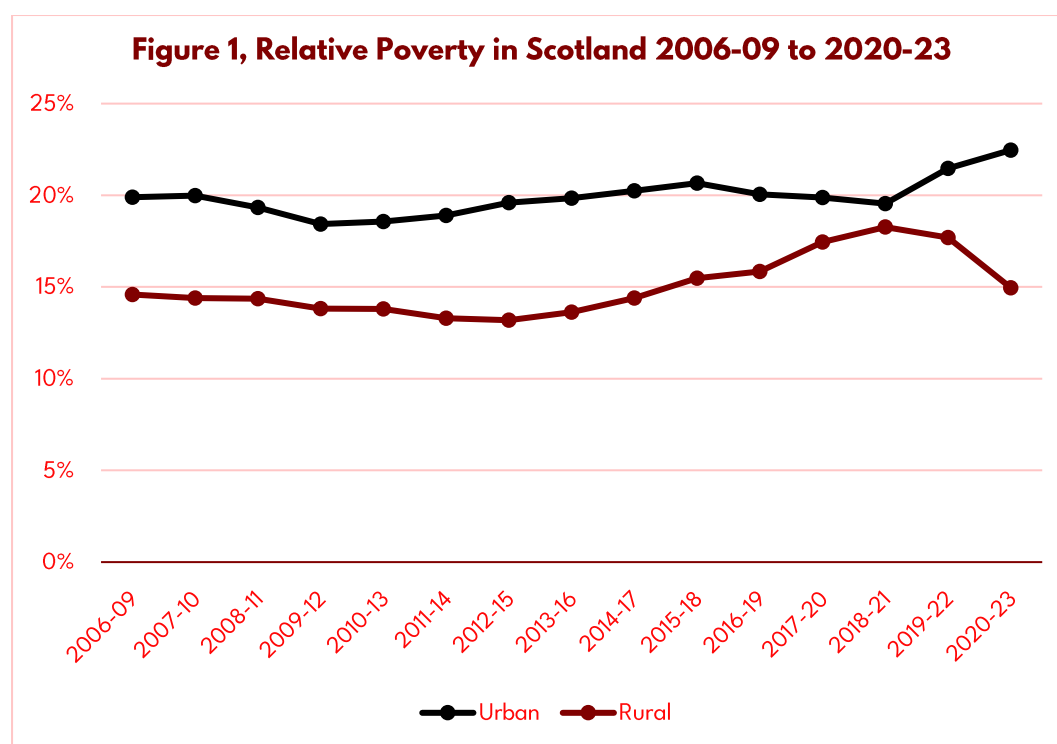
⁵ Av Vuin, SG Thomson, J Atterton, *The Evolution of Rural and Island Policy in Scotland*, 2023

An Inquiry into Poverty in Rural Scotland - May 2024

What do we know about poverty in rural Scotland?

In rural Scotland between 2020-2023, there were **190,000** people (15%) experiencing relative poverty and 9% of the population of rural Scotland were in severe poverty in the same period.⁶

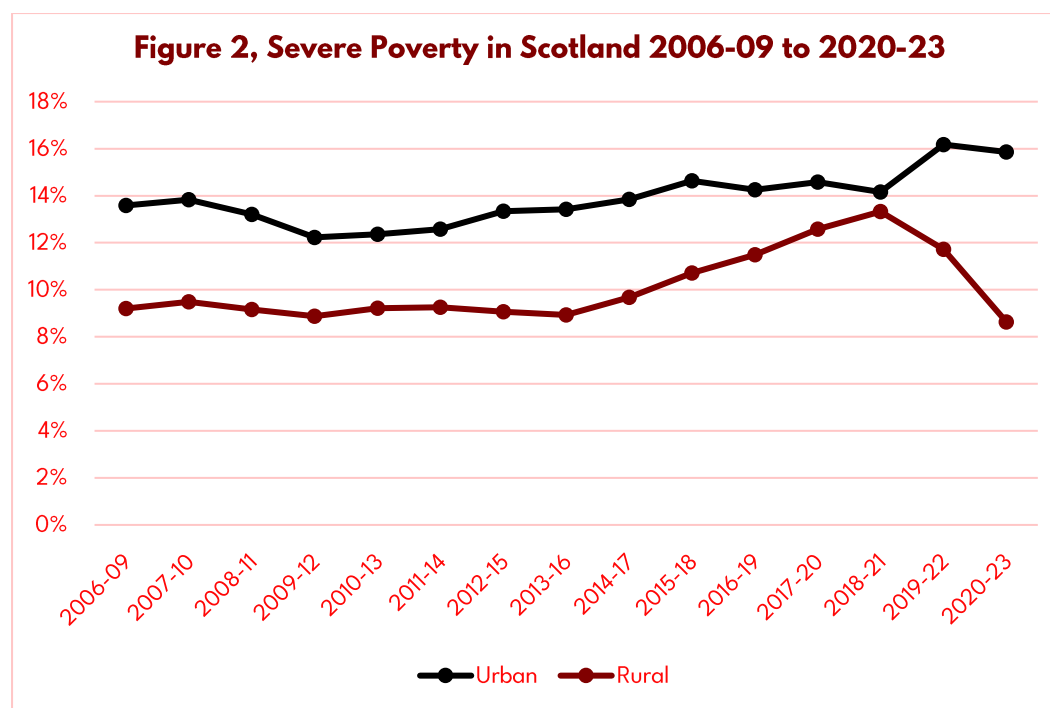
By both measures - as can be seen in Figures 1 and 2 - poverty increased in rural Scotland in the period up to 2020-2022 before dropping again in the latest data period. Whilst these measures indicate that rural areas have lower poverty rates than urban areas, overall poverty was until recently rising at a greater rate in rural Scotland than urban Scotland.



Data Source: Scottish Government, Poverty and Income Inequality in Scotland 2020-23. Tables can be downloaded at: <https://data.gov.scot/poverty/download.html>

⁶ Relative poverty calculated as less than 60% of Median income (After Housing Costs) and Severe Poverty as less than 50% of Median income (After Housing Costs): Scottish Government, Poverty and Income Inequality in Scotland 2020-23. Tables can be downloaded at: <https://data.gov.scot/poverty/download.html>

An Inquiry into Poverty in Rural Scotland - May 2024



Data Source: Scottish Government, Poverty and Income Inequality in Scotland 2020-23. Tables can be downloaded at: <https://data.gov.scot/poverty/download.html>

Child Poverty

Looking at child poverty rates we see a slightly different story. Again, child poverty appears to be lower in rural Scotland than in urban Scotland, but in this case the rate of change is not as dramatic.

Over the longer term, the relative poverty rate for children has dropped in rural Scotland, and in the shorter term there appears to have been a sharper drop from 21% in 2018-21 to 15% in 2020-23.⁷

This means that:

- 15% of children in rural Scotland are in relative poverty after housing costs
- 9% of children in rural Scotland are in severe poverty after housing costs

Fuel Poverty

Although fuel poverty is not one of the core statistical measures of poverty in Scotland, it is widely recognised as useful for understanding the impact of living on low incomes. It provides one part of a more nuanced picture than core income-based measures (relative and severe poverty) are able to.

⁷ Scottish Government, Poverty and Income Inequality in Scotland 2020-23. Tables can be downloaded at: <https://data.gov.scot/poverty/download.html>

An Inquiry into Poverty in Rural Scotland - May 2024

Scotland's definition of fuel poverty does this by taking account key factors such as: the cost of energy to households; the nature and condition of housing; what this means for household's heating needs; and whether there is enough money left over, once these needs have been met, for households to maintain an acceptable standard of living.⁸

Crucially, fuel poverty measures provide an insight (though by no means a full picture) into how an analysis of poverty in rural Scotland might look if living costs were taken into account. Rates of fuel poverty are higher (29%) in rural than in urban areas (24%).

