

Inequalities in Shetland

Summary of the Evidence

Prepared for Session 2 (25 June 2026)

This document summarises the evidence paper prepared for Session 2 of the Shetland Partnership Plan development process. It is designed to give you an overview of what the evidence tells us about inequalities in Shetland before the session.

The gap between the statistics and the reality

Ask most people whether Shetland has a problem with inequality and the answer would probably be no, or at least 'not really'.

That response is understandable, because the headline figures support it. Shetland has one of the highest employment rates in the UK – 84.3% in 2023, compared to 76.6% for Great Britain and 74.7% for Scotland. Child poverty levels are the third lowest in Scotland. Crime is the lowest of any local authority area in the country. The Scottish Index of Multiple Deprivation (the main tool the Scottish Government uses to measure disadvantage across communities) consistently ranks Shetland near the least deprived end of the scale.

Health outcomes also paint a largely positive picture. Healthy life expectancy in Shetland is notably higher than for Scotland – 70.8 years for women and 68.3 for men, compared to around 59 years for both nationally. Premature mortality is lower, drug-related hospital admissions are well below the Scottish average, and Shetland has ranked in the top two health boards for primary school dental health for a decade.

These figures are real, and they reflect genuine strengths. Shetland has real strengths in its economy, its communities are active and engaged. The Voar Redd Up in 2026 mobilised over 3,000 volunteers. The Folk Festival is entirely volunteer-run – unusual for an internationally recognised event of that scale. Three-quarters of adults in Shetland volunteer in some form, compared to less than half in Scotland as a whole.

But statistics have limits. They measure what can be counted and compared. What they often miss is what's happening underneath.

A pound doesn't go as far here

One of the most important factors in understanding inequality in Shetland is one that national data almost never captures: **the cost of living here is substantially higher than many other parts of the UK.**

Research into what it costs to reach a minimum acceptable standard of living in remote rural Scotland found that, compared to an urban UK household:

- It costs up to 26% more to live at that standard in Lerwick
- Up to 33% more for households within easy commuting distance of town
- Up to 62% more for households in the most remote parts of the islands

The three main reasons are straightforward: higher food and goods prices, significantly higher energy bills, and the cost of travel – particularly getting to and from work.



What this means in practice is that Shetland's income figures – which look reasonable by national standards – are quietly misleading. A household in Lerwick with a median income is not in the same position as a household with the same income in Edinburgh or Glasgow. They need to earn more just to reach the same basic standard of living.

In 2017, Partnership-commissioned research calculated that Shetland's minimum income standard was roughly equivalent to 120% of the UK median income. The UK average, by comparison, was 80%. That gap has consequences that ripple through everything else.

Working hard and still struggling

One of the most significant – and least visible – findings in the evidence is the extent of **in-work poverty** in Shetland.

This isn't poverty in the traditional sense of unemployment or benefit dependency. These are people who are working, who are contributing, who by every headline measure appear to be doing fine. The reality, for many of them, is quite different.

It is also worth noting that while unemployment figures are low, the economic inactivity rate tells a different story. Around 2,200 people – approximately 15.7% of Shetland's working-age population – were economically inactive in 2023, a figure much closer to the national average than the employment headlines suggest. For many of those people, the barriers to work are significant: 2026 data from Shetland's Local Employability Partnership shows that almost a quarter of those seeking employability support have a disability.

The 2017 research found that the groups most affected by in-work poverty were broadly similar to the rest of Scotland: single-earner households, people who can't get enough hours, part-time workers, those in retail, hospitality, social care and similar sectors. What stood out in Shetland was the tone of the conversations. People were stoical. They tended to define their needs by what was available to them, not what they might actually need. They described difficulties affording heating, transport and food – not occasionally, but as a normal feature of life.

In 2017, 42% of working households in Shetland were estimated not to earn enough to reach an acceptable standard of living. In 2026, there are households claiming every benefit entitlement available – on top of wages – and still unable to afford essentials. That isn't a statistical abstraction. It is people's daily lives.

What the numbers behind the numbers show

Some specific datasets help make this real:

1. **Foodbank use** tripled between 2018/19 and 2023/24. Usage has since reduced, primarily due to changes in monitoring and provision – but it remains significant. In 2025/26, an average of 85 food parcels were distributed every month, supporting 1,620 people during the year. Around 22% of those people – more than one in five – were children.
2. **Hunger among young people** is more common than most people would expect. In a 2021/22 census of young people across Scotland, 8.6% of Shetland respondents said they went to school or to bed hungry always or often; a further 29.3% said sometimes. That means just under 38% reported experiencing some level of hunger – slightly higher than the Scotland-wide figure of around 34%.



3. **Energy costs** are a particular and persistent burden. Around half of all Shetland homes use electric-only heating. There is no mains gas. The current Ofgem energy price cap for a typical UK household is £1,641. For a Shetland all-electric property, the equivalent cost is approximately £3,456 – more than double. Reflecting this, 40% of Shetland households were classified as experiencing fuel poverty for the three-year average 2022/24 – the highest level in Scotland alongside Orkney and the Western Isles, and an increase from 27% in 2016/18.
4. **Debt** handled by the Citizens Advice Bureau gives a further indication of the scale of hidden hardship. In 2025/26, the average debt per case in Shetland was £11,088 – significantly higher than the Scottish average of £6,526. Around 20% of those cases were people in full-time employment, and around 70% had a household income of £25,000 or over. This is not a story about worklessness. It is a story about earnings that don't stretch far enough.
5. **Loneliness** is a less visible issue, but a significant one. A fifth of respondents to a 2021 survey said they sometimes felt lonely; 6.3% said they often felt lonely. Over half of 18–29 year olds reported feeling lonely in the previous two weeks. Loneliness as a major public health risk, associated with increased likelihood of heart disease, stroke, depression and earlier death.

