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The Cost of Living in Dumfries and Galloway 2024

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DUMFRIES & GALLOWAY CITIZENS ADVICE SERVICE

citizens advice bureau

Foreword

This report seeks to build on the cost of living research undertaken by Dumfries and Galloway Citizens Advice Service in 2017. The 2017 report was widely used to inform the work of various regional stakeholders – local government, support services and third sector organisations – to the benefit of Dumfries and Galloway residents.

This 2024 research is extremely timely given the cost of living crisis triggered by the Covid-19 pandemic and other global issues that have had a negative impact on the socio-economic circumstances of many residents. This has therefore been an ideal opportunity to refresh and expand on the earlier work with a view to comparing it to where our region is now, 7 years on.

We would like to thank all Dumfries and Galloway Citizens Advice Service staff and volunteers who assisted in researching shopping prices across the region. Particular thanks go to Emily Cook, our University of Glasgow Placement student, who put in so much effort to gather and record the price data and produced the early drafts of this report. Also, to Graham Watson BEM, President of the Scottish Grocers' Federation, for his invaluable insight into the convenience store sector.

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Executive Summary

*Note that this summary should be read in conjunction with **Chapter 6** in order to achieve a full picture of the study, its findings and recommendations.*

What We Did

In February 2024 Dumfries & Galloway Citizens Advice Service conducted research into the cost of living in the region. One aim was to provide a snapshot of the cost of 11 basic grocery items in 35 local shops of different types across the region – a repeat of a study last conducted in 2017. In 2024 we also explored the cost of travel to work/commuting: (i) by car, analysing fuel prices in 26 petrol stations; and (ii) by public transport, focusing on bus travel.

What We Learned

These findings must be considered, not only in the light of the current cost of living crisis in the UK, but also in the context of the lower-than-UK-average median earnings in D&G, the lowest of all Scottish local authority areas. In addition, those on the National Living wage or state benefits experience even more hardship compared with those on the D&G median income.

- The overall average basket price in 2024 was £18.21, an increase of 18.8% from 2017, when the average was £15.33. This reflects the cost of living crisis that has been affecting the UK since 2021.
- As in 2017, there was variation in the price of an essential basket of shopping across D&G. These basket prices varied from the cheapest at £11.92 to the most expensive at £26.98, 126% more than the cheapest basket price.
- In terms of average basket prices by area, the lowest were found in Annandale & Eskdale and the highest in Stewartry. It should, however, be acknowledged that, unlike the 3 other regional areas, Stewartry did not have a large discount retailer (Aldi or Lidl) at the time of the research, although this changed in November 2024, when Aldi opened a new store in Castle Douglas.
- Variation in basket prices depended on shop location and type, with both the rural and poverty premiums evident. More expensive baskets of shopping were found in more disadvantaged or remote rural towns. Convenience stores were generally the most expensive, followed by main chain supermarkets, with the lowest prices found at large discount retailers.
- Certain fresh produce (fruit) and hygiene products (nappies) were not available in some small convenience stores, adding to the difficulties faced by those on low incomes who may have to shop more locally, more often. However, unlike 2017, tampons/feminine hygiene products were available in all 35 shops visited as part of the 2024 study.

- Small stores could not compete with large retailers on price or product range/ availability for valid reasons. Nonetheless, many lie at the heart of their communities, offering additional 'lifeline' services to the benefit of the residents they serve.
- The large chain retailers tended to cost more in their outlets in smaller or more remote towns than they did in their branches in larger, more accessible towns, mainly due to reduced availability of product brands and sizes.
- Many vulnerable D&G residents cannot shop in the cheaper main chain or discount supermarkets due to distance, cost of travel, public transport limitations or lack of mobility. This situation is compounded by limited and/or more expensive online grocery shopping opportunities for many rural residents.
- Travel is the greatest source of additional costs for residents of rural Scotland. Although fuel prices have dropped back from their 2022 peak, vehicle tax and insurance costs have escalated in the last 2 years in particular. Moreover, bus and coach fares rose by 60.9% between February 2014 and February 2024, above the cost of living increase of 47.9%.
- According to the latest 2022 census 28.9% of D&G workers now work from home, slightly less than the Scottish average of 31.6% but still almost double the 2011 figure.
- More workers in D&G travel to work by car/van (56.7%) or on foot (9.4%) than Scottish workers in general, while very few D&G workers commute by public transport (2.1% by bus and 0.5% by train).
- In terms of car/van travel, average fuel costs in the region were not hugely different to the UK averages. However, individual prices varied significantly, for unleaded petrol in particular. Motorway service stations charged the highest prices, but so did some big brand retailers in smaller towns. Supermarkets also charged different prices in different towns.
  NB: *The proportion of hybrid (4.1%) or fully electric (1.5%) vehicles in Scotland is still very low and therefore the costs are not included in this study.*
- While commuting by train is virtually impossible in D&G, commuting by bus is an easier option in terms of number of routes in the region. However, very limited timetabling impacts negatively on commuting options for some routes, particularly for those who work non-standard hours or on Sundays.
- Once all motoring costs are taken into consideration, travel by bus would seem a cheaper option than travel by car, although costs for both are rising. While bus travel is more environmentally-friendly with a high level of concessionary fares available in Scotland, commuting by car is much more user-friendly for residents of D&G, particularly for those who live in rural or remote rural localities with limited bus routes and timetables.
- High commuting costs, whether by car/van or public transport, impact on people's employment, but also on their access to services and social opportunities. This is exacerbated by low incomes and high travel distances in D&G, especially in the more rural parts of the region.

What We Recommend

These findings represent a challenge to the Local Authority, central Government (Scottish and UK), retailers and the financial sector. If poverty and inequality are to be tackled, they must provide affordable access to essential services such as groceries and transport for all D&G residents, irrespective of their location or income. The recommendations below aim to maximise choice for D&G consumers and commuters in a way that values and supports all sectors of the marketplace.

- Challenge retailers, particularly very profitable large or discount retailers, to charge the same prices in different locations and to offer their own brand discounted ranges across all stores.
- Lobby these large retailers to offer enhanced online shopping options, by extending delivery coverage areas, reducing the minimum order spend and charging lower fees
- Support small food stores in rural locations by recognising and promoting their invaluable public service. At the same time, lobby wholesalers, government and the financial sector for reductions in costs that might enable such stores to survive, and possibly even reduce prices: lower wholesale prices for the convenience sector; reduce employer National Insurance contributions; introduce standardised reduced card transaction fees, especially for small spends.
- Incentivise more convenience stores in the region to participate in the Healthy Living Programme with a view to boosting retailer participation and improving public health.
- Lobby government to tackle 'nappy need' by encouraging exploration of different options to maximise choice.
- Challenge motorway service to consider reducing their marked-up fuel prices.
- Challenge supermarket chains to charge the same price for fuel at all of their outlets in a given area/region.
- Similar to small food stores, lobby government, fuel retailers and banks/card providers to introduce measures to support filling stations in more remote rural locations in order to help them reduce prices where possible.
- Lobby government for D&G to become a designated area eligible for the Rural Fuel Duty Relief scheme.
- Promote the use of the upcoming open data fuel finder scheme among drivers and access data from its proposed fuel monitoring function as soon as statutory backing is achieved.
- Monitor and assess electric vehicle and charging point availability and charging costs moving forward.
- Lobby government for improvements to bus routes and timetables to facilitate their use for commuting.
- Lobby government to extend concessionary travel to those on low incomes.

1. Introduction

In October 2017, Dumfries and Galloway Citizens Advice Service (D&GCAS) produced a report focusing on the Cost of Living in Dumfries and Galloway (D&G). The research for this project examined the price of an everyday basket of shopping in 33 stores of different types in different locations across the region, including urban, rural and very rural areas.

The study found that there was a 'poverty premium', with many of those living in more disadvantaged areas, such as Upper Nithsdale or parts of Stewartry, paying more for basic groceries than those in less disadvantaged parts of D&G. Research has clearly shown that those on lower incomes tend to pay more for essential goods and services, including higher tariff energy costs due to the prevalence of pre-payment meters, higher home and car insurance costs determined by postcode, the use of higher-cost credit and, as in the D&GCAS study, more expensive basic groceries from neighbourhood convenience stores (Centre for Social Justice, 2022). These additional costs have documented negative impacts on those affected:

Impacts of the Poverty Premium

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43%
Cut back on food

24%
Cut back on gas and/or electricity used

10%
Negative effects of physical health

19%
Increased stress and anxiety

13%
Negative impact on their personal relationship with friends and family

22%
Cut back on social activities

FIGURE 1: IMPACTS OF THE POVERTY PREMIUM (HOCKADAY, 2016: ONLINE)

The 2017 D&GCAS report also found that there was a 'rural premium', meaning that the further the distance from urban areas, the more expensive essential items become. This reflects Scottish Government research (2021a) demonstrating that the cost of living in areas of rural Scotland is around 15-30% higher than more urban areas, often driven by higher fuel and travel costs. Shucksmith et al. (2021) also highlight the fact that access to well-paid work, secure affordable housing, public services and welfare support can all be more difficult in rural areas due to distance, access and cost.

In 2024, Dumfries & Galloway Council requested a repeat of the 2017 research with a view to assessing the current cost of a basket of basic essentials within the region post-Covid-19 pandemic, compared to the earlier study. In conducting this new study, D&GCAS decided to include an examination of the cost of buying these essentials via online shopping given the changes in shopping behaviours that have occurred since the pandemic. Before March 2020, only 10% of UK residents ordered their groceries online; however, this figure climbed to 16% during lockdown and, although the figure dropped subsequently, it has nonetheless remained at a higher level of 13% (Bayford, 2023).

In addition, the Council requested an extension of the earlier research to include the cost of travel within D&G, as it impacts on those in employment in terms of their overall income and their ability to sustain their employment. A study carried out between 1991 and 2008 (Clelland, 2023) showed that many residents of rural areas experience employment-related difficulties: limited job or training opportunities; prevalence of part-time seasonal employment over full-time permanent work; low wages. High travel costs only serve to exacerbate these issues. The initial report of Scotland's 2nd Just Transition Commission underlines the negative consequences of rural transport issues:

> Remote and rural areas are particularly underserved by Scotland's existing transport infrastructure [...] and this poses major barriers to investment and workforce mobility, risking depopulation, isolation, additional costs borne disproportionately by local communities, and failure across a host of Just Transition Outcomes (Just Transition Commission, 2022: p.19).

We acknowledge that this new 2024 report, like the one in 2017, provides only a snapshot of the cost of living in the region. Nonetheless, we anticipate that it will guide stakeholders, decision-makers and support workers in the public and third sectors moving forward by: (i) providing updated information on the cost of basic shopping and commuting to work in Dumfries & Galloway in 2024; and (ii) evaluating this data in relation to the impact of the rural poverty premium in the current socio-economic context. The conclusions reached will seek to inform local policy and practice and thereby benefit the lives and employability of residents across the region, including some of our most excluded residents.

2. Methodology

2.1 Shopping

Research into the cost of living in different areas within Dumfries & Galloway was carried out in February 2024: D&GCAS staff and volunteers visited 35 shops and recorded the prices of 11 everyday essential items over a 2-week time frame. As this was a comparative study, it was important to ensure that we studied the same 11 products as in January 2017, in the same number of communities (16) and over the same timescales. However, for several reasons we did replace 4 communities with alternatives and expanded the number of shops from 33 to 35. These reasons included: shop closures since 2017; the proximity of some locations to others already included in the study; the inaccessibility of certain shops; and the desire to increase geographical coverage.

As in 2017, the 11 everyday essential items to be priced were:

BREAD (large 800g loaf)	**MILK** (1pt/568mls)	**CHEESE** (400g)
SPREAD (250g)	**RESEARCH STUDY SHOPPING ITEMS**	**HAM** (small pack)
BAKED BEANS (large tin, 410-420g)	**TEA BAGS** (pack of 40)	**DILUTING JUICE** (1l)
TAMPONS (1 pack, regular)	**BANANAs** (pack of 6)	**NAPPIES** (small pack, 6 months)

FIGURE 2: 2024 RESEARCH STUDY SHOPPING BASKET ITEMS

To ensure that the data was gathered consistently, we recruited a number of D&GCAS volunteers and staff across the region as research 'shoppers' and provided them with specific instructions on how to complete the task over a 2-week period in February 2024. We issued them with a standard data recording sheet and instructions on the specific sizes/ amounts of the items to be priced (see above). Given the focus on shopping from the point of view of someone on a low income, we requested that the cheapest option available be priced, whether branded or unbranded.

Once this data was collected from the 35 stores, it was entered into a spreadsheet with the location, shop name and type, product prices, product weight/size, and a note of any unavailable items or offers/promotions. From the data collected there were a total of 26 full baskets and 9 baskets with unavailable items. As a result, the average basket prices were calculated using only the 26 complete baskets. This data was then displayed in graph and table form to better show the findings and facilitate analysis in relation to the 2017 data.

