

# **The cost of remoteness: Reflecting higher living costs in remote rural Scotland when measuring fuel poverty**

## **2022 update**

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## Executive summary

The Centre for Research in Social Policy, Loughborough University, has pioneered research into publicly determined minimum living standards through its Minimum Income Standard programme. This sets out what the UK public agree households need in order not just to survive, but to live with dignity. The Minimum Income Standard produces annually updated income benchmarks for a range of household types.

The Scottish Government commissioned the Centre for Research in Social Policy to undertake research in remote rural Scotland to identify what is needed for a minimum, socially acceptable standard of living in these areas. This ongoing research is needed as the Minimum Income Standard income benchmarks are key to the Scottish fuel poverty calculation detailed in the [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019](#).

The research is based on discussions with groups of people from different sorts of households, living in remote rural mainland and island areas, to identify minimum needs – and minimum household budgets – and how these vary from those established through ongoing research in urban UK. The research established a baseline of minimum needs for these areas and used these to calculate a percentage ‘uplift’ to be applied to the Minimum Income Standard benchmarks in the Scottish fuel poverty calculation.

This report updates estimates made for 2021 of specific additional costs that make it more expensive to meet a minimum acceptable living standard in remote rural areas of Scotland. In 2022, minimum budgets were updated based on inflation, on updated costings in remote rural Scotland, and on adjustments to take account of new UK-wide Minimum Income Standard research in urban areas and the new minimum budgets that this produced.

The report sets out the impact of inflation, updated costings and new urban UK research on remote rural Scotland minimum budgets. Taken together, these produce new minimum budget uplifts for 2022, set out below.

### 2022 remote rural Scotland minimum budget uplifts

	Mainland	Island
Family with children, rounded uplift (based on couple with two children)	15%	14%
Working-age rounded uplift (based on average of single and couple)	27%	32%
Pensioner rounded uplift (based on average of single and couple)	22%	25%

# 1 Introduction

This report updates estimates, first made for 2021, of specific additional costs that make it more expensive to meet a minimum acceptable living standard in remote areas of Scotland (Davis et al., 2021). The [report](#) published in 2021 provided a comprehensive commentary on the differences in costs between urban UK and remote rural mainland and island areas in Scotland. This update does not provide the same level of detail, but rather is intended to provide an annual update of these cost differences. The specific purpose of these estimates is to inform the Scottish Government's monitoring, from year to year, of the number of households in fuel poverty, for which targets have been set by the Fuel Poverty (Targets, Definitions and Strategy) (Scotland Act) 2019. This involves benchmarks for household spending requirements derived from the Minimum Income Standard (MIS), taking account of additional needs in remote areas, to be updated annually.

The legislation defines a household as being in fuel poverty if:

- (i) in order to maintain a satisfactory heating regime, total fuel costs necessary for the home are more than 10% of the household's adjusted (i.e., after housing costs) net income; and
- (ii) after deducting those fuel costs, benefits received for a care need or disability and childcare costs, the household's remaining adjusted net income is insufficient to maintain an acceptable standard of living. This remaining adjusted net income must be at least 90% of the UK MIS to be considered an acceptable standard of living, with an additional amount added to the MIS for households in remote rural, remote small town and island areas.

The 2021 figures were based on research carried out by the Centre for Research in Social Policy (CRSP), consulting with groups of people living in remote areas of Scotland about what different and/or additional goods and services households in remote communities require, compared to urban UK. These goods and services were then costed, allowing budgets in remote and non-remote areas to be compared. The public consultations are not being repeated annually: in 2022, the figures were updated based on inflation, on updated costings, and on adjustments to take account of new UK-wide MIS research in urban areas, and the new budgets that this produced.

The purpose of this report is to update six numbers derived from the earlier research: the percentage uplift that should be applied to MIS budgets for pensioner households, families with children and working age adults without children in remote rural parts of the Scottish mainland and the Scottish islands, respectively. It does not repeat analysis of the qualitative evidence presented in the earlier report describing what aspects of life and costs in remote Scotland account for higher costs – although where changes in the uplift percentages are reported, it seeks to explain what factors account for these changes.

