

A minimum income standard for rural households

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Noel Smith, Abigail Davis
and Donald Hirsch

This report extends the work on a Minimum Income Standard (MIS) for the UK, and explores how needs and costs vary for different households in relation to rurality.

While the rate of income poverty is lower in rural than in urban areas, it is growing faster in rural areas than elsewhere. A higher incidence of low pay in many peripheral and more remote rural areas increases risks of in-work poverty. There is evidence to suggest that rural low income families may face higher costs for certain essentials such as food and transport than their urban counterparts. At the same time, however, there is limited systematic evidence about how needs and costs vary in relation to rurality. This report presents the findings of research designed to examine what rural households need, to achieve the same living standards as urban households.

The research shows:

- what different rural households need to meet the minimum income standard in comparison with urban households;
- how meeting needs in key areas of expenditure, such as transport and fuel, differs significantly in different types of location; and
- how much income people in rural areas therefore require in order to afford a minimum socially acceptable standard of living.

Contents

List of figures and tables	4
Executive summary	7
1 Introduction	11
2 Methodology	14
3 How the rural minimum is different, and why	23
4 Results: additional rural costs	35
5 Income consequences	43
6 Conclusion	49
Notes	50
References	51
Appendix I: Rural accessibility scores	52
Appendix II: Cost of motoring analysis for Loughborough University	56
Appendix III: Energy audit company report	60
Acknowledgements and About the authors	62

List of figures and tables

Figure

- 1 Additional costs across different area types 36

Tables

- 1 Additional weekly rural costs for four illustrative rural household types compared with UK MIS: cash difference and rural cost as percentage increase on corresponding urban budget (excluding housing costs and childcare) 8
- 2 Overview of areas of different and additional rural costs by commodity category 8
- 3 Gross annual earnings required to meet rural and UK MIS, taking into account tax and in-work benefits and housing and childcare costs (£) 9
- 4 Location of fieldwork sites 16
- 5 Task group composition 17
- 6 Average vehicle distance to key services from the different rural area types (median average miles) 21
- 7 Average travel-to-work distance by car to key services from the different rural area types (median average miles) 21
- 8 Overview of areas of different and additional rural costs by commodity category 24
- 9 Minimum transport provision in rural MIS 25
- 10 Annual household mileages for selected rural MIS households 27
- 11 Housing types for original MIS households 27
- 12 Comparison of weekly MIS for urban households and rural town households (excluding housing costs and childcare) 37
- 13 Comparison of weekly MIS for urban households and village households (excluding housing costs and childcare) 37
- 14 Comparison of weekly MIS for urban households and hamlet households (excluding housing costs and childcare) 37
- 15 Components of additional costs for rural towns 39

16	Components of additional costs for villages	39
17	Components of additional costs for hamlets	40
18	Transport budget for rural towns	41
19	Transport budget for villages	41
20	Transport budget for hamlets	42
21	Single working-age adults without children: comparison of MIS and median income (£ per week), 2008/9	44
22	Couple parents with two children: comparison of MIS and median income (£ per week), 2008/9	44
23	Lone parent with one child: comparison of MIS and median income (£ per week), 2008/9	45
24	Pensioner couple: comparison of MIS and median income (£ per week), 2008/9	45
25	Gross earnings required by a single working-age adult without children to meet the rural MIS (£)	46
26	Gross earnings required by a couple with two children to meet the rural MIS if both parents are working (£)	46
27	Gross earnings required by a lone parent with one child to meet the rural Minimum Income Standard (£)	46
28	Single working-age household without children: rural MIS, compared with out-of-work benefit income, April 2010	47
29	Couple parents with two children: rural MIS, compared with out-of-work benefit income, April 2010	47
30	Lone parent with one child: rural MIS, compared with out-of-work benefit income, April 2010	48
31	Pensioner couple household: rural MIS, compared with Pension Credit, April 2010	48
32	Comparison of urban and rural history by floor area and house type	60
33	Comparison of floor areas (m ²) with current Homes and Community Agency Standards	61

Executive summary

Aims and approach

The Commission for Rural Communities (CRC) commissioned this research to provide evidence that could be used in many different areas of its work. The role of the CRC is to provide well-informed independent advice to government. It ensures that its policies reflect the real needs and circumstances of people living and working in rural England. The CRC particularly focuses on tackling disadvantage and economic underperformance. This project underpins that work, ensuring that people are not being unfairly disadvantaged by living or working in a rural area.

The research compares the needs and costs of households in urban and rural areas. Specifically, it considers what rural households need to achieve the same minimum living standard as their urban counterparts. It distinguishes how these costs vary within rural areas, by different household types and by degrees of rurality.

The minimum income standard (MIS) is the budget required to cover the cost of a basket of goods and services for a specified household type to meet a minimum socially acceptable standard of living. There are a number of different ways in which UK social policy seeks to measure and provide an 'adequate income'; for example, the minimum wage rate, benefit and tax credit levels, and the Government's income poverty threshold. However, these are not based on empirical evidence. In contrast, MIS is based on evidence grounded in what people need to achieve a minimum living standard. The UK MIS was developed for the Joseph Rowntree Foundation in 2008, and there is an ongoing programme of research to maintain the standard. A limitation of UK MIS is that it is based on research into households in urban areas, and does not focus on the needs of rural families. That limitation is addressed by this research.

The needs and costs of rural households are examined in relation to the budgets for urban households established by the UK MIS research. The research is based on a series of 15 in-depth focus groups in nine local authorities across England, informed by experts where necessary (e.g. heating costs, car costs). The groups negotiated consensus about what households need as a minimum, having considered a comprehensive list of all household needs from footwear to newspapers to heating. Budgets were constructed for a range of household types, including working-age and pensioner, and households with and without children. The groups discussed the needs of households in three different types of rural area: rural town, village and hamlet.

A strength of the MIS approach is that it explains not only household costs but also the reasons why these costs are necessary for a minimum living standard.

Key findings

The research found that although some things could be cheaper for rural households than for urban households (e.g. leisure activities for primary school children) this was unusual. Most household requirements were the same for rural as for urban families. However, there were critical differences that meant, overall, all rural households faced additional costs (see Table 1 on page 8).

The table shows, for example, that a pensioner couple in a rural town has an additional cost of £2.26, compared with a pensioner couple in an urban area, but the difference is negligible (one per cent). A single working-age person living in a hamlet has an additional net cost of £41.37 a week, which adds on

Table 1: Additional weekly rural costs for four illustrative rural household types, compared with UK MIS: cash difference and rural cost as percentage increase on corresponding urban budget (excluding housing costs and childcare)

	Rural town	Village	Hamlet
Pensioner couple	£2.26 1%	£43.00 19%	£48.08 22%
Single working-age adult without children	£15.98 9%	£31.92 18%	£41.37 24%
Working-age couple with two children	£46.67 12%	£59.52 15%	£72.20 18%
Lone parent with one child	£21.98 9%	£33.65 14%	£36.81 16%

Based on April 2010 prices

24 per cent to the budget set for the equivalent person in an urban town or city. A family with two children in a village requires nearly £60 a week more to achieve the same minimum living standard as an urban family, adding 15 per cent to the budget.

Rural families face different costs from urban families in particular areas of household expenditure (see Table 2).

Transport costs make up the single largest element of the additional costs – between 60 and 100 per cent of differences. This reflects the shift from reliance on buses as the main mode of transport in urban budgets to the need for cars in most rural households. Cars were deemed essential in locales where bus services were inadequate or unavailable. Across rural areas types, for each household type, the biggest increases in additional costs come when transport needs change. For pensioners, the largest settlement for which a car is needed is a village, so the largest difference is between costs

Table 2: Overview of areas of different and additional rural costs by commodity category

Commodity category	Rural difference?
Transport	Key difference in terms of mode of transport and distances travelled.
Fuel (heating and power)	Key difference in terms of fuel type and housing type.
Food	No difference except additional transport costs.
Clothes	Some difference in terms of outdoor wear. Additional transport costs.
Household goods	Some difference: heating back-up and gardening. Additional transport costs.
Communication	Some difference: Internet and newspapers.
Personal goods and services, including healthcare	No difference except additional transport costs.
Social and cultural participation	Some direct cost difference for some households; additional transport costs for all households.

for those living in a village and for those living in a rural town. For all other household types, the biggest difference comes between urban areas and rural towns, since a car is needed by those who live in the latter.

After transport, domestic fuel costs make up the next largest element of the additional costs. These increases reflect two issues:

- the absence of mains gas in many rural areas and reliance on more expensive forms of fuel for heating; and
- the prevalence of larger, older and less well-insulated housing stock in rural areas.

Other costs have only a small effect on rural budgets. The main additional costs associated with food, clothes, household goods, healthcare and social participation are the additional transport costs incurred when accessing these goods and services.

Rural MIS and average income

The income required for rural MIS is less than national average (median) income. However, compared with UK MIS – which is well below average – rural MIS is much closer to average income. Looking at the budgets in relation to average income also allows us to compare them with the Government’s poverty threshold, set at 60 per cent of median income.

For working-age households (with and without children) in all rural area types, the budgets are much more than the poverty threshold. Most households require between 80 and 90 per cent of average income. The MIS required by a single working-age adult without children living in a hamlet comes to 93 per cent of average income (after housing costs).

For the pensioner couple household, rural budgets are lower in relation to average income. The rural pensioner budgets range from slightly below the poverty threshold in rural towns (55 per cent) to somewhat above it (67 per cent) in hamlets.

Earnings required to meet the rural MIS

Gross earnings required by working-age households (in which all adults are in full-time employment) to meet the rural minimum differ from the wage required for UK MIS (see Table 3).

Households in rural areas need to earn more to cover a range of higher costs than those for urban households. However, due to the increase in taxes and loss of tax credit that such increased earnings incur, rural households need to earn a substantially greater amount than they would need to spend to pay for the minimum living standard. For example, a single person living in a rural town needs to spend £16 a week

Table 3: Gross annual earnings required to meet rural and UK MIS, taking into account tax and in-work benefits and housing and childcare costs (£)

	Rural town	Village	Hamlet	Urban
Single working-age adult without children	15,644	17,863	18,577	14,436
Working-age couple with two children	37,841	40,073	42,277	29,727
Lone parent with one child	17,773	19,431	19,980	12,454

Based on April 2010 prices.

more than one who lives in an urban area, but would need to earn over £23 a week more, once an extra £4.60 in income tax and £2.55 in national insurance are taken into account. A couple with two children in a hamlet requires an extra £72 a week but would need to earn £241 more between them to afford it: not only does this family have to pay an extra £75 in tax and national insurance, but it also loses £94 in tax credits.

Rural households would be unlikely to be able to earn enough for a minimum living standard on the national minimum wage (£5.93 an hour). For example, a couple with two children in a hamlet – with both parents working full-time – would need to be paid about twice the national minimum wage.

Rural MIS and benefits

Out-of-work benefits do not meet the MIS for rural households. Benefits offer least support for single working-age households without children in rural areas, providing only around a third of the budget required for a minimum living standard. For single working-age adults without children in urban areas, Jobseeker's Allowance comes to about 40 per cent of MIS.

For families with children, out-of-work benefits provide only about half of the required budget – between 52 per cent for couples with two children in a hamlet and 59 per cent for a lone parent with one child in a rural town. By contrast, in urban areas, benefits provide 62 per cent of MIS for couples with two children and 65 per cent for lone parents with one child.

In urban areas, the rate of Pension Credit matches MIS for pensioner couples; in rural areas, the same is only true for those in rural towns. For pensioner couples in villages and hamlets, Pension Credit falls about 20 per cent short of meeting MIS.

1 Introduction

Background

This report presents the findings of a study undertaken for the Commission for Rural Communities (CRC) to develop a minimum income standard (MIS) for people living in rural areas. The MIS is the budget required to cover the cost of a basket of goods and services needed for a specified household type to meet a minimum socially acceptable standard of living. Income standard methodology has a long history in UK social policy, famously used in Seebohm Rowntree's work from the turn of the twentieth century, and to inform the Beveridge Report. The approach slipped from the mainstream research arena until the 1990s, when the Family Budget Unit at the University of York and the Centre for Research in Social Policy at Loughborough University developed new methods for compiling household budgets. These were brought together to produce the first UK MIS, which was published in July 2008. An ongoing programme of research and knowledge transfer followed, including annual updates to maintain MIS over time. The original UK MIS research was commissioned by the Joseph Rowntree Foundation (JRF) and the Foundation funds the annual updates.

MIS represents a new evidence-based measure of income adequacy in contemporary social policy. In contrast to MIS, other current measures of adequacy – for example, the minimum wage, benefit and tax credit levels, and the Government's income poverty threshold – are not based on empirical evidence. They have been developed historically by negotiation between policy-makers and not as a result of evidence about what people actually need. MIS, however, is grounded in informed social consensus about what people need to achieve a minimum socially acceptable standard of living.

However, until now, a limitation of MIS was that it was based primarily on research undertaken in towns and cities. The original study included limited research in rural areas, and highlighted the fact that the UK MIS did not take into account certain different and additional costs for those living in rural or remote locations.

Although the rate of income poverty is lower in rural than urban areas, it is growing faster in rural areas than elsewhere (CRC, 2008). While a higher incidence of low pay in many peripheral and more remote rural areas increases the risk of in-work poverty (Lawton, 2009), there is evidence to suggest that rural low-income families face higher costs for certain essentials, such as food, domestic fuel and transport than their urban counterparts (CRC, 2008; CRC, 2010; Smith, *et al.*, 2007). At the same time, however, there is limited systematic evidence about how needs and costs vary in relation to rurality.

