

Rural and Islands Housing Action Plan

Fairer Scotland Duty Summary Report

October 2023

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Title of Policy, Strategy, Programme

Rural and Islands Housing Action Plan

Summary of aims and expected outcomes of strategy, proposal, programme or policy

Programme for Government includes a commitment to develop a Rural & Islands Housing Action Plan ('the Action Plan'), to meet the housing needs of, and retain and attract people to, those communities.

Housing to 2040 includes a specific focus on rural and island housing and commits to *"take action so that rural and island communities have access to high-quality, affordable and market housing which has been planned alongside the economic and physical infrastructure and helps people to live, work and thrive – and we will help to stem rural depopulation"*.

The Action Plan will bring together relevant work strands of Housing to 2040 through a rural lens. Formal engagement through Housing to 2040 and informal engagement on the Action Plan have identified the key barriers to housing delivery in rural and island areas and includes joint action and solutions to address these. It strategically aligns to National Planning Framework 4, the National Islands Plan and Population Strategy.

Housing has a vital role to play in meeting many of our ambitions for Scotland: tackling child and fuel poverty; ending homelessness; tackling inequality; strengthening communities; helping stem rural depopulation; improving health and wellbeing; addressing the global climate emergency and promoting inclusive growth. Through the housing system, we want to support our most disadvantaged and vulnerable communities and create vibrant places that are sustainable and promote wellbeing.

The Action Plan has been informed and shaped by extensive engagement and consultation with a wide range of external stakeholders including local authorities, Highlands and Islands Enterprise, South of Scotland Enterprise, rural and island housing organisations and rural and island communities.

The Action Plan aims to strengthen and enhance existing policy areas which link to rural housing delivery. As such there are policy areas included in the Action Plan which will complete a separate Fairer Scotland Duty Assessment as policy develops to ensure that they consider what more can be done to reduce inequalities of outcomes caused by socio-economic disadvantage.

The Action Plan will:

- Meet our ambition of delivering 110,000 affordable homes by 2032, 10% of which will be in remote, rural and island communities;
- Work with stakeholders to identify actions to support land to come forward for affordable housing;
- Ensure planning, infrastructure, transport and digital connectivity are aligned;
- Give local authorities powers to tackle second home ownership and short-term lets, where these are seen as an issue;
- Support capacity and delivery of community-led housing in rural and island areas;
- Develop guidance for communities on access to expertise to help communities to take forward housing projects in rural and island communities;
- Develop specific tools to assist rural and island communities with housing need and demand assessments and feasibility;
- Strengthen the link between housing and the economy;
- Provide funding to identify affordable homes for key workers in rural communities;
- Support employers to take forward employee housing projects; and
- Address issues around construction skills and capacity.

Summary of evidence

People on low incomes, people with no/low wealth or in debt, people in material deprivation

People on low incomes, with no/low wealth or in material deprivation often struggle to meet their housing needs. In rural and island areas, these problems can often be more pronounced and many people, particularly young people, leave to find more accessible employment and housing opportunities in urban areas¹.

¹ 3 'Push' Factors encouraging people to leave rural areas - Factors Influencing Rural Migration Decisions in Scotland: An Analysis of the Evidence - gov.scot (www.gov.scot)

The Action Plan aims to increase the provision of affordable housing in remote, rural and islands communities. This will allow local people to meet their housing needs within their community, without income and wealth being such a barrier.

15% of people in rural areas are living in relative poverty and 11% are living in severe poverty after housing costs. 19% of children living in rural areas are living in relative poverty².

More residents of rural Scotland are in work with employment rates higher than in the rest of Scotland. 77% of the working age population are in employment in remote rural areas and 78% in accessible rural areas. This is against 74% in the rest of Scotland³.

Residence based estimates of pay indicate that rates are highest for accessible rural areas but lowest for remote rural areas. The median hourly rate of pay in 2020 in the rest of Scotland was £15.65. This is compared to £16.26 in accessible rural areas, but £14.19 in remote rural areas⁴.

More residents in rural Scotland are self-employed than in urban areas – 23% in remote rural areas, 17% in accessible rural areas, and 11% in the rest of Scotland⁵.

59% of working-age adults in poverty in Scotland are in 'in-work poverty' – meaning they are living in households with at least one adult in employment. This is not broken down by urban-rural classification⁶.

The 'Accommodation and food services' sector also has a much larger share of employment in remote rural areas (15%) compared to accessible rural areas (9%) and the rest of Scotland (8%). Jobs in this sector tend to be less reliable and subject to lower contracted hours and lower wages⁷.