## 2 Methodology

### Background

Following the passage of the [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019](#), the Scottish Government commissioned CRSP to:

- Carry out research in remote rural Scotland that consulted groups of citizens living in different areas about what is needed for a minimum, socially acceptable living standard in their communities, and how this varies from the research in urban UK.
- Use this research to establish a baseline of budgets for broad household types in remote mainland Scotland and in the islands, using these to calculate a percentage “uplift” to be applied to the MIS benchmarks in the Scottish fuel poverty calculation.
- Update these calculations annually, based on price increases and the changing composition of MIS.

The plan was to uprate based on CPI price indexation, in odd-numbered years, and to carry out repricing of items and further analysis every time urban UK MIS budgets were rebased and reviewed, in even numbered years. A refresh of the remote Scotland research is planned every eight years.

In practice, the Covid-19 pandemic disrupted the early part of this plan. The original figures were to have been for 2020, but insufficient data were available from the Scottish Housing Survey to make use of a benchmark for that year, and price data in 2020 was unstable, so the first report (Davis et al, 2021) was adjusted to cover 2021, and published in late 2021. The present report, the first uprating of the figures, therefore covers 2022, a year in which a rebase of UK MIS has already taken place (Davis et al., 2022). More precisely, all UK MIS budgets applying to households without children were ‘rebased’, and all those for households with children were “reviewed” in that year, in both cases using fresh groups of members of the public. Under this method, the ‘rebase’ asks groups to specify household requirements starting with a ‘blank sheet’, so lists of items are compiled from scratch. In contrast, the ‘review’ method presents new groups with already-compiled lists, and asks if there is anything that needs changing, so most items remain the same.

A further complication has been that the results of this UK rebase and review have also been greatly affected by the pandemic and its aftermath. In most years since the first review of MIS budgets in 2010, there have been relatively minor changes in the budgets. In 2022, a range of more substantial changes in what is considered essential caused budgets to rise significantly faster than inflation, which itself was at a thirty-year high. These changes included specification of more choices about holidays, paying for more regular recreational activities, and a number of health and hygiene-related items that added to the cost of personal goods and services.

Such changes, when substantial, pose a problem for the updating of additional MIS costs calculated for particular circumstances such as living in a remote area. Without repeating groups in those areas (which is not feasible on an annual or biannual basis), we cannot confirm whether or not the changes noted in the urban MIS UK research should apply there

as the baseline of expenditure to which additional costs are added. For example, families with children in 2022, in urban areas of the United Kingdom, noted that parking charges had risen sharply, and substantially increased provision in the budgets for parking. This may or may not apply to remote rural areas to the same degree. Another example is that working age adults in urban areas increased the number of paid-for weekly activities that they think are needed as a minimum, influenced by a greater need for social participation in the wake of the pandemic. Again, there is no way of knowing whether people in remote rural Scotland would also consider minimum spending on recreation to have increased.

## **2022 calculations**

The calculations in 2022 took a pragmatic approach to this challenge. The project design suggests that every two years, after UK budgets have been reviewed/rebased, calculations take into account, where possible, both new pricing information in remote rural Scotland and analysis of how changes in the contents of UK budget affect the additional cost of living in remote areas.

In 2022, however, it did not make sense to reprice UK family budgets in remote rural Scotland, since this would have meant using budget lists that had not been changed in detail since 2020, even though the rebasing research (for households without children) showed clearly that these are out of date. Families with children have only had their budgets reviewed and amended, not reconstructed item by item. For these groups, therefore, a simplified calculation was made. This was based on the assumption that overall, taking both inflation and changes in budgets into account, the remote Scotland budgets changed by the same proportion between 2021 and 2022 as the main urban UK budgets, in each budget category for each household type. In practice the change may be greater or smaller than this, but in order to update the overall uplift, this provides the best-available assumption.