The data suggests that it is higher prices, lower energy efficiency and higher energy use needs for rural communities which drives this, rather than low incomes: those who are not income poor, but are fuel poor, are more likely to live in rural areas: 29% of fuel not income poor households live in rural areas (whereas only 17% of the population overall live rurally).⁹

The limitations of poverty measures

Though these statistics begin to give us an outline of rural poverty in Scotland, it is vital to recognise that they are deeply limited in what they can tell us about both the true levels of poverty and, crucially, the experience of poverty in rural Scotland. This is for four reasons:

- **Current measures do not take into account the cost of living:** The cost of living in rural Scotland is higher, as will be discussed further in this report, but this is not factored into income based measures of poverty (with the partial exception of housing costs). Where measures such as fuel poverty do factor this in to some extent, they show a significantly more negative picture for rural Scotland than standard measures.
- **Other key measures are not well suited to rural contexts:** Deprivation measures (such as the Scottish Index of Material Deprivation) are a key statistical tool for policy makers. The SIMD "identifies small geographic areas where there are high concentrations of individuals who are experiencing low income and multiple forms of disadvantage". The Scottish Government accepts that this not well suited to reflecting rural deprivation which will be less likely to be 'highly concentrated'.¹⁰

⁸ The full definition of fuel poverty and extreme fuel poverty is set out in the [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019](#).

⁹ Scottish Government, *Poverty in Rural Scotland: A Review of Evidence*, 2021, page 31

¹⁰ Scottish Government, *Poverty in Rural Scotland: A Review of Evidence*, 2021 page 10

An Inquiry into Poverty in Rural Scotland - May 2024

- **Current measures do not tell us about the difference within and between rural areas:** For the most part, data that has been made publicly available is not broken down beyond merely 'urban' and 'rural', but we know there are significant differences between experiences in remote rural areas and accessible rural areas, or between island and mainland communities.
- **Current measures do not tell us about the experiences of different groups:** We know that the risk of experiencing poverty is affected by a range of factors, including gender, ethnicity and disability but there are limited statistics available which can tell us about how these experiences map out within and across rural Scotland and in comparison to urban areas.

Recommendations

- The Rural Delivery plan should include a plan to implement a rural lens approach to all Scottish Government policy-making to ensure that rural experiences and needs are considered from the beginning of the policy-making process.
- The Rural Delivery Plan should include plans to ensure policymakers and others have as accurate and in depth information on rural poverty and its drivers as possible. This should include:
 - A commitment to regular updates of the Scottish Government's rural poverty publication (Poverty in Rural Scotland: A Review of Evidence).
 - Exploring refined measures of poverty which fully take account of the additional costs facing rural communities.
 - Mechanisms to ensure data and evidence on the experience of marginalised groups in rural Scotland is collected and updated regularly.

Discussion Points

- In what ways to the Scottish Government use existing poverty and deprivation measures in the policy-making process? For example, in deciding on funding allocations? How could these measures be supplemented by wider information – such as cost of living indicators – to ensure decisions do not disadvantage rural communities?
- Has the Scottish Government evaluated the Island Communities Impact Assessment, to understand its impact on policy-making and service design?
- The latest data seems to suggest a drop in poverty levels rurally – what do we know about the specific drivers of this?

An Inquiry into Poverty in Rural Scotland - May 2024

Income, jobs and pay

Jobs in agriculture; forestry and fishing; manufacturing; construction; and accommodation and food services are all more common in rural areas than urban.¹¹

Adoption of the real living wage in some of these key rural sectors is low and many of these roles are also characterised by seasonality. Changeworks noted that household incomes are at their lowest in the winter when energy costs are highest.¹² They highlight that this is especially challenging for those on pre-payment meters who cannot distribute the cost of energy throughout the year.

In our third evidence session, the Serving the Future project, led by the Fraser of Allander Institute, The Poverty Alliance, and the Institute for Inspiring Children's Futures, presented their interim findings on the experiences of low-income workers in rural Scotland. Interim findings indicate that:

- While 28% of Scottish businesses are in rural areas, they exhibit lower turnover and employ fewer workers on average.
- Disparities in pay are more prominent within rural Scotland, than between rural and urban areas. Full-time employees in accessible rural areas earn 9% more than urban counterparts, while those in remote rural areas earn 6% less.

Serving the Future reveals the significance of the hospitality industry in remote rural areas, supporting 15% of employment. However, it is associated with low hourly pay, financial insecurity, and reduced hours in the period of January to March, forcing some workers to take out loans in order to make ends meet.

A number of services function as enablers to paid employment, including public transport and childcare. Analysis from Serving the Future shows that rural workers face issues with poor public service availability, such as inadequate local transport infrastructure. Over half of the participants in the research (workers in the hospitality industry) cited childcare as a significant concern, with availability and affordability key issues. This is particularly pertinent for women, who are more likely to be primary caregivers, single parents, and reliant on public transport.

Employers involved in this research had taken some measures to mitigate these issues; for example, some had looked at annualising hours to provide a steady income over 12 months, or adjusting shifts to combine with bus schedules. Some employers have allowed children to come into work, however participants noted that there was no dedicated space for the children at these workplaces.

¹¹Scottish Government, Rural Scotland Data Dashboard: Overview, 2023

¹² Changeworks, *A Perfect Storm: Fuel Poverty in Rural Scotland*, 2023

Recommendations

- The Scottish Government should consider the full range of levers at its disposal to encourage greater take-up of the real Living Wage amongst rural employers. This should look to combine conditionality approaches with incentive based approaches.

For discussion

- What more do we know about good practice from rural employers in supporting employees with the rural premium?

Education and skills

Education has a vital role in allowing people living on low incomes to access higher wages and escape poverty, as well as in the broader economic development of rural Scotland which will create a dynamic economy, thriving places and arrest demographic decline. However, access to education and wider upskilling can be scarce, particularly at higher and further levels. In the National Islands Plan Survey, respondents noted that whilst satisfaction with primary education remained high, this sharply falls when considering high school and there is even lower satisfaction with college and university.¹³ Particularly for young people, provision and access to good quality education that leads to good employment opportunities is central to the economic and general wellbeing of rural communities.

Access to upskilling and education is only possible with robust and accessible public services like housing, childcare and transport. Whilst the drive to more digital provision of education is helping to boost access for people living remotely, this is only possible with good quality digital access including affordable Wi-Fi and good data coverage.

For discussion

- How well do key Scottish Government strategies, such as the National Strategy for Economic Transformation (NEST), currently take account of the specific skills needs of rural communities?
- How can Scotland's Lifetime Skills Offer and package of employability support take into account the needs of people and communities in rural Scotland?

¹³ Scottish Government, *National islands Plan Survey: final report*, 2021

An Inquiry into Poverty in Rural Scotland - May 2024

Housing

The inquiry heard that access to good quality, affordable housing with appropriate transport links to jobs, leisure opportunities and public services is lacking for too many people in rural communities. The result is that many move away from, or do not move to, rural communities. This is contributing to the cycles of de-population and trends around the ageing rural population which further weaken rural economies and put more people at risk of poverty.

Patterns of housing type and tenure differ in rural Scotland from urban areas. There is a higher proportion of households that are owner occupied (70% in remote rural and 71% in accessible rural areas), compared with the rest of Scotland (60%). By contrast, fewer households rent from local authorities or housing associations rurally (c.15%) than in the rest of Scotland (25%).¹⁴ Although it is increasing, private renting is also lower in rural areas. According to analysis by the Scottish Government housing in rural Scotland is more expensive than housing in urban areas.¹⁵ In 2021, the average residential property price was £198,908 in remote rural areas and £228,556 in accessible rural areas compared to £171,362 in the rest of Scotland.

Efforts to increase the supply of affordable rural housing are hampered by issues with the availability of appropriate land, the significant extra costs both of installing infrastructure for housing development and of housebuilding itself, and the lack of competition between contractors:

“[We have a] small pool of major contractors that tender and [that] can lead to a lack of competition [...and] houses need to be built robust enough to withstand Hebridean weather. This leads to high construction costs.”

(Submission from the Scottish Federation of Housing Associations).

