



**Response from the Experts by Experience Panel of the Poverty and Inequality Commission
to
the Scottish Affairs Committee’s call for evidence on ‘Cost of living: impact on rural communities in Scotland’**

1. Background

Experts by Experience Panel

In 2021 the Poverty and Inequality Commission¹ established an [Experts by Experience Panel](#). The purpose of this Panel is to shape and support the Commission’s work in developing and providing **advice, scrutiny, and advocacy** on poverty and inequality in Scotland.

The Panel is currently made up of 16 people with lived experience of poverty and inequality who are:

- from across Scotland, based in cities, towns and rural areas
- diverse in terms of their identity and experiences of poverty
- from groups most likely to experience poverty in Scotland

A short working group made up of 3 Panel members with experience of rural issues was formed to submit to this call for evidence on the Panel’s behalf. These members in turn engaged with other experts by experience Panel members as well as their networks to enable a range of views to be fed into this submission.

2. Responding to the call for evidence ‘Cost of living: impact on rural communities in Scotland’

This response draws primarily on the discussion and input at meetings of a short working group of the panel, alongside input from other experts by experience panel members and engagement with wider networks of individuals living in rural areas.

¹ The Poverty and Inequality Commission is a statutory body. It was established on 1 July 2019 and is an advisory non-departmental public body which provided independent advice and scrutiny to Scottish Ministers on poverty and inequality. More information about the Commission is at: <https://povertyinequality.scot/>

The working group agreed to focus its comments in relation to the following 4 areas:

- **The particular challenges facing Scottish rural communities in relation to the cost of living compared with other areas of the UK**
- **To what extent recent UK Government cost of living support measures meet the needs of rural populations in Scotland**
- **Whether UK Government cost of living support could be better tailored to meet the needs of rural communities in Scotland**
- **Any further steps the UK Government could take to support Scottish rural communities in relation to the cost of living.**

3. The particular challenges facing Scottish rural communities in relation to the cost of living compared with other areas of the UK

3.1 Costs

Panel members emphasised concerns with the costs faced by communities living in rural areas.

“I have been struggling recently with the cost of food ... it’s the cost of oil, the cost of petrol. There are three buses per day into town where I am and I need a car.”

Food prices

Rural communities face a disparity in the availability of low cost and affordable food in their local areas. A member of the Panel carried out research which showed a basket of 10 common household goods available in their local store was £7.05 more expensive than in a supermarket that was 5 miles away. This links to previous research that showed higher weekly food costs for island and remote rural communities.²

Another Panel member noted the challenges faced by people in their rural community in relation to the availability of amenities. The only option for them was to shop locally in independent shops or a small supermarket branch of a high priced retailer. They also had concerns about the limited range of fresh and healthy food as well as clothes and household items. Some rural areas also incurred higher delivery charges for ordering items online.

² [Poverty in rural Scotland: evidence review - gov.scot \(www.gov.scot\)](http://www.gov.scot)

Heating & Fuel

As noted in previous research, households in remote rural communities are more likely to be in extreme fuel poverty³ due to dependence on more expensive fuel types such as oil heating and electric storage heating and by not being connected to the gas grid, whilst also potentially living in less energy efficient housing. This was a challenge mentioned by Experts by Experience Panel members.

The Experts by Experience Panel has also identified a gap in support for those using off-grid fuel, such as heating oil, gas canisters or solid fuels. The 2019 Scottish House Condition Survey⁴ found that 8% of homes in Scotland do not use mains gas or electricity, with 5% using oil as their primary fuel. Prices of oil have continued to rise and there is less regulation of off-grid fuel costs such as oil and LPG than there is for on-grid fuels. This lack of regulation means that there is no price cap and prices can change between order and delivery.

“Buying 1,000 litres, you’ll get a much better rate than buying 500 litres but most companies don’t allow you to pay, for example, a monthly direct debit like lots of people do with gas and electric. In order to get the best prices you have to pay up front.”

The £400 Energy Bills Support Scheme – Alternative Funding (EBSS AF) payment, which was due to open for off grid users in January 2023, has at the time of writing been delayed further to end of February 2023, Panel members thought this would cause further hardship. Panel members also noted concerns about the complexity of applying for the scheme when it does open.

Panel members also raised concerns that the £200 announced for Alternative Fuel Payments to help UK households had not been given out, as people were still awaiting payment of this amount during a difficult winter period. They also raised concerns around a lack of clarity on the criteria for payment of this award.

Additionally, eligibility for the warmer homes discount of £150, changed⁵. Many people on disability benefit assistance are now ineligible for this support, which is contributing further to hardship for vulnerable communities, including those living in rural communities. As part of the UK Government’s cost of living announcements, disabled people not on other qualifying means-tested benefits received limited support of a one off fixed £150 payment, which is the amount they would have received from the Warmer Homes discount. Therefore in effect, some disabled people received no additional support from the package.