This study identifies and explains the different costs experienced by different rural households compared with their urban counterparts. The research develops a rural MIS in relation to the UK MIS, focusing on needs and costs which differ from those specified in the most recently updated MIS (Davis, *et al.*, 2010). By providing this evidence, a rural MIS will promote informed discussion about what rural households need to achieve the same living standards as urban households. This, in turn, will help motivate and inform strategies to identify and address rural needs.

In this chapter, we present the aims of the research, provide a more detailed explanation of the rural MIS, and offer an overview of the report.

Aims

- The primary aim of the research is to investigate whether rural households have different costs from urban households to achieve the same living standards.
- In doing so it aims to distinguish how these costs vary within rural areas, by different household types and by degrees of rurality.
- It aims to present the costs of living in rural areas in a way that informs the social policy debate and is accessible to the general public.

The study builds on and shares similar aims with the original MIS project. That is, it aims to:

- develop MIS budgets for rural households in England, using a methodology that is both rigorous and defensible;
- generate sufficient information to provide detailed explanations of the rationale underlying the rural budgets;
- provide income standards that are firmly grounded in consensus among ordinary people living in rural locations, whilst being informed by ‘expert’ advisers to ensure conformity to necessary guidelines; and
- inform continuing debates about what minimum acceptable level of income is required to enable full participation in today’s society.

What is MIS?

The MIS programme uses a new and innovative methodology, blending expert input and social consensus negotiated between members of the public. Full details about the MIS programme are available online at www.minimumincomestandard.org A general summary of MIS is offered (see Box 1 on page 13).

Report plan

The rural MIS project presented some new, unique challenges for the standard MIS methodology. The next chapter details the particular methods tailored to meet these challenges. Chapters 3 and 4 present the research findings. Chapter 3 discusses the rationales underpinning participants’ decisions about different and additional rural costs. Chapter 4 compares the urban and rural budgets, and reports the additional budgets required by different rural households to achieve the same standard of living as their urban counterparts. Finally, Chapter 5 analyses rural income requirements in comparison to national average income and benefit levels. It calculates how much rural households would need to earn to afford a minimum socially acceptable standard of living.

Box 1 MIS in brief

What is MIS? The minimum income standard is the income that people need to reach a minimum socially acceptable standard of living in the UK today, based on what members of the public think. It is calculated by specifying baskets of goods and services required by different types of household to meet these needs and to participate in society.

How is it arrived at? A sequence of groups has detailed negotiations about everything a household would have to be able to afford to achieve an acceptable living standard. These lists are very detailed and include everything from socks to washing machines, dental costs to telephone call charges. In certain areas of household requirements, experts check that the specifications given by groups meet basic criteria such as nutritional adequacy. In some cases, information from experts is fed back to subsequent research groups that check and amend the budgets. Each group typically comprises six to eight people from a mixture of socio-economic backgrounds, and from the particular demographic category under discussion – for example, pensioner groups decide the minimum for pensioners.

What does it include? Groups in the original research defined MIS as follows:

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

So, a minimum is about more than survival alone. It covers needs, not wants; necessities, not luxuries. In identifying things that everyone should be able to afford, it does not attempt to specify extra requirements for every particular individual or group – for example, those with disabilities or long-standing health problems. So not everybody who has the minimum income is guaranteed to achieve an acceptable living standard. However, anyone falling below the minimum is unlikely to achieve such a standard.

To whom does it apply? MIS applies to ‘nuclear’ families comprising a single adult or couple with or without dependent children. It covers most of such households, with its level adjusted to reflect their specific make-up. It does not cover families living with other adults, such as households with grown-up children.

Where does it apply to? MIS was originally calculated as a minimum for Britain; subsequent research in Northern Ireland carried out in 2009 showed that the required budgets there are all close to those in the rest of the UK, so the main budget standard now applies to the whole of the UK.

How is it related to the poverty line? MIS is relevant to the discussion of poverty, but does not claim to be a poverty threshold. This is because participants in the research were not specifically asked to talk about what defines poverty. However, it is relevant to the poverty debate in that almost all households officially defined as being in income poverty (having below 60 per cent of median income) are also below MIS. So, households facing relative poverty on this measure are generally unable to reach an acceptable standard of living as defined by members of the public.

When was it produced and how is it being updated? The original research was carried out in 2007 and the findings presented in 2008, costed using April 2008 prices. Every July, new MIS figures for the main budgets are published, updated to April of the same year. Annual updates take inflation into account. In addition, every other year new groups are convened to review or rebase selected budgets.

2 Methodology

Introduction

This chapter presents the methodology used in the study. In essence, the research involved facilitating groups of members of the public to:

- review all commodities and allowances required in the UK MIS, which had been set to provide a minimum socially acceptable standard of living for urban households;
- isolate which of these provisions (if any) would be inadequate or unnecessary for people living in rural households; and
- agree how these should be altered, replaced or added to, to provide the same standard of living for rural households.

The groups were drawn from rural areas and dealt with budgets for the same type of household as their own (for example, groups of pensioners looked at budgets for pensioners). From the outset, the research pointedly focused on how costs for rural households might be different from those for urban households. While anticipating that rural households would incur some additional costs to their urban counterparts – for example, transport costs – the research approach was sensitive to the potential for some costs to be less for rural households. It was not assumed that the overall rural MIS would necessarily be more than the UK MIS.

The rural MIS methodology differs from the standard MIS approach in two ways. First, unlike the UK MIS research, it does not set out to construct detailed lists of every item, service and allowance rural households need. Instead, the focus is on the different needs of rural households, compared with those needs catered for in the UK MIS. So for areas of household requirements where the rural groups did not identify different rural needs, it is assumed that items and services provided in the UK MIS suffice equally across urban and rural households. For areas where they did identify differences, there was detailed negotiation to determine exactly what was required to meet the needs of rural families.

Second, the task of researching needs in rural areas presented some unique challenges which did not need to be faced in the UK MIS. In particular, new technical approaches had to be developed to a) select what rural area would be researched, and b) calculate transport costs in different rural areas. The new methods were developed outside groups, by the research team with input from expert consultants. However, the fieldwork with groups fed into selecting and understanding types of rural locale. The groups also provided the information for calculating transport costs, and their discussions served to fine-tune how these calculations were done. This was in line with the overall MIS approach of using the interaction of expert knowledge and criteria set down by members of the public to reach an informed consensus.

This chapter begins by explaining this method for selecting different types of rural area. We then discuss how the fieldwork was undertaken: the various stages involved and the people who participated. Following this is a report of the methods used to translate group discussion into weekly household budgets: transport costs, fuel costs for household heating and power, and other costs.

Defining and selecting types of rural locales

There is no single homogenous type of rural area. Therefore, a challenge in designing the rural MIS was establishing how to represent different types of rural areas in a way which was a) policy-relevant, b) methodologically robust, and c) practicable in terms of available project resources.

For both practical purposes and policy relevance, the selection of locales needed to be set in an established typology. The 'rural definition' spectrum or graded system was adopted, which classifies areas using census data based on the population size of settlements and the population density of the surrounding area.¹ This produces eight classes:

- urban (sparse);
- urban (less sparse);
- rural town/town and fringe (sparse);
- rural town/town and fringe (less sparse);
- village (sparse);
- village (less sparse);
- dispersed/hamlet and dispersed (sparse); and
- dispersed/hamlet and dispersed (less sparse).

Given that we needed to research a number of different household types in each area, it was beyond the scope of the project to try to represent all eight areas. The UK MIS was assumed to provide for households in urban areas in the above typology. In collaboration with the CRC, it was agreed that the rural MIS research would focus on households in three area types:

- rural town/town and fringe (sparse);
- village (less sparse); and
- dispersed/hamlet and dispersed (sparse).

This selection ensures that a range of rural area types is considered, including the smallest and most dispersed category of settlement. The above types are referred to hereafter simply as:

- rural town;
- village; and
- hamlet.

The use of population size and density measures to define area types in the standard typologies is done as a proxy to represent the substantive issues experienced by rural households, and particularly their proximity to key services. In designing the rural MIS method it was assumed that a crucial element of rural costs would be associated with accessing key services.

Table 4: Location of fieldwork sites

	Rural town	Village	Hamlet
Task groups	Northumberland Devon	Nottinghamshire Suffolk	Norfolk Cornwall
Checkback and final groups	Shropshire Lincolnshire North Yorkshire	Shropshire Lincolnshire North Yorkshire	Shropshire Lincolnshire North Yorkshire

The rural MIS project recognised that included within each of the three area types selected there would be households with varying degrees of access to essential services and retailers, thus varying the costs associated with restricted accessibility. Therefore, to consistently assess the needs and additional costs of particular households, a more detailed approach to selecting fieldwork sites was required.

This approach needed to maximise the applicability and support the general application of the rural MIS across England. The sites selected for fieldwork needed to be as typical (of their rural type) as possible, at least in terms of the accessibility of services. To avoid particular local or regional influences, we needed to talk to households in different areas of rural England. At the same time, we needed continuity between the fieldwork sites in these different areas; particularly, they needed to be comparable in terms of their accessibility.

To meet these needs, the Derek Halden Consultancy (DHC) was brought in to develop an average composite accessibility score for each of the three rural types (a report of this analysis is in Appendix I). The analysis entailed:

- reviewing data from the Department for Transport’s National Accessibility Indicator set for all Census Output Areas (COAs) classified as, respectively, rural town (sparse), village (less sparse) and hamlet (sparse);
- extracting vehicle distance and public transport travel times to key services;
- weighting the results in terms of the frequency of journeys to different services; and
- combining the results to create a total accessibility score for each COA in each region (165,665 in total).

A mean average accessibility score was calculated for each rural area type. This was used to identify and select the fieldwork sites. A list was generated of rural towns, villages and hamlets with average accessibility scores and, from these, locales were selected to provide a spread of sites across England.

Given the size of the locales, it would not be possible to ensure the confidentiality of group participants if we were to name the fieldwork sites. The research is based on 15 places (five each of rural town, village and hamlet) spread over various locations (see Table 4).

Fieldwork

The research was supported by a series of initial tasks, including:

- various scoping exercises, particularly to develop methods and plan recruitment;

- an orientation group, with rural experts from different rural community groups, to consider potential sources of different rural costs, identify issues with conducting the research in a rural context, and inform topic guide design for the main fieldwork; and
- a project advisory group, with leading experts in the field.

The main fieldwork consisted of three phases: the task group phase, checkback group phase and final group phase.

Task groups

A series of nine task groups produced detailed lists of the additional/different needs of rural households. Groups were divided into pensioners, working-age adults without children, and parents with dependent children. A group of each household type was drawn from each of the rural area types (see Table 5). In this way, for example, parents recruited from rural towns discussed the needs of families with dependent children in rural towns, pensioners recruited from hamlets dealt with the rural MIS for pensioner households in hamlets, and so forth.

All groups – task groups and later groups – worked to the same definition of ‘minimum essential needs’. This definition had been developed at the beginning of the original MIS research by participants, with some light-touch input from the project advisory group of academics and policy experts (for further information on the definition, see Chapter 3):

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.

Whatever item, service or allowance the groups agreed that households needed had to meet this standard and not exceed it.

Another common feature across all groups was that they were asked to consider the needs of a case study household similar to their own in terms of composition and location. Focusing on the case study households’ needs meant that groups were steered away from focusing on their own individual experiences and circumstances, towards developing a more universal minimum living standard.

Importantly, groups were also facilitated to consider key household variations. For example, the parent groups addressed the needs of couple parents and lone parents, and the varying needs of children

Table 5: Task group composition

Area types	Household types
Rural town	1. Working-age people without children 2. Parents 3. Pensioners
Village	4. Working-age people without children 5. Parents 6. Pensioners
Hamlet	7. Working-age people without children 8. Parents 9. Pensioners

of different ages. Information about varying and individual needs is necessary to develop a rural MIS for a wide range of different household configurations.

Each task group reviewed the detailed lists of items, services and allowances on which the original MIS was based. In doing so, they were tasked with negotiating consensus among themselves about:

- what types of living expenses are affected (increased or decreased) by rurality;
- what items, services and allowances need to be added, removed or revised; and
- what minimum standards are required in terms of the amount and quality (and this included requirements to meet minimum accessibility needs).

Generally, group participants were steered away from talking about how much money households need, and encouraged to stay focused on the things that they need. For example, the groups did not discuss how much the case study household might need to spend on transport, but how many trips they needed to make.

Throughout all group sessions, an important task of the moderator was to remind participants regularly that they were defining needs and not wants: that this was a minimum not an aspirational budget.

Checkback and final groups

Three checkback and three final phase groups were also recruited. In each phase, the three groups comprised working-age people without children, parents and pensioners. The checkback groups reviewed decisions agreed in the task groups and addressed any outstanding issues. Similarly, the final groups reviewed the budgets post-checkback. They looked at any outstanding issues, particularly in relation to differences between single and couple households, and economies of scale in households with more than one child. As with the task groups, participants were recruited afresh for each group. This is vital for a robust approach as it means that different groups of people reviewed the decisions reached by previous groups.

There was an important difference between task groups and groups in the later phases. In the task group phase, each group considered needs in relation to only one area type: rural town, village or hamlet. Although this was effective for the task groups, for later phases we needed to achieve a clearer understanding of the difference in needs between rural towns, villages and hamlets. So, each checkback and final group covered a relatively wider geographical area, which encompassed a rural town, village and hamlet. Participants were recruited purposively so that each group included a balance of people from rural towns, and from villages and hamlets around those towns. In each of these groups, therefore, participants were asked to focus on not one but three case study households. For example, the pensioner groups considered the needs of a pensioner household in the rural town in question, one from a specified village outside of the town, and one from a specified local hamlet.

