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poverty

CAP

Cost of living: Impact on rural communities in Scotland

***CAP's official response to the house of commons
Scottish affairs committee call for evidence***

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Summary

Key points:

- Rural Scotland covers a vast and varied landscape, with each area facing its own set of unique challenges. It is essential that the UK Government works in partnership with the Scottish Government, local authorities and communities to understand and provide the support they require. The role of lived experience should be central to any policy decisions and solutions.
- Rural communities in Scotland are often impacted by much colder weather than the rest of the UK while housing stock is often less energy efficient than urban areas.
- The majority of people living in rural Scotland are off grid which forces them to rely on more expensive options for heating their homes. Rural customers, especially those living on the Scottish islands, face very high minimum order thresholds for oil or LPG. This forces people on a low income into self-disconnection.
- The cost of food and household essentials is much higher for people living in rural communities who have limited choices in where to shop. A lack of public transport infrastructure makes travelling to cheaper supermarkets in the closest town or city prohibitive in terms of time and cost.
- While the UK Government cost of living support was welcome, it did not go far enough. The unique challenges faced by rural communities were not taken into account and the energy support scheme was a missed opportunity for more tailored and targeted support.
- Further support is essential but people require sufficient, regular income. One off payments are not enough, they make it hard to budget and barely scratch the surface of what is required. People need a sustainable, sufficient income to protect them from being pushed into destitution and problem debt.

Questions

1. The Particular challenges facing Scottish rural communities in relation to the cost of living compared with other areas of the UK:

Rural Scotland covers a vast and varied landscape, from the borders to the highlands and islands, each area facing its own set of unique challenges. In assessing the support that is required, it is important to take these differences into consideration, working with local authorities to ensure the right, tailored approach is utilised for each rural community. This is especially true for island communities, which do not exist in other parts of the UK.

However, some of the challenges faced by rural communities are the same across large parts of Scotland. For much of rural Scotland, particularly further north in the country, communities are impacted by much colder weather than other parts of the UK. People who are living rurally are often more exposed to the elements and higher wind speeds lead to colder temperatures having a bigger impact. On top of this, housing stock in rural Scotland is often not as energy efficient. In rural areas, 82% of housing is rated at Energy Performance band D or lower, compared with 59% in urban areas.¹

The majority of people living rurally in Scotland are off grid which forces them to rely on more expensive options like liquified petroleum gas (LPG), oil and electric storage heaters. Even before the cost of living crisis, LPG and oil were prohibitively expensive. As prices have gone up the situation has become untenable for those living on low incomes. Rural customers, especially those living on the Scottish islands, face very high minimum order thresholds for oil or LPG. For clients supported by Christians Against Poverty (CAP), who are living on a low income, too often this is an insurmountable figure leading to high levels of self-disconnection.

It is deeply concerning that the majority of rural and island communities in Scotland are restricted by only having access to one supermarket provider. This monopoly on the market and lack of competition is keeping prices for food and household goods at an impossibly high level. Even back in 2021 it was found that, on average, food was 13% more expensive for island communities and 4% more expensive for those who live rurally.²

Added to this, a lack of public transport infrastructure makes travelling to discount supermarkets in the closest town or city prohibitive both in terms of time and cost. For CAP clients living in Aberfeldy, accessing essential services in Perth means a three hour round trip by public transport. Households are often reliant on cars which come with high running costs and, for those who are in debt, this necessity in rural life can limit their options for accessing the most appropriate debt solution for them.

¹ www.cas.org.uk/system/files/publications/2017-01-23_fuel_poverty_in_rural_scotland.pdf

² www.gov.scot/publications/poverty-rural-scotland-review-evidence

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

While the UK Government cost of living support was welcome, it did not go far enough. One off payments offer a sticking plaster solution which fosters uncertainty and does not support people in the long term, making it challenging to budget.

The unique challenges faced by rural communities were not taken into account, including increased travel and energy costs. For CAP clients who are on Universal Credit, travelling to appointments with their Work Coach can be prohibitively expensive. This forces impossible choices between attending either a Work Coach appointment or a medical appointment as many cannot afford the travel costs for both.