2.2 Commuting

When examining the impact of travel, especially commuting costs, on the cost of living in Dumfries & Galloway we focused on two main aspects: (i) travel by car; and (ii) public transport.

2.2.1 Travel by Car

To gather accurate information on travel by car, fuel prices (regular unleaded petrol (E10) and diesel) were collected across D&G during the same 2-week time frame in February 2024 that had been used for the shopping prices data collection. The PetrolPrices website/app (2024) was used to find this information and various categories of data were logged for both types of fuel in 26 petrol/service stations across D&G: location; price; brand. The data was entered into a spreadsheet and then interrogated in order to calculate price ranges from high to low, alongside average prices in certain locations.

With regard to car commuting distances across the region, we were able to extract data from the Skills Development Scotland (2024) *Regional Skills Assessments Data Matrix* to identify the most common commuting distances. This could then be combined with the regular unleaded petrol and diesel price data in order to calculate the cost of commuting the most common distances by car in various locations across D&G.

2.2.2 Public Transport

To gather data on public transport in D&G, we identified the most popular commuting routes in the region from the DataShine Scotland Commute and DataShine Region Commute websites (2024). These sites use the 2011 Census data to show travel-to-work flows between each intermediate zone (i.e. towns within a region), or from region-to-region, split out by direction and mode of transport.

Thereafter, the prices of the most frequent commutes were gathered from the travel website/app of the main bus travel provider (Stagecoach, 2024) and the timetables examined. Tickets priced included the Dumfries town and D&G region-wide Day-Rider, the Weekly 7-day Mega-Rider and the Monthly Mega-Rider, as well as the cheapest prices for travel into adjacent regions (Ayrshire and Cumbria) and main cities (Glasgow and Edinburgh).

It should be noted that train travel was not included in this study in any detail since only 3 train lines now run through the region and are predominantly used to go to other regions/cities: Glasgow-Kilmarnock-Dumfries-Carlisle; Glasgow or Edinburgh-Lockerbie-Carlisle-Manchester; Glasgow-Ayr-Stranraer. Furthermore, the train is used for travel to work in D&G by only 0.5% of those in employment (Scotland's Census, 2022).

2.3. Challenges to the Methodology

In any data collection process, it is important to identify specific challenges to the methodology that should be taken into account when analysing the results. These are outlined below, with an explanation provided as to any mitigations applied or limitations caused.

- We had hoped to be able to gather prices in more locations – specifically Langholm – in the Annandale and Eskdale area of the region, since it is the second most populous area after Nithsdale (National Records of Scotland, 2022). However, it proved impossible for any of the research 'shoppers' to travel there during the required 2-week time frame. This therefore means that, unlike 2017, the study does not include data from the eastern boundary of D&G. It does, however, include locations in the Glenkens (St John's Town of Dalry) and the Machars (Wigtown and Whithorn) that were omitted in 2017.
- Some products were not available to price at all. These instances were noted on the data recording sheet to allow particular types of missing item to be analysed in more detail. Moreover, the incomplete baskets of shopping were excluded from the calculation of average basket prices, in order not to skew the data.
- The sizes requested lacked clarity at times, leading to some inconsistency in the data gathered. For example, we requested a 'small' packet of ham, a 'pack' of regular tampons and a 'small pack' of 'size 6' nappies. The price data gathered by the 'shoppers' therefore varied in line with the size of the cheapest products noted in each store. All details were logged, thereby facilitating analysis of the products that were available to purchase on the day, if not direct comparison of identical items.
- For other items, it was not always possible to price the requested size, or the bigger size actually cost less than the smaller. This may be because the sizes requested (a pint of milk or 250 grams of spread) are smaller than those most commonly purchased and therefore fewer are stocked. These were nonetheless used in order to enable direct comparisons with the 2017 study. Again, these instances were noted on the data recording sheet to enable further evaluation to be undertaken.

- Supermarket prices are often lower if the shopper is a loyalty card member, thereby altering the overall cost of a basket depending on whether it is used or not. The discounted prices were noted by some, but not all, of the research 'shoppers' and so this study cannot analyse their impact consistently. We can, however, assess the importance in more general terms of using membership prices.
- An assessment of the impact of online shopping was added to the 2024 study, although not using the same 2-week time frame as the other price data collected. As a result, no specific direct price comparisons can be made with the physical shops. Nonetheless, the general characteristics and significance of online shopping in a rural region can be analysed.
- Given the requested focus on travel costs in relation to work/commuting, it was essential that working from home also be factored into the 2024 study, given the increase in home and hybrid working since the Covid-19 pandemic (Office for National Statistics, 2023a). This can be done for D&G by interrogating the latest Census return (Scotland's Census, 2022), as it also includes home-working statistics.
- The 2024 study was asked to include commuting costs as part of the cost of living analysis. It should be noted that the fuel price collection dates varied, as the app used (PetrolPrices, 2024) relies on individual drivers to record prices on the day of purchase. However, all of the fuel price data collection dates used here, like the shopping price data collection dates, fall within the same 2-week period in February 2024 and so consistency is assured.
- As the level of ownership of electric vehicles is still low in Scotland (Scottish Parliament Information Centre, 2023), the cost of commuting by electric/hybrid car or van is not included.
- Commuting by train has not been studied in detail as there are very few options to do so across D&G; only 0.5% of workers in the region travel to work this way (Scotland's Census, 2022).
- As this is the first time that data on travel costs have been gathered, it will not be possible to compare them with an earlier study focused on D&G. However, analysis of existing research will allow for scrutiny of price changes over the last 10 years.

3. Shops and Basket Prices 2024

3.1 Shops

This study gathered a snapshot of price data from 35 shops, ranging from local convenience stores to superstores, located in 16 communities across the four main areas of D&G.

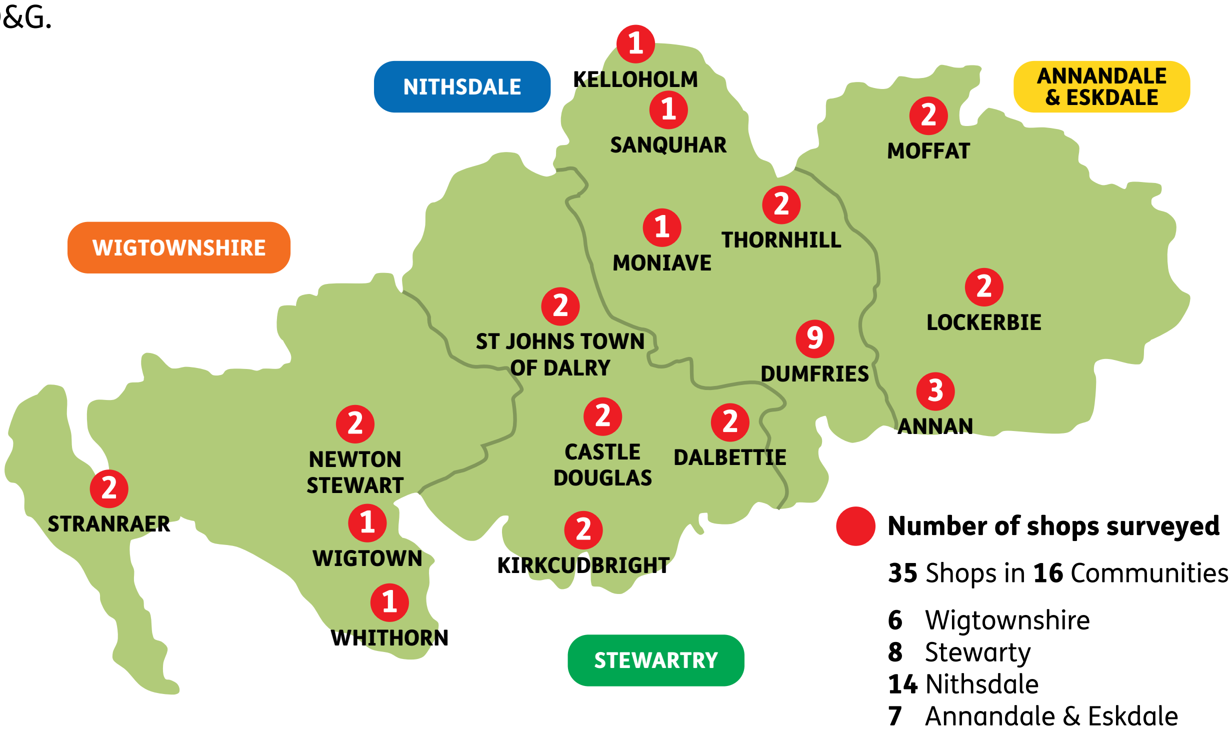

FIGURE 3: MAP OF 2024 D&G RESEARCH STUDY SHOPS, COMMUNITIES AND AREAS

- In the **Nithsdale** area there is an estimated population of 50,750 (National Records of Scotland, 2022), making it the largest area in the region. We therefore researched 5 towns here (Dumfries, Moniaive, Thornhill, Sanquhar and Kelloholm) with price data collected from a total of 14 shops. We removed 2 of the towns included in the 2017 study: Auldgirth, as the shop here had closed down; and Penpont, due to its close proximity to Thornhill (2 miles). We added one town, Kelloholm, as it is equal in size to Sanquhar, but very much a separate community with high levels of socio-economic disadvantage.
- In the second largest area, **Annandale & Eskdale**, estimated population 40,000 (National Records of Scotland, 2022), we managed to collect price data from a total of 7 shops in the 3 largest towns (Annan, Lockerbie and Moffat). We had hoped to include the most eastern town, Langholm, but were unfortunately unable to send a research ‘shopper’ there during the required time frame.
- In the **Stewartry** area there is an estimated population of 29,700 people (National Records of Scotland, 2022). Here we carried out research in 4 towns (Kirkcudbright, Dalbeattie, Castle Douglas and St Johns Town of Dalry), collecting price data from a total of 8 shops. The last town was an addition to the 2017 research, thereby allowing us to achieve greater geographical coverage of the area by including a town further to the north.

- **Wigtownshire** is the smallest area in the region by population, with an estimated 28,250 residents (National Records of Scotland, 2022). Here, we conducted research in 4 towns (Stranraer, Wigtown, Whithorn and Newton Stewart), with data being recorded for 6 shops. Again, Wigtown and Whithorn were additions to the 2017 study, chosen to enable us to include residents living in the most populous towns in the south Machars. Drummore was not included this time due to its small size and our inability to send a research 'shopper' there during the required time frame.

3.1.1 Convenience Stores

As in the 2017 report, convenience stores remained a significant part of the data gathered in 2024, with 14 small stores being researched, alongside a further 7 mid-sized Co-op stores and one Scotmid Co-op. This is an important aspect to include, as Scotland has 5,220 convenience stores (Association of Convenience Stores & Scottish Grocers' Federation, 2024), with the residents of many rural areas, such as D&G, relying on them day to day. For the purposes of this study, Co-op stores were regarded as hybrid stores as they tend to be smaller than large chain supermarkets and offer many of the services of convenience stores. However, they also have additional services more common in larger stores, such as a membership system with loyalty card.

Of the 14 small convenience stores included in the study, one was an unaffiliated independent, while the remaining 13 were symbol group independents. Symbol groups are a type of franchise whereby an independent retailer signs up with a specific group (e.g. Costcutters, Londis, Nisa, Premier or SPAR) who then acts as their wholesaler and offers them additional services, such as shop branding, access to discounted product lines, stock delivery, IT services, business development and/or logistical support. Each symbol group membership contract comes with a different set of costs, conditions and benefits, that must be weighed up carefully by the independent store owner before joining (Scottish Local Retailer, 2018). 33% of convenience stores in Scotland are symbol group independents, while 43% remain unaffiliated. The remaining 24% are multiples (13%) or co-operatives (11%) (Association of Convenience Stores & Scottish Grocers' Federation, 2024). While affiliation gives small stores certain benefits, it also ties them in to purchasing set weekly amounts of stock from more expensive wholesalers, who are themselves often owned by big brand supermarkets. Moreover, variable card provider transaction costs can have a negative impact on profits.

Small to mid-sized convenience stores are generally recognised as being more expensive than other grocery retailers, as reported in *Which?* (Simmonds & Webb, 2024). However, there are explanations for this:

- Most convenience stores have higher overheads than large chains and have to charge higher prices for some products in order to stay in business and make profits.
- Suppliers often charge convenience stores higher wholesale prices for the same products than large supermarkets.
- Smaller stores often have limited storage space for stocking bulkier products, such as nappies, or can only stock a small quantity of time-sensitive items, such as fresh fruit and vegetables, as they may go out of date and become a loss-maker if kept for too long in unsuitable storage facilities.