On the other hand, for pensioner and working-age households without children, which were rebased using new items for the UK, the plan to use additional pricing research in remote rural Scotland proved feasible, using the new 2022 UK lists. In some cases, such as food and personal goods like toiletries bought in supermarkets or local stores, the main task involved making comparisons between prices of a representative set of goods to work out a percentage uplift to apply to the relevant rebased budgets. In others, such as holidays and some other aspects of recreation, the composition of spending was different, and remote Scotland costs had to be calculated separately. This is where the most problematic anomalies emerged – specifically in the case of working-age singles and couples without children. In these cases, an increase in the UK activities and holidays budgets raised the overall social participation budgets to significantly above the equivalent in remote rural Scotland, even inflation-uprated. Since there is no evidence to indicate whether or not people in those areas would also have increased these budgets, it would be misleading to report that leisure is now cheaper in remote rural Scotland than in urban areas. In the absence of evidence about whether it is either cheaper or more expensive, we have reported the remote Scotland budgets to be the same as the UK ones in these particular cases.

While the 2022 update has therefore had several rather ad hoc elements, the 2024 update is likely to be carried out on a more consistent basis in line with the original plan. Most notably, it has been decided to rebase *all* MIS UK budgets in that year, which will avoid combining two different methods for different household types in the same year.

The [Appendix](#) gives more specific information about how each part of the remote Scotland budgets have been calculated in 2022.

### 3 Results

Many of the budget uplifts for 2022 are similar to those calculated in 2021, but in some cases they have risen or fallen, both because of changes in UK budgets and because of some cost changes noted in remote rural Scotland.

#### Households with children

The uplifts for families with children, shown in [Table 1](#), remain very similar to those in 2021. For remote mainland areas, the uplift figure is 15% in 2022, compared to 16% in 2021, and for islands it is 14% compared to 15%. These results are largely determined by the method which assumes that for families with children, each budget sub-category in remote Scotland has risen in proportion to the increase in UK MIS.

However, the results are also influenced by the extent to which budget areas that contribute most to the remote rural uplift have high inflation rates. In the case of families with children, additional transport costs account for about three quarters of the difference, influenced mainly by motoring budgets over twice as high as for UK urban areas. Motoring costs rose by about 14% in the year to April 2022, on which these figures are based. In normal times, this would have caused a significant increase in the remote rural uplift. However, this did not occur in 2022 because so many other things were also rising by similar or greater amounts in urban UK, including a 15% increase in the cost of social participation, a 20% increase in personal goods and services and an overall increase in the budget shown here by 13.5%. This explains why total costs in remote rural Scotland rose in proportion to overall UK costs, creating uplifts for families with children that are little changed in percentage terms.



**Table 1 Comparison of weekly budgets for UK and remote rural Scotland, 2021 and 2022, couple with two children**

a) Remote Scottish mainland	Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget					
	2021			2022		
Category	UK	Remote Rural Scotland	% Difference	UK	Remote Rural Scotland	% Difference
Food	£112	£117	1%	£122	£127	1%
Alcohol	£10	£10	0%	£11	£11	0%
Clothing	£45	£49	1%	£47	£52	1%
Household insurances	£1	£1	0%	£2	£1	0%
Other housing costs	£2	£2	0%	£2	£2	0%
Household goods	£28	£29	0%	£31	£33	0%
Household services excluding childcare	£11	£12	0%	£11	£12	0%
Personal goods and services	£42	£40	0%	£50	£48	0%
Motoring	£70	£155	19%	£79	£176	19%
Other travel costs	£32	£2	-7%	£44	£3	-8%
Social and cultural participation	£98	£107	2%	£112	£122	2%
<b>Total</b>	<b>£451</b>	<b>£524</b>	<b>16%</b>	<b>£511</b>	<b>£588</b>	<b>15%</b>