Pressure on existing supply, and prices, are made more challenging by the increasing prevalence of holiday lets and second homes in some rural communities. At the same time, in a Highlands and Islands Enterprise report from 2022, two out of three rural and island businesses discussed the struggle to find appropriate accommodation for their employees and, according to a report for the Scottish Government by Scotland’s Rural College, approximately 3,000 job positions in the Highlands and Islands are at risk because of a lack of housing.¹⁶

There are particular challenges on the islands, where building costs are often even higher. Public consultations for the National Islands Plan identified affordable housing as one of the most significant issues facing island communities and recognised the connection between housing and a range of other challenges: demographic change, transport, health, economic development and community viability. Almost three-quarters (71%) of respondents agreed that there was a high

¹⁴ Scottish Government, *Poverty in Rural Scotland: A Review of Evidence*, 2021 - page 28

¹⁵ Scottish Government, *Poverty in Rural Scotland: A Review of Evidence*, 2021 - page 27

¹⁶ A Vuin, J Atterton, *Rural Housing (Policy Spotlight)*, 2023

An Inquiry into Poverty in Rural Scotland - May 2024

proportion of holiday lets and second homes on the islands, while only 43% agreed that there was a variety of housing to meet local needs.¹⁷

Crucially, we heard that challenges in accessing appropriate housing contributes to fuel poverty. Existing factors which push up fuel costs (explored below) are made worse when people have less choice about where to live, meaning it is harder for them to move to more suitably sized properties, or properties with better energy efficiency.

Recommendations

- The Scottish Government must ensure it meets its target to ensure 10% of the 110,000 affordable homes to be delivered by 2032 are in remote, rural and island communities

For discussion

- Rural Scotland has many examples of innovative approaches to community land and asset ownership, including for housebuilding. What do we know about how well these small-scale, community led approaches serve people on low incomes? What good practice is there in ensuring groups on low incomes can participate in and influence these sorts of initiatives?
- To what extent have existing Scottish Government plans for rural housebuilding been developed with an anti-poverty lens?

Energy

Fuel Poverty in Scotland is defined as affecting households where more than 10% of net income is required to pay for reasonable fuel needs after housing costs have been deducted, and when this is taken into account they do not have enough income remaining to achieve an acceptable living standard. Households are in extreme fuel poverty if more than 20% of net income is required to meet these needs.¹⁸ As noted earlier in this report, the strength of this approach is that it is able to take into account key contextual factors in rural lives, most notably energy costs, harsher climates and the poor energy efficiency of many rural homes.

The result of fuel poverty measures taking account of the higher costs in rural Scotland is that fuel poverty measures show a significantly more negative picture in rural Scotland than urban Scotland, as well as a more challenging picture in remote

¹⁷ A Vuin, J Atterton, Rural Housing (Policy Spotlight), 2023

¹⁸ The full definition of fuel poverty and extreme fuel poverty is set out in the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019).

An Inquiry into Poverty in Rural Scotland - May 2024

rural areas than more accessible rural areas. The Scottish Government's house condition survey in 2019¹⁹ shows that:

- Rates of fuel poverty are higher in rural areas (29%) than urban areas (24%);
- They are significantly higher again in remote rural areas (43%); and
- This picture is repeated when looking at extreme fuel poverty: 33% in remote rural areas; 19% in rural areas overall and 11% in urban areas.

Drivers of fuel poverty in rural areas

There are four recognised drivers of fuel poverty: fuel prices, energy efficiency of homes, income and energy use. Living in a rural part of Scotland brings particular pressures on each of these drivers as a result of the weather, a lack of affordable housing and poor access to support services. The below summary takes each of these factors in turn, with the exception of income, which we deal with independently elsewhere in this report.

Fuel Prices

Almost two-thirds of rural dwellings (65%) are not within coverage of the gas grid. As a result, there is far higher dependence on alternative and more expensive sources of fuel. There are higher rates of electricity and oil as primary heating fuel in rural locations, 20% and 28%, respectively, compared to urban locations where electricity is used in 9% and oil in less than 1% of dwellings²⁰.

At the same time electricity is three to four times more expensive than mains gas per kilowatt-hour (kWh); and oil, LPG and solid fuels are around twice as expensive per kWh than mains gas. In addition, they come with costs for transportation and minimum spend requirements to buy fuel in bulk. For those on low income in particular, this is an example of an intersection between the rural premium - the higher cost of living rurally - and the poverty premium – the extra costs people on low incomes and in poverty pay for essential products and services, as highlighted to us by Fair By Design in their CPG evidence.

The result is that levels of fuel poverty among households using electricity as their primary heating are consistently higher compared to households using other fuel types. This is compounded by the facts that:

- High prevalence of electric heating means more homes on restricted meters which in turn means less choice of different tariffs for consumers; and
- Oil, LPG and solid fuels are not regulated, and there is minimal competition in the market meaning prices remain high.

¹⁹ Scottish Government, Scottish House Condition Survey: 2019 key findings, 2019

²⁰ Scottish Government, *Poverty in Rural Scotland: A Review of Evidence*, 2021

An Inquiry into Poverty in Rural Scotland - May 2024

- Payment for alternative fuels is often required up front and minimum order levels can be as much as £500. This can be extremely difficult for people on low incomes to budget and plan for.

Energy efficiency

Not only are prices for electricity, oil and other forms of fuel higher than mains gas but dwellings that use these forms of heating have considerably lower energy efficiency ratings on average. This is one significant driver of higher energy use (and therefore cost) for rural households.²¹

The poor energy efficiency of many rural homes is a result of many factors:

- Rural dwellings are, on average, 31% larger than urban dwellings, with little opportunity to downsize due to housing supply;
- Many houses in rural areas are older and built of traditional materials which are more expensive to retrofit and insulate; and
- Larger and more isolated properties are more exposed to the weather.

Changeworks identified a lack of affordable housing as an additional driver of fuel poverty in rural areas. This means people have less choice about where to live, and therefore are more likely to reside in properties that do not suit their needs, including, for example, being too large.

This has particular impacts on key population groups such as disabled people and older people who may need to have the heating on higher and for longer periods.

Energy Use

As well as battling with less energy efficient homes, rural Scotland's cold and wet climate means many households need to use more energy to keep their houses warm and free from damp. As well as this, there are other factors which can drive up energy use for rural households:

- Children and young adults in rural areas rely more heavily on electric equipment to socialise remotely and spend more time in the home compared with urban counterparts, driving up energy usage;
- Rural Scotland has an ageing population, and older age groups have a greater reliance on heating; and
- Self-employment and working from home are both around two to three times more common in rural areas compared with urban areas.

Impacts of fuel poverty

²¹ Scottish Government, *Poverty in Rural Scotland: A Review of Evidence*, 2021

An Inquiry into Poverty in Rural Scotland - May 2024

Fuel poverty means that the cost to heat your home is a high proportion of your income. Clearly, fuel poverty then creates significant pressure on household budgets and therefore the impacts of fuel poverty are likely to be similar to the impacts of low income and poverty more broadly. In addition, evidence provided to this inquiry highlights the specific impacts that difficulty heating your home has on people's health and wellbeing and beyond:

- People living in fuel poverty 'self ration', and as a result live in cold homes with impacts on their health and wellbeing.
- The result for some are restrictions on their day to day lives, for example pensioners who stay in bed to stay warm rather than go out;²²
- Cold homes means an increased risk of respiratory and circulatory problems, with these impacts more severe for young children, the elderly and disabled people; and
- Poor health and fuel poverty are a cycle: poor health can cause fuel poverty through lower income and higher cost of living associated with health conditions – in turn, people in fuel poverty may be restricted in accessing healthcare if they cannot afford transportation costs.

Policy interventions and access to support services

Although there are a range of services and schemes designed to tackle some of the causes of fuel poverty in rural Scotland, there are also barriers to the effective implementation of these schemes in rural areas, some of which are challenges associated with the design of schemes which have not adequately taken into account rural context.

In 2023, the Poverty Alliance were commissioned by Scottish Government to undertake engagement with people who have lived experience of poverty around the just transition and the built environment.²³ Participants told us about their frustration with insulation schemes. Where they had engaged with schemes, many had experienced long delays in receiving support and the need to advocate strongly for themselves in order to ensure work happened. We were told this is particularly challenging in rural and island areas and made much harder if there were multiple contractors involved. For rural homeowners this made the process of getting support stressful and time consuming, but also potentially more expensive, as it was difficult to get multiple quotes. We also heard about the loss of expertise, experience and skills required to service schemes such as insulation and retrofit. This was connected to broader challenges with the inaccessibility of learning and training for communities in more remote and island communities. One participant spoke about

²² Independent Age, *Not Enough to Live On: Pensioner Poverty in Scotland*, 2023

²³ Poverty Alliance, *Get Heard Scotland: Participation of people with experience of poverty in the Just Transition Plan for the Built Environment* (2023) available at [Participation of people with experience of poverty in the Just Transition Plan for the Built Environment - The Poverty Alliance](#)

An Inquiry into Poverty in Rural Scotland - May 2024

an insulation company local to the island where they reside which had to close, creating multiple job losses, because the training to upskill staff to meet new standards could only be delivered in person in the central belt, which came with a prohibitive cost. Without such access to training, the barriers to accessing energy efficiency upgrades in rural communities may be exacerbated in the longer-term.