Recruitment and participants

The project contracted the specialist recruitment services of BMG Research. Drawing from the DHC analysis of typical rural settlements in terms of accessibility, the research team provided BMG with postcodes for selected fieldwork sites. BMG purchased a phone book dataset for the postcode areas, and recruited participants by telephone.

A total of 88 people participated in the main fieldwork, with an average of 6 participants per group. Participants were purposively recruited on the basis of:

- where they lived – rural town, village or hamlet;
- age – pensioner or working-age household; and
- household – with or without dependent children, single or couple households.

In addition, parent groups included participants with children in a range of age groups:

- infant/toddler;
- pre-school age;
- primary school age, and
- secondary school age.

Participants were recruited to include a reasonable balance in terms of gender: 47 men and 41 women.

MIS methodology recognises that individuals draw on their own experiences. For example, if groups include only those on low income, the risk is that the research would represent groups of people in poverty describing living in poverty. To develop more universal budgets, reflecting the expectations of the general population, it is important to include people from a range of socio-economic backgrounds.

Socio-economic background was assessed in recruitment interviews primarily in terms of participants' occupational class; where participants categorised themselves in relation to the standard typology (see Box 2). This was supported by further information about sources of household income (earnings, benefits or mix of both) and housing tenure. A small minority of participants opted not to provide this information, and this did not necessarily exclude them from taking part. Of the others, around a quarter categorised themselves as being of occupational classes A or B, more than a quarter defined themselves as C1, a quarter as C2, and under a quarter as D–E.

Box 2 Occupational class typology

- A Higher managerial administrative or professional occupations
- B Intermediate managerial administrative or professional people, senior officers in local government and civil service
- C1 Supervisory or clerical and junior managerial administrative or professional occupations
- C2 Skilled manual workers
- D Semi- and unskilled manual workers
- E All those entirely dependent on the State through long-term sickness or unemployment, casual workers and those without a regular income

Transport costs

In the UK MIS, households' main transport needs are met through provision for bus fares and occasional taxi fares. None of the urban budgets allow for households to have a car. When considering rural MIS, most groups decided that a car was a minimum essential and the cost of running a car comprised a significant element of the budget. To address this, a method was developed for the project to calculate minimum car costs, consisting of three elements:

- cost of motoring per mile;
- type and number of trips required; and
- distance of trips.

Transport costs were then calculated using the formula: cost per mile × number of trips × distance of trips.

Cost of running a car

The per-mile costs of owning and running a car were provided by Go Motoring Ltd, based on bespoke analysis for the project using information provided by the groups (see Appendix II). They included:

- petrol, using the April 2010 national average price;
- depreciation, based on annual mileage driven, and the type and age of vehicle specified by groups;
- insurance, based on certain assumptions such as drivers having a clean licence;
- service, maintenance and repair;
- road tax; and
- breakdown cover.

A range of per-mile costs were required for different households, varying with type of vehicle, annual mileage and insurance requirements (driver's age and marital status).

The groups that agreed cars were required as a minimum were asked to specify exactly what vehicle was required to meet this minimum need, including make, model, engine size and age. In all cases, groups selected basic second-hand vehicles. The annual mileage for these vehicles was calculated in terms of number of trips × distance of trips (see below).

Type, number and distance of trips

The groups also specified the type and number of trips required as a minimum. More details are provided in Chapter 3. Trip distances were derived in a number of ways. First, the DHC analysis provided average trip distances from each of the three rural area types to a number of key services (see Table 6 on page 21). This shows, for example, that looking at all hamlets in England, the average distance by car to the nearest hospital is 10 miles.

The groups recognised these figures as being familiar in their experience. However, they challenged using the same approach to derive a figure for travel distance to employment. It seems

Table 6: Average vehicle distance to key services from the different rural area types (median average miles)

	Rural town	Village	Hamlet
GP	1	2	3
Hospital	9	5	10
Primary school	1	1	1
Secondary school	3	3	5

that while it is reasonable to assume that households would travel to their nearest GP or school, it is not reasonable to assume that travel budgets should be based on households accessing the nearest employment hub (defined as an employment location with over 500 jobs). Groups argued that the distance this implied was too small, and that conceptually restricting travel horizons to the nearest employment hub served to restrict their employment opportunities. Therefore, in the rural MIS, travel-to-work distances are based on National Travel Survey data about average travel-to-work distances; that is, data about distances actually travelled (driven) to work rather than average distance to the nearest employment hub (see Table 7).

Other distances were derived directly from the fieldwork itself. For example, trips for grocery shopping were relatively local – in most fieldwork sites, there was a supermarket in the rural town (specifically a chain store, operating a national pricing policy, adequate for a household’s routine grocery shop). Groups assumed that most leisure activities would be based in the rural town. Shopping for clothes and larger household goods and certain other social and personal business would require trips to the next big town or city. Taking an average of all actual distances involved in the fieldwork, the following round trip distances are used in the analysis:

- rural town–hamlet: 13 miles;
- rural town–village: 12 miles; and
- distance from all rural locales to next big town or city: 34 miles.

Fuel costs (heating and power)

The project contracted the Energy Audit Company (EAC) to calculate the household fuel budgets. In both the UK MIS and rural MIS, the groups specified what kind of fuel is appropriate for particular household types (based on the type of accommodation that groups had agreed on as a minimum for that household). They also discussed the fabric of the building and likely insulation levels. For the rural MIS, EAC then identified an appropriate dwelling for each household type, drawing on an extensive database of Local

Table 7: Average travel-to-work distance by car to key services from the different rural area types (median average miles)

Urban	Rural town	Village	Hamlet
5	7	7	7

Source: National Travel Survey, combined datasets 2002–2006 UK data archive dataset (Department for Transport, 2008)

Authority housing. A fuel provider was selected, based on availability of type of fuel and average fuel cost. Applying the same method for each household type, EAC then calculated the cost to provide heating/hot water at an appropriate temperature to meet the needs of the inhabitants and to maintain the fabric of buildings (see Appendix III).

In the rural MIS, some groups specified the need for different housing types than those used in the UK MIS – such as houses in the absence of flats, and older buildings in hamlets (see Chapter 3). Groups also discussed types of fuel used in areas not served by mains gas.

Other costs

For other items, services or allowances identified as differing for rural households, groups negotiated how they should be dealt with in the budgets. Where new or alternative requirements were agreed, these were costed, using lifespans specified by the groups.

For household requirements where the groups did not identify different rural needs, it is assumed that rural households face the same costs as those provided in the original MIS. Details of methods and costing approaches used in the UK MIS are available on the MIS website.

It is important to highlight that the rural MIS does not consider variations in childcare costs. Families' childcare costs vary widely, both in terms of the costs charged by childcare providers and by families' needs. Some families require full-time childcare, while others require none. This variability means it is particularly difficult to standardise childcare costs.

The rural MIS also does not take rent or mortgages into account. Because housing costs vary so widely, all MIS budgets work better when excluding these items. Where these costs are needed to calculate earnings requirements (see Chapter 5), the default costs in the original MIS are applied. Rent, council tax and water rates in the original MIS are based on actual social housing in Loughborough. The research team compared social housing rents in Loughborough with rents for corresponding housing types in the fieldwork sites. Some rents in the rural areas were higher, some were lower, and there was not a consistent difference either way.

3 How the rural minimum is different, and why

Introduction

A strength of MIS methodology is that it identifies not only what budgets are required for different households, but also the rationale for why these households require the items and services provided for by the budgets. This chapter reviews the groups' decisions and decision-making, looking at the reasons they agreed why particular items, services or costs needed to be included or changed. Consensus about these decisions was frequently reached only after detailed – and sometimes heated – discussion and negotiation.

From the outset, group participants had a clear understanding that the research was concerned with minimum standards (needs, not wants) and how needs and costs compared between urban and rural households. The approach throughout the fieldwork was that group decisions needed to be based explicitly on 'rural rationales'. Decisions about different and additional costs needed to be related to living in rural towns, villages or hamlets. In some instances, groups decided that there were general urban versus rural differences: households in rural towns, villages and hamlets faced the same issues, which were different from those faced by urban households. In other instances, groups identified differences between those in rural towns, villages and hamlets.

This chapter begins with a discussion of how the minimum was defined for and understood by the groups. It then provides an overview of what areas of household need/expenditure were identified as differing between urban and rural households. The rest of the chapter expands this overview and considers the rural rationales underpinning the groups' decisions.

Acceptable minimum

The concept of the 'acceptable minimum' is at the heart of all of the research in the MIS programme. In the original research, defining this was the task of eight orientation groups. After debate, the following working definition was agreed:

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.

This definition has been used in all subsequent MIS research, and was used in all of the rural groups.

All participants were asked to consider this definition at the beginning of each group and it was referred to throughout group discussions. For example, when participants queried whether the budgets would be for people in or out of work – on the basis that the former might expect a higher living standard – referring to the definition helped groups in differentiating between needs and wants. That is, the budgets are meant to meet the minimum essential needs everyone has, independent of income. The rural groups understood the definition and applied it in their debates. A parent in the final group commented, 'Well, you are talking about a minimum requirement aren't you, you are not talking about what you would like to be able to do?'

Table 8: Overview of areas of different and additional rural costs by commodity category*

Commodity category	Rural difference?
Transport	Key difference in terms of mode of transport and distances travelled.
Fuel (heating and power)	Key difference in terms of fuel type and housing type.
Food	No difference except additional transport costs.
Clothes	Some difference in terms of outdoor wear. Additional transport costs.
Household goods	Some difference: heating back-up and gardening. Additional transport costs.
Communication	Some difference: Internet and newspapers.
Personal goods and services, including healthcare	No difference except additional transport costs.
Social and cultural participation	Some direct cost difference for some households; additional transport costs for all households.

*Detailed lists of all items in the UK MIS are available on the MIS website: www.minimumincomestandard.org

Summary of difference between urban and rural household needs

Groups identified different or additional rural costs in some, but not all, areas of household spending (see Table 8). (As discussed in Chapter 2, housing and childcare costs are not included.)

Details about the groups' decision-making in relation to these areas are discussed in the following sections.

Transport

Mode and type

In the UK MIS groups decided that, as an essential minimum, transport needs could be met by buses, with an allowance for taxi fares for occasional trips.

In the rural MIS the bus and taxi model was only deemed adequate for pensioners in rural towns. For these, the concessionary bus fare meant that travel was generally free, but a taxi was required for occasional trips; for example, for returning home from leisure activities in evenings. In the urban budgets, the taxi fare allowance was set at £10 per week per household (whether single or couple). The rural MIS groups agreed that the £10 allowance would suffice for single pensioners in rural towns. However, an increased rate of £12 was required by couples, that each person might, at times, make separate journeys (based on the example developed by groups of 2 × £6 journeys).

All other groups asserted that households needed cars (see Table 9 on page 25; further details about agreed vehicle specification are available in Appendix II). Decisions about the need for private vehicles were mediated primarily by the availability of public transport, the need to access employment, and the need to co-ordinate employment and childcare responsibilities.

There was a strong and automatic consensus among all groups from the outset that bus services

Table 9: Minimum transport provision in rural MIS

	Rural town	Village	Hamlet
Single pensioner	Bus + taxi	One car: Ford Fiesta 1.2	One car: Ford Fiesta 1.2
Pensioner couple	Bus + taxi	One car: Ford Fiesta 1.2	One car: Ford Fiesta 1.2
Single working-age adult without children	One car: Ford Fiesta 1.2	One car: Ford Fiesta 1.2	One car: Ford Fiesta 1.2
Working-age couple without children	Bus + one car: Ford Fiesta 1.2	Two cars: 2 × Ford Fiesta 1.2	Two cars: 2 × Ford Fiesta 1.2
Couple parents with up to three children	Two cars: Vauxhall Astra Estate 1.4 + Ford Fiesta 1.2	Two cars: Vauxhall Astra Estate 1.4 + Ford Fiesta 1.2	Two cars: Vauxhall Astra Estate 1.4 + Ford Fiesta 1.2
Lone parents with up to three children	One car: Vauxhall Astra Estate 1.4	One car: Vauxhall Astra Estate 1.4	One car: Vauxhall Astra Estate 1.4

in hamlets would not exist or be so infrequent that cars were essential for accessing services, opportunities and networks. Groups characterised life in a hamlet without a car as one of isolation and dependency on others.

In villages, groups stressed that needs were mediated by the bus service. Irrespective of the bus service, all working-age households would still require at least one car. However, with a good bus service, pensioners in a village would have their minimum needs met by a similar bus+taxi model to that applied in the budgets for pensioners in rural towns (but with an increased taxi allowance). Nevertheless, groups highlighted that bus services vary widely in different villages. On balance, the groups agreed that the budgets for a village should be based on the assumption that it was not one served by an adequate bus service (that is, a service which met needs for accessing services, opportunities and networks).

In rural towns, groups decided that a car was essential to access employment. One working-age participant expressed this in relation to the MIS definition of minimum, arguing that the lack of a car in a rural area greatly reduced ‘opportunities and choices necessary to participate in society’ by restricting employment opportunities. Groups agreed that, as a minimum, a working-age couple without children in a rural town could ‘muddle through’ with one car between them. In this case, examples were discussed in which one of the couple might be able to drop the other at work on his/her way to the workplace, or where one partner would drive and the other would travel by bus.