b) Islands	Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget					
	2021			2022		
Category	UK	Remote Rural Scotland	% Difference	UK	Remote Rural Scotland	% Difference
Food	£112	£127	3%	£122	£138	3%
Alcohol	£10	£10	0%	£11	£11	0%
Clothing	£45	£50	1%	£47	£53	1%
Household insurances	£1	£1	0%	£2	£1	0%
Other housing costs	£2	£2	0%	£2	£2	0%
Household goods	£28	£30	1%	£31	£35	1%
Household services excluding childcare	£11	£12	0%	£11	£12	0%
Personal goods and services	£42	£42	0%	£50	£51	0%
Motoring	£70	£128	13%	£79	£146	13%
Other travel costs	£32	£2	-7%	£44	£3	-8%
Social and cultural participation	£98	£115	4%	£112	£132	4%
<b>Total</b>	<b>£451</b>	<b>£520</b>	<b>15%</b>	<b>£511</b>	<b>£584</b>	<b>14%</b>

## Working-age households without children

For working-age households without children, the budget uplifts have been more volatile, as shown in [Table 2](#). They have risen in three cases: from 20% to 27% for singles on the mainland, from 21% to 28% for couples on the mainland and from 14% to 31% for singles on islands. For couples on islands, they have fallen, from 39% to 33%.

These fluctuations can be attributed mainly to three factors.

The most important is that there was a sharp reduction in public transport costs between 2021 and 2022, associated with the urban UK MIS 2022 rebase. This is principally because previous inflation-based uprating of these costs had been overestimates, as bus season tickets, on which the MIS costs are mainly based, did not rise in line with overall public transport inflation. In remote rural MIS, almost all transport costs are for motoring, and the absence of public transport costs produces a saving relative to urban MIS, to some extent offsetting high motoring costs. As UK public transport costs have fallen, so too has the 'saving', which has the ultimate effect of increasing the overall rural uplift. The effect of this was particularly substantial for singles, for whom transport costs are most significant. This phenomenon of reductions in UK public transport costs, triggering a higher remote rural uplift, does not in itself raise the total remote rural budget benchmark (since the higher uplift is being added to a lower base). However, an additional factor on islands is that budget second hand cars, suitable for working-age adults, were found to be more expensive, in a market where it had become harder to find good second hand car deals. This does push the overall MIS benchmark up for the islands.

A second factor, pushing in the opposite direction, is that there were some large increases in costs in the MIS 2022 rebase, in areas not associated with a significant remote rural uplift. In particular, changes in specifications and prices for personal goods and services and for social and cultural participation caused increases in these budgets by between a third and over a half. This pushed up the total urban UK budgets for households without children (excluding fuel) by a quarter, reducing uplifts as a percentage of those totals. This explains why the couple's island percentage uplift went down, although as this is being applied to a higher couple budget, it does represent a greater uplift in cash terms – rising from £122 to £135 a week. In other words, higher overall MIS budgets mean that uplifts can increase in cash terms but fall as a proportion of the MIS budget.

A third factor has been an increase in the premiums charged by local food stores, which has most substantial effect on the islands, where there is greater reliance on these. For a single person in particular, this has contributed significantly to the uplift required on an island. Along with the greater cost of second hand cars, this represents a real increase in the overall cost of living for island residents.

**Table 2 Comparison of weekly budgets for UK and remote rural Scotland, 2021 and 2022, working-age, no children**

a) Remote Scottish mainland, single working-age	Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget					
	2021			2022		
Category	UK	Remote Rural Scotland	% Difference	UK	Remote Rural Scotland	% Difference
Food	£50	£51	0%	£66	£66	0%
Alcohol	£6	£6	0%	£8	£8	0%
Clothing	£8	£9	1%	£14	£15	0%
Household insurances	£2	£1	0%	£2	£1	0%
Other housing costs	£1	£1	0%	£2	£2	0%
Household goods	£10	£11	1%	£15	£16	1%
Household services excluding childcare	£8	£11	2%	£8	£12	1%
Personal goods and services	£19	£19	0%	£26	£26	0%
Motoring	£0	£72	38%	£0	£87	37%
Other travel costs	£43	£3	-21%	£33	£3	-13%
Social and cultural participation	£45	£45	0%	£65	£65	0%
<b>Total</b>	<b>£191</b>	<b>£230</b>	<b>20%</b>	<b>£238</b>	<b>£302</b>	<b>27%</b>