These experiences were backed up by the submissions from Scottish Federation of Housing Associations and Changeworks who told us that factors such as the dispersed nature of housing stock and higher labour costs in rural area, as well as skills shortages, mean retrofit costs are increased – making it harder for people to make the changes they need to reduce their energy costs. In addition, schemes too often focus on ‘single-measures’ whereas the more effective and efficient approach would be to look at all of the needs of a building at once.²⁴

Moreover, other government measures which have been implemented to reduce the impact of energy price rises such as the Energy Price Guarantee have not been well adapted to rural lives. In particular, these measures have not accounted for the impact of harsher weather, and the reliance on electricity and unregulated fuels rather than gas. The Scottish Government has lobbied the UK Government on behalf of electricity customers, but whilst the needs of users of unregulated fuels were acknowledged, no specific policy asks have been made.²⁵ The UK government did provide an Alternative Fuel payment in the winter of 2022, but Changeworks estimate that the gap between the payment of £200 and the fuel poverty gap is likely at least £800, and probably significantly more.²⁶

The effectiveness of energy support schemes in providing targeted support to rural communities was also criticised by the House of Commons Scottish Affairs Committee inquiry into the cost of living in rural communities who found that: “a system of support more tailored towards the acute pressures faced by rural communities would have been more effective.”²⁷

All of these factors were highlighted in the contributions made by people with lived experience to the CPG. At this session, we heard that there is an urgent need to review and reform standing charges and the process by which people access crisis funds. Changes to the Winter Heating Payment were cited as having particular impacts for rural communities. Under the previous system of the Cold Weather Payment, households were paid £25 for every seven days below seven degrees. Now, payments amount to a total of £55.05 which has resulted in a reduction in income for some areas. A lack of clarity on what support is available to people who are struggling was also highlighted. Some schemes are available only to those claiming social security, and this presents issues as benefit take-up in rural Scotland

²⁴ Changeworks, *A Perfect Storm: Fuel Poverty in Rural Scotland*, 2023

²⁵ Scottish Government, [Energy consumers support](#): Letter to UK Government, November 2023

²⁶ Changeworks, *A Perfect Storm: Fuel Poverty in Rural Scotland*, 2023

²⁷ House of Commons Scottish Affairs Committee, *Cost of living: impact on rural communities in Scotland*, 2024

An Inquiry into Poverty in Rural Scotland - May 2024

is lower than the Scottish average. Given the higher cost of living in rural areas, participants felt there was a need to extend eligibility to those in paid work.

The experience of disabled people in Rural Scotland

Disabled people are at higher risk of fuel poverty. This is because their energy costs are disproportionately high on average as a result of additional energy needs for a range of reasons, including additional equipment, higher use of home appliances and the need for warmer homes to manage pain. Some of these factors are likely to be compounded rurally – for example where disabled people have less access to transport or accessible facilities outside the home, increasing the time spent at home and associated energy costs.

Includem's submission to this inquiry highlighted a UK-wide survey by the Resolution Foundation which found that by the end of November 2022, two-fifths of disabled people (41%) could not afford to keep their homes warm (almost twice the share of the non-disabled population) and nearly half (48%) have cut back on energy use.

This highlights the important challenge for policy makers of combining better approaches to consideration of rural needs alongside better mainstreaming of equalities considerations: a 'rural lens' on policy-making must not assume that all rural experiences are the same.

The politics of energy generation

Submissions to this inquiry and the Poverty Alliance's engagement with groups with lived experience of poverty in rural Scotland, have both pointed to the tension between rural Scotland's role as a net generator of renewable energy, and the high prices rural residents pay for energy. Though some communities benefit from community energy schemes, or from community payments by commercial generators, this benefit is felt unevenly and there is no specific focus on how rural Scotland's capacity for energy production can benefit those at risk of or experiencing poverty.

Recommendations

- The Scottish and UK Governments should introduce rural uplifts in any future energy support packages.
- The Scottish Government should lobby the UK government to provide proper regulation of currently unregulated alternative fuel sources.
- Community energy schemes represent an enormous opportunity for rural communities to benefit from the resources at their disposal. The Scottish Government should provide support to communities to ensure that people on low incomes play a full role in and benefit from schemes.

For discussion

- What Scottish Government analysis is there on the effectiveness of its various energy efficiency schemes for delivering impact specifically for those on low incomes in rural Scotland?

Transport

For people living in rural Scotland, transport is the most significant additional cost compared to people living in urban areas, amounting to an additional £50 per week.²⁸ The submissions we received highlighted transport as a significant issue in rural Scotland, particularly for those living on low incomes.

Transport can act as both an alleviator and exacerbator of poverty. When transport is accessible and affordable, it opens up opportunities for employment, education, socialisation and supports access to essential services. In turn, when transport is inaccessible and expensive it builds significant barriers for people living on low incomes to the ability to meet their basic needs or, for those for whom it is realistic, to their ability to increase their incomes to escape poverty.

In the CPGs lived experience session, we were told that for many in rural communities, poor transport created significant barriers to accessing vital public services. One participant described how, if their child needed to attend a hospital appointment the family would need to take a flight to the mainland, amounting to whole day, or more, for a single appointment. If an overnight stay were required, along with the cost, this could mean three days of lost income.

Poor access to public transport also impacted access to affordable, nutritious food. One participant talked of their limited choices locally and that they would like to buy from the local butcher, but they cannot afford it. At the same time, better value supermarkets were not accessible to them.

²⁸ Scottish Government, *Poverty in Rural Scotland: A Review of Evidence*, 2021

An Inquiry into Poverty in Rural Scotland - May 2024

Private Car Use

Use of a private car is more common in rural Scotland with 75% of people living in remote rural areas and 82% of people living in accessible rural areas relying on driving a car or van to access work and education.²⁹ This is in part due to an inefficient provision of public transport in rural Scotland resulting in 'forced' car ownership. Using a private car is often viewed as the only option for people living in rural Scotland which pushes people living on low incomes into difficult decisions regarding budgets given the high cost of running a private car.³⁰

Individuals in rural Scotland who own cars face the costs associated with extended travel distances needed for commuting to work or education and accessing services. This challenge is intensified for certain groups, such as disabled people. Inclusion Scotland points out in their submissions that disabled individuals may face additional transportation expenses compared to their non-disabled counterparts. This is because they often have to travel more frequently and over longer distances for health appointments, specialised support, and to reach accessible venues.

Public Transport

Individuals living in rural Scotland without access to a private car face significant challenges relying on public transport, which at best can be both expensive and unreliable, and at worst often in short supply or non-existent. This situation creates formidable barriers for those with low incomes in accessing essential services, work, and education. The situation is particularly dire for residents of remote rural areas, where public transport may be entirely absent, as illustrated by a participant in research conducted by Newcastle University:

"Some of these smaller localities, some of these smaller hamlets have got no public transport. If you don't have a car then right now you can't even go to the local shop. Forget the five-mile rule, you can't get anywhere in five miles around here... Right now during Covid, there is no public transport [anyway]."
(Blairgowrie and the Glens, focus group)

Submissions from the Poverty and Inequality Commission emphasise that the lack of public transport directly hampers people's ability to access employment, hindering their potential to increase income and lift themselves out of poverty:

"Living in a rural area, we can't access work easily. You can't get to workplaces on a single [bus ticket] before 9 am. You can't get to an affordable

²⁹ Scottish Government, *Poverty in Rural Scotland: A Review of Evidence*, 2021

³⁰ Poverty and Inequality Commission *Transport and Poverty in Scotland* 2019

An Inquiry into Poverty in Rural Scotland - May 2024

supermarket, so spend more...We are not alone where I live. This is a massive problem in Scotland outside the cities."