Groups spent considerable time negotiating consensus about the minimum needs of a couple with children in rural towns. It was agreed that without a car each, choice of employment would be limited. It was also agreed that although based in the town, children’s friends would extend into the surrounding villages and hamlets, and so children’s social opportunities could be inhibited if the family relied on one car. However, the critical issue was that two cars were required to manage and sustain the balance between employment and childcare responsibilities. Buses were not responsive or flexible enough to ensure this, as two parents in the final group summed up:

Parent 1: I don’t know what the bus running times are either, but you would find it very difficult to get to work at the times you wanted.

Parent 2: Also, you have to get there quickly and back because of childcare.

Parent 1: And if you have kids in childcare and you have an emergency you need to get there and back.

The groups were asked for detailed specifications of the requisite vehicles, including make and model. All groups agreed that needs would be met by basic models purchased as second-hand cars (between three and five years old) with a lifespan of between five and seven years. The requirements of families with up to three children included an estate car on the basis that at least one car needed to be a bigger vehicle to be fit for purpose. As one final group parent explained:

I would agree that they need a bigger car because you never just have your own kids in – they are always bringing other kids with them, they have always got their kit with them ... I would find it difficult to get by with just one small car without the kids missing out on a lot of social activities and allowing their friends to join in ... and when you do go shopping ... to avoid the high charges of delivery you end up trying to lay the seats down and get things pushed in your car.

The cars specified by the groups can take up to five passengers. In some circumstances, minimum vehicle requirements may change for larger families. Generally, for families with four or more children a seven-seater car is required instead of the estate car. However, in couple parent households, if one or more of these children is of secondary school age, they could manage as a minimum with the standard combination of small car and estate car. When in the care of one parent, a family with younger children would need the seven-seater car to fit all the children into one vehicle at one time. However, families with older children could, if necessary, leave a secondary school-aged child unattended when transporting other children. Car costs include costs for children's car seats as appropriate.

Trips

Groups specified the journeys that households needed to make to provide a minimum standard of accessibility to services, opportunities and networks. Groups agreed the number of trips households needed to make and the destination of those trips. As appropriate, groups considered trips required in relation to:

- employment;
- primary and secondary school;
- food shopping;
- shopping for clothes and household goods;
- social and cultural participation, including leisure and extracurricular activities, pre-school playgroups, visiting friends and family, and holidays;
- personal business, including banking and hairdressing; and
- healthcare, including trips to dentists, GPs and hospital.

Groups often referred to the need for careful planning to make travel as efficient as possible. For example, outside of towns, 'popping out' to buy a pint of milk, which had been forgotten when shopping, could be a time-consuming and costly exercise. At the same time, parents in particular emphasised the planning, time and expense in driving children to activities in evenings and weekends to ensure their full social inclusion.

Table 10: Annual household mileages for selected rural MIS households

	Rural town	Village	Hamlet
Pensioner couple	N/A	3,137	3,555
Single working-age adult without children	4,846	6,098	6,223
Couple parents with two children, one pre-school-aged and one primary school-aged	6,633	13,943	15,235
Lone parent with one year old infant	4,913	7,563	7,798

When possible, trips were planned to cover multiple purposes. For example, pensioners agreed that trips for personal business would be combined with those for social and cultural participation, and parents specified that grocery shopping would be done en route from work. Guidance provided by the groups on ‘trip-chaining’ has been used in the calculations of the rural MIS travel costs.

Annual mileage was calculated for selected households using the method outlined in Chapter 2 (see Table 10). The figures show annual household mileage, including couple households with two drivers. Despite this, it might be helpful when considering these figures to note that the National Travel Survey reports that, for the ten years leading to 2008, the overall national average distance travelled per person by car was 3,494 miles a year.²

Housing and fuel

In the UK MIS, budgets were based on the groups’ decision that the minimum acceptable standard would be met by local authority housing, which would have gas central heating, double glazing and reasonably good levels of insulation. Housing costs were estimated for particular housing types (see Table 11).

In the rural MIS, groups considered the same specifications – both source of fuel and the type of housing for which heating costs needed to be calculated. Although the rural project did not look at housing costs, groups did look at the type of housing required because of the effect variation in housing could have on other costs, particularly on fuel. When considering this, the rural groups made decisions about the type of housing that households a) required to meet their needs, and b) were likely to be able to access in different types of rural area.

In rural towns, fuel source and housing was the same as in urban areas. Groups agreed that households in rural towns would have mains gas, and that it was reasonable to assume that pensioners

Table 11: Housing types for original MIS households

Household type	Accommodation type
Single pensioner/single working-age person without children	One bedroom flat with access to outside space
Pensioner couple/working-age couple without children	Two bedroom flat with access to outside space
Lone parent/couple parent plus one child	Two bedroom house with small garden
Lone parent/couple parent plus two children	Three bedroom house with small garden
Lone parent/couple parent plus three/four children	Four bedroom house with small garden

and working-age households without children would have access to flats, and families with children would have access to terraced housing. However, the groups specified different fuel sources and housing for households in villages and hamlets. They decided that it was not reasonable to assume that households would have access to mains gas, so heating would be provided by oil central heating or electric storage heating. In terms of housing types, the groups specified that:

- in the absence of flats, a pensioner couple household required a two bedroom bungalow;
- a couple family with two children required a three bedroom, semi-detached house;
- a lone parent with one child required a two bedroom terraced house (the same as for rural towns and in the original MIS); and
- a single working-age adult required a two bedroom house, which in a hamlet would be an older cottage.

All groups agreed that housing in the hamlets generally would be older, with less effective insulation. These descriptions reflect the CRC's findings that, while over 60 per cent of homes in urban areas have cavity wall insulation and are on mains gas, this is true of only 32 per cent in villages and 21 per cent in hamlets (CRC, 2010).

The descriptions were then matched by EAC (the heating costs consultant) with typical, actual properties, based on data about local authority housing stock in rural areas. The data showed that local authority housing – of the types and in the locales specified – typically used electric storage heating. Domestic fuel costs (heating and power) were calculated for these properties and for each household type. The type of property had a significant effect on households' fuel costs. Because of the quality of insulation typical in bungalows and terraced housing found in rural areas, there is little or no increase in fuel costs between those in villages and those in hamlets. However, because of differences in the quality of insulation in semi-detached and cottage-type housing, heating costs double between villages and hamlets for a family with two children and for a working-age adult without children.

Food

The groups were asked to review the food lists developed for the UK MIS. These comprised weekly household menus, analysed to ensure nutritional adequacy, and converted into shopping lists. These lists were then costed at Tesco (as the most prevalent UK supermarket) to create food budgets. The rural groups decided that there was no reason rural families would require a different diet from urban families and agreed that the standing MIS food lists were appropriate for rural households without needing any adjustments. The groups were then asked to consider where food would be bought and any differing or additional costs, for example, costs of supermarket delivery services.

The rural groups agreed that the majority of domestic shopping (for example, groceries, toiletries and cleaning items) would be purchased at a national supermarket chain. Although this could involve additional travel costs, the prices and range of goods available at local shops still made supermarket shopping more cost-effective:

They have all got their fixed price and they don't have a variety like supermarkets, they don't have no other brand, it is usually, if you look at cereals and things in normal shops, it is always the biggest brands and a lot more expensive. There is no chance of getting anything cheaper.

Working-age man without children, task group

... some things that you find in the local shop are ridiculously expensive, which if you plan your shopping you should never have to buy in the local shop...

Parent, task group

However, local shops would still be used to purchase top-up perishable items like bread and milk in between supermarket trips, and participants thought that these staple items did not necessarily cost significantly more than in the larger stores. Moreover, for some people, using local shops where possible rather than supermarkets, was seen as important to preserve the existing amenities:

There are a proportion of people who wouldn't buy at the supermarket, on the principle, like my husband, that you must support your local businesses... you know the fact that in a village you have got this [shop], this [shop] and this [shop] and you lose them if you don't support them.

Parent, final group

Farm shops were mentioned by some groups, particularly as good local sources of eggs and vegetables, although they acknowledged that not everyone necessarily had access to these outlets, and that some produce was not available throughout the year:

This time of year is the problem: yes there're seasonal vegetables available but if you want regular vegetables the supermarket is the only place that can give it to you January to January.

Parent, task group

Clothes

For the most part, when groups were presented with the lists of clothing and footwear that are included in the UK MIS they did not feel that any changes needed to be made. The one notable exception was provision of wellington boots and waterproofs. The UK MIS had included wellington boots and rain coats for some, but not all, household members. When discussing the topic of clothing, rural groups were quick to point out that this was a universal need for their households and that these items should be added as standard for any individuals who did not already have them in the budgets. They explained that many country roads did not have pavements, country lanes were often muddy, and that routes might include going across fields and using farm tracks. One working-age participant without children in the task group commented, 'Well it does get very slushy when it is snowing here, and muddy, and boots and shoes really don't cut it I am afraid.'

Similarly, waterproof clothing was also considered essential, one pensioner in the task group pointing out: 'The grass in the country grows longer than that. In the city it never grows that long; up here it goes like that. If you're out walking you're wet up to there.'

Household goods

Pensioners asserted that because of occasional power cuts, provision of a back-up heating source was essential. These groups suggested that power cuts were more likely in rural than urban areas. Indeed, data analysis carried out by the CRC in 2006 found that respondents in rural areas were more likely to report experiencing a power cut in the last year compared with urban households (rising to more than twice as likely for those in villages and hamlets (CRC, 2006). The pensioners explained that they could be left for several hours without power and that in the winter this represented a health risk. For this reason they decided that alternative heating was required; either solid fuel or cylinder gas heater. The budgets include the cost of a gas heater and cylinder, reserved for use only in power cuts and

hence with a long lifespan. This cost is close to that of one bag of coal and a packet of firelighters per year.

As mentioned above, the lack of flats in villages and hamlets meant that the rural budgets include provision for bungalows or houses for pensioners and working-age households without children. This introduces additional costs for these households for maintaining gardens. (The UK MIS for urban households with children already includes these costs). For working-age households without children, this includes a budget for basic gardening equipment and a small allowance for plants (£5 a year).

The pensioners set a more extensive gardening budget. This reflects the groups' assertion that rural gardens are likely to be relatively large (or, at least, 'not small') and that assistance would be required for routine annual maintenance. After negotiation it was agreed that a minimum budget of £80 a year was required. This would be used, for example, to pay someone to trim a hedge once a year or used every other year (£160) to pay to have a tree pruned. The pensioner groups also agreed that £5 a year was inadequate for plants. Instead, it was decided that a minimum of £50 a year was required, as one participant in the final group described, 'just to keep things going ... not a luxury'.

Apart from these items, the groups felt that there was no rural difference in requirements for household goods. However, travel costs to access such goods would vary. In the task group phase there was considerable discussion about retailers for household goods. Small, local retailers were valued. Some participants described how independent retailers might, if asked, match the prices charged by larger chain stores. A number of participants felt that small retailers provided better customer service in terms of, for example, delivery, installation of televisions or washing machines; and a more responsive after-sales service. In the words of one pensioner, they offered 'a lot better service than these big boys. [independent shops] are just taking advantage of the laziness [of the chain stores].'

Nevertheless, all groups built in regular journeys to the nearest city or large town to access household goods and clothes – from once a fortnight for working-age adults without children to once every six weeks for families with children. Overall, groups agreed that these larger urban areas offered the greater choice of products and prices that people required. Such trips also served a range of functions: shopping could in itself be a valued form of recreational day-trip away from home. Moreover, trips could combine shopping, leisure, visiting friends and relatives, and even healthcare (such as visits to dentists and opticians). An example of the multi-purpose function of shopping trips to large towns and cities was well illustrated by the working-age participant who explained, 'You have got the cinema there you know, just walk around, have a coffee, you don't have to buy anything. I have got my youngest daughter who lives there [in the city] too.'

Communication

Telephones

The rural groups agreed with the urban groups that a landline was a necessity for every household, and that mobile phones were required by each adult and any secondary school children in the household. There was some discussion about mobile phone network coverage – some had to choose particular providers to receive a signal. However, even in areas with signal problems, a mobile phone was still essential as its purpose was to be able to make calls when away from home, while the landline provided a means of communication when at home.

Internet

A finding from the 2010 MIS review (Davis, *et al.*, 2010) was that people considered Internet access in the home to be essential for all working-age households, whereas previously this had been considered to be necessary only in households with a secondary school-aged child. The rural MIS research drew the same

conclusion, with similar reasons given concerning possible disadvantages if people could not access information or goods and services that are discounted online:

I would consider it an advantage living in a rural area having access to the Internet ... We don't have access to multiplex and huge shopping centres so our best way to find out where to go to get something at a reasonable price is get on the net.

Parent, task group

Participants pointed out that although it might be possible to access goods and services in other ways, or to get Internet access at libraries or Internet cafes, the cost of travelling to places where they might be able to do so would outweigh any possible savings:

Anything you can use to reduce your cost and time of running and getting somewhere you will use that; it just makes common sense. So pick up the phone or on the Internet rather than going somewhere because everything is so far away.

Parent, task group

Other uses cited were for online banking, as many rural locations do not have banking facilities, and to enable parents to keep in touch with what was happening at their children's schools:

My eldest son, because he does go to school that bit further away, a lot of the time that school Internet page is the only contact I've got with what he's doing at school, because I'm not going to the school gate every day to go and pick him up.

Parent, task group

It was also seen as important for children living in rural areas, who could use online messaging to stay in touch with their friendship networks more cheaply than other means:

My two boys spend far more time on MSN and very little on mobiles.