- They have less direct, nearby competition since they are often very local, and so can charge higher prices for the smaller range of products that they do sell in a more 'convenient' way that saves the consumer both travel time and costs.

Mandatory rural rates relief of 100% is provided by D&G Council to all eligible businesses (including village shops and small food stores) within rural settlements with fewer than 3,000 residents, providing that their rateable value does not exceed £8,500 and that they are the only such business of that type in the settlement area. Discretionary rural rates relief of 100% can also be offered to such properties with a rateable value of up to £17,000 (Dumfries & Galloway Council, 2021). While it might be hoped that at least some of this saving could be passed on to convenience store customers in such rural areas, rates relief more often simply helps smaller stores to survive in a challenging economic context. Small, independent stores argue for lower wholesale prices for their sector alongside lower card transaction fees. In this way, they feel, a better balance can be achieved across the groceries sector.

Despite their higher prices, there are documented advantages in using convenience stores, (Association of Convenience Stores & Scottish Grocers' Federation, 2024; Clarke & Banga, 2011):

- Proximity to home and long opening hours for locals to buy essentials without having to pay for travel. 84% of convenience store customers in Scotland travel less than 1 mile to store (Association of Convenience Stores & Scottish Grocers' Federation, 2024). In some rural areas public transport to the nearest large store or supermarket can be scarce and/or expensive.
- Local stores can be a part of the community and a source of socialisation and communication (e.g. via local notice boards) for those who otherwise have limited opportunities to socialise with others; a problem that can be especially prevalent for those in rural areas. 38% of convenience store customers in Scotland know the people running and working in their local shop very well or quite well (Association of Convenience Stores & Scottish Grocers' Federation, 2024).
- Convenience stores in specific areas may provide extra assistance, such as home delivery, to vulnerable local residents who can no longer easily access shops due to problems caused by age or disability.
- Convenience stores can also provide valuable additional services: mobile phone top-up; bill payment; cash machine or cashback, post office or other parcel delivery/ collection services; food bank collection; printing, scanning or copying; photo booth; coffee and hot food, etc.

3.1.2 Large Stores: Main Supermarket Chains

Large supermarkets/superstores have their own unique selling points as exemplified by the larger shops included in the 2024 study. Of particular interest is a comparison between the main supermarket chains and the discount supermarkets in the region.

Only 2 large retailers, Tesco and Morrisons, operate in more than one town in D&G. Tesco owns the vast majority, with 7 main stores across the region, 2 in Dumfries and others in Lockerbie, Annan, Castle Douglas, Kirkcudbright and Stranraer; while Morrisons has 2 stores, one in Dumfries and one in Stranraer. NB Sainsbury's operates a medium sized store in Newton Stewart, but this was not included in this study. This virtual monopoly by Tesco, rated the largest supermarket retail chain in the UK with the biggest turnover (European Supermarket Magazine, 2024), means that the region's residents have no opportunity to purchase groceries from Asda, judged the cheapest non-discount supermarket retail chain in the UK according to *Which?* (Simmonds & Webb, 2024). However, D&G customers of Tesco and Morrisons do benefit from certain advantages not offered by the large discount retailers Aldi and Lidl:

- The option of a loyalty card, offering customers reduced prices on a continuously updated range of branded products, personalised coupons and points that can be converted into reward vouchers.
- Aldi/Lidl price matches, meaning specific products are sold at the reduced prices offered by the discount retailers.
- Services that discount retailers do not offer, such as petrol stations, in-store cafes, home deliveries/click & collect, travel money, photo services, phone contracts and financial services.
- Tesco also offers the scan-as-you-shop service, which means customers can scan their items whilst shopping so they can see their shop total before paying. This is especially helpful for those who need to stick to a budget.

3.1.3 Large Stores: Discount Supermarkets

The discount retailers Aldi and Lidl are ranked by *Which?* as the cheapest supermarkets in the UK (Simmonds & Webb, 2024), with Aldi having the larger turnover and cheaper prices. Both are present across D&G: Aldi has 4 stores (2 in Dumfries and one each in Annan and Newton Stewart, with another due to open in Castle Douglas later in 2024); Lidl has 2 stores (one in Dumfries and another in Stranraer). These discount retailers are recognised as being cheaper than either large chain supermarkets or small convenience stores. The reasons for this are clear, as outlined in detail by *Which?* (Webb, 2024):

- A smaller selection of products, often displayed in boxes or on pallets. This means stores tend to be smaller with fewer staff and lower overheads
- A majority of own brand value products, but still of good quality, again keeping costs down.
- 'Middle aisle', time-limited speciality products, often branded, sold at discount prices.
- A limit on the additional services offered by the large supermarkets, for example home delivery. They are, however, trying to adopt some of them: Aldi now offers click and collect, while Lidl has a loyalty scheme and in-store bakeries.

3.1.4 Online Shopping

Online grocery shopping was not studied in detail in this report since the minimum spend required by D&G-based retailers in order to be eligible for home delivery was not met by the small basket of 11 items. Tesco requires a minimum spend of £50, Asda £40 (they deliver in D&G even though they have no physical presence) and Morrisons £25. As shown by lovemoney (2024), if the minimum spend level is not reached, an additional charge is levied on top of the delivery charge. Delivery charges also vary depending on location and time of delivery, although some retailers, such as Morrisons or Asda, offer cost-saving delivery passes for regular online shoppers. Other, retailer and non-retailer-specific grocery services do not yet deliver in rural areas: Deliveroo only delivers in Dumfries (DG1 and DG2 postcodes), while Ocado does not deliver in D&G at all. Online shopping and home delivery therefore only seems worthwhile for bigger, repeat grocery shops, more often in urban areas.

Nonetheless, its importance is significant, especially since the Covid-19 pandemic (Bayford, 2023), as it specifically helps those who do not have easy in-person access to supermarkets and gives people the opportunity to do a bigger shop which will last longer and may save them money. This is particularly beneficial for those living in rural areas in D&G, or those with disabilities, health conditions or caring responsibilities, who cannot easily access bigger superstores to do their weekly shopping, or those on low incomes for whom travel costs outweigh the delivery charge. Online grocery shopping clearly provides accessibility alongside convenience and choice. It can be carried out quickly at any time of the day, products can be compared and price-matched to other stores, and technology can help to create a more personalised shopping experience (International Supermarket News Magazine, 2023).

In terms of the limitations of online shopping, consumers may be less likely to purchase fresh food as they cannot check the quality of the product in person before buying it, with a potential negative impact on health. The social interaction that in-store shopping provides is missing, key for many isolated residents. There can be limited access to in-store promotions and online prices may fluctuate between the order date and the delivery date when payment is taken, both leading to higher costs. The need to spend a minimum amount to qualify for delivery alongside higher delivery charges – or no delivery option at all in more rural areas – also excludes some who could benefit from it.

With regard to access to both online and in-person grocery shopping, the Consumer Data Research Centre (2024) has created an index, mapped onto the Scottish Index of Multiple Deprivation (SIMD) (Scottish Government, 2020) datazones, that is designed to capture inequalities in access to groceries and to identify 'E-food Deserts', defined as:

> remote and rural neighbourhoods which suffer the dual disadvantage of comparatively poor access to physical retail opportunities alongside limited provision of online groceries.

The E-food Deserts data and related interactive map show that 66 of the 201 D&G datazones are ranked as being in the first (or worst) decile of 'e-food deserts' in terms of access to physical and online grocery shopping facilities, transport and socio-economic/demographic challenges. This means that 33% of D&G datazones fall into the most disadvantaged tenth in Scotland. Moreover, 27 datazones, or 13% of the D&G total (in the South Rhins, South Machars, Glenkens, Upper Nithsdale, Langholm & Eskdale and rural Kirkcudbright and Dalbeattie), fall within the most disadvantaged 200 in the whole index, out of a total of 6,976 datazones covering mainland Scotland and its islands. Indeed, the most disadvantaged e-food desert in the country is identified as Whithorn in Machars South. Can anything be done to encourage retailers to offer online grocery shopping options to more rural locations? This is something to be considered, while still recognising the benefits for some of shopping in physical premises.

3.2 Basket Prices

It should be noted that the average basket price calculations are based on the 26 shops that had complete baskets, with all 11 items priced. The 9 remaining incomplete baskets are included later, in the sub-sections evaluating individual item prices and availability.

3.2.1 Basket Price Range and Average at Overall Regional Level

Within D&G, the average price of a basket of 11 everyday items of shopping in February 2024 was £18.21. The cheapest basket price was recorded at the Aldi store in Annan at £11.92, and the most expensive in a SPAR store in Dumfries, where the same products cost more than double that amount, indeed 126% more, at £26.98.

FIGURE 4: 2024 D&G BASKET PRICES- LOWEST, HIGHEST AND AVERAGE

3.2.2 Basket Price Averages and Ranges by Regional Area

The average price of a full (11-item) basket of shopping in each of the four areas of D&G, from cheapest area to most expensive, is listed and displayed in figurative form below.

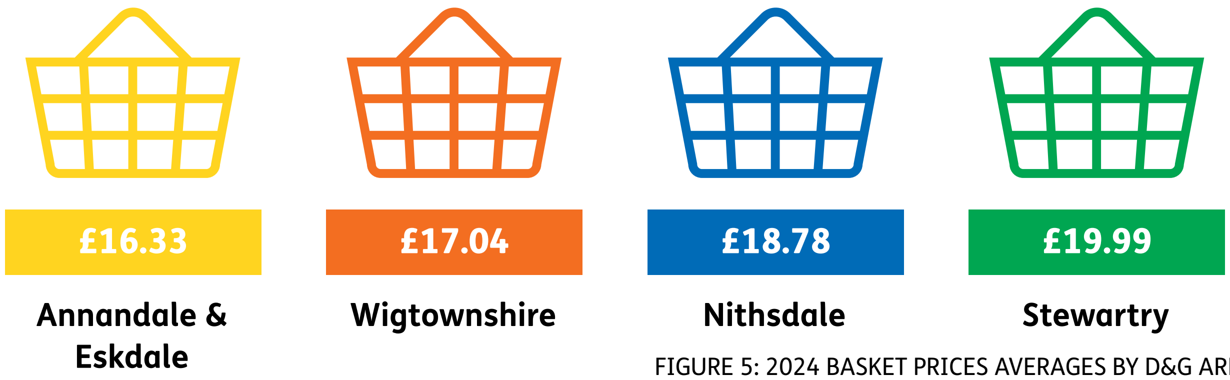

FIGURE 5: 2024 BASKET PRICES AVERAGES BY D&G AREA

Area Averages

- Annandale & Eskdale: £16.33, based on 5 stores, including small, mid and large retailers and one large discount retailer.
- Wigtownshire: £17.04, based on 5 stores, including mid and large retailers, one large discount retailer, but no small convenience stores.
- Nithsdale: £18.78, based on 11 stores, including small, mid and large retailers and two large discount retailers.
- Stewartry: £19.99, based on 5 stores, including small, mid and large retailers, but no large discount retailer.

Overall, the highest area average basket price in Stewartry (£19.99) was 22% more expensive than the lowest one in Annandale & Eskdale (£16.33). This may be due to the fact that the Annandale & Eskdale research study shops contained more main and discount supermarkets than mid-sized or small convenience stores, consequently tending towards lower prices. Annandale & Eskdale also has the main north-south artery, the M74 motorway, running through it for quicker/cheaper delivery of goods. The lower average price in Wigtownshire, too, can be explained by a lack of more expensive convenience stores in the research study shops. The higher costs in Stewartry may be explained by the current lack of discount supermarkets there, set to change by the end of 2024 when Aldi is scheduled to open a new store in Castle Douglas. Furthermore, although this area does have the main west-east artery, the A75, running through it, it is some distance from either the M74 or the main trading port of Stranraer.

Area Ranges

- Annandale & Eskdale. Across the 7 shops looked at in Annandale & Eskdale the prices of the 5 complete baskets of shopping ranged from the lowest at £11.92 at the discount supermarket Aldi in Annan, to the highest at £23.42 in a small SPAR convenience store also in Annan, a 96.5% increase. NB Annan had the cheapest basket price from all of the data gathered and Annandale & Eskdale had the cheapest prices in Dumfries & Galloway as a whole.

- Wigtownshire. Here, we researched a total of 6 shops, but only gathered the full basket price data in 5. The basket prices ranged from the lowest at £13.78 at the discount supermarket Aldi in Newton Stewart, to the highest at £21.16 in the mid-sized chain store Co-op in Wigtown, a 53.6% increase.
- Nithsdale. Across the 14 shops looked at in Nithsdale only 11 had complete baskets of shopping, ranging from the lowest at £13.26 in Dumfries at the discount supermarket Aldi, to the highest at £26.98 in a SPAR convenience store in a suburb of Dumfries, an increase of 103.5%. NB This was the most expensive basket in the study.
- Stewartry. Out of the 8 shops that were researched in Stewartry the total cost of 5 complete baskets of shopping ranged from the lowest at £14.93 at the large chain supermarket Tesco in Castle Douglas, to the highest at £24.09 in Kirkcudbright also in Tesco, 61.4% more.