Buses

People living on low incomes account for the majority of bus passengers, and bus services and policies thus have a disproportionate impact on people living on low incomes. Bus fares in rural Scotland are higher than those in urban areas, adding to the challenges faced by people with low incomes.³¹ The Poverty and Inequality Commission highlighted issues with rural bus services in their submission. Their working group described the local bus service as 'skeletal,' with some communities having no access to buses for reaching nearby cities or towns due to limited services and routes. Challenges included difficulties in traveling during off-peak periods, such as evenings and Sundays, and unreliable services with sudden cancellations or buses not showing up as scheduled. Demand-responsive transport options were also limited, facing issues like low availability, frequent cancellations, and restrictions on the number of journeys per week. Poverty and Inequality Commission panel members expressed concerns about the potential for isolation and worsening mental health due to these challenges. Additionally, weak rural infrastructure, especially during extreme weather or winter conditions, contributed to service disruptions.

The poor public transport provision has particular impacts on certain population groups such as women, who are less likely to drive or own cars than men, and disabled people. In their submission, Inclusion Scotland noted that additional accessibility barriers for disabled people attempting to use buses, ferries and even taxis in rural areas interacts with an already limited transport provision meaning public transport is not an option for disabled people. These factors put additional pressure on disabled household budgets who may be forced into private car ownership, even if this is unaffordable. Some are unable to access any regular transport.

Ferries

For island and some peninsula populations, ferries represent another significant additional expense. Ferries can be necessary for daily tasks such as work, education and accessing essential services, along with occasional trips to the Scottish mainland for leisure and social purposes. This also encompasses ferry travel between islands for residents of small islands. The state and availability of Scotland's ferries have faced significant scrutiny in recent years, with many submissions to this inquiry underscoring the repercussions of an aged and underfunded fleet. Notable issues include frequent cancellations and the ongoing challenge of balancing the demands of local residents requiring essential services with the desire to attract

³¹ Scottish Government, Poverty in Rural Scotland: A Review of Evidence, 2021 - Page 27

An Inquiry into Poverty in Rural Scotland - May 2024

tourist trips for economic benefit to the local community. Submissions from Nourish Scotland and Tagsa Uibhist noted that because ferry services are often cancelled or delayed because of bad winter weather this continues to have a detrimental effect on food security for the Uist and Barra population.

For women on the Isle of Barra, the Scottish Women's Convention (SWC) highlighted that their ability to access healthcare and other essential services on the mainland was significantly more difficult due to frequent cancellations and inconvenient sailing times. One participant noted difficulties faced by older and disabled people being expected to travel to a ferry port at 6AM in the middle of winter to reach a healthcare appointment on time. For women living in Campbeltown and Kintyre, their ferry provision only exists during summer months which cuts off easy access during Winter. Latterly, even when the service is running during summer, the limited timetable prevents residents from easily accessing the rest of the country.

Infrastructure

Access to transport is supported by good quality infrastructure through well maintained roads, stations and good quality vehicles. In a recent Get Heard Scotland³² panel focused on the Fair Fares review, people living on low incomes in rural areas noted that a lack of trust in the quality of bus fleets made them reluctant to rely on it. Others, particularly women, noted feeling unsafe walking to access public transport highlighting poorly lit roads and a lack of staff (both at ticket offices and on rail carriages in particular) as things that made them nervous and hesitant to use public transport. One participant noted that as a disabled woman, they rarely went out when it was dark due to feeling unsafe on public transport and having a lack of confidence that vehicles would show up.

According to Scottish Women's Convention, transport infrastructure poses a significant concern for women residing in Caithness and the surrounding area, particularly regarding the A9. They expressed worry about the A9 frequently closing, limiting their access to the rest of Scotland, and identified it as an extremely perilous road. The women pointed out that a high prevalence of wildlife, coupled with a deteriorating road surface and risky driving behaviour, creates a hazardous environment.

The situation worsens during winter due to ice and snow, while the summer months bring additional challenges with a surge in tourists visiting for the North Coast 500 (NC500) route. Many of these tourists, traveling in campervans, congest the main road connecting rural communities to the central belt and beyond. One Scottish Women's convention participant remarked on the dangers, stating, "*I think we saw*

³² Poverty Alliance, *Fair Fares Review Supporting Paper 3: Poverty Alliance Report, 2023*, available at [Fair Fares Review \(transport.gov.scot\)](https://transport.gov.scot/fair-fares-review)

An Inquiry into Poverty in Rural Scotland - May 2024

six dead deer on the side of the road...and about four or five overtakes which could have been accidents...it's just so dangerous." Another highlighted the year-round difficulties, saying, "We tend to focus on winter a lot as a difficult time, but summer is difficult now too because of this NC500 route...there's this constant worry that if someone needs to get to the hospital in an emergency to Inverness, they won't be able to."

However, certain groups face more acute difficulties when accessing transport for certain types of trips. A submission from Families Outside highlighted the specific challenges associated with living in a rural area for families affected by imprisonment. They noted that the recent rising cost of fuel was causing significant concern for people living rurally. The longest distance reported by an interviewee to travel to visit a loved one in prison was 560 miles, costing around £550. This was a mother travelling from an island to mainland Scotland and then to an establishment in the central belt. The journey involved a two-night hotel stay, two planes, two trains and two bus journeys as well as travel by car to get to the airport, costing around £550 each time, a journey she made three times a year.

Recommendations

- Rural local authorities introducing franchising or new Bus Service Improvement Partnerships (BSIPS), should ensure that residents with lived experience of living on a low income and the rural premium have a significant role in shaping plans
- Expand concessionary travel to under 25s, people in receipt of low-income and disability benefits, and unpaid carers.
- Integrate our transport systems and expand concessionary travel to include all modes of transport including rail, ferry and tram.
- Ensure that local authority funding enables the design of public transport services and routes which meet the needs of local people, including ensuring rural local authorities funding allocations recognise the rural premium and the transformative potential improved transport would have for rural communities

For discussion

- Franchising would give local authorities the option of greater control over buses – what good practice can be shared about the integration of all forms of rural transport, including community transport and 'demand responsive' schemes?
- What more could the Scottish Government do to promote schemes like car exchanges, shared taxis and dial-a-bus?

Food Access

In their submission, the Poverty and Inequality Commission explained that rural communities face a disparity in the availability of low cost and affordable food in their local areas. A member of the Commission's lived experience panel carried out

An Inquiry into Poverty in Rural Scotland - May 2024

research showing a basket of 10 common household goods available in their local store that was £7.05 more expensive than in a supermarket five miles away. Another panel member noted the challenges faced by people in their rural community in relation to the availability of amenities. They explained that the only option for them was to shop locally in independent shops or a small supermarket branch of a high priced retailer.

Furthermore, concerns were raised about limited access to fresh and nutritious food, as well as clothing and household items. These findings resonate with research on the minimum income standard for remote communities which found that consumers in rural and island locations often face higher costs for accessing food. While superstores in regional towns showed minimal price variation compared to urban centres, small local stores, including Co-ops and independent village shops, consistently exhibited significantly higher prices for food baskets. For instance, community stores on the mainland priced food baskets 44% higher, and on islands, 27% higher than equivalent items in supermarkets.³³

In our fourth evidence session, local Kinross-based charity Broke not Broken spoke of some of the acute barriers to food faced by people in rural Scotland. They included limited choice; additional expense and time to access cheaper supermarkets; the stigma of food bank access; and the impact of poor transport on food options.

Challenges with accessing affordable and healthy food are particularly exacerbated for some island residents. Tagsa Uibhist, in partnership with Nourish Scotland, conducted a study in 2023 to look at the affordability and accessibility of basic fruit and vegetable items in Uist and Barra and to compare these findings with mainland data. Their key findings showed that:

- An 'island premium' exists and produce is 28% more expensive than mainland prices. The total basket cost, to buy all the 17 fruit and vegetable items, in Uist and Barra is £26.64 which compared with £20.80 for a Tesco online shop.
- Island shopping journeys create hidden costs particularly for those without their own transport. Approximately 40% of the community researchers supported by Nourish Scotland did not live in a 10-mile radius of a shop with a further 43% of researchers stating that only one or two were in a 10-mile radius of their home.
- There is a greater impact on families on low budgets or without transport. Islanders have adapted to these challenges by ordering in bulk (online or by travelling to the mainland). However, this is only feasible if you have the financial means and storage to accommodate these larger orders, which will be difficult for those families on a low budget or without access to transport. The Uist and Barra Food Bank has seen a significant rise in families using their service, compared to single adults.