Parent, task group

Newspapers

Rural pensioner groups, like their urban counterparts in 2010, did not assess that the pensioner budgets needed to include provision for the Internet. This was hotly debated, with groups finally deciding that, while desirable, overall Internet access was not yet a minimum essential need for pensioner households. However, groups decided that pensioners in villages and hamlets did have additional costs for newspapers, whereas this did not arise as an issue for the rural working-age groups.

The issue here for pensioners in villages and hamlets was the additional cost of having newspapers delivered. This added £1.20 per household per week to the urban budget for the pensioners' newspapers. Some pensioner group participants who particularly valued the Internet highlighted that the revised newspaper budget – a total of £5 a week (for papers plus the added delivery charge) – was enough to pay for broadband. In this way, the agreed budget provided pensioners in villages and hamlets with the choice of having newspapers delivered or having Internet access.

Personal goods and services

As in many other areas of the budgets, people living in rural areas did not think that their location made any difference to their needs in terms of healthcare, but accessing services to meet those needs might not be as straightforward for those not living in urban areas.

Dentists

The UK MIS was based on the assumption that all adults should be able to visit the dentist three times a year: twice for check-ups, including a scale and polish, and once a year for some additional kind of dental treatment, such as having a filling. The cost for dental treatment was at NHS rates.

The rural groups agreed with this pattern, but said that they would have to travel further in order to visit an NHS dentist. A working-age participant without children in the final group said, 'You went to the nearest dentist many years ago, but now they aren't there.'

It was agreed by the groups that the budgets should still include the costs of using an NHS dentist rather than a private dentist. As one working-age parent argued, 'Well, it is cheaper to make the journey than it actually is to go private'. Pensioners and families with children said that this would be a separate journey each time it was necessary. However, working-age participants without children said that they would be likely to fit a visit to the dentist into routine journeys – for example, on the way home from work. Alternatively, they would incorporate other activities, such as shopping, into the trip:

So if it was only for a check-up, apart from having raging toothache, I think most people would combine a trip to the dentist out of town with some other kind of activity, either a leisure activity or some shopping.

Working-age woman without children, final group

GP

In the UK MIS, groups agreed that an amount for prescription charges needed to be included in the budgets for working-age adults (for pensioners and children under 18 there is no charge), and that four prescriptions a year should meet minimum needs, equivalent to one per season. Since all households in the UK MIS relied on public transport there were no additional costs attached to visits to the GP, and any emergency trips to the GP or to hospital were incorporated in a budget for taxis.

The rural MIS groups agreed that the number of prescriptions did not differ, but that transport costs for travelling to the GP and hospital needed to be incorporated. For all groups, separate trips to GPs needed to be provided; they would not be combined with other trip purposes. Pensioner groups decided to include six trips to the GP every year. Working-age people without children included four trips per person per year. Families with children agreed on four trips per parent per year. The parents also specified that for younger children (infants and pre-school), six trips a year per child would be necessary. Primary and secondary school children required the standard four trips per year per child.

Hospital

Single and couple people of working age without children said that one trip to hospital per person per year should be included. Any other trips to visit hospitalised friends or relatives would be incorporated into their fortnightly trips to the nearest city. Pensioners decided that four trips should be allowed per person per year: two for treatment and two to visit people in hospital. For parents and children, groups specified two trips per person per year.

Social and cultural participation

For all adults (working-age and pensioner), it was agreed that – excluding transport costs – the same budgets for social and cultural participation specified by the urban groups would suffice for rural households. These decisions were reached only after considerable debate. For example, in the parent groups, discussion suggested that while the overall budget would be the same, the distribution of

costs might be different, and rural groups agreed slightly less for social activities and slightly more for the occasional family take-away. Also, across adult groups, participants debated whether budgets should include an amount for taxis for adults to travel home from evening activities where alcohol had been consumed. However, it was decided this was not required in a minimum standard and that transport in such situations could be provided by having a designated driver and car pooling with others.

Budgets for children in rural areas differed from those set for children in the UK MIS. The social and cultural participation budget for a rural primary school child was set at a lower rate than that for one in an urban area. This is because the urban budget includes £16 a month for rewards for good behaviour, such as a cinema trip or meal at McDonalds. The rural parents felt that this was too much and reduced it to £7 a month, arguing that primary school children would be less exposed to, and thus have less expectation of, commercial leisure.

I think it might be that the urban kids know that there is a new picture to go and see every month (laughs) and they expect to go and see it, whereas the rural kids are perhaps a bit further away from some of it ... I think there is a difference in lifestyle in terms of how you occupy your time in the urban area; it might be that that is what you do and you go shopping more often and you go to the cinema because it is there, whereas in the rural areas you don't do that as often.

Parent, final group

For other children – infants, pre-school and secondary school – rural budgets are more. The rural pre-school child's budget is £1 a week more than the urban one, reflecting increased provision for attending more organised playgroup sessions. Groups asserted that organised, out-of-home pre-school activities were vital for children's opportunities to socialise – to develop social skills and play networks. In rural areas, it could not be guaranteed that opportunities for parents and pre-school children to meet other families would arise locally without proactive engagement in such planned activities. For the same reason, the rural infant budget is increased to match the rural pre-school child budget.

The rural budget for social participation for the secondary school child is about £8 a week more than for their urban counterpart. The urban budget includes about £5.50 in pocket money and provision for one organised sports or leisure activity a week. The rural groups argued that this assumed that the children accessed other informal leisure locally – such as meeting each other in the street or shops, or in each other's homes – and that this would not be possible for many rural children.

I think as a rural community we spend a lot more on our children's activities ... It's harder for rural teenagers to meet up with their friends outside school because their mates would probably live in another village.

Parent, task group

Local opportunities for socialising had to be more proactively arranged for secondary school children. In addition, some provision was required for children to access and experience larger urban areas.

When children hit secondary school and get to about 14 they want more trips to the town and the city because they find the village life really boring ... I think there is more of a demand from the kids at secondary school age to go to [the city].

Parent, final group

As a result, the rural budget for a secondary school child allows for two organised activities per week. It also provides £5 a week for children to meet each other in the rural town (to pay for, for example, fish and chips, or a drink and snack) and £20 a month for a city trip with friends. Parents specified that these budgets would be inclusive of children's pocket money.

The groups also revised the amount provided by the urban groups for secondary school trips. The urban budget allows nearly £80 a year for school trips. This was specified on the understanding that it would allow a pupil to attend at least one but not all major school trips (such as foreign visits) during the total time in secondary school. The rural group decided that this was inadequate, suggesting that even minor school trips involved significant travel, which incurred costs. £130 a year was required as a minimum so that, as in the UK MIS, children were not disadvantaged and had reasonable opportunities to participate in at least one major school trip.

In addition to budgets for social and cultural participation, rural households face additional costs for travelling to activities. In most cases, this included travel to activities based in the rural town. For school-aged children, this also included occasional journeys outside town for sports away-game fixtures (with an understanding that trips would be shared between parents of children in the same team). Although secondary school children would have free school transport, the transport budgets build in provision for children to be collected from school by car once a week in school term. This was specified by groups to allow children to access after-school activities, which would mean missing the school bus.

4 Results: additional rural costs

Introduction

This chapter presents the findings about the budgets required for rural households, using four illustrative household types. The figures shown are the amounts that households need to spend each week, after paying their rent and any childcare costs.

The point of reference here is how the budgets for rural households compare with those for urban households. Urban household budgets are taken from the 2010 MIS review (Davis, *et al.*, 2010). Comparisons are made between the same household types in rural and urban areas, using April 2010 prices throughout.

The four household types used as a focus for the analysis are:

- single, working-age adult without children;
- pensioner couple;
- couple parents with two children, one pre-school-aged child and one primary school-aged child; and
- lone parent with one child, a one year old infant.

The same four household types were used when reporting the UK MIS, and so aid comparison between the two reports. Note, however, that in addition, the calculations made here can be repeated for eleven main household types, plus variations for ages of children, to cover the great majority of households in Britain. The online Minimum Income Calculator at www.minimumincome.org.uk allows these calculations to be made for rural as well as urban households.

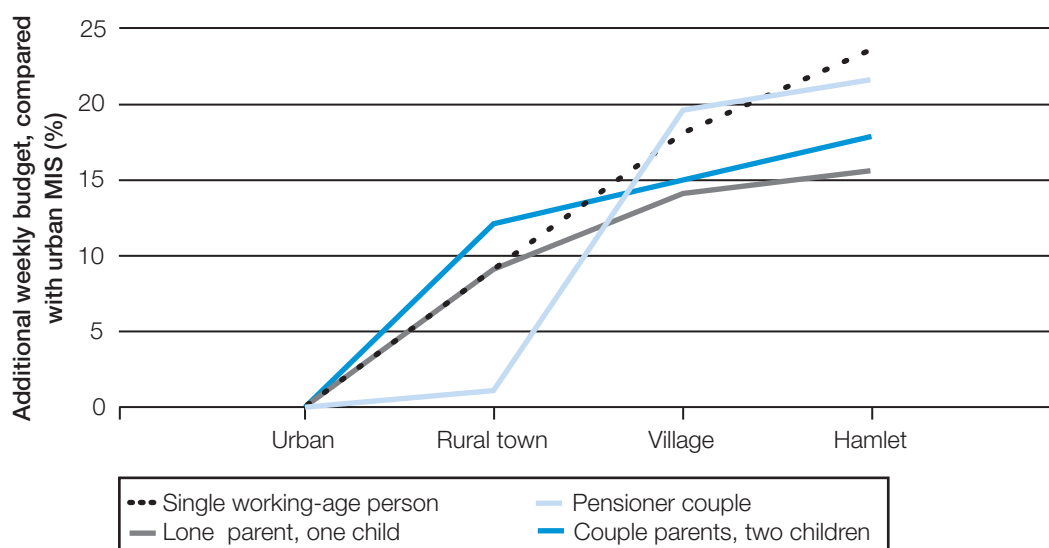
This chapter begins with an overview of the findings, followed by a report of the individual findings for the four household types. The next sections attempt to unpack and explain these headline findings. The budgets are broken down by key components to show what the additional costs represent. As transport represents the largest component of the budgets, a further breakdown is offered of the car budgets.

Overview

The budgets required by all rural households to achieve a minimum socially acceptable standard of living are substantially more than those for urban households. An overview of the additional budget required by the four illustrative households in each rural area, in terms of the percentage increase on the respective urban budgets, is provided below (see Figure 1 on page 36). It shows that most rural budgets add between 9 and 19 per cent on to the urban budgets.

The 'more rural' households are, the greater the budgets they require. Households in villages and hamlets require more than those in rural towns – for the households shown here, a percentage difference of between 3 and 15 points. However, these increases do not tend to be as steep as those between urban and rural towns. Excluding the pensioner budgets, which follow a different pattern, the rural town budgets

Figure 1: Additional costs across different area types



are about 10 per cent more than the UK MIS, village budgets are between 14 and 18 per cent more than the UK MIS, and hamlet budgets are between 16 and 24 per cent more. Differences for a wider range of 11 household types are shown on the MIS website at www.minimumincomestandard.org. These confirm the general pattern shown here, but also show that in general, rural costs add more as a percentage to budgets of smaller households than larger ones. This is largely because the fixed cost of car ownership is proportionately a greater burden on a household that starts off with lower costs.

Individual budgets

The first series of individual results (see tables 12–14) compares the weekly MIS for urban and rural households. These figures show the additional rural cost: how much more per week rural households need to achieve the same standard of living as urban families. For example, the research finds that a lone parent with one child in a village requires £33.65 more per week to reach the same standard of living as a lone parent with one child in an urban area.

The figures also indicate how needs and costs vary between rural households. They show, for example, how the additional cost increases for ‘more rural’ households by allowing comparison of the budgets for those in rural towns, villages and hamlets.

In the following, we highlight some key observations from these figures.

- Among rural households, the single sharpest increase in additional need is for the pensioner couple living in a village. There is a negligible difference between the budget required for a pensioner couple living in a rural town and one in an urban area. However, there is a substantial additional budget for pensioners in villages, with a modest increase in that additional cost between the village and hamlet households.
- In absolute terms, across all households and rural areas types, the largest additional budgets are required by couple parents with two children (which is also the household with the highest overall costs). This family in a hamlet needs £72.20 more per week than a similar urban family.
- The increase in the additional requirement is fairly steady for the couple family in a rural town, through village to hamlet. The pattern of increase for the lone parent family is fairly similar, though with a slightly sharper increase in costs between rural town and village (difference of £12 a week) and a smaller increase between village and hamlet (£3 a week).

- In relative terms, the household with the greatest additional costs is the single working-age adult without children. A single working-age adult living in a hamlet requires 24 per cent more than the MIS for a similar household in an urban area.

These findings are examined further in the following sections.

Table 12: Comparison of weekly MIS for urban households and rural town households (excluding housing costs and childcare)

	Urban budget total (£)	Rural town budget total (£)	Additional rural town cost (£)	Additional rural town cost as percentage increase
Single working-age adult	175.34	191.32	15.98	9.1%
Pensioner couple	222.22	224.48	2.26	1.0%
Couple parents with two children	402.83	449.51	46.67	11.6%
Lone parent with one child	233.73	255.71	21.98	9.4%

Table 13: Comparison of weekly MIS for urban households and village households (excluding housing costs and childcare)

	Urban budget total (£)	Village budget total (£)	Additional village cost (£)	Additional village cost as percentage increase
Single working-age adult	175.34	207.26	31.92	18.2%
Pensioner couple	222.22	265.22	43.00	19.3%
Couple parents with two children	402.83	462.35	59.52	14.8%
Lone parent with one child	233.73	267.38	33.65	14.4%

Table 14: Comparison of weekly MIS for urban households and hamlet households (excluding housing costs and childcare)

	Urban budget total (£)	Hamlet budget total (£)	Additional hamlet cost (£)	Additional hamlet cost as percentage increase
Single working-age adult	175.34	216.71	41.37	23.6%
Pensioner couple	222.22	270.30	48.08	21.6%
Couple parents with two children	402.83	475.03	72.20	17.9%
Lone parent with one child	233.73	270.54	36.81	15.8%

What makes up the budgets?