Microbusinesses are of particular importance to the rural economy, with 9 in every 10 rural firms being microbusinesses⁸. Micro businesses (0-9 employees) account for 36% of employment in remote rural areas and 29% in accessible rural areas, while they only account for 13% of employment in the rest of Scotland. Overall, Small and Medium-sized Enterprises (0-249 employees), which include Micro businesses, account for two thirds of employment in remote rural areas compared to 58% in accessible rural areas. The proportion falls to 36% in the rest of Scotland⁹.

² 2. Rural poverty in Scotland - Poverty in rural Scotland: evidence review - gov.scot (www.gov.scot)

³ Poverty in Rural Scotland: A Review of Evidence (www.gov.scot)

⁴ *ibid*

⁵ *ibid*

⁶ *ibid*

⁷ Rural Scotland Key Facts 2021 (www.gov.scot)

⁸ Scottish National Investment Bank Fairer Scotland Duty Assessment (www.gov.scot)

⁹ Rural Scotland Key Facts 2021 (www.gov.scot)

The percentage of employed people in remote rural areas who have a second job (8%) is more than double that of employed people in the rest of Scotland (3%)¹⁰.

The proportion of the total population that is income deprived is lower in rural areas than the rest of Scotland, with the proportion lowest in accessible rural areas at 7%¹¹.

The evidence considered above in relation to people on low incomes, people with no/low wealth or in debt, people in material deprivation demonstrates that most people experiencing poverty in rural areas are not living in areas characterised by severe deprivation. This can make the impacts of poverty more 'hidden', increase the experience of stigma, or make it harder for them to access support for people in their situation. By increasing the provision of affordable housing in remote, rural and island areas, it is expected that housing inequality will decrease for socio-economically disadvantaged people.

People in deprived areas and people from different social classes

Data from the Scottish Surveys Core Questions 2019¹² shows that remote, rural and island communities tend to be less deprived than urban areas. For example, while remote rural households account for 6% of Scotland, only 0.8% are in the most deprived fifth of households. While accessible rural households account for 11.1% of Scotland, only 2.3% are in the most deprived fifth. While large urban areas account for 35.1% and other urban areas account for 35.8% of Scottish households, they represent 45.4% and 44.5% of the most deprived fifth of households respectively.

Conversely, remote, rural and island areas also tend not to have an equal share of the least deprived fifth of households. While remote rural areas account for 6% of households, they only account for 1.1% of the least deprived fifth. Accessible rural, while accounting for 11.1% of households, accounts for only 6.6% of the fifth least deprived.

Communities

According to Rural Scotland Key Facts 2021¹³, rural Scotland has a higher proportion of residents who rate their neighbourhood as a 'very good' place to live compared to urban Scotland. Crime is less prevalent and more people feel 'very

¹⁰ [Poverty in Rural Scotland: A Review of Evidence \(www.gov.scot\)](http://www.gov.scot)

¹¹ [Rural Scotland Key Facts 2021 \(www.gov.scot\)](http://www.gov.scot)

¹² [Supporting documents - Scottish Surveys Core Questions 2019 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

¹³ [Supporting documents - Rural Scotland Key Facts 2021 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

safe' when home alone at night, particularly in remote rural areas. More people visit the outdoors at least once a week and life expectancy is higher. This is not broken down by household deprivation.

Transport

Rural Scotland also faces certain challenges in terms of travel and access to services and people spend more per month on fuel for cars. 75% of adults in remote rural and 82% in accessible rural areas drive to their place of work or education, compared to 60% in the rest of Scotland. While 11% of adults travel by bus and 6% by rail in the rest of Scotland, this falls to 3% by bus and 1% by rail in remote rural areas and 2% by bus and 4% by rail in accessible rural areas, respectively. Weekly travel costs for a working age single household in remote rural mainland Scotland is 73% higher than the urban UK average, and 40% higher in island areas¹⁴.

This has a socio-economic effect and poses challenges for residents who rely on public transport in rural areas. Higher transport costs disproportionately affect people on low incomes as transport costs represent a greater proportion of income. For example, travel to job centres is necessary for many people receiving certain social security payments, as are regular meetings with work coaches in the Universal Credit system. Additionally, access to hospital and social care may be restricted by infrequency and cost of public transport services¹⁵.

