

# A MINIMUM INCOME STANDARD FOR REMOTE RURAL SCOTLAND

Summary and key findings



Highlands and Islands Enterprise  
Iomairt na Gàidhealtachd 's nan Eilean



---

The sustainability of communities in remote areas of Scotland depends on people being able to afford to live there. This pioneering research has assessed how much it costs for households in these communities to achieve a minimum acceptable standard of living. It uses a well-established measure that allows comparisons with the rest of the UK and is rooted in the views of local people about what constitutes an acceptable living standard.

---

---

#### **BACKGROUND**

This report calculates how much it costs for people to live at a minimum acceptable standard in remote rural Scotland. It builds on research elsewhere in the UK on the Minimum Income Standard (MIS), which is based on the minimum budgets required by various types of household. The research involves detailed discussions with members of the public about what should go into a minimum household 'basket' of goods and services, supported where relevant by expert knowledge, for example, on nutritional and heating standards.

The research considered living costs in remote rural Scotland in the context of the fragility and sustainability of local communities and the ability of pensioners, working-age adults and families with children, on a range of incomes, to live satisfactory lives there.

# SUMMARY AND KEY FINDINGS

---

---

## KEY FINDINGS

- The budgets that households need to achieve a minimum acceptable living standard in remote rural Scotland are typically 10-40 per cent higher than elsewhere in the UK.
- These premiums are most modest for pensioners and greatest for single people and families supporting children.
- For households living in the most remote island locations, too far from towns to make regular shopping trips and those relying on heating oil in older homes, additional costs can be even greater than 40 per cent.
- The three principal sources of this premium are:
  - the higher prices that households must pay for food, clothes and household goods;
  - much higher household fuel bills, influenced by climate and fuel sources;
  - the longer distances that people have to routinely travel, particularly to work.
- The influence of these three factors varies considerably by household type. For singles, the most important factor is the cost of a long commute, which is particularly high relative to the budget for a single person. For pensioners, it is a combination of higher household fuel bills and having to buy many goods locally or by mail order. These differences reflect the different costs incurred by more and less mobile households.
- These costs make it much harder for people on modest incomes to make ends meet. A single person in a Highland town, for example, would need to earn nearly 90 per cent of average UK earnings to reach a minimum living standard, whereas in an urban area of England they could reach that standard on two thirds of average earnings.
- A single person on basic benefits has less than a third of what they require. A pensioner on the minimum Pension Credit falls at least around 10 per cent short and considerably more if they live in the most remote areas.



---

## METHOD

At the core of the research were 24 groups of residents in different parts of remote rural Scotland deliberating in detail over what items households in their communities need as a minimum. The groups were divided between the Highlands, remote Southern Scotland and the islands. They considered the different needs of people in rural towns and in remote small settlements and separate groups looked at the needs of pensioners and working age households (including those with children). Participants came from a wide range of backgrounds to represent a cross-section of each community.

Each group considered what things a household has to be able to afford for a minimum standard of living, defined as follows:

'A minimum standard of living in Britain today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.'

The baskets of goods and services identified by the groups were carefully costed by the researchers at retail outlets and other suppliers identified as appropriate by the groups.

---

## DIFFERENCES IN COSTS

For the most part, people in remote rural Scotland have similar ideas about what constitutes a minimum acceptable living standard as people elsewhere in the UK. However, in some cases the ways of achieving it are somewhat different and in many cases living in remote rural Scotland makes the basket more expensive:

Food costs about 10 per cent more in supermarkets in remote rural Scotland and considerably more than this in local stores. Some remote rural households live close enough to towns to mix supermarket shopping with local top-ups and need to spend 10-20 per cent more on food overall than in urban Britain. In the most remote island communities, reliance only on local stores can add over 50 per cent to the food budget.

Clothing and household goods cost more at stores in remote parts of Scotland and sometimes need to be ordered, with significant delivery charges. Also, some additional items such as warm outdoor clothing and chest freezers for storing meat are considered essential. The overall budget, in most cases, for these items is about 20 to 30 per cent higher than elsewhere in the UK. For pensioners living on islands, who may not have access to internet shopping and who spend relatively more in local stores and on catalogue orders, the additional cost is even higher.

Transport costs are much higher than elsewhere for working age households. Longer commutes to work combined with more expensive petrol, typically adds £30-£40 a week to costs when compared with rural areas of England. Where someone needs to travel between islands to access work, ferry trips can add as much again and for others living on islands there is a

significant ferry cost in accessing an annual holiday. For pensioners, on the other hand, who are less mobile and who go free on ferries as foot passengers, travel costs can be similar to other rural areas of the UK.

Social participation can take different forms to other parts of the UK, especially in remote small settlements where activities tend to be more locally focused, with more community-based activity and less paid-for recreation such as going to the cinema or leisure centre. However, community participation can itself bring significant costs, such as paying for the use of village halls and support for local fundraising events. Overall, the cost of leisure is therefore similar to other parts of the UK.

Household fuel costs much more as a minimum than in other parts of the UK because most areas are not on mains gas, because of the severe climate and for smaller households in remote settlements, because flats are unavailable and they must face the additional cost of heating a house. In towns, minimum fuel bills are estimated to be 50-90 per cent higher, while households without children in remote settlements pay more than twice as much as elsewhere in the UK. These assume people live in well insulated, relatively new social housing, but those in privately rented, older homes heated by oil can face fuel costs 25-50 per cent higher again than those in social housing.