The difference between budgets – between urban and rural, and between the individual rural budgets – is fairly easily explained if we consider what additional rural needs the MIS addresses. It is clear that the additional needs of rural families are dominated by transport and domestic fuel costs. This is shown in the second series of individual results (see tables 15–17 on pages 39 and 40). In each of these tables, the first column shows the additional rural cost in pounds. The remaining columns show what percentage of this cost results from transport, domestic fuel and other costs.

Transport costs make up the single largest element of the additional costs. This reflects the shift from reliance on buses as the main mode of transport in the urban budgets to the need for cars in most rural households. As discussed in previous chapters, transport costs are inclusive of all running and ownership costs.

After transport, domestic fuel costs make up the next largest element of the additional costs. The increase in costs for heating and power reflects two issues. First, some rural households required alternative – and unavoidably larger and older – housing types than those used in the UK MIS. Second, the rural groups decided that most rural towns would be served by mains gas but that the budgets should not rest on the assumption that it would be available in villages and hamlets. For households in these areas, the budgets include the cost for electric storage heating, which is significantly more expensive than mains gas.

Other costs – including any additional costs for clothes, household goods, communications, and social and cultural participation – have a limited impact on the budgets. In the case of the couple parent family, the rural groups slightly reduced the budget allowed in the UK MIS for social and cultural participation. Analysis here helps to explain the observations mentioned above:

- The biggest increases in additional costs for all household types come when their transport needs change. For pensioners, the largest settlement for which a car is needed is a village, so the largest difference is between a village and a rural town. For all other household types, the jump comes between urban areas and rural town, since a car is needed for the latter.
- Specifically, groups decided that pensioners' needs in rural towns could be met by using buses (which would be free to use with concessionary passes) and taxis. The allowance for taxis was set at a slightly higher rate than for those in urban areas by £2 a week. Household fuel costs were unchanged from urban areas because pensioners living in rural towns were deemed to have access to mains gas. In contrast, pensioners in villages faced significant additional costs. Outside of rural towns, a car was seen as a necessity. At the same time, unlike urban and rural town pensioners, those in villages and hamlets would require bungalows (in the absence of flats) and they would not have access to mains gas. Living in a larger property heated by electric storage heating significantly increased fuel costs. The change from flats to bungalows also introduced other (albeit relatively small) costs for maintaining gardens.
- Groups decided that, in all rural area types, a couple with two children would require two cars to manage childcare responsibilities and employment commitments. For the couple family in town, the only additional cost is for transport. Village and hamlet couple parent families also face increased fuel costs because of the additional cost of storage heating. This cost is markedly higher in hamlets than villages, reflecting the likelihood that buildings would be older and insulation less effective.
- In hamlets, the relatively small increase in the additional cost for lone parents and large increase for single working-age adults reflects differences in heating costs for the housing types selected by

groups. That is, groups agreed that lone parents in villages and hamlets would require (and be likely to access) terraced housing. The difference in heating a village terraced house and one in a hamlet is marginal. For single working-age adults, on the other hand, groups specified that a) unlike in the urban budgets and in rural towns, those in villages and hamlets would require houses rather than flats, and b) in hamlets, this would likely to be older, cottage housing. The cost for heating an older hamlet property was about £9 a week more than for heating a more modern village one.

- The particularly high percentage increase required for single people in hamlets can be explained by the combination of this high heating cost and the fact that the additional cost of running a car is high relative to a single person's budget. A lone parent with an infant has to spend an additional £30 a week on transport in a hamlet compared with an urban area, and a single person has to spend an additional £24. However, because the overall budget for the lone parent is a third more than for that for the single person, this £24 represents a relatively larger slice of the single person's budget. The proportionate extra cost for families with older children is smaller still, because in this case the cost of the car will be partially offset by savings on bus fares.

Table 15: Components of additional costs for rural towns

	Additional rural town cost (£)	Of which (%)		
		Transport	Heating and power	Other
Single working-age adult*	15.98	100	0	<1
Pensioner couple	2.26	88	10	2
Couple parents with two children**	46.67	103	0	-3
Lone parent with one child	21.98	87	0	13

*<1 indicates less than one per cent

**Minus figures indicate a reduced budget, compared with urban budgets

Table 16: Components of additional costs for villages

	Additional village cost (£)	Of which (%)		
		Transport	Heating and power	Other
Single working-age adult	31.92	72	27	1
Pensioner couple	43.00	65	26	9
Couple parents with two children**	59.52	93	9	-2
Lone parent with one child	33.65	86	6	8

**Minus figures indicate a reduced budget, compared with urban budgets

Table 17: Components of additional costs for hamlets

	Additional hamlet cost (£)	Of which (%)		
		Transport	Heating and power	Other
Single working-age adult*	41.37	58	42	<1
Pensioner couple	48.08	69	23	8
Couple parents with two children**	72.20	80	22	-2
Lone parent with one child	36.81	82	10	8

*<1 indicates less than one per cent

**Minus figures indicate a reduced budget, compared with urban budgets

Transport budgets

The tables above show that transport costs make up between 60 and 100 per cent of additional costs. Except in the case of the rural town pensioner households, these costs refer to car costs. The final series of individual results (see tables 18–20 on pages 41 and 42) lists the transport provision required for the different households and the percentage of the weekly transport budget required for accessing work and school, personal business and social and cultural participation, and healthcare.

These results show that travel patterns vary between pensioners and working-age households (with and without children). Pensioners living outside urban areas and rural towns lose the benefit of the concessionary bus pass as a reliable, main source of transport. Compared with working-age households, a greater proportion of the transport budget is required for accessing healthcare. Costs for travel to healthcare increase for hamlet households, reflecting increased distance to GPs and hospitals.

For nearly all working-age households, the overall single greatest additional cost in rural MIS is for accessing work and school. (Most costs relate to accessing employment; free school transport – for families with children living two or three miles from school – limits costs considerably.) In rural towns, three-quarters of transport costs are for travelling to work. In villages, the relative proportion of travel-to-work costs reduces and travel costs for personal business and social and cultural participation increase. In hamlets, the balance between work and personal and social trips is almost equal. This is because distance to work does not necessarily vary by type of rural locale. Chapter 2 (Table 7 on page 21), for example, shows that national average travel-to-work distances do not vary for those in rural towns, villages or hamlets. At the same time, personal business and social and cultural opportunities are largely based in towns. Therefore, for households outside of rural towns, travel-to-work costs remain stable, while the relative costs of accessing personal business and social and cultural opportunities increase (see tables 18–20 on pages 41 and 42).

Table 18: Transport budget for rural towns

	Mode of transport	Percentage of transport budget used to access key services		
		Employment and education	Personal business and social and cultural participation	Healthcare
Single working-age adult*	One car per household	75	24	<1
Pensioner couple**	Bus and taxi	-	-	-
Couple parents with two children	Two cars per household	74	20	7
Lone parent with one child	One car per household	74	22	4

*<1 indicates less than one per cent

** Bus travel free with concessionary pass. £12 for taxi trips per week. It is not possible to disaggregate the bus and taxi use into separate categories for the pensioner household.

Table 19: Transport budget for villages

	Mode of transport	Percentage of transport budget used to access key services		
		Employment and education	Personal business and social and cultural participation	Healthcare
Single working-age adult*	One car per household	60	40	<1
Pensioner couple	One car per household	0	93	7
Couple parents with two children	Two cars per household	57	40	3
Lone parent with one child	One car per household	48	49	2

*<1 indicates less than one per cent

Table 20: Transport budget for hamlets

	Mode of transport	Percentage of transport budget used to access key services		
		Employment and education	Personal business and social and cultural participation	Healthcare
Single working-age adult	One car per household	58	41	1
Pensioner couple	One car per household	0	88	12
Couple parents with two children	Two cars per household	50	46	4
Lone parent with one child	One car per household	47	50	3

5 Income consequences

Introduction

To help assess the additional rural costs presented in Chapter 4, this chapter examines the rural budgets in relation to average (median) income, the poverty threshold and current benefits. It also looks at the gross earnings that rural households would require in order to meet the income standard.

Rural MIS and average income

The figures below (see tables 21–24 on pages 44 and 45) compare the rural MIS for the four illustrative household types to national average household income for the same household types. These figures also enable the rural budgets to be compared with the Government's relative income poverty measure, defined as 60 per cent of average household income.

Figures for average income are taken from the Households Below Average Income (HBAI) survey (DWP, 2010). The survey takes into account all household income, mainly earnings, state support (benefits and tax credits), occupational pensions, and interest on investments. In each table below (on pages 44 and 45), two sets of figures are presented. These show results for income before and after housing costs (rent, council tax and water rates) are deducted from income. As the research did not look at housing costs in rural areas, the figures for 'after housing cost' income are more relevant. The first column in the tables shows the results for the original MIS and the following columns do the same for households in rural towns, villages and hamlets. The budget requirements have been converted to 2008/9 prices to correspond with the coverage of the latest HBAI survey.

The context of these findings is that while rural households throughout the income distribution have, on average, a greater average income than urban households, there are still significant rates of poverty. For example, the 2008/09 HBAI survey shows that the proportion of rural households below 60 per cent of average income (after housing costs) is 18 per cent, compared with 23 per cent of urban households.

For all households, rural budgets are less than average income. However, they are much closer to the national average than the UK MIS. For working-age households (with and without children) in all rural area types, the rural budgets are much more than the 60 per cent poverty threshold. Most require between 80- and 90 per cent of average income, and in the case of the single working-age adult without children in a hamlet, it is as high as 93 per cent of average income (after housing costs). In the UK MIS, budgets for working-age households come to a little over 70 per cent of average income.

For the pensioner couple household, the rural budgets are lower in relation to average income. The rural pensioner budgets range from slightly below the poverty threshold in rural towns (55 per cent) to somewhat above it (67 per cent) in hamlets. In the UK MIS, the pensioner couple budget comes to 53 per cent of average income.

Income needed to reach the rural MIS: earnings

The figures below (see tables 25–27 on page 46) show the wages required by working-age adults (with and without children) to meet the rural MIS. The figures assume that all adults in each household work a

Table 21: Single working-age adults without children: comparison of MIS and median income (£ per week), 2008/9

	Urban	Rural town	Village	Hamlet
a) Before housing costs:				
median income	272.69	272.69	272.69	272.69
MIS excluding council tax	201.54	218.26	229.15	292.04
MIS as % of median	74%	80%	84%	89%
b) After housing costs:				
average income	198.94	198.94	198.94	198.94
MIS excluding council tax, water rates and rent	143.64	160.35	171.25	184.13
MIS as % of median	72%	81%	86%	93%

37½ hour week, and they take into account income tax, national insurance and tax credits. Calculations use the UK MIS figures for housing costs and childcare (the MIS childcare cost is based on full-time provision).

The tables show that realistically, none of the rural households would be able to earn enough for a minimum living standard on the national minimum wage (£5.93 an hour³) rate of pay. For example, a couple with two children in a hamlet – with both parents working full-time – would need to be paid about twice the national minimum wage.

A single working-age adult without children in a rural town would need to earn £300 a week to afford the MIS – about £25 more than a single person in an urban area. The lone parent family in a rural town would need to earn £100 more than their urban counterpart, and the couple family in the same locale would need to earn about £150 more to meet the minimum standard.

Table 22: Couple parents with two children: comparison of MIS and median income (£ per week), 2008/9

	Urban	Rural town	Village	Hamlet
a) Before housing costs:				
median income	569.80	569.80	569.80	569.80
MIS excluding council tax	428.00	461.74	480.51	492.64
MIS as % of median	75%	82%	84%	86%
b) After housing costs:				
average income	480.20	480.20	480.20	480.20
MIS excluding council tax, water rates and rent	351.91	392.65	404.43	416.56
MIS as % of median	73%	82%	84%	87%

Table 23: Lone parent with one child: comparison of MIS and median income (£ per week), 2008/9

	Urban	Rural town	Village	Hamlet
a) Before housing costs:				
median income	354.09	354.09	354.09	354.09
MIS excluding council tax	264.48	289.03	297.45	300.38
MIS as % of median	75%	82%	84%	85%
b) After housing costs:				
average income	267.54	267.54	267.54	267.54
MIS excluding council tax, water rates and rent	191.90	216.45	224.86	227.79
MIS as % of median	72%	81%	84%	85%

To cover taxes – and because tax credits taper off as income increases – rural households would have to earn more than the net amount of their additional costs. For example, to reach the same living standard, a single person living in a rural town needs to spend £15.98 a week more than one who lives in an urban area. However, to have this additional £15.98, they would need to earn £23.13 a week more because they would need to cover an extra £4.60 in income tax and £2.55 in national insurance. A couple with two children in a hamlet requires an extra £72 a week but would need to earn £241 a week more between them to afford it. Not only does this family have to pay an extra £75 more in tax and national insurance, but it also loses £94 in tax credits (including losing all state support for their childcare costs).