3.2.3 Basket Price Averages by Community

The average price of a full (11-item) basket of shopping in each of the 16 D&G communities involved in the research study is listed below and also displayed on a regional map. It should be noted that the number and type of surveyed shops with full baskets per community varied, and so the community average prices must be considered alongside this additional information.

Annandale & Eskdale.

- Moffat - £18.14, 1 store (Co-op)
- Annan - Average £16.37, 3 stores (Aldi, Tesco, SPAR)
- Lockerbie - £14.40, 1 store (Tesco)

Wigtownshire.

- Wigtown - £21.16, 1 store (Co-op)
- Newton Stewart – Average £16.85, 2 stores (Aldi, Co-op)
- Stranraer – Average £15.18, 2 stores (Morrisons, Tesco)
- Whithorn - NO FULL BASKET

Nithsdale.

- Kelloholm - £26.20, 1 store (Nisa Local)
- Thornhill - £19.60, 1 store (Co-op)
- Moniaive - £18.88, 1 store (Premier)
- Dumfries - Average £17.73, 8 stores (Aldi, Lidl, Tesco, Morrisons, Scotmid Co-op, SPAR)
- Sanquhar - NO FULL BASKET

Stewartry.

- Kirkcudbright - £24.09, 1 store (Tesco)
- Dalbeattie - £22.91, 1 store (Co-op)
- St John’s Town of Dalry - £19.44, 1 store (Wright’s)
- Castle Douglas - Average £16.75, 2 stores (Tesco, Co-op)

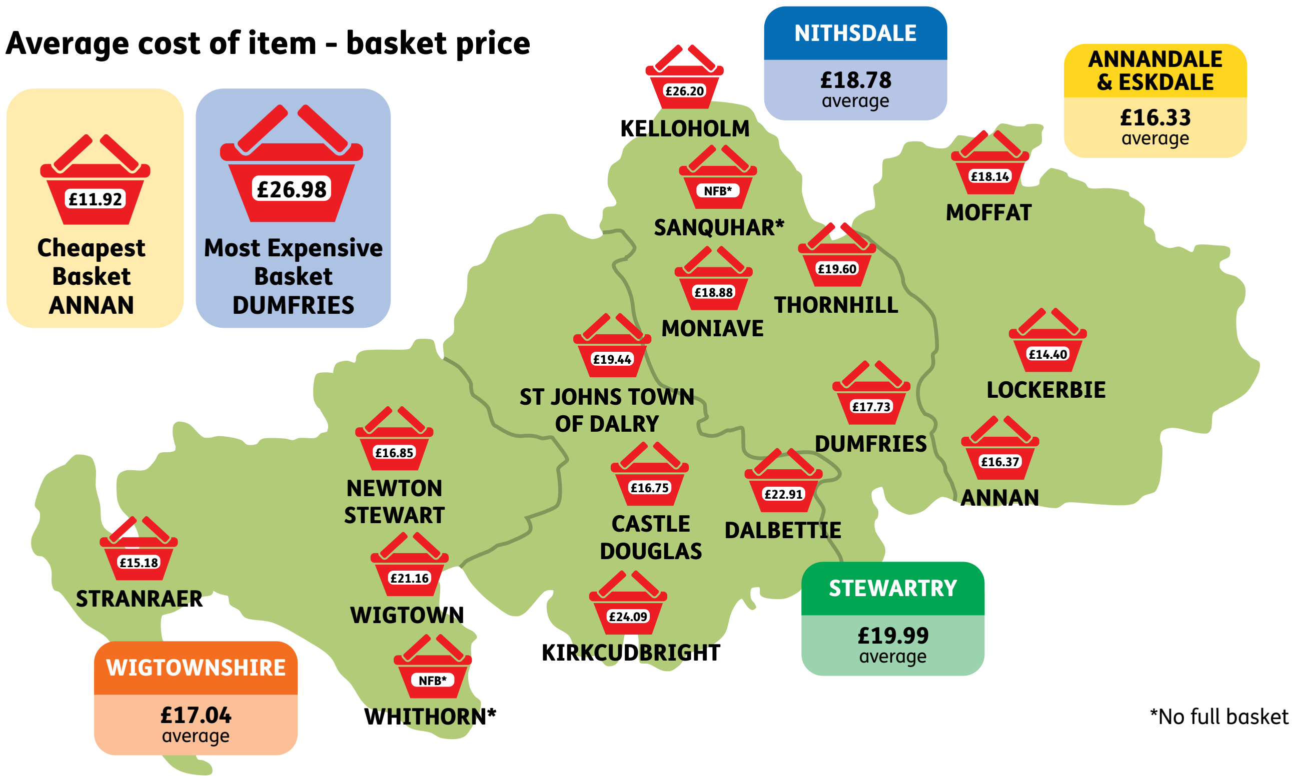

FIGURE 6: MAP OF 2024 AVERAGE BASKET PRICES BY AREA AND COMMUNITY

The most expensive towns to shop in in 2024 were Kelloholm, Kirkcudbright, Dalbeattie and Wigtown. We must question why this is the case.

With regard to Kelloholm and Dalbeattie, both towns include areas of very high or high deprivation in the *Scottish Index of Multiple Deprivation (SIMD)*, in particular in relation to income, employment, health and education (Scottish Government, 2020): areas of Kelloholm sit in the 1st and 2nd deciles of deprivation while areas of Dalbeattie are ranked in the 4th. The retailers involved here were the more expensive small convenience or mid-sized Co-op stores. However, it seems unfair that those who are already struggling should be expected to pay more – the poverty premium – for basic groceries purchased close to home. This is particularly true for those not eligible for discounted or free travel, but without sufficient income to pay travel costs to cheaper stores in other towns.

Regarding Kirkcudbright and Wigtown, neither of these towns are particularly deprived as per the SIMD (Scottish Government, 2020), and the stores included in the study are the normally cheaper mid or large retailers (Co-op and Tesco). Questions therefore arise regarding the rural premium, whereby geographical distance/isolation can lead to higher costs for residents. Again, is this fair? Particularly where large chains are involved who charge lower prices for the same products in other towns.

In addition, there were 2 towns where it was not possible to gather full basket price data as some of the products were unavailable: Sanquhar and Whithorn. Again, why? These are towns with datazones ranked in the more disadvantaged half of the SIMD: 3rd and 4th decile (Scottish Government, 2020), both shops involved were small convenience stores that tend to stock a smaller range of products and both towns were in more remote parts of the region where other shopping options are limited. Once again, is this rural poverty premium fair?

3.2.4 Basket Prices by Retailer

In terms of retailer type, we found that the highest product and basket prices recorded in this 2024 report were, unsurprisingly, collected from the small convenience stores or mid-sized Co-op for the majority of items. However, there was a wide variation in convenience store basket prices, from the lowest in Moniaive (Premier symbol group independent) at £18.88, to the highest in Locharbriggs Dumfries (SPAR symbol group independent) at £26.98. Closer analysis shows that this is due to less availability of discount brands and higher prices for hygiene products (tampons and nappies). The large discount retailers Aldi and Lidl charged lower prices than the main supermarket chains and offered the cheapest basket prices overall. NB Different retailer types are profiled in Section 3.1 above alongside an analysis of price differences.

When analysing the basket price data by retailer, we discovered that each retailer's prices varied from store to store in different towns, sometimes very significantly. See the information displayed in table form in Figure 7 below:

RETAILER	AVERAGE BASKET PRICE	LOWEST BASKET PRICE	TOWN	HIGHEST BASKET PRICE	TOWN	% INCREASE
ALDI	£12.97	£11.92	Annan	£13.78	Newton Stewart	15.6%
MORRISONS	£14.30	£13.57	Dumfries	£15.02	Stranraer	10.7%
TESCO	£16.32	£13.78	Annan	£24.09	Kirkcudbright	74.8%
PREMIER	£18.93	£18.88	Moniaive	£18.97	Dumfries	0.5%
CO-OP	£20.07	£18.14	Moffat	£22.91	Dalbeattie	26.3%
SPAR	£25.20	£23.42	Annan	£26.98	Dumfries	15.2%

FIGURE 7: TABLE OF 2024 BASKET PRICE AVERAGES & RANGES BY RETAILER

- We looked at 3 Aldi stores and found an average basket price of £12.97. The cheapest basket of shopping could be bought in Annan for £11.92, indeed the cheapest basket in the study. In Newton Stewart the same basket of shopping cost more at £13.78. There was therefore a difference of £1.86 or 15.6% in the same retailer but in different towns. This was due specifically to certain discounted own brands being unavailable in the more rural Newton Stewart store in particular.
- The average basket price in Morrisons, based on 2 stores, was £14.30. The cheapest basket was in Dumfries at £13.57, and the more expensive basket was in Stranraer, at £15.02. This is a difference of £1.95, with the same basket of shopping costing 10% more in Stranraer than in Dumfries. The difference was caused by reduced availability of the discounted Savers product line in the Stranraer store. Consequently, some of the most disadvantaged residents of D&G (Scottish Government, 2020) are paying more for some basic goods, indicative once more of the rural poverty premium.

- Out of the 7 Tesco stores included in the study the average basket price was £16.32. The cheapest basket of shopping was found in Annan for £13.78 and the most expensive basket was found in Kirkcudbright for £24.09. This means that there is a significant difference of £10.31, with the same basket of Tesco shopping costing 74.8% more in Kirkcudbright than in Annan. Closer analysis shows that this discrepancy was an anomaly caused by the lack of availability of a standard pack of size 6 nappies in Kirkcudbright; only a jumbo pack, costing four times the price of a standard pack, was available. However, it must be noted that this was the only option on offer to customers looking for this size of nappy at the store on that date. This indicates a reduced product range in smaller, more remote rural Tesco stores.
- Of the 4 Premier symbol group independents included, only 2 had complete baskets. The cheaper one was in Moniaive at £18.88, and the more expensive in Locharbriggs Dumfries at £18.97. It should be noted that this is the smallest price difference of all the retail groups at only a 9p or 0.5% difference depending on location.
- 7 mid-sized Co-op stores and one Scotmid Co-op were included in the study, with an average basket price of £20.07. The cheapest basket of shopping could be bought in Moffat for £18.14 and the most expensive could be found in Dalbeattie costing £22.91, a difference of £4.77 or 26.3%. Again, why? Closer analysis shows that this is due to poor availability of cheaper own brand goods in certain Co-op stores. This is specifically true in stores in Stewartry and, to a lesser extent, in Thornhill (Upper Nithsdale) and Wigtown (Wigtownshire). In addition, certain Co-op own brand items actually cost more in some stores in Stewartry in particular (Castle Douglas, Dalbeattie and Kirkcudbright). It is unclear why, but is again indicative of the rural premium.
- Of the 5 SPAR symbol group independents surveyed, only 2 had complete baskets. The cheapest of these was in Annan at £23.42 and the most expensive in Locharbriggs, Dumfries at £26.98, the most expensive basket in the study. This represents a £3.56, or 15.2%, difference depending on where you shop.

In conclusion, it is clear that there are cost differences depending on the retailer and store location, with a tendency towards less choice and higher prices in more rural or disadvantaged areas. There is therefore a case to be made for ensuring that retailers, particularly very profitable large or discount retailers, offer their own brand discounted ranges across all stores charged at the same price irrespective of location.

Additionally, and as recommended by Citizens Advice Scotland (2019: p.5) in their submission to the All Party Parliamentary Group on Poverty, Poverty Premium Inquiry, retailers should consider offering enhanced online shopping options, since these are very limited, as already outlined above in Subsection 3.1.4:

> Supermarkets should work to help alleviate the effects of the poverty premium when shopping for food by exploring options to assist low income consumers. This could include extending delivery coverage areas, lower fees for placing orders close to one's desired delivery date and lower charges for small orders.