b) Remote Scottish mainland, couple working-age	Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget					
	2021			2022		
	UK	Remote Rural Scotland	% Difference	UK	Remote Rural Scotland	% Difference
Food	£83	£85	0%	£113	£114	0%
Alcohol	£12	£12	0%	£17	£17	0%
Clothing	£16	£18	1%	£27	£29	0%
Household insurances	£2	£1	0%	£2	£1	0%
Other housing costs	£1	£1	0%	£2	£2	0%
Household goods	£12	£13	0%	£16	£17	0%
Household services excluding childcare	£10	£14	1%	£11	£15	1%
Personal goods and services	£31	£32	0%	£50	£50	0%
Motoring	£0	£142	43%	£0	£174	42%
Other travel costs	£87	£2	-26%	£67	£3	-15%
Social and cultural participation	£74	£75	0%	£110	£110	0%
<b>Total</b>	<b>£329</b>	<b>£397</b>	<b>21%</b>	<b>£414</b>	<b>£531</b>	<b>28%</b>

c) Island, single working-age	Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget					
	2021			2022		
Category	UK	Remote Rural Scotland	% Difference	UK	Remote Rural Scotland	% Difference
Food	£50	£52	1%	£66	£76	4%
Alcohol	£6	£6	0%	£8	£8	0%
Clothing	£8	£11	1%	£14	£19	2%
Household insurances	£2	£1	0%	£2	£1	0%
Other housing costs	£1	£1	0%	£2	£2	0%
Household goods	£10	£12	1%	£15	£18	1%
Household services excluding childcare	£8	£8	0%	£8	£9	0%
Personal goods and services	£19	£20	1%	£26	£27	0%
Motoring	£0	£57	30%	£0	£83	35%
Other travel costs	£43	£3	-21%	£33	£3	-13%
Social and cultural participation	£45	£45	0%	£65	£65	0%
<b>Total</b>	<b>£191</b>	<b>£217</b>	<b>14%</b>	<b>£238</b>	<b>£311</b>	<b>31%</b>

d) Island, couple working-age	Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget					
	2021			2022		
Category	UK	Remote Rural Scotland	% Difference	UK	Remote Rural Scotland	% Difference
Food	£83	£92	3%	£113	£130	4%
Alcohol	£12	£12	0%	£17	£17	0%
Clothing	£16	£21	2%	£27	£38	3%
Household insurances	£2	£1	0%	£2	£1	0%
Other housing costs	£1	£1	0%	£2	£2	0%
Household goods	£12	£15	1%	£16	£19	1%
Household services excluding childcare	£10	£11	0%	£11	£12	0%
Personal goods and services	£31	£34	1%	£50	£52	0%
Motoring	£0	£166	54%	£0	£166	40%
Other travel costs	£87	£3	-21%	£67	£3	-15%
Social and cultural participation	£74	£75	0%	£110	£110	0%
<b>Total</b>	<b>£329</b>	<b>£430</b>	<b>39%</b>	<b>£414</b>	<b>£549</b>	<b>33%</b>

## **Pensioner households**

Finally, as shown in [Table 3](#), pensioner households have in all cases seen a reduction in the percentage uplift, typically by five percentage points, between 2021 and 2022 (but by only two percentage points for couples on the mainland). These reductions have been driven by lower costings for certain leisure and motoring items in remote areas, including a reduced cost of the car specified for pensioners on islands, which requires only modest usage. (While taking all motoring items into account, the motoring budgets rose slightly, they did so by much less, proportionately, than overall UK budgets, reducing their impact on uplift percentages.) These results differ markedly from those for working-age households. Such variations appear to reflect considerable volatility from one year to the next in the price of items such as holiday packages and used cars, particularly on islands where competition among suppliers is limited. Such volatility creates an additional difficulty for island residents, making it difficult for them to plan budgets, not least in today's present period of high inflation.