The research shows that households in hamlets need to earn more than those in less remote locales – urban areas or other rural areas. What makes the situation potentially more difficult for such households is that low wage rates are more prevalent in remote rural districts than any other rural or

Table 24: Pensioner couple: comparison of MIS and median income (£ per week), 2008/9

	Urban	Rural town	Village	Hamlet
a) Before housing costs:				
median income	407.00	407.00	407.00	407.00
MIS excluding council tax	253.45	259.94	296.29	300.73
MIS as % of median	62%	64%	73%	74%
b) After housing costs:				
average income	343.00	343.00	343.00	343.00
MIS excluding council tax, water rates and rent	182.37	188.85	225.21	229.64
MIS as % of median	53%	55%	66%	67%

Table 25: Gross earnings required by a single working-age adult without children to meet the rural MIS (£)

	Rural town	Village	Hamlet	Urban
MIS per week (including rent)	243.95	273.30	282.75	227.97
Gross earnings required per week	300.02	342.58	356.29	276.85
Hourly wage rate	8.00	9.14	9.50	7.38
Amount above the National Minimum Wage, hourly	2.07	3.21	3.57	1.45
Annual earnings required	15,644	17,863	18,578	14,436

Table 26: Gross earnings required by a couple with two children to meet the rural MIS if both parents are working (£) (see note 4 on page 50)

	Rural town	Village	Hamlet	Urban
MIS per week (including rent and childcare)	719.75	732.59	745.27	673.08
Gross earnings required per week	726.50	768.48	810.75	570.11
Hourly wage rate	9.69	10.25	10.81	7.60
Amount above the National Minimum Wage, hourly	3.76	4.32	4.88	1.67
Annual earnings required	37,882	40,071	42,275	29,727

Table 27: Gross earnings required by a lone parent with one child to meet the rural MIS (£)

	Rural town	Village	Hamlet	Urban
MIS per week (including rent and childcare)	465.52	475.07	478.23	443.54
Gross earnings required per week	340.81	379.75	390.31	238.84
Hourly wage rate	9.09	10.13	10.41	6.37
Amount above the National Minimum Wage, hourly	3.16	4.20	4.48	0.44
Annual earnings required	17,771	19,801	20,352	12,454

urban area. Analysis of the HBAI by Palmer (2010) showed that 20 per cent of employees living in 'very rural' areas were paid less than £7 an hour, compared with 18 per cent in other areas; and 22 per cent of employees working in 'very rural' areas were paid less than £7 an hour, compared with 20 per cent elsewhere⁵. This suggests that those workers with a greater need for a higher wage to achieve an equitable minimum living standard are nevertheless more likely to be low-paid.

Income needed to reach the rural MIS: benefits

Figures comparing rural MIS with out-of-work income show the benefits that an out-of-work individual or couple would be entitled to: Pension Credit, Job Seeker's Allowance or Income Support, and Child Benefit and Child Tax Credit for those with children (see tables 28–31 on pages 47 and 48). Below these figures in the tables are the rural MIS budgets. Rent and council tax are excluded from the rural budgets because households out of work and in receipt of Income Support or Pension Credit would have these paid on top of their basic benefit. The difference between benefits and rural budgets is shown both as the cash difference and the percentage of the budget provided by benefits. For comparison, the tables also show the percentage of the original MIS met by benefit rates.

While working-age rural dwellers are less likely to be out-of-work than those in urban households, there are around 331,000 working-age people in predominantly rural districts who lack but want paid work.⁴ The figures below suggest that the out-of-work benefits available to these people fall well short of providing rural households with a minimum living standard. Indeed, because of the additional costs faced

Table 28: Single working-age household without children: rural MIS, compared with out-of-work benefit income, April 2010

£ per week	Rural town	Village	Hamlet
Jobseeker's Allowance	65.45	65.45	65.45
MIS excluding rent, council tax and childcare	177.40	193.33	202.78
Difference	-111.95	-127.88	-137.33
Benefit income as % of rural MIS	37%	34%	32%
Benefit income as % of UK MIS	41%	41%	41%

Table 29: Couple parents with two children: rural MIS, compared with out-of-work benefit income, April 2010

£ per week	Rural town	Village	Hamlet
Jobseeker's Allowance, Child Benefit and Child Tax Credit	235.29	235.29	235.29
MIS excluding rent, council tax and childcare	428.04	440.69	453.37
Difference	-192.80	-205.40	-218.08
Benefit income as % of rural MIS	55%	53%	52%
Benefit income as % of UK MIS	62%	62%	62%

Table 30: Lone parent with one child: rural MIS, compared with out-of-work benefit income, April 2010

£ per week	Rural town	Village	Hamlet
Income Support/Jobseeker's Allowance, Child Benefit and Child Tax Credit	140.42	140.42	140.42
MIS excluding rent, council tax and childcare	239.46	251.14	254.30
Difference	-99.04	-110.72	-113.88
Benefit income as % of rural MIS	59%	56%	55%
Benefit income as % of UK MIS	65%	65%	65%

Table 31: Pensioner couple household: rural MIS, compared with Pension Credit, April 2010

£ per week	Rural town	Village	Hamlet
Pension Credit	207.19	207.19	207.19
MIS excluding rent, council tax and childcare	205.91	246.65	251.73
Difference	1.28	-39.46	-44.54
Benefit income as % of rural MIS	101%	84%	82%
Benefit income as % of UK MIS	102%	102%	102%

in rural areas, out-of-work benefits are less adequate for meeting the needs of rural households than urban households.

Benefits offer least support for single working-age households without children, providing only around a third of the budgets required for a minimum living standard. For single working-age adults without children in urban areas, Job Seeker's Allowance comes to about 40 per cent of the required MIS budget.

For families with children, benefits provide only about half of the required budget – between 52 per cent for couples with two children in a hamlet and 59 per cent for a lone parent with one child in a rural town. In urban areas, benefits provide 62 per cent of the required budget for couples with two children and 65 per cent for lone parents with one child.

In urban areas, the rate of Pension Credit matches the MIS for pensioner couples. In the rural MIS the same is only true for those in rural towns. For pensioner couples in villages and hamlets, Pension Credit falls about 20 per cent short of meeting the minimum standard.

When presenting the UK MIS research, we stressed that although Pension Credit provided an MIS, this finding should be tempered by the fact that many people do not take up this entitlement. The CRC has reported that Pension Credit take-up is lower in rural than in urban areas: 42 per cent of rural pensioners eligible for the Pension Credit do not receive it compared with 35 per cent in urban areas. Also, as take-up rates are similar between urban areas and rural towns, the difference lies with villages and hamlets, where there is, statistically, a significantly higher proportion of eligible non-recipients (CRC, 2007b). Therefore, pensioners in villages and hamlets are less likely to claim Pension Credit than other pensioners and, for those who do, it is less likely to provide an adequate living standard.

6 Conclusion

This report shows that the minimum cost of living in rural areas is greater than living in urban areas. This is not because costs are generally higher across a rural household budget, but because of specific extra expenses, mainly transport and domestic fuel. In most spending categories, the rural groups said that household requirements were the same for rural as for urban families.

By far the largest single element of extra costs was transport, which made up between 60 and 100 per cent of the differences. The more rural the location, the more significant this cost becomes. The rural participants said that for most rural households a car is essential, but this could also be interpreted as evidence that what rural households need is access to services. The reason that they describe this need as being met by cars is because of a lack of available, affordable public transport.

Another important aspect of household needs that changes from urban to various types of rural setting is access to a mains gas supply. For more rural households that rely on other means of heating, such as electric storage heaters, the fuel costs are significantly higher than those with gas central heating. The age and type of accommodation available in rural areas also makes a difference. Older housing stock, which is more prevalent in rural areas, is less likely to have features such as cavity wall insulation, and therefore likely to have inferior heat efficiency to more recently built dwellings.

The consequence of these extra needs is that the minimum budget required for rural households is higher than urban budgets by 1–12 per cent in rural towns, 14–19 per cent in villages and 16–24 per cent in hamlets, for an illustrative range of household types. However, for working age households, the percentage gap in the earnings required to meet a minimum net income is generally greater than this, because of the effects of taxes and tax credits. For example, a couple with two children needs to spend 15 per cent more each week than the same family in an urban area, but to have this extra money available they need to earn 35 per cent more. This is because a large portion of this extra income will be taken away in extra taxes and reduced tax credits.

Many rural working households, therefore, face a double disadvantage: they live in areas where low pay is more prevalent than in urban areas, and having needs that could only be met with substantially higher earnings than those required by urban households. So, while the UK's rural towns, villages and hamlets may not have the visible swathes of poverty observed in some parts of our cities, the worst-off families in rural areas are likely to live well below a socially acceptable minimum, even if they have jobs.

Notes

On 29 June 2010, the Secretary of State for Environment, Food and Rural Affairs announced that the Commission for Rural Communities (CRC) is to be abolished during 2011. The website will be closed from 31 March 2011. The National Archives will hold a copy of the CRC's website, so references should still be available through the website address www.ruralcommunities.gov.uk. A search of the National Archives website should also provide access to CRC material in the future. The British Library holds a full stock of all CRC publications.

- 1 http://www.ruralcommunities.gov.uk/files/CRC49_Defining%20Rural%20Eng.pdf Accessed 4 November 2010
- 2 <http://webarchive.nationalarchives.gov.uk/+/http://www.dft.gov.uk/adobepdf/162469/221412/221531/223955/32274311/NTS2008.pdf> Accessed 4 November 2010
- 3 Rate from 1 October 2010: <http://www.hmrc.gov.uk/pay/payroll/day-to-day/nmw.htm> Accessed 4 November 2010
- 4 The figures shown in Table 26 and discussed in the text refer to how much two parents would need to earn between them if both were working full time. This is very high relative to other MIS figures partly because there would be high childcare costs, and the family income would be too high to get significant help with these through tax credits. However, it would also be possible to cover a minimum income with much lower gross family earnings if only one person were working and there were no childcare costs. In this case, the minimum would be £33,234 in rural towns, £34,185 in villages and £35,143 in hamlets. But since this would require an individual to earn at least £17 an hour, around three times the minimum wage, it is a less realistic way for many rural families to reach a minimum living standard than to have two earners. (The online Minimum Income Calculator nevertheless uses the single-earner calculation, without childcare, as the starting point for couple families, and allows users to adjust these assumptions.)
- 5 Cited at <http://www.poverty.org.uk/r44/index.shtml> – Source: Annual Population Survey, ONS; (average for 2006 to 2008); England; updated March 2009. Accessed 4 November 2010
- 6 For a more detailed explanation of the calculation approach see <http://www.dft.gov.uk/adobepdf/162469/221412/221692/474257/accessibilityreport2008.pdf> Accessed 4 November 2010
- 7 Assuming costs of 25 pence per kilometre for car travel and 5 pence per minute of travel time.

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Appendix I

Rural accessibility scores

Report prepared by **Derek Halden Consultancy**

Transport costs in rural areas

Analysis of travel times and distances

1.0 Introduction

1.1 Loughborough University is undertaking a study for the Commission for Rural Communities (CRC) to identify the additional/different household costs associated with living in rural areas. The research requires:

- Public transport journey-times to be extracted from the DfT (Department for Transport) National Core Accessibility Indicators dataset for employment, primary schools, secondary schools, further education college/school sixth form, hospitals, GPs and supermarkets.
- Vehicle kilometres to be calculated to the same group of services as used in the travel time analysis for DfT.

1.2 The results also need to be extracted for three types of rural areas:

- rural town/town and fringe (sparse);
- village/dispersed/hamlet (less sparse); and
- village/dispersed/hamlet (sparse).

1.3 For each of the types of rural area average distances need to be calculated to the different service types.

1.4 The research requires a single indicator of accessibility, so the separate indicators by trip purpose are combined to create a composite indicator representing the cost of travel from each rural location to essential services.

1.5 This report describes the approach and the results for the analysis.

2.0 Methodology to create a combined measure

2.1 Eight trip purposes have been included from the DfT National Core Accessibility Indicators. For each of these trip purposes two sets of results have been calculated:

- the distance to the nearest destination of each service type from each rural census output area (COA). Note that when the destination is in the same COA as the population there is still a travel distance for most people from their house to the destination. In rural areas some COA can be

very large so an accurate analysis of this effect would require the distance from each address point to the destination to be calculated. However the scope of this work does not include this level of analysis so a minimum distance of 1.2 km has been used based on the typical areas of COA and the distance people would need to travel on average; and

- the travel time by public transport and walking to the nearest destination of each service type. This is based on the public transport timetable and the journey times by public transport at the times of day when people make trips for the designated purpose.⁶ Where a journey is not possible within 2 hours' travel time then 250 minutes has been shown as the result. These people would need to rely on non-public transport modes to be able to access the services.

2.2 In the DfT analysis both local convenience stores and supermarkets are included in the foodstores analysis. For this work only supermarkets are included. This is shown as a subset of the full retail locations dataset so has been extracted from the national data in this way.

Trip purpose

2.3 In order to create a combined measure, weightings have been applied based on the frequency of trip making by trip purpose. Trip frequencies have been derived largely from the National Travel Survey data. However the trip purposes used in the accessibility analysis are more disaggregate than from the published national travel survey data for education, health and shopping. These sub-trip purposes therefore have therefore been estimated using other more local travel diary data from several local studies recently undertaken by DHC.

2.4 The weightings are expressed as a percentage of the total personal travel of an average person as follows:

- employment – 16%;
- primary schools – 3%;
- secondary schools – 4%;
- further education college – 2%;
- hospitals – 2.5%;
- GPs – 2.5%; and
- foodstores – 15%.