3.2.5 Item Price Ranges and Differences

The price ranges and percentage increases, from lowest price to highest, for individual items are quite marked, as outlined in the table and graph below

ITEM	LOWEST PRICE	TOWN & RETAILER	HIGHEST PRICE	TOWN & RETAILER	% INCREASE
BREAD	**£0.45**	Dumfries (Aldi, Lidl & Tesco); Annan (Aldi); Castle Douglas (Co-op & Tesco)	**£2.89**	Dumfries (SPAR)	**542.2%**
MILK	**£0.79**	Lockerbie (SPAR)	**£1.37**	Dalbeattie (SPAR)	**73.4%**
SPREAD	**£0.47**	Castle Douglas (Co-op)	**£3.29**	Dumfries (SPAR)	**600%**
CHEESE	**£2.49**	Annan, Castle Douglas, Dumfries, Kirkcudbright, Lockerbie, Stranraer (Tesco)	**£4.49**	Annan, Dalbeattie, Thornhill (SPAR)	**80.3%**
HAM	**£0.85**	Annan, Dumfries, Newton Stewart (Aldi); Dumfries (Lidl)	**£2.99**	St John's Town of Dalry (Londis)	**251.8%**
BANANAS	**£0.59**	Newton Stewart (Aldi)	**£3.54**	Lockerbie (SPAR)	**500%**
BAKED BEANS	**£0.27**	Dumfries, Stranraer (Morrisons)	**£1.70**	Dalbeattie (Co-op)	**529.6%**
TEABAGS	**£0.87**	Dumfries, Kirkcudbright, Lockerbie, Stranraer (Tesco)	**£2.39**	Lockerbie (SPAR)	**174.7%**
DILUTING JUICE	**£0.95**	Annan (Aldi)	**£1.99**	St John's Town of Dalry (Londis)	**109.5%**
TAMPONS	**£0.89**	Annan, Dumfries, Newton Stewart (Aldi) – 20-pack	**£3.65**	Lockerbie (SPAR) – 18-pack	**310.1%**
NAPPIES	**£2.89**	Dumfries, Newton Stewart (Aldi) – 30-pack	**£6.49** **£12.00**	Kelloholm, Sanquhar (Nisa) – 19-pk; Annan, Dumfries, Thornhill (SPAR) – 18/19-pk Kirkcudbright (Tesco) – jumbo-pk	**124.6%** **315.2%**

FIGURE 8: TABLE OF 2024 ITEM PRICE RANGES & INCREASES

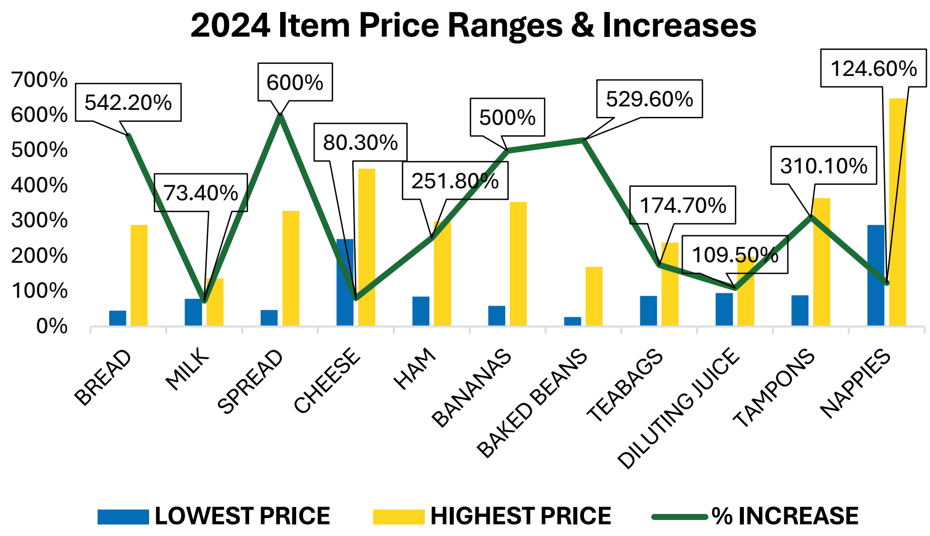

FIGURE 9: 2024 ITEM PRICE RANGES & INCREASES GRAPH

It is striking that the lowest to highest price increase for each individual shopping item was over 100% for every shopping basket item except milk and cheese. Indeed for 4 items the most expensive was at least 5 times more than the cheapest. In all cases, and reflecting the information on shop types included at 3.1 above, the cheapest items were those sold by discount or large retailers in the larger centres of population, while the most expensive items were those sold by convenience stores in smaller but also larger communities across the region.

3.2.6 Unavailable Items

In terms of unavailable products in 2024, in all cases, the shops concerned were small convenience stores in mainly small, rural communities, indicate a definite level of disadvantage for those who live in these areas, and rely on such stores.

- 4 shops did not stock bananas and one shop had no milk. This could be a result of convenience stores being unable to stock large quantities of fresh produce due to its short shelf life. Research shows that convenience stores play a key role in low-income areas, but that they traditionally limit their stock of fresh fruit and vegetables due to poor sales and high wastage (Cummins et al., 2010). Scotland has been trying to tackle this issue on a continuous basis since 2004 via the Healthy Living Programme in collaboration with the Scottish Grocers' Federation. Their aim is 'to improve the accessibility, quality and affordability of healthier food options within local convenience retailers across Scotland, especially those in areas of multiple deprivation' (Public Health Scotland, 2023: p.6). Despite its evidenced successes, more work remains; not only to involve more convenience stores in the project, but also to improve retailer engagement with, and consumer awareness of, the initiative.

- 6 shops did not stock nappies. This is probably because bulky items like nappies that are in demand in several sizes and take up a lot of shelf space, may only be stocked in limited amounts especially in a small shop. However, these issues around availability and the rising cost of such essential hygiene products hit struggling families hard, particularly during the current cost of living crisis. This phenomenon of 'nappy need' is being reported as an increasing problem in the UK, despite nappies being VAT-exempt (Makel & Shoesmith, 2023). Certain charities are campaigning for more charitable provision of nappies, or a subsidy on their cost, particularly for low-income families who may not have space or income to save costs by buying in bulk (All Party Parliamentary Group on Poverty, 2019). In Scotland, research has also been undertaken with a view to promoting the use of reusable nappies, with a view to reducing both the financial burden on families, and environmental harm (Scottish Government, 2024). However many barriers to more widespread use remain: initial cost outlay; laundering issues (time, work) and related energy use/cost; performance/hygiene concerns. Time will tell what level of impact such initiatives may have, but some action is required to help struggling families.

4. Basket Price Comparisons 2024 versus 2017

There are notable differences between the price data collected in 2024 compared to the results of the 2017 report.

4.1 Regional Average Basket Price

As can be seen in Figure 10 below, in 2024, the average price of a basket of basic shopping in D&G was £18.21, compared to £15.33 in 2017. This represents a £2.88 or 18.8% increase on the average basket price in the last 7 years. This increase is higher than consumer price inflation rate fluctuations over this period, that rose from 2.3% in February 2017 to 3.8% in February 2024, but reached a peak of 9.6% in October 2022 (Office for National Statistics, 2024).

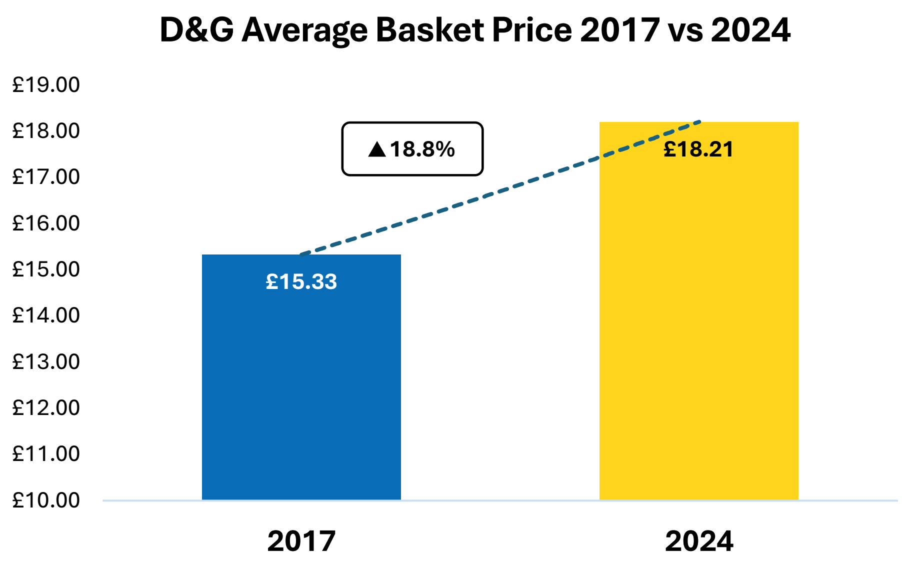

FIGURE 10: REGIONAL AVERAGE BASKET PRICES 2017 VS 2024

This is a clear sign of the cost of living crisis in the UK, whereby, since 2021, the cost of essentials such as food, energy, transport and clothing have grown at a faster rate than average salaries, leading to a fall in 'real' disposable income (Hourston, 2023).

4.2 Lowest and Highest Basket Prices

The cheapest basket of shopping identified in each year has increased by 35.6%, from £8.79 in Stranraer in 2017, to £11.92 in Annan in 2024 (see Figure 11 below). The most expensive basket of shopping identified in each year has increased by 9.2%, from £24.70 in Dalbeattie in 2017, to £26.98 in Dumfries in 2024.

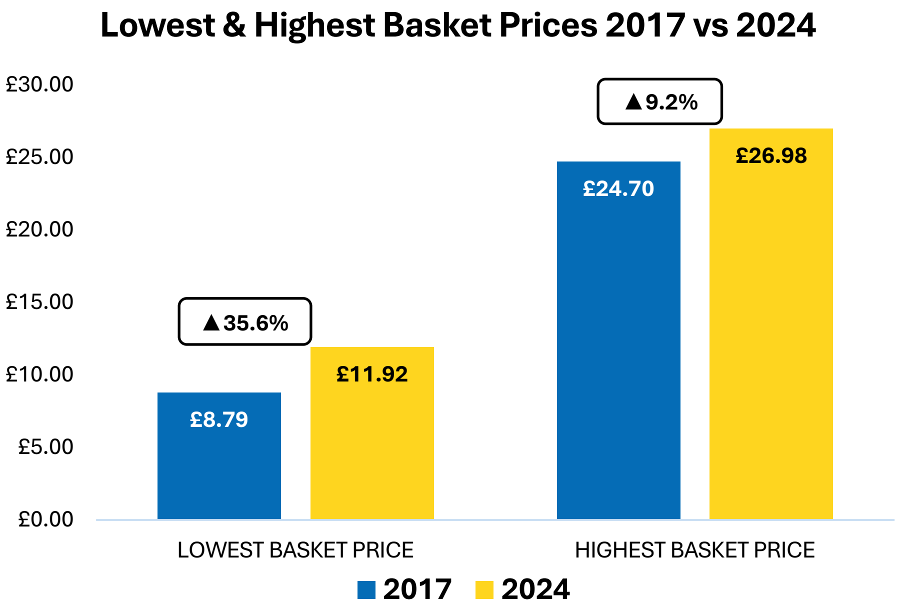

FIGURE 11: LOWEST AND HIGHEST BASKET PRICES 2017 VS 2024

Clearly, the fact that the cheapest available items have increased in price so much more than the more expensive, often branded, items is likely to cause more problems for those on low incomes.

4.3 Area Basket Price Comparisons

Average basket prices differences between 2017 and 2024 varied across the four areas of Dumfries & Galloway (see Figure 12 below):

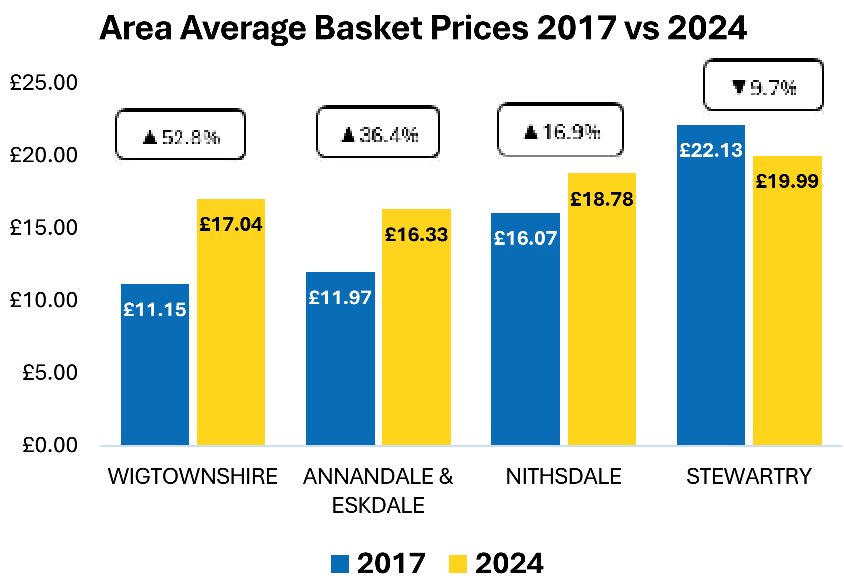

FIGURE 12: AREA AVERAGE BASKET PRICES 2017 VS 2024

- In Wigtownshire the average price of a basket of shopping has increased by around 52.8% or £5.89 between 2017 and 2024.
- In Annandale & Eskdale the average basket price has also increased by a slightly lower amount: 36.4% or £4.36 in the last seven years.
- In Nithsdale the average basket price has increased between 2017 and 2024, but at a slightly lower level of 16.9% or £2.71.
- Finally, in Stewartry the average basket price has actually decreased by 9.7% or £2.14 between 2017 and 2024.