Why it stays hidden

Perhaps the most striking thing about inequality in Shetland is that it tends not to look like inequality.

There are no derelict buildings, no run-down estates, no visible concentrations of deprivation. When Scottish Government tools measure disadvantage by mapping it onto small geographic areas, Shetland's dispersed population means that even significant hardship doesn't register – because it's spread thinly across many communities, tucked away in individual households.

Research from as far back as 2006 described this clearly, and the observation is still relevant now:

'Living in difficult circumstances is no better in Shetland than in any other part of the country. The culture of self-reliance and the high standard of living enjoyed by many forces less fortunate people to keep their circumstances hidden. It can be particularly isolating and demoralising when people can see others around them enjoying these living standards and high-quality infrastructure.'

The culture of self-reliance – one of Shetland's real strengths – has a shadow side. People don't ask for help because they don't want others to know. Benefits go unclaimed. The Citizens Advice Bureau carries a significant debt caseload, largely among working people. Around 100 homelessness applications were made in Shetland since 2018/19. Problems are managed privately, often to the point where they become harder to address.

It affects some people more than others

Inequality doesn't land equally. The evidence identifies several groups who face specific and compounding disadvantages.

1. **Where you live matters.** The further from Lerwick, the higher the costs and the lower the median income. In the most remote isles, the gap between what households earn and what they need to live adequately is at its widest. Access to employment, services and opportunity diminishes with distance.
2. **Young people** face a particular set of pressures. Transport costs and limited career choices create a sense of being stuck or being forced to leave. In 2024, young people described being negatively stereotyped, excluded



from certain public spaces, sometimes paid less than older colleagues for the same work, and routinely not being taken seriously by services. The 'Shetland grapevine' – the way that reputations and labels stick in a small community – was raised as a significant barrier to asking for support.

3. **Older people** reported increasing difficulty accessing services – whether physically (buildings, transport) or digitally – alongside a growing sense that respect and consideration for older people has declined. Cost of living is a real and growing concern for this group.
4. **Disabled people and their families** face poverty rates significantly higher than the population average – around 28% compared to roughly 20% for non-disabled people, rising to 33% where both disabled adults and children are present. Many report a built environment, a transport system and services that are not designed with them in mind, alongside ongoing experiences of discrimination. Research published in 2025 found that disabled households need an average of £1,095 extra per month to achieve the same standard of living as non-disabled households.
5. **Women** face specific risks that official statistics understate. A 2024 survey by Shetland Women's Aid found that over half of the women who responded had experienced discrimination, including sexual harassment or violence. Many felt unsafe in certain social settings and were reluctant to report, both because of the small community and because of limited confidence that reporting would lead to action.
6. **People from ethnic minority and religious communities**, and LGBT people, experience particular forms of exclusion and, in some cases, overt discrimination. Focus groups in 2024 found people reporting verbal abuse in public places – rarely reported formally, but leaving people feeling unsafe. LGBT people in rural Scotland face higher levels of prejudice and social exclusion than their urban counterparts.

Why this matters to all of us

It would be easy to read this as a paper about people facing difficulties – as something separate from the lives of those who are managing reasonably well. But that framing misses the point.

The body of international research on inequality – brought together most accessibly in *The Spirit Level* (Wilkinson and Pickett, 2009) and supported by a substantial literature since – makes a consistent finding: **more unequal societies do worse across the board**. Not just for those at the bottom, but for almost everyone. Health outcomes, educational attainment, levels of trust, economic productivity, mental health, social cohesion – all of these are measurably better in more equal societies. The relationship holds across countries and across communities.

Inequality is not a separate social issue sitting alongside Shetland's other challenges. It is woven through them. The three 'burning platforms' the Partnership has identified – working age population decline, climate change and persistent inequality – are connected, and the connections matter. When people cannot afford to live and work here, they leave. When young people feel stuck, or undervalued, or priced out, the working-age population shrinks. When hardship stays hidden, it does not get addressed – and the costs, financial and social, grow. Addressing inequality isn't a charitable impulse. It is a practical necessity for the kind of Shetland that can sustain itself over the next decade and beyond.

What this session is about

The purpose of Session 2 is to look at this evidence together – to understand what it means for Shetland, to bring collective experience and knowledge to bear, and to start building a shared picture of what a fairer Shetland needs to look like in the next Partnership Plan.



The people in the room bring a breadth of knowledge and front-line experience that no paper can replicate. That conversation, and what comes out of it, is where the real value of this session lies.

To help focus discussion, some questions worth reflecting on ahead of the day:

- Does this evidence match what you see and hear in your own work and community?
- Where are the gaps between what services and systems assume, and what people actually experience?
- What would a meaningful shift on inequality look like in the next Partnership Plan – and what would need to change to achieve it?

The full evidence paper is available at shetlandpartnership.org