³ [Scottish house condition survey: 2019 key findings - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2020/06/Scottish-house-condition-survey-2019-key-findings.pdf)

⁴ [Scottish House Condition Survey - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2020/06/Scottish-house-condition-survey-2019-key-findings.pdf)

⁵ [Cost of living: Expanded energy bill discount scheme under way - BBC News](https://www.bbc.com/news/health-57444444)

There was also concern noted by Panel members in changes to Universal Credit⁶, not only the minimum hours of work (12 hours to 15 hours per week) before people had to increase earnings or risk losing benefit, but also changes to the Administration Earning Threshold (from £494 to £618 a month for single claimants and £782 to £988 a month for joint claimants). This means those working below these amounts would be categorised into the intensive work search grouping. Whilst appreciating considerations were made for those unable to work due to disability, health conditions or childcare commitments, Panel members felt the impact on rural areas of these changes was more profound due to the more limited employment opportunities and lack of transport options.

Whilst Panel members appreciated the replacement Cold Weather Payments scheme in Scotland (Winter Heating Payment)⁷ benefitting more people facing fuel poverty than the predecessor scheme, there were concern from Panel members that the new scheme with a fixed one off payment of £50, resulted in rural households missing out by getting less during multiple cold winter spells.

“Most rural areas would already have seen 3 or 4 awards of £25 rather than the £50, which is also not due until February.”

Panel members also noted concerns about people being force fitted with prepayment meters, and this having a disproportionate effect on those in rural communities. Not only because of paying higher costs in a colder climate, but also requiring costly travel to top up their card.

Panel members noted changes to log burner rules in England⁸, including a risk of a fine. Whilst appreciating this focus on reducing carbon emissions, they felt that if a similar scheme was introduced in Scotland, the government should work with individuals affected to ensure support is provided in reducing emissions as well as installation of a new heating system that is suited to their needs.

Linked to the costs of heating, there was a concept of being ‘forced’ to rely on private transportation and high costs for fuel, due to limited infrastructure and public transport networks. The costs of public transport hit household budgets and risked isolation. An example given of costs for a single bus ticket, was £1.80 to go to a supermarket, with an all-day ticket costing £4.90. But there was wide variance in prices across rural areas.

“Living in rural area, we can’t access work easily. You can’t get to workplaces on a single [bus ticket] before 9am. You can’t get to an affordable supermarket, so spend more...We are not alone where I live. This is a massive problem in Scotland outside the cities.”

⁶ [DWP Universal Credit change could see thousands lose benefits | HeraldScotland](#)

⁷ [Winter Heating Payment - mygov.scot](#)

⁸ [Log burner rule change in England could land users with £300 fines - BBC News](#)

3.2 Infrastructure

Panel members also raised concerns about the infrastructure facing rural communities and a need for improvements in rural infrastructure and transport links.

Public Transport

The working group talked about a ‘skeletal’ bus service in their local area and communities with no chance of getting a bus to a local city or town due to limited services and routes available. They noted particular challenges with being able to travel during off-peak periods, such as during the evening and on a Sunday. They described transport services that were unreliable with sudden cancellations or scheduled buses not turning up. Demand responsive transport options were also noted as limited, due to the level of availability, frequent cancellations and some services capping the number of journeys people could make per week. Panel members suggested that this risked isolation and could exacerbate mental health difficulties. Rural infrastructure was also a driver for these issues, placing pressure on a weak infrastructure during times of extreme weather or winter/icy conditions. Panel members also made reference to the lack of train links available in rural communities. These factors put additional pressure on household budgets.

“Being disabled and experiencing poverty poses many additional, hidden challenges. It’s exhausting trying to navigate them all.”

Rural Housing

Panel members also felt that the lack of social housing or affordable housing in rural communities was also a contributing factor to the challenges of fuel poverty mentioned earlier, with poorer housing choice meaning people had to heat older and larger housing due to a lack of alternative options.

Digital Connectivity

As well as transport, infrastructure challenges also related to digital connectivity and in turn digital poverty, due to issues with access to devices.

The group felt that access to digital was becoming the default option - ‘digital by default’ - for not only accessing services but applying for support. They felt that the challenges that rural communities faced in digital connectivity needed to be better understood. This includes better broadband and mobile coverage. The group felt there was also a need to ensure that broadband speeds were to a decent standard across isolated rural communities.