It is unclear why there has been such a large increase in average basket price in Wigtownshire alongside a decrease in Stewartry. The most likely reason is the potentially skewing effect of product size/brand availability variations in and between 2017 and 2024.

4.4 Unavailable Items

As in 2017, fresh fruit and nappies were the most commonly unavailable items in 2024, specifically in small convenience stores. As outlined in Subsection 3.2.6 above, this can be explained by: (i) the short shelf life of fresh produce, therefore stocked in smaller amounts by small stores to avoid waste; and (ii) the extensive shelf space required to stock a full range of sizes of bulky items like nappies, in premises where space is at a premium. The well-established Scottish Government-funded Healthy Living Programme set up in 2004 in partnership with the Scottish Grocers' Federation is ongoing (Public Health Scotland, 2023), with some positive results reported in terms of increased sales of fresh produce in convenience stores. Nappy provision, too, is under Scottish Government review (2024), with plans being developed to promote the use of reusable nappies. As also explained at 3.2.6 above, more work is still needed to improve engagement and uptake on the part of both retailers and consumers.

Unlike 2017, tampons were available to purchase in all of the research study shops in 2024. This may be due to increased public awareness of period poverty and period product insecurity following the introduction of the *Period Products (Free Provision) (Scotland) Bill* introduced in Scotland in 2021, contributing to 'momentum to make menstrual products more accessible' (Boyers et al., 2022: online) and making Scotland the first country in the world to make period products free (Diamond, 2022) in public buildings.

5. Commuting

5.1 Contexts

As outlined in the introduction, this 2024 report on the cost of living in Dumfries & Galloway seeks to extend the scope of the 2017 report in order to provide a February 2024 snapshot of the costs of travel within our region for anyone in employment at various income levels and in various locations, particularly for those who reside in rural and very rural locations. We aim to outline how these travel costs impact both on residents' ability to sustain their employment, and on their household income overall. NB Although not within the scope of this report, it must be stressed that travel and associated costs relating to engagement in education/ training and access to services, as well as work, are also crucial, particularly for special category groups, such as the disabled, older people, those on low incomes or young families.

The Scottish Government report, *Poverty in Rural Scotland: A review of evidence* (2021a), estimates that the minimum cost of living in remote rural Scotland is between 15% and 30% higher than urban areas of the UK. The research suggests that this is due to the higher cost of essential items such as food, household fuel, clothing, domestic goods and extras such as holidays. The cost of travel, however, was identified as the dominant extra cost. It is likely, therefore, that households in rural Scotland require a higher income to attain the same minimum living standard as those living elsewhere in the UK. The Scottish Government's statistical report, *Rural Scotland Key Facts 2021* (2021b), demonstrates that travel is the greatest source of additional costs for residents of rural Scotland, with residents there more likely than those in the rest of Scotland to spend over £100 per month on fuel for their cars.

Transport poverty can result, defined by Public Health Scotland (2024: p.4) as a 'lack of transport options that are available, reliable, affordable, accessible or safe'. Transport poverty affects the workforce in particular, by limiting access to education, training and good work, with a potential onward negative impact on public health and quality of life.

5.1.1 Working from Home

Before addressing the issue of transport in D&G in more detail, it must first be acknowledged that the latest Scottish Census data (Scotland's Census, 2022) shows that the proportion of people working from home has more than doubled since the last census in 2011, with 31.6% of Scotland's workers now working from home. In D&G this figure is slightly lower at 28.9%, but still almost double the 16% of the region's workers who worked from home in 2011.

It could be hypothesised that fewer D&G workers work from home than the national average because of the top 3 employing industries in the region (Skills Development Scotland, 2024): Human Health & Social Work; Wholesale & Retail Trade/Repair of Motor Vehicles; and Manufacturing. None of these are easily undertaken from home. The region also has workplace-based sectoral specialisms that are more important than their size suggests, as they are more concentrated in the region compared to the national average.

In D&G, Crop & Animal Production/Hunting & related service activities is the greatest specialism, with the percentage of employment in this sector 5 times greater than the Scottish average in 2022, while Forestry & Logging is 4.7 times more concentrated. Again, these are not occupations that can be undertaken from home.

5.1.2 Travel to Work Distances

The latest census (Scotland's Census, 2022) also tells us that of those who travel to work, the largest proportion of D&G workers travel:

- less than 5km (25.3%),
- followed by 10-20km (9.1%),
- then 5-10km (7.5%),
- then 20-30km (6.5%).

It is notable that a higher proportion of D&G workers than Scottish workers live either very close to their workplace (5km or less) or at distance of 20km or more. Moreover, a higher percentage of D&G workers (6.9%) also travel longer distances of 30-60km to work than Scottish workers as a whole (5%).

The Scottish Government defines accessible rural areas as being within a drivetime of 30 minutes to the nearest settlement with a population of 10,000 or more, and remote rural areas as having a drivetime greater than 30 minutes (Scottish Government, 2021b). The travel to work distances in D&G therefore indicate that workers often either live and work within settlements/more urban areas of the region and travel shorter distances, or commute further from rural or remote rural areas to more populated settlements.

5.1.3 Travel to Work Methods

Rural Scotland Key Facts 2021 (Scottish Government, 2021b: p.32) states that,

> People in rural areas are more likely to drive to work/education, more so in accessible rural areas, and less likely to take public transport, compared to the rest of Scotland.

This is borne out by the latest census results for the region compared to Scottish figures (Scotland's Census, 2022), see Figure 13 below. NB The graph does not include the very small numbers who use taxis, motorbikes/mopeds or the Underground.

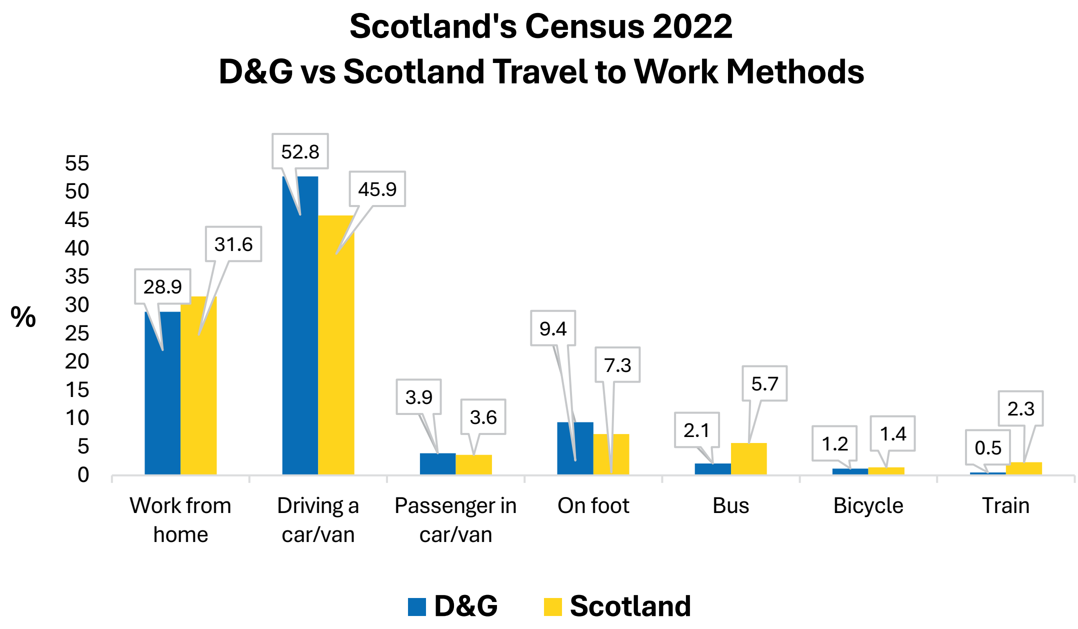

FIGURE 13: D&G VS SCOTLAND TRAVEL TO WORK METHODS (SCOTLAND'S CENSUS, 2022)

There are clear differences visible between the regional and national figures:

- More workers in D&G travel to work by car/van or on foot than Scottish workers in general, while fewer D&G workers commute by public transport. This correlates with the more common distances travelled by D&G workers – less than 5km for those on foot living near their workplace, or 10-20km or more for those travelling to work by car/van from less accessible rural areas to larger settlements.
- Car dependency is heavily weighted towards single drivers rather than passengers (52.8% versus 3.9%), not ideal during a climate emergency when the UK and Scottish Governments are striving to achieve net zero. The Scottish Parliament Information Centre (2023) recently reported on Department for Transport and DVLA statistics, showing that only 4.1% of vehicles in Scotland were hybrid and 1.5% fully electric in 2023. Given these, as yet, low numbers, the cost of commuting by electric vehicle is not included in this study.
- The lower level of commuting by public transport in D&G, alongside greater car dependency (56.7% of commuters travel to work by car/van – drivers and passengers combined versus 49.5% in Scotland overall), is also easily explained by the lack of public transport options in the region:

  (i) Only 3 train lines run through D&G, all north <-> south (Stranraer to Ayr; Carlisle to Glasgow via Gretna, Annan, Dumfries, Sanquhar and Kirkconnel; Edinburgh to London, stopping in Lockerbie), with none running east <-> west across the region. Consequently, only these 7 towns have train travel options, explaining the very low proportion (0.5%) of D&G residents who travel to work by train. Commuting by train is therefore not a focus of this study in terms of examining travel to work in D&G using public transport.

  (ii) Commuting by bus is an easier option in the region, with 89 different bus routes currently available within and out of D&G. This perhaps explains why 4 times more workers commute by bus rather than train in D&G, albeit both at low levels: 2.1% commute by bus versus 0.5% by train.

(iii) There are certain 'deserts' in terms of commuting by public transport in D&G. For example, it is not possible to travel between the 2 largest towns in the region (Dumfries and Stranraer) by train. It is also impossible to travel from Lockerbie to Langholm by any public means, a distance of only 18 miles by road. In other cases, some routes only have one option to arrive at a destination by public transport in time for a standard working day (9am-5pm), or return home at the end of it. Others require two buses to be taken. For those who work on Sundays or work non-standard hours, the options are even more limited.

We will now evaluate the 2 main modes of travel to work in D&G, besides working from home and walking: (i) car/van fuelled by regular unleaded petrol or diesel; and (ii) public transport.

5.2 Commuting by Car

5.2.1 Overall Motoring Costs in Context

A recent RAC motoring price index (RAC Foundation, 2024a), based on data from the Office for National Statistics, shows that the overall cost of motoring in the UK increased by 47.6% between 2014 and February 2024. Petrol costs have dropped back from their peak of July 2022, when they had increased by over 50% from 2014 prices; and in February 2024 were sitting at 13.5% higher than 2014. However, vehicle tax and insurance costs have escalated in the last 2 years in particular and were sitting at 227.8% of their 2014 level in February 2024.

These increases are felt especially hard by residents of rural areas like D&G who rely more heavily on cars/vans as their main form of transport. Moreover, they do so in a context of higher living costs and lower wages than elsewhere in the country. See the information on median gross weekly earnings for full-time employees from the *Annual Survey of Hours and Earnings 2023* below (Office for National Statistics, 2023b):

	D&G	**Scotland**	**UK**
Gross Weekly Pay (Median) Full-time workers	**£580.80**	£702.80	£681.70

FIGURE 14: TABLE OF MEDIAN WEEKLY PAY (GROSS) FOR F-T EMPLOYEES

It should be noted that not only are the median gross weekly earnings for full-time workers in D&G lower than both the Scottish and UK median figures, D&G is also the local Authority with the lowest median full-time earnings level in Scotland as a whole. This may be explained by the fact that over half of workers in D&G (51.5%) are in the lowest paying occupations: administrative/ secretarial; caring; manufacturing; and retail (Scotland's Census, 2022).

5.2.2 Average Fuel Prices: Dumfries & Galloway versus UK

As outlined in the study methodology (Section 2 above), in order to gather accurate information on travel by car in D&G, fuel prices (both regular E10 unleaded petrol and diesel) were collected from 26 petrol stations across the region, using the PetrolPrices website/app during the same 2-week time frame in February 2024 that had been used for the shopping prices data collection (6-20 February 2024).