The energy support scheme introduced by the UK Government was a missed opportunity for more tailored and targeted support, especially for rural communities. When the announcement was made there was a lack of clarity around the support available for those who are living off grid. Huge delays in the support being administered to those on oil means that people are still waiting for the promised £200 payment.

This support is even more vital as rural communities are disproportionately impacted by extreme fuel poverty. In the highlands and islands of Scotland over 30% of the population are living in fuel poverty, while in the borders levels reach as high as 29%.³ Waiting for government support during the coldest months of the year while prices are soaring is putting undue pressure on already strained budgets and leading to increases in self-disconnection. With the winter weather lasting for longer and reaching colder temperatures than the rest of the UK, this is deeply concerning as both physical and mental health is impacted through self-disconnection.

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

The cost of living is continuing to rise and it is disproportionately impacting those on the lowest incomes and those who live rurally: a double blow to those on the lowest incomes in rural locations. Further support is essential but people require sufficient, regular income. One off payments are not enough, they make it hard to budget and barely scratch the surface of what is required. People need a sustainable, sufficient income to protect them from being pushed into destitution and problem debt.

It is vitally important that social security payments are increased in line with inflation and that the benefit cap is, at the very least, increased to ensure people have the income they need. The social security system should be a safety net, right now people are falling through the gaps.

When looking at the support needed for rural communities it is important that the UK Government does not try to take a one size fits all approach. Tailored support is

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new.theclaymoreproject.com/uploads/entities/1230/files/News%20Releases/fuelpovertyLAm apV3.pdf

essential to meet the needs of the most vulnerable in society. It is essential that the UK Government works with local authorities to understand the unique challenges faced by communities, especially those living on islands, and work together to support those who need it.

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

It is essential that the UK Government works in partnership with the Scottish Government, local authorities and communities to understand and provide the support they require. The role of lived experience should be central to any policy decisions and solutions. Lived experience is fundamental in fully understanding the implications and unintended consequences of policy decisions. Where people with lived experience are included in the design and implementation of cost of living support, it will more fully meet the needs of those who need it.

As highlighted, one key issue facing people in rural communities who are on Universal Credit is the increased cost in attending Work Coach appointments. Allowing flexibility within Universal Credit to cover these additional costs would remove some of the pressure felt by rural communities.

When looking at future support in relation to the cost of living it is critical to take a long term approach. People need regular, sufficient income in order to budget and meet rising costs. A range action is required to stop more people being pushed into destitution and problem debt. This includes, closing the gap between the inflation reference point and the uprating of benefits; ensuring that debt deduction rates from benefits are more affordable and pausing all deductions from Universal Credit and legacy benefits until at least April 2023; scrapping the benefit cap and creating a strategy to ensure that every individual and household is receiving the social security they are entitled to.

5. How effectively the UK and Scottish governments have worked together to coordinate and provide support in relation to the cost of living for the people of Scotland:

The UK and Scottish Governments need to work together to effectively support people living in rural Scotland and ensure that everyone has a sufficient income. Better access to and awareness of the range of support available from both governments is essential.

There is currently complexity around what is devolved and what is not, it can be confusing for people to understand where they need to apply. Also, having to submit multiple applications causes unnecessary barriers to households who need to access the support available. A more joined up approach between the Department for Work and Pensions (DWP) and Social Security Scotland is required to ensure everyone is accessing the support they need.

The UK Government could make better use of, already existing, devolved powers in tailoring support to rural communities in Scotland. As the UK Government looks ahead to the future of energy bill support schemes, it should ensure that those living in rural Scotland are included in the development of any schemes. It should ensure that those closest to the reality are not left out of discussions.

About Christians Against Poverty (CAP)

CAP is an FCA accredited charity that works across both Scotland and the rest of the UK in partnership with 580 local churches to restore hope for people in desperate need. Through a network of 26 CAP Debt Centres in Scotland, CAP offers a free face-to-face debt help service, with advice and ongoing support provided from head office. CAP also runs the CAP Money Course, Job Clubs and Life Skills groups to help people overcome unemployment, and provide financial education, all with community and holistic support at their core. CAP's services are completely free and available to all regardless of age, gender, sexual orientation, faith or background.

Requests for further information

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