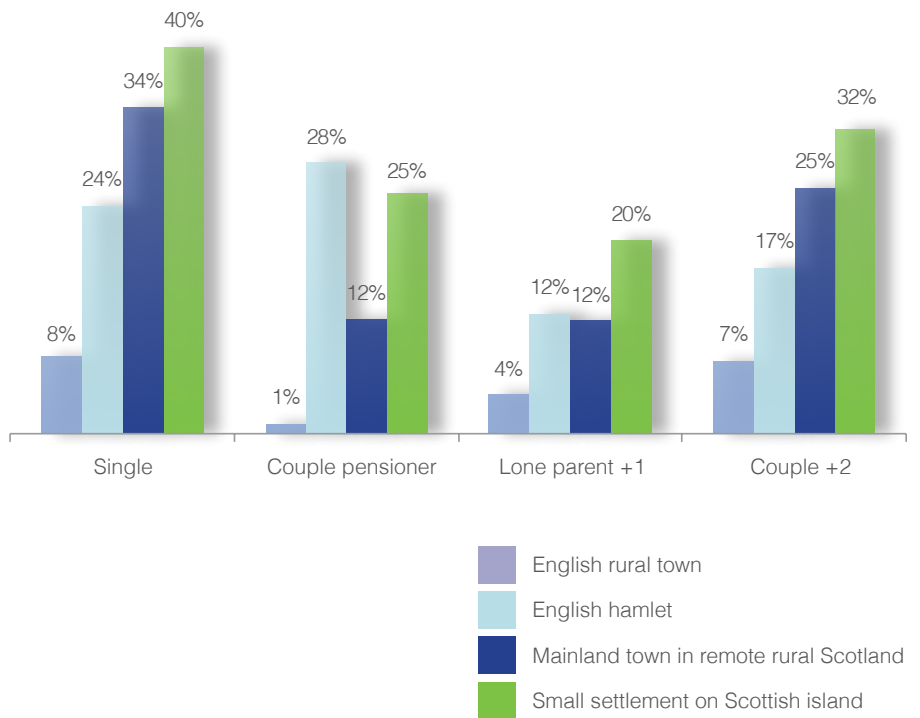
Lower costs for a few items only do a small amount to offset the above additional expenses. Rents, council tax and water bills tend to be lower than elsewhere in the UK and as in other parts of Scotland, but not England, prescriptions and eye tests are free.

**MINIMUM OVERALL REQUIREMENTS**

Typically, the minimum cost of living in remote rural Scotland ranges between 10 per cent and 40 per cent more than the equivalent in urban Britain, as shown in Figure 1. The cost of living in a rural town is consistently more expensive in remote Scotland than in England, by up to 25 per cent. Comparisons of living in remote small settlements are more variable and for pensioners living on islands, who are not very mobile and so have low transport costs, a minimum household budget is in some cases similar to that of English hamlets. However, where islanders have no access to supermarkets the cost of living can be particularly high, relative to anywhere else in the UK.

Social security benefits do not cover the cost of living in remote rural Scotland although they get much closer for pensioners, where they can cover up to 90 per cent of requirements. For working age people without children they cover only a third and for families with children, they get about a half of what they need. The minimum wage only produces about two thirds of a minimum income for a single person living in remote rural Scotland. For an adequate income, a single person needs to earn about 90 per cent of the median, whereas in urban parts of the country, someone on two thirds average earnings has enough.

Figure 1 - Additional costs compared to urban UK households



---

## CONCLUSIONS

This study has found that households in remote rural Scotland require significantly higher incomes to attain the same minimum living standard as those living elsewhere in the UK. These high living costs threaten the sustainability of local communities by making it harder for people from a range of backgrounds and ages to live there at an acceptable standard.

Tackling particular sources of higher costs could make a big difference to certain households. For example, enabling a single person in a Highland town to work closer to where they live could wipe out two thirds of the difference in their costs compared to living in an English rural town. Helping pensioners living on islands to get online could widen shopping choices and reduce the additional cost of buying clothes and household goods, which are their most significant additional expense.

Making services more accessible to people in remote areas would add to their quality of life, but would do relatively little to reduce the minimum cost of living. High prices are overall a more significant factor than remote amenities in driving additional costs.

It is worth noting that social interventions already prevent costs for people in remote rural Scotland from being even higher. These include free pensioner travel by bus and ferry, social housing that keeps rent and fuel bills down and free prescriptions and eye tests. This report identifies areas where extending such support to contain households' costs could help enable more households in remote rural Scotland to reach a minimum acceptable living standard.



Highlands and Islands Enterprise, Cowan House,  
Inverness Retail and Business Park,  
Inverness IV2 7GF, Scotland

t. +44 (0)1463 234171  
f. +44 (0)1463 244469  
e. [info@hient.co.uk](mailto:info@hient.co.uk)

**Report produced by:**

Centre for Research in Social Policy, Loughborough University  
Centre for Remote and Rural Studies, University of the Highlands and Islands  
University Campus Suffolk

Donald Hirsch, Amanda Bryan, Abigail Davis and Noel Smith, with contributions from Jo Ellen and Matt Padley

**On behalf of:**

Argyll and Bute Council  
Chartered Institute of Housing  
Comhairle nan Eilean Siar (Western Isles Council)  
Highland Council  
Highlands and Islands Enterprise  
Moray Council  
Rural and Island Housing Association Forum  
Scottish Enterprise  
Scottish Federation of Housing Associations  
Shetland Islands Council