Additionally bank closures, and the impact of these closures along with a reducing number of ATMs, was felt to have impacted rural areas more due to the challenges mentioned around digital connectivity. Access to free ATMs is also an issue particularly in rural areas, as some ATMs incur a charge to access cash.⁹

⁹ [Quarter of all UK cash machines now charge fees | Consumer affairs | The Guardian](#)

Accessible facilities

Panel members also reported concern around accessible facilities for disabled people, including accessible toilets and also challenges expressed around having to use an outdoor toilet for some rural households.

“Never mind a second class citizen, I feel like a fourth class citizen.”

Additionally many properties in rural areas are off-grid for sewage and reliant on septic tank systems, meaning additional costs for maintenance and disposal.

3.3 Other points raised

Health, Social Care and Unpaid Carers

Social care was an area touched on by both devolved and reserved responsibilities of government, like earlier topics. Panel members raised concerns around accessible social care for island and rural communities, such as access to effective healthcare requiring travel to mainland hospital sites which incurred additional costs. Whilst Panel members appreciated, examples such as a health board providing a travel warrant for travel to the mainland by ferry or air. They noted the challenges faced with other related costs to access healthcare, requiring the payment of fees upfront (i.e. taxis, overnight accommodation) and expense claims which can take several weeks to process and incur an administration charge.

There were also issues with continuity of care, Panel members had deep concerns around the support provided to unpaid carers. This related to the low award of carers allowance (£69.70 per week) as well as the restrictions in eligibility meaning students (studying more than 21 hours) and those earning over £132 per week miss out.

Unpaid carers, despite many living on low incomes, were not a group specifically benefitting from the UK Government’s package of cost of living support, therefore those living in rural communities have faced increased costs and have not received any additional financial support. Panel members noted that this is despite research showing that unpaid carers in Scotland save the government £43 million every day.¹⁰

Measurement

As there was a common perception that rural communities have wealthier areas or households, the low public awareness around poverty in rural communities, meant people missed out or the effects of poverty were **hidden**. Panel members considered poverty to be more visible in urban areas where larger populations live and where media services operate.

Linked to this were tools to measure disadvantage. For example, tools like the SIMD (Scottish Index of Multiple Deprivation) that ranks small areas by how deprived they

¹⁰ [Unpaid carers save Scotland £43 million every day - TFN](#)

are, which in turn focuses effort on these areas. But these measures can fail to effectively identify issues of poverty in areas where it is less concentrated, particularly in rural communities where poverty is more dispersed.

Island communities

Panel members noted Island delivery costs to be higher. The group had concerns around people not being able to sustain the costs required for a minimum standard of island life. Panel members noted particular challenges for island communities due to a reliance on ferry links and air. Panel members felt that some of the costs were prohibitive, such as examples of a ferry journey for 1 car and 2 passengers costing £140.00 (this includes the Road Equivalent Tariff (RET)) and ferry services also being unreliable. For example, there was mention of this unreliability causing shortages of fresh foods in island communities within a period of a few days. Another examples noted by a Panel member was of a flight from an Island to the mainland costing over £300.00. However, due to excessive costs of living on Islands, some people had no choice but to travel to the mainland. For example, due to cheaper prices of goods, the lack of clothes shops and online companies not delivering to these areas.

Panel members noted the reliance in remote and island communities of growing their own food, but also the challenges this placed on elderly and disabled individuals to be able to sustain this way of living. There were also concerns noted with the rising costs of livestock feed.

Access to employment was reported as an issue, with many needing to seek employment on the mainland, and seasonal factors and the tourist trade impacting employment and business options more greatly. There was also concern from Panel members that changes to rules around tourist accommodation¹¹ were adding prohibitive additional costs on small businesses and forcing some to go out of business. There was a feeling that these rule changes for short-term lets amounted to penalisation for issues (i.e. anti-social behaviour and nuisance) that are not as common in remote rural and island communities.

4. To what extent recent UK Government cost of living support measures meet the needs of rural populations in Scotland

4.1 Costs

Whilst Panel members appreciated a focus on a cash first approach by the UK Government, the level of support was not sufficient to tackle the deep challenges faced by people in rural communities living in poverty. Panel members felt that there had to be a **rural premium** added to social security assistance for those living on low incomes and facing poverty, due to the extra costs that are faced in aspects such as food and transport.

Members of the Panel felt that the cost of living support package announced by the UK Government is inadequate to meet the **energy crisis** that rural households face.

¹¹ [Short-term lets: regulation information - gov.scot \(www.gov.scot\)](https://www.gov.scot/short-term-lets-regulation-information)

Members of the Experts by Experience Panel have said that they are doing everything possible to reduce their bills but are still unable to cover rising costs.