**Table 3 Comparison of weekly budgets for UK and remote rural Scotland, 2021 and 2022, pensioner**

a) Remote Scottish mainland, single pensioner	Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget					
	2021			2022		
Category	UK	Remote Rural Scotland	% Difference	UK	Remote Rural Scotland	% Difference
Food	£47	£48	1%	£58	£59	1%
Alcohol	£8	£8	0%	£6	£6	0%
Clothing	£7	£8	1%	£9	£10	1%
Household insurances	£2	£1	0%	£2	£1	0%
Other housing costs	£2	£2	0%	£2	£2	0%
Household goods	£15	£16	1%	£20	£21	1%
Household services excluding childcare	£9	£11	1%	£10	£10	0%
Personal goods and services	£19	£19	0%	£28	£28	0%
Motoring	£0	£49	28%	£0	£52	27%
Other travel costs	£15	£5	-6%	£12	£5	-4%
Social and cultural participation	£48	£57	5%	£49	£51	1%
<b>Total</b>	<b>£172</b>	<b>£224</b>	<b>31%</b>	<b>£196</b>	<b>£246</b>	<b>26%</b>

<b>b) Remote Scottish mainland, couple pensioner</b>	<b>Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget</b>					
	<b>2021</b>			<b>2022</b>		
<b>Category</b>	<b>UK</b>	<b>Remote Rural Scotland</b>	<b>% Difference</b>	<b>UK</b>	<b>Remote Rural Scotland</b>	<b>% Difference</b>
Food	£75	£77	1%	£96	£99	1%
Alcohol	£12	£12	0%	£12	£12	0%
Clothing	£14	£16	1%	£17	£20	1%
Household insurances	£2	£1	0%	£2	£1	0%
Other housing costs	£2	£2	0%	£2	£2	0%
Household goods	£18	£19	0%	£23	£24	0%
Household services excluding childcare	£11	£13	1%	£12	£12	0%
Personal goods and services	£39	£39	0%	£54	£54	0%
Motoring	£0	£50	18%	£0	£53	17%
Other travel costs	£19	£4	-6%	£20	£4	-5%
Social and cultural participation	£82	£96	5%	£78	£94	5%
<b>Total</b>	<b>£273</b>	<b>£329</b>	<b>21%</b>	<b>£316</b>	<b>£375</b>	<b>19%</b>

c) Island, single pensioner	Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget					
	2021			2022		
	UK	Remote Rural Scotland	% Difference	UK	Remote Rural Scotland	% Difference
Food	£47	£48	1%	£58	£69	5%
Alcohol	£8	£8	0%	£6	£6	0%
Clothing	£7	£8	1%	£9	£12	2%
Household insurances	£2	£1	0%	£2	£1	0%
Other housing costs	£2	£2	0%	£2	£2	0%
Household goods	£15	£16	1%	£20	£22	1%
Household services excluding childcare	£9	£11	1%	£10	£11	0%
Personal goods and services	£19	£19	0%	£28	£29	0%
Motoring	£0	£49	28%	£0	£44	22%
Other travel costs	£15	£5	-6%	£12	£2	-5%
Social and cultural participation	£48	£57	5%	£49	£49	0%
<b>Total</b>	<b>£172</b>	<b>£224</b>	<b>31%</b>	<b>£196</b>	<b>£246</b>	<b>26%</b>

d) Island, couple pensioner	Budget comparisons, with percentage differences expressed in each case as a percent of the whole budget					
	2021			2022		
Category	UK	Remote Rural Scotland	% Difference	UK	Remote Rural Scotland	% Difference
Food	£75	£83	3%	£96	£112	5%
Alcohol	£12	£12	0%	£12	£12	0%
Clothing	£14	£19	2%	£17	£23	2%
Household insurances	£2	£1	0%	£2	£1	0%
Other housing costs	£2	£2	0%	£2	£2	0%
Household goods	£18	£21	1%	£23	£25	1%
Household services excluding childcare	£11	£13	0%	£12	£14	1%
Personal goods and services	£39	£42	1%	£54	£55	0%
Motoring	£0	£43	16%	£0	£46	15%
Other travel costs	£19	£2	-6%	£20	£2	-6%
Social and cultural participation	£82	£118	13%	£78	£99	7%
<b>Total</b>	<b>£273</b>	<b>£355</b>	<b>29%</b>	<b>£316</b>	<b>£391</b>	<b>24%</b>

## Summary

[Table 4](#) gives the uplifts by household type that should be applied in the calculation of fuel poverty in 2022.