³³Scottish Government, Poverty in Rural Scotland: A Review of Evidence, 2021 - Page 21

An Inquiry into Poverty in Rural Scotland - May 2024

- Island shop staff are trying to ease the burden of the cost of living crisis but in some cases are restricted to centralised ordering and buying systems which don't make any concessions for island communities who have limited shopping options.

These issues of access impact different population groups more than others. For example, Inclusion Scotland highlighted in their response the substantial impact on households with a disabled member. According to the Resolution Foundation, 31% of disabled individuals have had to cut down on their food expenses, compared to 18% of the non-disabled population. The prevalence of moderate or severe food insecurity among disabled people has surged from 8% to 20% since the onset of the pandemic.³⁴ As explored earlier in this report, due to the unaffordability of private transport and the limited availability or accessibility of public transport, disabled individuals are more likely to rely on smaller, local shops, incurring higher food costs. Moreover, online grocery shopping, which is a viable option for many disabled people in urban locations, may not be accessible or may involve prohibitive delivery charges in remote areas.

Access to food also includes emergency provisions, and Inclusion Scotland emphasised that a disproportionate number of individuals accessing food banks are disabled or reside in households with a disabled member. In rural locations, services providing emergency food aid are less readily available and accessible, leaving them without a crucial source of support. These barriers hinder disabled people in rural locations from accessing specialized diets essential for managing medical conditions, significantly impacting their health and wellbeing. Consequently, the cost of living crisis exacerbates the challenges faced by disabled individuals in rural areas when it comes to accessing food, as it drives up the prices of goods and services.

Recommendations

- The Scottish Government should convene food suppliers, supermarkets and other stakeholders (including lived experience groups) to explore solutions to higher food costs experienced by some rural communities.

For discussion

- What is the Scottish Government doing to invest in local food value chains, and how is this impacting on people on low incomes?

³⁴ Resolution Foundation, *Costly Differences : living Standards for working-age people with disabilities*, 2023

Childcare and children and young people

Child Poverty

Looking at the Scottish Government's three direct drivers of child poverty: income from employment; cost of living; and income from social security/benefits in kind – it is possible to see how these are present for many rural families, and this report shows how rurality amplifies these factors for some families.

The latest data shows that 18% of children in rural Scotland are in relative poverty and 12% are in severe poverty after housing costs. However, as with general poverty measures, these figures do not reflect the higher costs to rural households and therefore likely underestimate the experience of poverty and its effects for children. Furthermore, submissions to this inquiry have shown that the data we do have available is not always reliable or up-to-date enough to support vital local efforts to identify children experiencing poverty and target support. This is potentially more of a challenge in rural than in urban contexts, where policy makers and service providers can more reliably use area based deprivation measures to focus their work.

Looking more broadly at the experiences of children and young people, some of the conclusions of an evidence review by Scotland's Rural College in 2020 included:³⁵

- There is a lack of research that focuses exclusively on child poverty in rural areas in Scotland.
- Rural single parents, the vast majority of whom are women, are particularly affected by greater distances to employment and childcare providers, more expensive travel costs and limited access to social housing.
- Educational attainment in rural areas can be affected by higher per capita costs of education provision and local availability of specialist academic or vocational courses.
- Patterns of inequality affect rural youth transitions, with those who cannot leave the local labour market generally reliant on low-qualified, low-paid, part-time/seasonal jobs.
- Personal networks can be pivotal for securing employment and accessing other forms of support in rural areas.
- There is often a lack of availability of social housing and/or affordable, single-person dwellings in rural areas, which can affect young people's housing options.
- Sub-standard and expensive public and private transport infrastructure is a key factor that can exclude rural young people from the education system/labour market.
- Social isolation of young people in rural areas is largely due to a lack of venues to meet and socialise in and/or organised activities to take part in.

³⁵ Glass, J, Bynner, C, Chapman, C, *Children and young people and rural poverty and social exclusion*, 2020

An Inquiry into Poverty in Rural Scotland - May 2024

- Many specialist health/support services are distant from rural communities, creating social inequalities for those who do not have access to their own private transport.
- Although living in a rural area can instil a sense of identity and pride in children and young people, families on low incomes can be stigmatised within 'idyllic' rural settings.

Childcare

We heard clearly in evidence submitted to the inquiry that access to childcare is a significant problem for rural parents and that the difficulties accessing, or affording, childcare is both a driver of poverty and a source of significant stress and distress for families experiencing poverty. Poor access to childcare is a barrier for parents to accessing employment, whether this is a result of a straightforward lack of any local childcare provision which would allow them to go to work; the cost of provision being too high for those on low incomes; or a lack of flexibility from employers and childcare providers, making travel arrangements either unfeasible or too costly. These issues are particularly pertinent for women, who account for the majority of single parents and are more likely to be primary caregivers. Recent evidence has highlighted that the average monthly cost of childcare for parents of under twos in Aberdeenshire is £1,341.98.³⁶

The Scottish Women's Budget Group (SWBG) conducted a survey into childcare in 2023, aiming to highlight the particular challenges faced by women who have childcare responsibilities during the cost of living crisis. One respondent stated: *"Finding childcare in rural areas is nightmarish and feels very much like an urban/rural inequality. We are entirely reliant on one person in the village, and if (and when) she retires, I have no idea what we are going to do. We don't live near family, so she is our only childcare support... we are still in a financially precarious position because of childcare and the astronomical rise in cost of living".*

This response is indicative of the challenges facing rural families across Scotland. It is also clear that, whilst the impact of this is felt by children, families and communities as a whole, it is more often than not mothers who experience the most direct impact – whether through loss of income, increased stress or social isolation. The provision of childcare in rural areas also can be the determinant as to whether women can enter paid work, and how many hours they can work. In this way, childcare provision traps many women and their children in poverty.

The results of the SWBG survey showed that, along with issues of availability, accessibility and affordability of childcare – these challenges were amplified by a lack of family support, as well as poor transport options. The survey found that:

³⁶ Martinez, Carmen (2024) 'Extortionate Aberdeenshire childcare prime example of how women are being driven into poverty', *Press and Journal*, 7th March 2024, available at [Childcare cost: Aberdeenshire women are being driven into poverty \(pressandjournal.co.uk\)](https://www.pressandjournal.co.uk/news/aberdeenshire-women-being-driven-into-poverty)

An Inquiry into Poverty in Rural Scotland - May 2024

- During term-time, 38% of women found accessing childcare difficult and 24% found it very difficult.
- During holidays, 37% of women found accessing childcare difficult and 32% found it very difficult.
- 47% of women had to make changes to other areas of household spending to manage childcare costs.
- 37% are struggling to manage childcare costs.
- More than three-quarters (78%) agreed that increases in other household costs such as rent, electricity & food have impacted ability to meet childcare costs.

Recommendations

- The Rural Delivery Plan should include a targeted strategy to ensure adequate delivery of the 1140 hours entitlement in rural Scotland, including a focus on flexibility.
- The Care Inspectorate should work with rural local authorities to explore adaptations to guidelines which currently restrict efforts to expand childcare rurally.

Digital Access

Good broadband speeds are essential for almost all aspects of modern life and particularly for accessing employment and public services, especially so in a context where face to face services are being depleted. For example, Fair By Design highlighted the experiences of bank branch closures in rural Scotland and the related challenges and additional costs to access cash in rural areas. We also heard this in the input from people with lived experience to the CPG, who told us that the closure of banks and post offices effectively limits access to these services if digital infrastructure, or digital knowledge and skills, are poor.