An initial finding was that fuel costs in D&G in the project time frame were similar to the UK averages logged on 9 February 2024 (RAC Foundation 2024b) – see Figure 15 below.

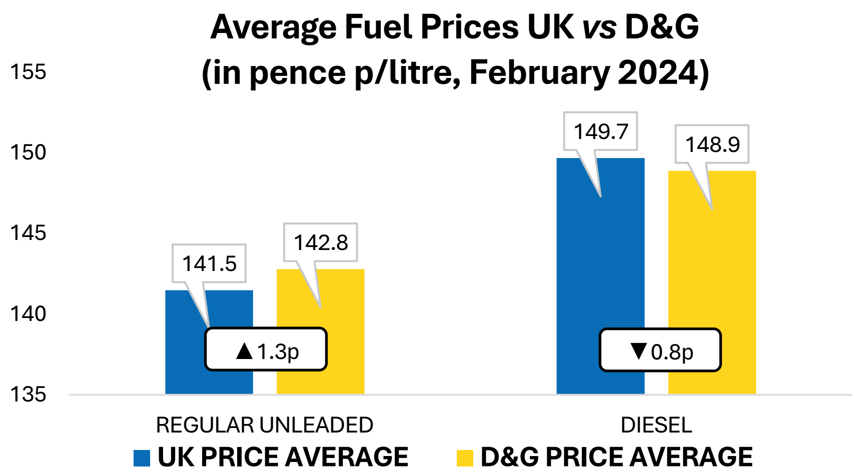

FIGURE 15: AVERAGE FUEL PRICES UK VS D&G

The average cost of regular unleaded petrol in D&G was 1.3p per litre more expensive than the UK average, but diesel costs were slightly lower (-0.8p). It should be noted that the average fuel costs in D&G were impacted by the inclusion of 2 motorway service stations among the 26 petrol stations surveyed. Had they not been included, the D&G average price for unleaded petrol would have dropped to 140.6p, below the national average. However, the cost of diesel would have remained virtually unchanged, at 149p.

This seems to indicate that motorway services make money at the expense of individual 'captive' drivers who tend more towards unleaded fuel. NB commercial drivers, with high, predominantly motorway, mileage, tend towards diesel, with discounted prices often set via fleet fuel card arrangements. Service stations argue that they charge more for petrol because of the higher costs involved in running a range of services on a 24-hour basis. However, savings must also be made by them given the easy access and lower supply costs incurred. A recent market study on road fuel supply in the UK (Competition & Markets Authority, 2023: p.8) commented on high motorway fuel costs, stating: 'We have not seen evidence to suggest that this premium can be explained by higher retailer costs, so our view is that this is due to limited competitive pressure'. Nonetheless, the motorway service station prices have been retained in the D&G average prices listed here since the UK average prices also included a mixture of different types of fuel retailer.

5.2.3 Fuel Price Ranges and Averages Across D&G

Range in Fuel Prices at a Regional Level

The range of fuel prices (lowest to highest) in the region differs significantly for regular unleaded petrol; less so for diesel – see Figure 16 below.

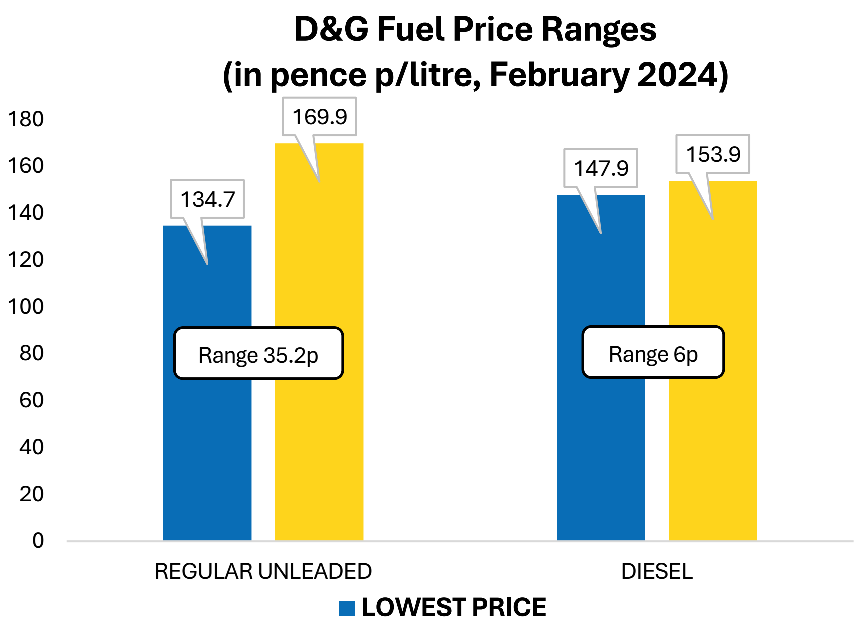

FIGURE 16: FUEL PRICE RANGES IN D&G

Closer examination of the locations and retailers selling both types of fuel at the lowest and highest prices is displayed in table form in Figure 17 below, along with the percentage increase between the two prices in each case.

ITEM	LOWEST PRICE	TOWN & RETAILER	HIGHEST PRICE	TOWN & RETAILER	INCREASE
REGULAR UNLEADED PETROL	**134.7p**	Dumfries- Morrisons	**169.9p**	Gretna- BP (M74)	35.2p 26.1%
DIESEL	**147.9p**	Dumfries- Jet; Shell; Tesco Gretna- BP (M74); Gulf Johnstonebridge- BP (M74) Kirkcudbright- Gulf Langholm- Gulf Lockerbie- independents Moffat- Esso, Gulf Newton Stewart- Shell Sanquhar- independent Stranraer- independent	**153.9p**	Dalbeattie- Esso	11.2p 4.1%

FIGURE 17: TABLE OF D&G HIGHEST AND LOWEST FUEL PRICES , INCL. TOWN AND RETAILER

The 35.2p difference between the lowest and highest price found for regular unleaded petrol can be explained in part by the retailer: the lowest price was charged by Morrisons in Dumfries – a supermarket at the discount end of mainstream grocery retailers – while the highest price was charged at Gretna motorway services run by the large oil company BP. Without including motorway service stations, the highest price is 145.9p at a Gulf petrol station in Kirkcudbright, a difference of 11.2p. This is still significant given that the fuel tank capacity of an average car is 50-60 litres (Edgington, 2023), making the cost of filling the car £5.50-£7 more expensive each time. There was a much narrower range of 6p for diesel prices across the region. 18 different retailers (supermarkets, large oil company brands, independents and motorway services) in different towns across the region charged the same lowest price, while the highest price was charged in an Esso garage in Dalbeattie, Stewartry again experiencing high prices, as it did for the shopping basket prices.

Average Fuel Prices at Area Level

There are also significant differences in average fuel costs across the region depending on which D&G area an individual driver lives in – see Figure 17 below.

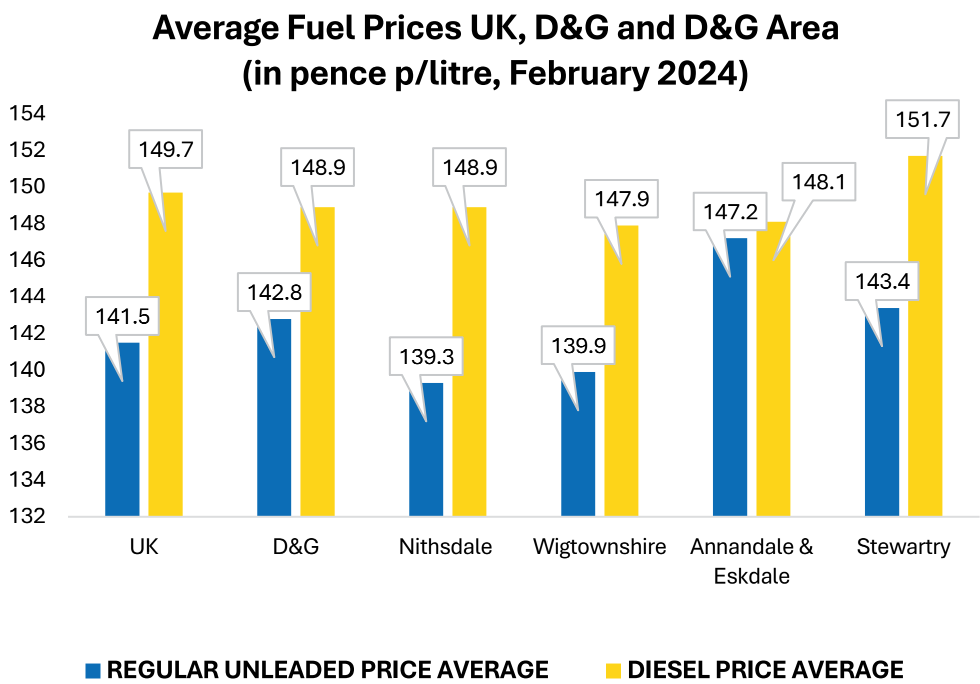

FIGURE 18: AVERAGE FUEL PRICES UK, D&G AND D&G AREA

- Regular Unleaded Petrol:

  (i) The D&G area with the highest average price for unleaded petrol, based on prices gathered from 9 fuel retailers of different types, was Annandale & Eskdale at 147.2p per litre, well above both the UK and D&G averages. As explained above, this was due to the much higher costs charged in the 2 motorway service stations located there, the only area in the region to have a motorway run through it.

(ii) The area with the lowest average price for unleaded petrol was Nithsdale, at 139.3p per litre, also based on prices gathered from 9 fuel retailers of different types: large oil brands; supermarkets; and one independent – but no motorway service stations.

- Diesel:

  (i) The D&G area with the highest average price for diesel, based on prices gathered from 4 fuel retailers of different types, was Stewartry at 151.7p per litre, only slightly above the UK and D&G averages. It should be noted, however, that all 4 fuel retailers surveyed were large oil company brands, with no supermarkets included.

  (ii) The area with the lowest average price for diesel was Annandale & Eskdale, at 148.1p per litre, below both the UK and D&G averages. The average here was based on prices gathered from 9 fuel retailers of different types, but including 2 motorway service stations, who presumably wanted to offer competitive prices to the many commercial drivers who use their services daily.

5.2.4 Fuel Price Gaps by Brand/Retailer

Our fuel price analysis, carried out in the same 2-week period in February 2024, showed that prices differed, even between outlets owned by the same retailer. Prices varied more, and more frequently, for unleaded petrol than diesel, by as much as 8.2p per litre for unleaded petrol and 6p per litre for diesel. See the information presented in table form below for detail:

Brand/ Retailer	No. of Outlets included in study	Unleaded Petrol Price Gap p/litre	Cheapest	Most Expensive	Diesel Price Gap p/litre	Cheapest	Most Expensive
BP (M'way services)	2	3p	Johnstonebridge	Gretna	/	/	/
Esso	3	3p	Dumfries/ Moffat	Dalbeattie	6p	Moffat	Dalbeattie
Gulf	5	8.2p	Moffat	Kirkcudbright	1p		Dumfries
Ind	5	4.9p	Stranraer/ Sanquhar	Lockerbie	/	/	/
Jet	2	3p	Dumfries	Castle Douglas	4p	Dumfries	Castle Douglas
Morrisons	2	5.2p	Dumfries	Stranraer	1p	Stranraer	Dumfries
Shell	4	7p	Newton Stewart	Dumfries	5p	Dumfries/ Newton Stewart	Dumfries/ Castle Douglas
Tesco	3	4p	Dumfries	Annan	2p	Dumfries	Annan

FIGURE 19: TABLE OF D&G FUEL PRICE GAPS BY BRAND/RETAILER

Note that different outlets of the same company varied their fuel prices irrespective of whether the retailer was a supermarket, big brand oil company or independent. In fact, the price gap was sometimes greater for different branches of a supermarket (Morrisons or Tesco) than it was for a large oil company like Esso. Sainsbury's (2024: online) explains this as follows:

We want to ensure our petrol stations remain competitive within their local area, offering customers a fair price wherever they live. We therefore adjust the price at each station using locally gathered pricing information.

Thus, prices are cheaper where there is more competition and choice, perhaps explaining why Dumfries town petrol stations feature more often among the cheapest prices above. In an online article published in *Auto Express* magazine, Rosamond & Jervis (2024) also flag that there is no legal requirement in the UK to publish fuel prices anywhere but on the forecourt – unless drivers choose to share it on a website/app such as PetrolPrices. It is therefore more difficult to shop around for the best fuel prices without driving around, thereby undoing any potential cost saving, so many drivers opt to refuel their cars closest to home. Rosamond & Jervis also stress that it is common to see higher prices when a fuel station is remote or has a 'captive' audience, such as motorway drivers. This is borne out by the data in D&G, where prices are higher in the more remote Stewartry or in motorway services in Annandale & Eskdale. The Competition & Markets Authority (2023) has proposed potential solutions that could lead to a fairer system for drivers: the creation of a statutory open data Fuel Finder scheme alongside a fuel monitoring function. These are awaiting final statutory approval, with implementation anticipated by the end of 2025 (UK Government, 2024a). It will be interesting to monitor what impact these developments might have on fuel prices in rural areas like D&G.