**Table 4 Summary of uplifts, 2022**

	<b>Mainland</b>	<b>Island</b>
Couple with two children	15.0%	14.1%
<b>Family with children, rounded uplift (based on couple with two children)</b>	<b>15%</b>	<b>14%</b>
Single working-age adult	26.7%	30.7%
Couple working-age adult	28.3%	32.6%
<b>Working-age rounded uplift (based on average of single and couple)</b>	<b>27%</b>	<b>32%</b>
Single pensioner	26.2%	25.7%
Couple pensioner	18.8%	24.4%
<b>Pensioner rounded uplift (based on average of single and couple)</b>	<b>22%</b>	<b>25%</b>

## 4 References

Davis, A., Bryan, A., Hirsch, D, Ellen, J., Shepherd, C. and Padley, M. (2021) [\*The Cost of Remoteness: Reflecting higher living costs in remote rural Scotland when measuring fuel poverty\*](#). Edinburgh: The Scottish Government.

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## Appendix Details of calculations

This appendix explains more specifically how the calculations for the remote rural uplift were made for 2022.

Calculations for *families with children in 2022* were made by assuming that, following the 2022 MIS review and inflation-uprating of these budgets, the ratio of budgets in remote rural Scotland to the main UK budgets remained the same as in 2021 within each budget category. This produced the following calculations:

**Table A1a Couple with two children, remote rural mainland budgets**

Expenditure category	2021 budget UK	2021 budget remote rural Scotland	% difference by category 2021	2022 budget UK	2022 budget remote rural Scotland (applying 2021 % difference to UK 2022 budget)
Food	£112.43	£117.08	4%	£122.37	£127.42
Alcohol	£10.47	£10.47	0%	£10.64	£10.64
Clothing	£44.66	£49.26	10%	£46.88	£51.71
Household insurances	£1.46	£1.15	-22%	£1.64	£1.28
Other housing costs	£1.92	£1.92	0%	£2.09	£2.09
Household goods	£27.56	£28.64	4%	£31.50	£32.74
Household services excluding childcare	£10.84	£11.52	6%	£11.19	£11.89
Personal goods and services	£41.59	£40.23	-3%	£49.99	£48.36
Motoring	£69.61	£154.71	122%	£79.38	£176.41
Other travel costs	£32.49	£2.30	-93%	£43.61	£3.09
Social and cultural participation	£97.73	£106.56	9%	£112.16	£122.30
<b>Total</b>	<b>£450.76</b>	<b>£523.84</b>	<b>16%</b>	<b>£511.44</b>	<b>£587.93</b>

Table A1b Couple with two children, island budgets

Expenditure category	2021 budget UK	2021 budget remote rural Scotland	% difference by category 2021	2022 budget UK	2022 budget remote rural Scotland (applying 2021 % difference to UK 2022 budget)
Food	£112.43	£126.70	13%	£122.37	£137.90
Alcohol	£10.47	£10.47	0%	£10.64	£10.64
Clothing	£44.66	£50.20	12%	£46.88	£52.70
Household insurances	£1.46	£1.19	-19%	£1.64	£1.33
Other housing costs	£1.92	£1.92	0%	£2.09	£2.09
Household goods	£27.56	£30.39	10%	£31.50	£34.73
Household services excluding childcare	£10.84	£11.52	6%	£11.19	£11.89
Personal goods and services	£41.59	£42.26	2%	£49.99	£50.79
Motoring	£69.61	£128.22	84%	£79.38	£146.20
Other travel costs	£32.49	£2.30	-93%	£43.61	£3.09
Social and cultural participation	£97.73	£115.33	18%	£112.16	£132.36
<b>Total</b>	<b>£450.76</b>	<b>£520.50</b>	<b>15%</b>	<b>£511.44</b>	<b>£583.73</b>



Budgets for **households without children** have been calculated more directly. The results are shown in Tables [A1a](#) and [A1b](#) above. The following is a summary of how these calculations for remote rural areas were made in each of the main budget categories for which additional rural costs had been identified in the research.