Unfortunately, access to high-speed connections in rural areas lags behind the rest of Scotland: 99% of Urban Scotland has Superfast broadband coverage compares to 79% of rural Scotland.³⁷

As well as general impacts on access to employment and services, there are specific dynamics to digital exclusion which can impact people at risk of or experiencing poverty. For example, it presents particular challenges in accessing the benefits system which is increasingly digitised and centralised and may be one of the drivers of the low uptake of benefits in rural Scotland.³⁸ In their submission to the CPG, the

³⁷ Ofcom, Connection Nations: Scotland Report, 2023

³⁸ Shucksmith, M, Chapman, P, Glass, J and Atterton J: *Rural Lives: understanding financial hardship and vulnerability in rural areas*, 2021

An Inquiry into Poverty in Rural Scotland - May 2024

Scottish Women's Convention reported that women in Barra have said that they are worried that the increasing digitisation of health services, combined with a postcode lottery in digital connectivity will hinder access to this crucial service.³⁹ In addition, digital infrastructure is required for the installation of smart meters for domestic energy use, which can help manage and reduce bills. Rural households, who are much less likely to have smart meters are as a result also not able to benefit from rewards like flexible tariffs, or incentives to reduce energy use during peak times.⁴⁰

Health and social care

As part of the inquiry, we hosted a discussion between MSPs and individuals who have experienced living on a low income in rural Scotland. As has been demonstrated in other areas of this report, there were distinct differences between participants from mainland rural areas and those from islands. Island residents emphasised the challenges posed by inadequate healthcare provision, often requiring multiple days off work and significant travel expenses to access healthcare on the mainland. This not only incurs costs, but also results in reduced incomes due to fewer working hours. For individuals with low incomes, this dilemma forces a choice between earning money and accessing essential healthcare, potentially leading to delayed diagnoses and worsening health outcomes.

Underpinning issues with accessing healthcare, recruiting healthcare professionals was identified as a significant issue, with the lack of services, affordable housing, and lower salaries acting as deterrents for practitioners considering working in island locations. Panel members in the Poverty and Inequality Commission's submission expressed concerns about the additional costs associated with traveling to mainland hospital sites. While the panel acknowledged examples of health boards providing travel warrants for ferry or air travel to the mainland, they noted challenges with other related costs, such as upfront payment for taxis and overnight accommodation, along with delayed and administratively burdensome expense claims.

Continuity of care was identified as a key concern, with panel members expressing deep concerns about the support provided to unpaid carers. They pointed out the low award of carers allowance (£69.70 per week) and eligibility restrictions, excluding students studying more than 21 hours and those earning over £132 per week. Despite many unpaid carers living on low incomes, they were not specifically included in the UK Government's cost of living support package. As a result, individuals in rural communities faced increased costs without receiving additional financial assistance. Panel members highlighted research showing that unpaid carers in Scotland save the government £43 million every day. The above issues

⁴⁰ Changeworks, A Perfect Storm: Fuel Poverty in Rural Scotland, 2023

An Inquiry into Poverty in Rural Scotland - May 2024

obviously have a compounded impact on disabled people and those with terminal illnesses.

Marie Curie's submission highlighted challenges in palliative care access and delivery in rural Scotland. These issues can be grouped into four key areas, each of which resonate strongly with the themes and findings of this report:

- **Availability** of resources, including workforce and connected to challenges in recruiting and retaining staff;
- **Accessibility** with transport identified as central to these challenges;
- **Accommodation** including the conditions of rural homes not being suitable for receiving care; and
- **Affordability** costs associated with terminal illness can range from £12,000 to £16,000 per year – when combined with the higher cost of living rurally this can be unaffordable for many.

Mental health

The relationship between mental health and poverty is cyclical. You are more likely to live in poverty if you have poor mental health, and more likely to live with mental health problems if you live in poverty. This becomes particularly challenging in the context of gaining and retaining secure, well-paid employment. In a rural context, geographical barriers manifest in limited access to physical services, and digital isolation due to poor broadband connectivity hampers online support. Moreover, issues such as a lack of digital skills or confidence, coupled with past experiences of cyberbullying, act as additional barriers.

Advice Direct Scotland (ADS) noted that people living in rural areas are more likely to experience social isolation and are particularly vulnerable to supply shortages for services like welfare advice, money advice, and crisis support like foodbanks. They noted that there is a lack of concern in wider public discourse for the impact that rural isolation has on poverty, with rurality often being ignored when the causes of poverty are discussed. This is in part due to assumptions that poverty does not exist in rural locations. Individuals experiencing poverty in rural areas are therefore left without support, often attempting to conceal their income status due to shame and fear of judgement. With regards to debt, Christians Against Poverty noted in their submission to the CPG on Poverty's report into poverty-related stigma that there can be a heightened sense of embarrassment or fear of your financial situation being found out in rural Scotland.⁴¹ People in rural areas are fearful of being seen accessing debt advice or support by someone in their town or village.

In session four of our inquiry, Change Mental Health presented their findings on mental health in rural Scotland. Results from a lived experience survey underscore

⁴¹ Cross Party Group on Poverty, Report of inquiry into poverty-related stigma in Scotland, Available at: www.povertyalliance.org/cross-party-group-on-poverty-report-of-inquiry-into-poverty-related-stigma-in-scotland/

An Inquiry into Poverty in Rural Scotland - May 2024

that a lack of anonymity poses a significant barrier to seeking support for mental health issues. The preference is for community-based, non-clinical assistance from trusted individuals and settings, especially in the pre-crisis phase, aiming to circumvent the need for long journeys. The intersection of rural mental health and poverty reveals a complex relationship, with geographical factors exacerbating poor mental health. This interconnects with provisions of public services such as transport. RSABI⁴² in their response noted that they regularly observed the impact of travel expenses and the scarcity of public transport in rural regions its impact on mental health. Certain individuals expressed a desire to visit their local village or town, yet the high cost of fuel and inadequate public transport compelled them to remain at home, intensifying feelings of loneliness and isolation. Additionally, their survey of young farmers at the Royal Highland Show revealed that 15% identified the cost as a hindrance to socializing, adversely affecting their mental health.

Contextually, a significant portion of mental health support comes from third sector organisations. Change Mental Health noted that the surge in the number of individuals requiring support, coupled with a broader spectrum of issues and heightened levels of need, poses challenges for frontline workers. Navigating these multifaceted obstacles becomes crucial to address the complex interplay between mental health and poverty in rural Scotland.

Role of voluntary sector

The voluntary sector plays a key role in rural communities, and in particular in supporting people experiencing or at risk of poverty. The Rural Lives report, which looked at experiences in rural communities in Scotland and the North East of England found that Voluntary Community or Social Enterprise (VCSE) organisations are often the 'first port of call' for those experiencing hardship and, for some, seen as their only source of support.⁴³

However, VCSE organisations across the country have suffered as a result of public spending cuts which have reduced funding for the voluntary sector, whilst there has been increasing demand for their services during Covid-19 and the cost of living crisis. Organisations in rural areas will often be one of a small number locally, or even regionally, which may contrast with some urban communities with more extensive voluntary sector infrastructure. This means rural organisations will sometimes cover large distances to meet community needs, particularly in cases where state support has dropped away.

The challenges of this for small organisations with insecure funding and often reliant on volunteers are significant. As well as suffering as a result of cuts to the overall funding available to the third sector, rural organisations report that funders can be

⁴² Formerly the Royal Scottish Agricultural Benevolent Institution

⁴³ Shucksmith, M, Chapman, P, Glass, J and Atterton J: *Rural Lives: understanding financial hardship and vulnerability in rural areas*, 2021

An Inquiry into Poverty in Rural Scotland - May 2024

skewed towards urban perspectives– for example by prioritising projects which reach high volumes of participants or service users.⁴⁴ Furthermore, funders do not necessarily recognise the higher costs associated with delivering services (e.g., transport and energy costs) into the awards they make to rural projects.⁴⁵

Beyond funding, rural third sector organisations are also impacted by challenges in accessing suitable spaces and reduced opportunities to network with other organisations. Crucially, rural organisations are particularly concerned about the immediate term impact of the cost of living crisis on their ability to recruit and retain volunteers, and – in the longer term – the impacts of demographic changes on their volunteering base. These issues again underscore the importance of fair and sustainable funding of three years or more for the third sector.

Despite these challenges, the third sector remains a vital and innovative source of support and strength for rural communities and some rural organisations have the potential to benefit from their rurality, for example approaches to fundraising via community assets such as windfarms.⁴⁶

Recommendations

- As per recommendations set out by the Scottish Council for Voluntary Organisations, the Scottish Government should introduce fair and sustainable funding of three years or more for the third sector.
- Explore opportunities to build-in rural uplifts into third sector grants and funding awards (including by independent funders).