Modes

2.5 The weighted scores have then been combined for the two modes based on the following assumptions

- In most cases public transport is likely to be used by non-car owners, which is only about a third of the population. However high public transport travel times will result in higher reliance on taxis and liftsharing for non-car owners.

- Assuming that each minute of public transport travel time is equivalent to a penalty of 0.2 miles,⁷ the travel times have been factored by 0.2.
- The resulting distances have then been weighted by the same trip purpose weightings as for the distances.

2.6 The distance score and the public transport (PT) score are then factored by the approximate number of trips made by car and by bus (the dominant PT mode in rural areas) as follows:

- car – 637; and
- bus – 47.

Overall ranking

2.7 This gives a total accessibility score for each COA in each type of area.

2.8 For each of the three types of rural area the COA have been ranked and average accessibility scores calculated.

3.0 Results

3.1 Detailed results are provided separately to this report. Findings are summarised in the tables below.

3.2 The distance scores have the averages and ranges for the three types of rural area as shown in Table 3.1.

3.3 The equivalent PT time-based scores are shown in Table 3.2.

3.4 The composite scores are shown in Table 3.3. This weights the distance by the number of car trips and the PT score by the number of bus trips.

Table 3.1: Accessibility distance scores by rural classification

Classification	Average Score	Minimum Score	Maximum Score
Rural town/town and fringe (sparse)	8.56	1.28	18.31
Village/dispersed/hamlet (less sparse)	6.04	1.20	23.58
Village/dispersed/hamlet (sparse)	11.07	1.20	41.60*

*For some of the COA no destination of the designated type was identified as being accessible within a distance equivalent to about 60 minute drive time. These are shown by the number 600 in the results spreadsheets.

Table 3.2: Accessibility PT travel time scores by rural classification

Classification	Average Score	Minimum Score	Maximum Score
Rural town/town and fringe (sparse)	4.64	0.7	28.73
Village/dispersed/hamlet (less sparse)	5.96	0.83	50*
Village/dispersed/hamlet (sparse)	12.0	1.37	50

*Derived from default times of 250 minutes for all trip purposes.

Table 3.3: Accessibility PT travel time scores by rural classification

Classification	Average Score	Minimum Score	Maximum Score
Rural town/town and fringe (sparse)	5,669	957	12,044
Village/dispersed/hamlet (less sparse)	4,125	836	16,283
Village/dispersed/hamlet (sparse)	7,827	917	66,050

Appendix II

Cost of motoring analysis for Loughborough University

Report prepared by Go Motoring Ltd

Report preparation

Data research, compilation, analysis, interpretation and report preparation have been carried out by Go Motoring Ltd.

Vehicle selection, used car values and residual value forecasting have been supplied by CAP Motor Research Ltd.

Service, maintenance and repair data, Vehicle Excise Duty and fuel consumption data have been supplied by Innovation Motorconsult, the publishers of Maintbook.

Insurance premium data has been researched by Go Motoring using the insurance aggregator website Go Compare.

Specific vehicles selected for the costing (in discussion with CAP) are the Ford Fiesta 1.25 LX 75PS 5 door, the Vauxhall Astra 1.4 Life 90PS Estate and the Vauxhall Zafira 1.6 Life 105PS.

All vehicles have been costed over a 5 year holding period with annual mileages of 2,000, 5,000, 10,000 and 12,000.

Depreciation

This is CAP's retail used car price less the Future Residual Value as forecast by CAP Motor Research Ltd, taken over five years, based on mileages of 2,000, 5,000, 10,000 and 12,000 miles per annum and divided by five to achieve the annual cost.

Used car pricing is based on CAP's retail used car price for a five year old vehicle with 60,000 miles on the clock in the case of the Fiesta, and a three year old car with 36,000 miles on the clock for the Astra and Zafira.

The start mileages are based on an assumption that a used vehicle will be purchased with a mileage based on the conventional industry wisdom that average private mileage is 12,000 pa. We have added a costing band based on 12,000 miles pa based on the same logic.

Finance

Based on your instruction, we have excluded the cost of funding the vehicle from the analysis.

Insurance

We searched for insurance premiums based on your criteria, as listed below, with the following assumptions: comprehensive insurance with full no claims bonus, social and domestic use with commute to work where relevant, clean licence, home owner, rural address and parked on a drive.

In each case, we selected the cheapest quote on the Go Compare site providing it had an excess of £250. In other words, we did pick a quote, which may have been cheaper than the selected figure, if, for example, it had a £500 excess.

Insurance quotes obtained were for:

- Fiesta – single persons aged 32 and 72, married person aged 32, and married couple both aged 72 and both insured;
- Astra Estate – single parent and married parent both aged 32; and
- Zafira – single parent and married parent both aged 32.

Service, Maintenance and Repair (SMR):

This is the servicing and repair cost, including wear and tear items, taken over five years at mileage bandings prescribed.

The same assumptions about the starting mileages have been used as for Depreciation.

Cost of fuel

The average petrol price on the date of the analysis was £121.9 per litre and was taken from www.petroprices.com. The combined fuel consumption figures have been provided by Innovation Motorconsult, and the calculated annual mileage is again based on the prescribed bandings.

The calculation is: cost of fuel/litre * 4.561*12,000 (vans 20,000) miles/miles per gallon.

Note: 4.5461 is the number of litres in a gallon.

Cost of road tax

The Vehicle Excise Duty (Road Tax) is sourced from Innovation Motorconsult. The amount depends on the level of CO2 emissions for each vehicle.

Cost of breakdown cover

The Breakdown Cover cost is provided by the RAC, and includes roadside assistance, recovery and homestart.

Commentary

As expected, the pence per mile cost is significantly higher for very low mileage use than at the higher mileages. A comparison of the highest and lowest bands reveals the following figures:

	2,000 miles per annum	12,000 miles per annum	Variance
Fiesta	76.84	25.68	51.16 (66%)
Astra Estate	84.17	26.28	57.89 (69%)
Zafira	102.49	31.82	70.67 (69%)

This is because fixed costs of Depreciation, Vehicle Excise Duty, Insurance and Breakdown Cover are incurred whether, or not, the car sets out on the road at all.

Not surprisingly, the biggest cost variance is for fuel, where the differences between low and higher mileage are as follows:

	2,000 miles per annum	12,000 miles per annum	Variance
Fiesta	£243.05	£1,458.31	£1,215.26 (500%)
Astra Estate	£239.38	£1,436.26	£1,196.88 (500%)
Zafira	£294.76	£1,768.59	£1,473.83 (500%)

Service and Repair costs are also significantly mileage dependent:

	2,000 miles per annum	12,000 miles per annum	Variance
Fiesta	£1,805.78	£3,728.11	£1,922.33 (106%)
Astra Estate	£1,482.25	£2,849.09	£1,366.84 (92%)
Zafira	£1,552.92	£3,251.13	£1,698.21 (109%)

Care should be taken in drawing precise comparisons because the Fiesta is an older car than the Astra or Zafira, and will therefore incur higher repair costs.

Depreciation, in contrast, is mileage dependent, but this is not as significant a factor in affecting the variance compared to depreciation on new cars:

	2,000 miles per annum	12,000 miles per annum	Variance
Fiesta	£2,545	£2,895	£350 (14%)
Astra Estate	£3,175	£3,800	£625 (20%)
Zafira	£4,195	£4,970	£775 (18%)

As for service and repair, this is not an exact depreciation comparison because of the older age profile for the Fiesta.

Insurance costs represent a small percentage of the overall cost of motoring, partly because the risk profile of the rural driver with a good personal background and driving record is much lower than, for example, a young male driver who is urban based. Percentages are as follows:

Single 72	Fiesta	2,000 miles per annum	10%
Married 32	Fiesta	2,000 miles per annum	14%
Single 32	Astra	2,000 miles per annum	15%

Married 32	Zafira	2,000 miles per annum	13%
Single 72	Fiesta	12,000 miles per annum	5%
Married 32	Fiesta	12,000 miles per annum	7%
Single 32	Astra	12,000 miles per annum	8%
Married 32	Zafira	12,000 miles per annum	7%

Disclaimer

The scope of our Services and our responsibilities will not involve us in performing the work necessary for the purpose of providing, neither shall we provide, any assurance on the reliability, proper compilation or clerical accuracy of any plan, budget, projection or forecast (prospective financial information) nor the reasonableness of the underlying assumptions. Since any prospective financial information relates to the future, it may be affected by unforeseen events. Actual results are likely to be different from those projected because events and circumstances frequently do not occur as expected, and those differences may be material.

The realisation of the projected results shown in any prospective financial information depends in part upon the effectiveness of management's actions in its implementation and execution of the underlying business plans. We can give no assurance as to whether or how closely the actual results ultimately achieved will correspond to those planned, budgeted, projected or forecast. Any views we may express as to the basis for any prospective financial information or possible future outcomes will be made in good faith on the basis of the information available to us at the time but will not constitute a representation, undertaking or warranty of any kind.

There are a number of key limitations which will apply to both the work underlying the analysis and the above deliverables. Some of these are listed below:

- We will rely upon information available from published sources. The user of our deliverable is relying on the accuracy of these sources, not Go Motoring, for data accuracy.
- The calculated index is dependent upon the chosen basket of vehicles. Should an alternative basket of vehicles be analysed there may be different conclusions.

Appendix III

Energy audit company report

Report prepared by the Energy Audit Company

The space heating requirement is generally the largest single part of the fuel bill for a typical older property, although in very modern well insulated homes both the water heating and lights and appliances components may be comparable or greater than the space heating bill.

Energy for space heating depends on property type, insulation levels, glazing, heating system and fuel, and of course the size of property. In the current work the focus group decided on the property type and bedrooms for a given household for town, village, and hamlet locations. Social housing flats are much less common outside towns, and this is reflected in the choice made by the focus groups.

The choice of suitable properties for the calculations was based on measured survey data for local authority homes in rural areas in the North East of England and in the East Midlands produced for Energy Performance Certificates. A comparison of floor areas for two large local authorities housing stocks in the North West of England was also undertaken as a comparison of house type and floor areas. Both mean and median floor areas were produced, although there was very little difference between the two sets of values. The mean values are shown in the table below.

These figures are generally similar to Parker Morris standards as expected, since the standards would have been in place when much of the housing stock was built.

Comparison with current Homes and Community Agency (HCA) standards

The following for HCA are minima not mean figures. Parker Morris are similar to the HCA figures and were originally intended to be minima, but in effect became the norm.

Table 32: Comparison of urban and rural housing by floor area and housetype

Dwelling type	Floor area m ²	
	Urban (Mean)	Rural (Mean)
One bedroom flat	48	47
One bedroom bungalow	45	42
Two bedroom bungalow	52	56
Two bedroom flat	62	66
Two bedroom semi	72	66
Two bedroom terraced	78	72
Three bedroom semi	85	83
Three bedroom terraced	87	85
Four bedroom semi	98	101

Table 33: Comparison of floor areas (m²) with current Homes and Community Agency Standards

Dwelling type	HCA current	HCA proposed	CABE median
One bedroom, two person flat	45	48	46
One bedroom, two person bungalow	45	48	–
Two bedroom, three person bungalow	57	61	–
Two bedroom, three person flat	57	71	59
Two bedroom, three person house	57	71	69
Two bedroom, four person house	67	80	–
Three bedroom house	82	96	92
Four bedroom, six person house	95	99	117

Housing standards: evidence and research, Dwelling size survey

A report prepared by Scott Wilson for CABE in April 2010.

The Commission for Architecture and the Built Environment (CABE) figures come from a survey of housing types for 250 new developments and are part of background papers to the HCA consultation (closed 17th June 2010).

Actual data for homes with floor areas close to the mean was chosen for each property type selected by the focus group in the energy database for rural local authorities.

Social housing has generally high levels of efficiency. All of the properties in this study have double glazing and cavity wall insulation except for the older house types chosen by the focus group for some of the hamlets.

Storage heaters are the norm for local authority properties in off-gas areas; oil is much less common, although generally favoured by owner-occupiers. In villages and hamlets an open fire burning coal is often used in the living room in addition to the storage heaters.

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About the authors

Dr Noel Smith is the Acting Director of the Centre for Research in Social Policy (CRSP) at Loughborough University. He has over 15 years' experience of researching social inequality, poverty and social exclusion. He has worked on the Minimum Income Standard (MIS) programme since its inception and led the Rural MIS Project.

Before this, Noel led the Northern Ireland MIS project and contributed to a DWP study about children's necessities, drawing on MIS methods, and feeding into research informing the design of the Families Resources Survey. He was also responsible for the Joseph Rowntree Foundation study of budget standards for disabled people.

Abigail Davis is a Research Associate at CRSP. She has been part of the MIS team since the programme began and has conducted qualitative research on poverty, social exclusion, lifestyles and living standards since 1998. She led the fieldwork and analysis for the 2010 UK MIS update.

Donald Hirsch is Head of Income Studies at CRSP, where he leads on the MIS programme. A former journalist, writer and research consultant, he has been involved in MIS since its inception, and is responsible for the analysis of MIS data and its application in policy and practice.

From 1998 to 2008 he was Poverty Adviser to the Joseph Rowntree Foundation, where he wrote a number of major reports on child poverty, welfare reform, long-term care and the situation of older workers.

The Joseph Rowntree Foundation has supported this project as part of its programme of research and innovative development projects, which it hopes will be of value to policy-makers, practitioners and service users. The facts presented and views expressed in this report are, however, those of the author[s] and not necessarily those of JRF.

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Joseph Rowntree Foundation
The Homestead
40 Water End
York YO30 6WP
www.jrf.org.uk



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