**Food budgets** were based on calculations of how much more, in percentage terms, food costs in smaller, remote stores compared to supermarkets in remote rural Scotland. The 2021 report had found that supermarket prices in remote small towns were not significantly different from those in urban parts of the UK, and selective price comparisons in 2022 confirmed this. Uplifts were therefore based on further pricing of samples of the food baskets in more remote locations outside the main towns, compared to supermarkets. The percentage differences were applied to the 2022 UK food baskets, using weightings calculated in 2021. For the mainland calculations, these weightings were based on the percentage of the population living outside the towns, and on the proportion of a food budget that they would be expected to spend at local village stores to top up their main shop at town supermarkets. For island budgets, in addition, the proportion of the population who could not access a supermarket were assumed to buy all their food at local stores, and this cost in turn was incorporated using population weightings. In 2022, the uplift resulting from these calculations was higher than in 2021 as a result of higher percentage price differences in certain types of store. For example, on islands, food prices at a community store on a remote island were estimated to be 49% higher than in a supermarket in 2022, up from 27% in 2021.

**Household consumables and personal goods such as hygiene products** were assumed to be bought in supermarkets in most cases, and therefore did not involve any difference in price. However, in the case of people living in remote island locations, where such products needed to be bought at community stores, the same method was used as in the case of food, applying a percentage additional cost, weighted by the proportion of the island population living in such areas.

**Clothing and most household goods** are in some cases assumed to be bought in large towns or cities at the same price as in urban MIS, and in other cases – mainly on islands – costed separately, because local groups said it would not be practical to travel to buy them. In the latter cases, items in the 2022 budgets were re-costed at local stores on the same basis as in 2021. A small number of additional items identified as being required in these categories were also re-costed.

**Most leisure, communications and transport items** were costed separately in remote Scotland, following the specifications produced in the 2021 research. As referred to above, this could produce some important variations, for example because of constraints on the availability of second hand cars bought locally, and fluctuations in their prices.

As referred to above, important changes in the social participation budgets for the UK, when rebased in 2022, made comparisons with remote Scotland difficult, since the specifications for the latter were assumed to have remained the same. For working-age adults without children, this caused the repeat costing for remote Scotland leisure budgets to come out lower than for urban UK, even though there is no reason to think that social participation

has become cheaper in remote areas than in urban areas (and indeed leisure costs for islanders had increased significantly). Therefore, where this occurred, the remote Scotland social participation budgets were assumed to be the same as for urban UK. The following were the social participation results for couples (from which singles' budgets have also been calculated):

**Table A2a Weekly social participation budgets, 2021 and 2022, couples without children, working age couple**

<b>Working age couple</b>	<b>2021</b>	<b>2022</b>
UK	£73.63	£109.63
Remote Scottish mainland, calculated	£74.62	£74.15
Scottish islands, calculated	£74.62	£86.24
Scottish mainland and islands, adjusted		£109.63

**Table A2b Weekly social participation budgets, 2021 and 2022, couples without children, pensioner couple**

<b>Pensioner couple</b>	<b>2021</b>	<b>2022</b>
UK	£81.56	£78.24
Remote Scottish mainland	£95.76	£93.92
Scottish islands	£118.29	£98.74

As shown in tables [A2a](#) and [A2b](#), in 2021, working-age budgets for social participation were only slightly higher in remote rural areas than in the rest of the UK, but for pensioners they were substantially higher, particularly in the islands, due largely to the greater cost of going on holiday. In 2022, the remote rural costs had not changed much when re-costed. For working-age, the UK ones had overtaken them, but as previously stated, this could well be a result of the different ways they have been updated, so no difference between UK and remote Scotland is reported. For pensioners, on the other hand, the UK budgets did not rise, and the re-costed budgets for the Scottish islands remain higher.