The £400 energy bill for households in the UK from October 2022 to March 2023 was appreciated by members as a form of support, but needed to be **increased and extended**. Panel members felt that the specific needs of off-grid fuel users was not taken into account and there was still a lack of clarity about when and how these users (predominantly rural based) will receive their extra energy support. This includes the £200 support for alternative fuel use. As well as increased support, Panel members felt there needed to be greater public awareness of entitlement.

Whilst Panel members recognised the Energy Price Guarantee had helped protect customers from increased energy costs, by bringing typical household costs down to on average £2,500 per year, there was concern around the changes to the scheme with increased costs from end of March 2023. Panel members felt that eligibility for the warmer homes discount needed to include those on disability assistance due to the extra costs these households face with energy costs.

Panel members also felt that more needed to be done to support **Island communities** with ensuring they had affordable travel to and from the mainland as well as adequate supplies. Panel members felt that the government could take greater action to support small independent food production businesses on the Islands to help ensure continuity of affordable food. Panel members also felt that government could work with online retailers to enhance online delivery options to the Islands without those living there incurring excessive costs.

4.2 Infrastructure

Panel members believe that there needed to be **greater investment** in transport for local communities to service the people that live in these communities. Whilst Panel members commented that there was investment in things such as high speed railways, this investment was viewed as pointless unless access for rural communities could be improved. The working group felt that digital connectivity and access to digital devices should also be improved to ensure an equitable service is provided, including those that are vulnerable to issues of isolation.

5. Whether UK Government cost of living support could be better tailored to meet the needs of rural communities in Scotland

Members of the Panel felt that there should be a **subsidy** for those on the lowest incomes who live rurally. Suggestions, beyond those mentioned earlier about increasing social security assistance for poorer rural households, included reintroducing the Universal Credit £20 uplift for those in rural communities for an interim period until inflation decreases.

Panel members believe that there should be more **investment** in public transport and the subsidising of essential routes (including for island communities) so that people can use public transport to access affordable shops and town centres. Panel members felt there should be a 'No village left behind' policy when it comes to public transport. They felt that this investment also needed to include additional funding to

allow the building of affordable social housing options, as well as accessible community provision and public toilets for communities.

Panel members felt that there should be more support for households dependent on **off-grid fuel**, above that announced. Work should be done to increase regulation towards fairer and consistent pricing of alternative fuels by suppliers with more flexible payment options.

It was felt that the **experiences** of people were critical when measuring poverty and measurement should take better account of this, due to hidden poverty which can be a particular issue to rural areas.

Members also felt that more could be done for **unpaid carers** living in rural communities, who faced issues of multiple disadvantage and increased costs. Some practical suggestions given included working across government to provide free public transport. This was due to the hidden costs of caring and to support physical and mental health by reducing financial barriers to health services and social activities, and helping those in work access employment. Other suggestions included, council tax exemption; a telephone allowance; greater provision for carer rights under legislation along with reducing the restrictions on access to carer benefits for students undertaking care above their studies.

6. Any further steps the UK Government could take to support Scottish rural communities in relation to the cost of living

A particular additional step that the UK Government could support Scottish rural communities in, **is ensuring households are receiving all the benefits that they are entitled to.**

Panel members were concerned that people are not claiming key benefits that they are entitled to, further disadvantaging communities that are facing increased costs of living, as noted by recent research¹². This includes benefits such as Universal Credit (UC) and Pension Credit (PC), for example. As well as these benefits, there is the passport effect that comes with receipt of these benefits, for example both UC and PC being a qualifying benefit for cost of living payments and also Scottish devolved benefits such as the Scottish Child Payment. If the UK Government takes swift action, this has the potential to increase the numbers qualifying for cost of living support. Beyond some promotional campaigns around Pension Credit, there is no evidence of a concerted public awareness campaign around **benefit take up** by the UK Government. **Public communications** in an easy to understand and accessible way on where and how to get help with the cost of living crisis is key for people.

¹² [On a low income, but not claiming means-tested benefits | JRF](#)

7. Conclusions

This submission on behalf of the working group of the Experts by Experience Panel has highlighted key issues facing rural communities as a result of cost of living, including:

- Serious concerns about the impact that the cost of living is having on rural communities living in poverty.
- The rural infrastructure and lack of accessible facilities worsens existing disadvantage and hidden poverty.
- Additional concerns related to social and health care, including pressure on groups such as unpaid carers and disabled households; the measures of deprivation used missing hidden elements of poverty; and the challenges faced by Island communities.

Panel members felt that solutions that need to be progressed include:

- A rural premium/subsidy added to social security assistance. This includes increased and timely support for those using alternative fuels during an ongoing energy crisis.
- Rural communities to be prioritised in infrastructure investment including digital connectivity.
- Measurement tools used needed to account for the experiences of people living in poverty.
- Timely and accessible public communications to improve benefit take up needs to be prioritised.