Fuel Poverty

Fuel poverty is particularly prevalent in rural Scotland. 50% of households in remote rural areas are in fuel poverty. This compares to 28% in accessible rural areas and 34% in the rest of Scotland¹⁶.

According to the Scottish House Condition Survey¹⁷ from 2017-2019, Na h-Eileanan Siar (40%), Highland (33%), Argyll and Bute (32%), Moray (32%), Shetland Islands (31%) and Orkney Islands (31%) had significantly higher fuel poverty rates than the national average of 24% for this period. The 2017-2019 survey also shows that the local authorities with a higher than the national percentage of dwellings in the lowest energy efficiency bands F or G are Perth & Kinross, Scottish Borders, Angus, Aberdeenshire, Moray, Argyll & Bute, Highland, Shetland, Dumfries & Galloway, Orkney and Na h-Eileanan Siar¹⁸. These are all predominantly rural local authorities.

¹⁴ [Poverty in Rural Scotland: A Review of Evidence \(www.gov.scot\)](http://www.gov.scot)

¹⁵ [ibid](#)

¹⁶ [2nd proposed extension of the Cost of Living \(Tenant Protection\) \(Scotland\) Act 2022: Statement of Reasons \(www.gov.scot\)](http://www.gov.scot)

¹⁷ [Scottish House Condition Survey: 2017-2019 Local Authority Tables \(www.gov.scot\)](http://www.gov.scot)

¹⁸ [ibid](#)

This does not take into account the significant impact of the cost of living crisis on our rural communities, which is likely to have exacerbated fuel poverty due to reliance on non-mains gas heating systems, such as heating oil, solid fuel or electric heat. Alternative off-grid fuel consumers are not subject to the fuel cap¹⁹.

Island Communities

In terms of Island-specific data, the Scottish National Islands Plan Survey 2020²⁰ has significant data on socio-economic factors. It covers employment issues, access to transport and services, as well as housing. The results are split by island group as well as by age, gender, household income, disability and children. The data demonstrates wide ranging results depending on a mixture of these factors. A Scottish Government report from 2021 estimates that cost of living in remote and rural Scotland including the islands is between 15% and 30% higher than urban parts of the UK²¹. This is due to a number of factors including additional costs related to items including food, clothing, household goods and most of all the significantly higher costs associated with travel.

Summary of assessment findings

The core strategic choice in terms of addressing socio-economic disadvantage is the inclusion of an ambitious target to deliver 110,000 affordable homes up to 2032 with 10% of these being in remote, rural and island areas and with a particular emphasis on social rented housing. These signal a strong and sustained commitment to affordable housing and the role it plays in helping tackle poverty. We will also continue to fund the Rural and Island Housing Fund over the lifetime of the current Parliamentary term providing a route for those not able to access traditional affordable housing funding.

This allows greater access to support for individuals who may not be able to meet their housing needs, whatever they may be. This is particularly positive for those on lower incomes or with low/no wealth. It also means that individuals can stay in their rural community rather than move to an urban area to find better paid work.

¹⁹ [The Cost of Living Crisis in Scotland: An Analytical Report \(www.gov.scot\)](http://www.gov.scot)

²⁰ https://mappingrd342.shinyapps.io/online_tool/

²¹ [Supporting documents - The cost of remoteness - reflecting higher living costs in remote rural Scotland when measuring fuel poverty: research report - gov.scot \(www.gov.scot\)](http://www.gov.scot)

The delivery of the actions in the Action Plan will sit under the governance process and a monitoring framework for Housing to 2040 so that we and others can assess progress towards the long-term vision. This will include stakeholders and end users, bringing in lived experience of rural poverty wherever possible.

By increasing affordable housing provision in remote, rural and island communities, this will have a positive impact on local people who would otherwise struggle to meet their housing needs, whether due to age, disability, socio-economic background or other characteristics. We expect a reduction in housing inequality for those in rural poverty, or who struggle to meet housing needs in the cost of living crisis, which disproportionately affects low income groups.

As the statutory housing provider, local authorities should set out in their Local Housing Strategies and Strategic Housing Investment Plans how they aim to consider the needs of communities who are more at risk of inequalities – including the needs of socio-economically disadvantaged groups.

Any new policy or legislation resulting from the actions in the Action Plan will undertake a separate Fairer Scotland Duty assessment at the appropriate stage of policy development.

Sign off

A handwritten signature in blue ink, appearing to read 'Joe Brown', with a long horizontal line extending to the right.

Name: Joe Brown

Job title: Deputy Director, Ukraine Resettlement



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