Welfare and social security

This report has detailed the impact that the higher cost of living in rural Scotland has on people on low incomes, and communities more broadly. This clearly raises questions about how adequately the social security system reflects these costs and supports people living on low incomes to afford a decent and dignified standard of living.

There are two other factors which particularly limit the effectiveness of our welfare and social security system in combatting poverty in rural Scotland as benefit levels do not reflect the cost of living rurally; and benefit take up is significantly lower in rural areas.

⁴⁴ Changeworks, *A Perfect Storm: Fuel Poverty in Rural Scotland*, 2023

⁴⁵ Health and Social Care Alliance Scotland, *Stretched to the limit: Scotland's Third Sector and the cost of living crisis*, 2023

⁴⁶ Shucksmith, M, Chapman, P, Glass, J and Atterton J: *Rural Lives: understanding financial hardship and vulnerability in rural areas*, 2021

Benefit levels

At the most basic level, as there is no geographic variation in the level of benefits paid either by the Department of Work and Pensions or Social Security Scotland, it is clear that the system does not respond to the reality of lives in rural Scotland. We also know that benefit rates, even without taking into account the higher cost of living for some, are not enough to lift people out of poverty: 49% of people in families in receipt of Universal credit are in poverty.⁴⁷ For others, such as those in receipt of Carer's allowance (34% of whom are in poverty) and Disability benefits (20%), evidence submitted to this report by the Poverty and Inequality Commission suggests that the additional costs they already face (which benefits are in theory intended to support with) are likely to be higher again in rural Scotland.

Benefit accessibility and design

In addition to the fact that benefit levels are not high enough, claimant rates for people in rural areas who are eligible for benefits are lower – which means people are going without support which they need and are entitled to.⁴⁸ The Rural Lives report identifies key reasons for this:

- Increased likelihood of irregular incomes (e.g., from seasonal work) create a risk of overpayments of benefits, followed by clawbacks which are “too rapid for low budget households to withstand”;
- Digitisation and centralisation of benefits services particularly disadvantage rural claimants who are more likely to face barriers to access;
- There are lower levels of social housing tenants, with private tenants less likely to receive information and support from landlords; and
- The report outlines a sense of “stronger cultures of independence and self reliance...allied to different subjective assessments of poverty and hardship”. This may compound experiences of poverty-related stigma.

A number of submissions to this inquiry have highlighted the role that stigma can play in rural communities (though by no means exclusively in rural communities) and the general issue of stigma explored in depth previously by this CPG. The CPG on Poverty's stigma inquiry found that both affluent areas and rural locations are spaces where it is assumed that poverty does not exist or is minimal. Individuals experiencing poverty in these areas often feel a greater sense of shame; feel pressured into concealing their financial worries; and face additional difficulties in

⁴⁷ JRF UK, *Poverty 2024: the essential guide to understanding poverty in the UK*, 2024 - Page 87

⁴⁸ Shucksmith, M, Chapman, P, Glass, J and Atterton J: *Rural Lives: understanding financial hardship and vulnerability in rural areas*, 2021

An Inquiry into Poverty in Rural Scotland - May 2024

accessing suitable support.⁴⁹ As well as the social and psychological impacts of stigma, it is likely to contribute to low benefit take up in rural Scotland.

A Minimum Income Guarantee (MIG) for rural Scotland

A Minimum Income Guarantee is a simple yet potentially transformative idea. It would guarantee that everyone in Scotland could secure a minimum acceptable standard of living and ensure that everyone has enough money for housing, food, and essentials, enabling people to live a decent, dignified, healthy and financially secure life. The Minimum Income Guarantee is more than just a social security proposal and is made up of several complementary parts. It would be delivered through reform to our public services, changes to the world of work, and improvements to social security, including a targeted payment for anyone that falls beneath the Minimum Income Guarantee level.

Nonetheless, the higher cost of living in rural Scotland poses challenges and questions for the development and implementation of a MIG – most notably whether or not there should be higher payments in rural areas. At the Poverty Alliance's annual conference in November 2023, we ran a session focussed on the challenges and questions for potential implementation of a MIG in rural Scotland. Conclusions from participants included:

- Support for the idea of piloting the MIG it in rural communities, rather than 'rural proofing' which was interpreted as retrofitting policies to adapt to rural contexts.
- 'Distance from services' was a potentially powerful measure to help quantify elements of rural experience which would need to be taken into account in designing a place based MIG.
- Whilst the MIG could help with some of the drivers of rural poverty, it would need to be combined with efforts to 'unlock' additional costs, including public transport and childcare.

Importantly, we also heard about the enormous strengths and assets of rural communities. It was suggested that the stabilising effects of a MIG could be particularly beneficial for the ecosystem of microbusinesses which exists in many rural and island communities, supporting this vibrant part of rural life. Rather than one-size-fits-all approaches (which would inevitably be designed around urban experiences), the MIG must be implemented in such a way that it can respond to the specificities of place – both strengths and challenges. Place-based approaches were seen as critical, with any piloting of the MIG including pilot schemes in different rural communities, to reflect the diversity of experience.

⁴⁹ Cross Party Group on Poverty, Report of inquiry into poverty-related stigma in Scotland, Available at: www.povertyalliance.org/cross-party-group-on-poverty-report-of-inquiry-into-poverty-related-stigma-in-scotland/

Recommendations

- The Rural Delivery Plan should include measures to significantly increase benefit take up in rural communities.
- The Scottish Government should explore the possibility of piloting the Minimum Income Guarantee in a rural area.
- The Scottish Government should ensure that, where possible, face-to-face provision of welfare advice and support is available, alongside digital or phone provision

For discussion

- What evidence and data is there around best practice in the encouragement of benefit take up / income maximisation in rural communities? Are there areas proving particularly effective at this?

Conclusion

This inquiry has shown the complexity and interconnected nature of a range of policy problems facing rural Scotland generally, all of which create further challenges for those in rural communities who are on low incomes or at risk of poverty.

At the heart of many of the challenges highlighted in the submissions we received were the following common threads:

- The additional cost of living faced by rural communities is a distinctive feature of rural poverty and is not currently reflected in general policy or in anti-poverty policy;
- The two most significant drivers of additional costs are transport and energy;
- Cost of living pressures combined with the challenges of geography create additional barriers to accessing public services and we heard that access to childcare rurally is a particular concern.

Implications for policy-making

This report and these common threads show that:

- We need an anti-poverty strategy which takes much better account of rural experiences; and
- We need key rural policy (i.e., the forthcoming Rural Delivery plan) to be developed with an anti-poverty lens.

Both of these policy perspectives will need to include focussed, ambitious and joined up plans to tackle the key structural causes of poverty in rural Scotland. The CPG

An Inquiry into Poverty in Rural Scotland - May 2024

has heard that transport; energy; and childcare should be among the early policy priorities.

Alongside action to address these issues, there remains a clear need for further research and evidence relating to the dynamics of poverty in rural Scotland, including who is experiencing it, where, what drives it and – crucially – what is working to combat it.

Appendix – Submissions to the Inquiry

We want to extend our thanks to everyone who contributed to this inquiry by sharing their experiences and expertise. A special thanks to those individuals who shared their own experiences of rural poverty and to those individuals who took part in the discussion event with MSPs. We are grateful for the support of Paul O’Kane MSP in his capacity as convenor of this Cross Party Group.

Organisations who presented at inquiry sessions:

- Highlands and Islands Enterprise
- Scottish Rural Action
- Impact Hub Inverness
- Scottish Federation of Housing Associations
- The Improvement Service
Fair By Design
- Fraser of Allender Institute (on behalf of the Serving the Future Project)
- Shetland Island’s Council
- Change Mental Health
- Scottish Women’s Budget group
- Broke Not Broken

The CPG on Poverty received written submissions to this inquiry from:

- Newcastle University
- Scottish Women’s Budget Group
- Changeworks
- Poverty and Inequality Commission
- Inclusion Scotland
- The Improvement Service
- Tagsa Uibhist
- Shetland Islands Council
- The James Hutton Institute
- Scotland’s Rural Collage (SRUC)
- Fairer Moray Forum
- The David Hume institute
- Marie Curie
- Independent Age
- Families Outside
- Health and Social Care Alliance Scotland