5.2.5 Commuting by Car in D&G vs Median Wages

As outlined in Scotland's Census 2022, by far the largest proportion of commuters in D&G travel by car or van: 56.7% of all commuters, comprising 52.8% drivers and 3.9% passengers.

Further information on common commutes in D&G can be found on the DataShine Scotland Commute (2024) and DataShine Region Commute (2024) websites, based on data from the 2011 census. This shows that the majority of commutes by car in the region were: (i) within the larger towns, such as Dumfries and Stranraer, or (ii) from smaller towns and villages in the region to the closest large town. A small number of commuters travel to adjoining regions (East or South Ayrshire, South Lanarkshire, Cumbria) or to major cities (Glasgow and Edinburgh).

In addition, the most common car commuting distances for full-time workers are (Scotland's Census, 2022):

- less than 5km (25.3%) –> up to 10km return journey -> 50km weekly (= 31 miles)
- 5-10km (7.5%) –> up to 20km return -> 100km weekly (= 62 miles)
- 10-20km (9.1%) –> up to 40km return –> 200 km weekly (= 124 miles)
- 20-30km (6.5%) –> up to 60 km return -> 300km weekly (= 186 miles)

Using this information on commuting distances (converting kilometres into miles), alongside the D&G average fuel price data from February 2024 already examined above, and the average miles per gallon of UK cars – 39 for unleaded and 43 for diesel (NimbleFins, 2024) – we can calculate the average weekly cost of travelling each distance by car (regular unleaded and diesel) in the region using a Fuel Cost Calculator (*Fleet News, 2024*). See Figure 20 below, noting that 50km and 200km are the most common weekly commuting distances (highlighted).

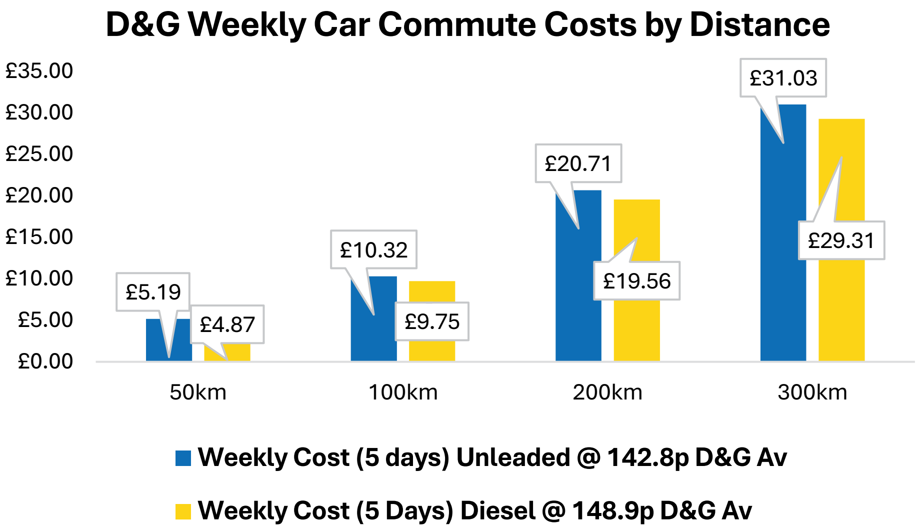

FIGURE 20: D&G WEEKLY CAR COMMUTE COSTS BY DISTANCE

Although these cost differences may not be significant in themselves, the fact that median weekly wages in D&G are the lowest in Scotland exacerbates affordability for local people. We can see this when we compare the percentage of weekly earnings used up by these different weekly car commuting distances. The % of median gross weekly full-time earnings expended on the most common weekly commuting distances– 50km and 200km – are displayed below by fuel type, and the % of D&G earnings highlighted (Figure 21).

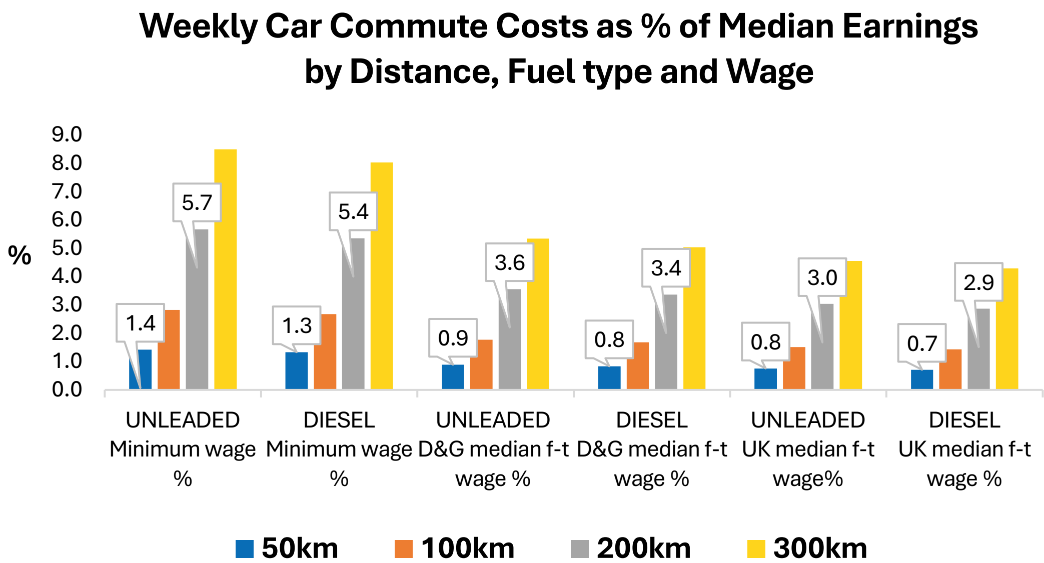

FIGURE 21: WEEKLY CAR COMMUTE COSTS AS % OF MEDIAN EARNINGS BY DISTANCE, FUEL TYPE AND WAGE

Although it could be said that using 3.6% of weekly salary to commute the most common weekly distance (200km) is not unreasonable, we must remember that this percentage is calculated from gross, rather than take-home, salary. Moreover, it does not include other compulsory motoring costs (insurance, road tax, MOT, maintenance and repairs). Finally, these figures are based on average fuel prices and do not capture the higher costs for those living in areas where fuel is more expensive. Commuting by car can therefore be much more expensive that it seems at first sight.

Filling stations in rural areas are already eligible for mandatory or discretionary business rates relief (Dumfries & Galloway Council, 2021). It would be hoped that some of this might be passed on to the consumer. However, judging by some of the fuel costs listed above, this does not always seem to be the case. Given their smaller sales, high overheads and rising employer costs, this is most likely because business rates relief simply helps rural filling stations – like rural convenience stores – to survive with no excess available to pass on to customers.

In some areas of Scotland, notably parts of the Highlands and Islands, there is also a Rural Fuel Duty Relief scheme (UK Government, 2024b), whereby support is given to motorists by compensating fuel retailers in designated areas with high road fuel prices. It could be argued that some parts of Dumfries & Galloway have similar remoteness/ distance problems as those areas already receiving a fuel discount. Could a case be made for D&G to be included in the existing scheme?

5.3 Commuting by Public Transport

5.3.1 D&G Context

As indicated in Subsection 5.1.3 above, only a very small percentage of D&G workers commute by public transport: 2.6% travel to work by bus or train in the region versus 8% in Scotland as a whole (Scotland's Census, 2022). Of this 2.6%, 2.1% travel to work by bus, while only 0.5% commute by train. This is not surprising given the lack of train lines running through the region. Buses too, although more numerous, have relatively limited timetables. Moreover, the RAC Foundation (2024c) has shown that, in February 2024, bus and coach fares had risen by 60.9% since 2014, above the overall cost of living increase of 47.9%. Motoring costs, on the other hand, although they had also risen, had done so by a lower rate of 47.6%.

Transport Scotland's *National Transport Strategy (NTS) Delivery Plan – Health Inequalities Impact Assessment* (2022) states that some groups are more likely to rely on public transport, such as young people, older people, women and people from certain ethnic groups. This report (Transport Scotland, 2022: p.11) also points out that,

> the availability and costs of public transport is not uniform across Scotland, with levels of provision differing across local authorities and between urban and rural areas (Poverty and Inequality Commission, 2019). Improvements to sustainable travel and public transport options will therefore benefit those who are less likely to have access to a car.

Attempts have been made to improve this situation in Scotland in relation to costs, with over 2 million Scots (over 40%) now eligible for free bus travel: people over 60, the disabled, young people under 22 (Transport Scotland, 2024). This makes a significant difference in terms of social, and where applicable, work journey costs to those who qualify. There are, however, gaps in eligibility, for example younger people aged 22 or over do not receive this concession, nor do those on low incomes, with a potential negative impact on their social and working opportunities. Moreover, in terms of availability, D&G suffers from major gaps in provision relating to both routes and timetables, with an inevitable negative impact on those who work on Sundays or non-standard hours. It is therefore not surprising that only 2.1% of D&G workers commute by bus.

The concessionary fare subsidy structure is not applicable to train travel in Scotland, doubtless contributing to the lower levels of train travel to work in D&G (0.5%), alongside the limited availability already outlined. Commuting by bus will therefore be the primary focus in terms of examining travel to work in the region using public transport.

5.3.2 Cost of Commuting by Bus in D&G

Weekly costs have been calculated for commuting by bus full-time (at least 5 days per week) in D&G. The prices are all based on weekly bus passes offered by the main bus operator in the region, Stagecoach. These include: a Dumfries town pass, a regional pass, a pass that allows travel to Ayr, Kilmarnock or Glasgow and a pass that includes travel to Carlisle. In this way they cover the main commuting destinations of D&G residents (DataShine Scotland Commute and DataShine Region Commute, 2024). These costs are displayed in Figure 22 below, with the cost of weekly bus travel across the region highlighted:

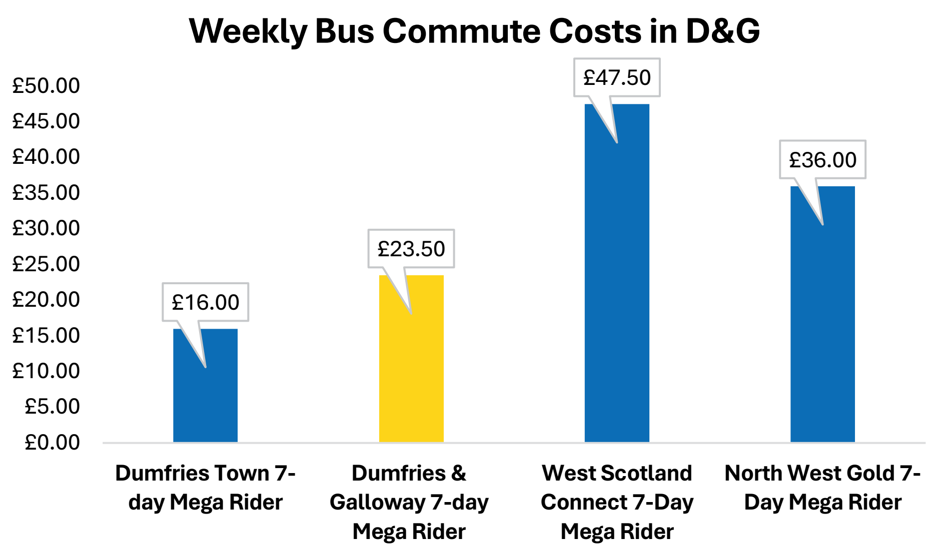

FIGURE 22: WEEKLY BUS COMMUTE COSTS IN D&G

It should be noted that this cost of weekly bus travel within D&G (£23.50) is slightly more than unleaded petrol costs for a weekly commute by car/van of 200km/124 miles (£20.71). However, it should again be stressed that the latter does not include wider motoring costs, such as insurance, road tax, MOT and maintenance/repairs, or locations where fuel prices are higher than the regional average. Inclusion of these costs would clearly offset, if not outweigh, the difference between commuting by bus versus car/van.

5.3.3 Commuting by Bus in D&G vs Median Wages

Furthermore, as with the car commuting costs examined in Section 5.2 above, the fact that median weekly wages in D&G are the lowest in Scotland again exacerbates affordability for local people. We can see this when we compare the percentage of the median gross weekly full-time earnings that is used up by the cost of each type of weekly bus pass. These are displayed below, and the % of median weekly D&G earnings highlighted. See Figure 23 below:

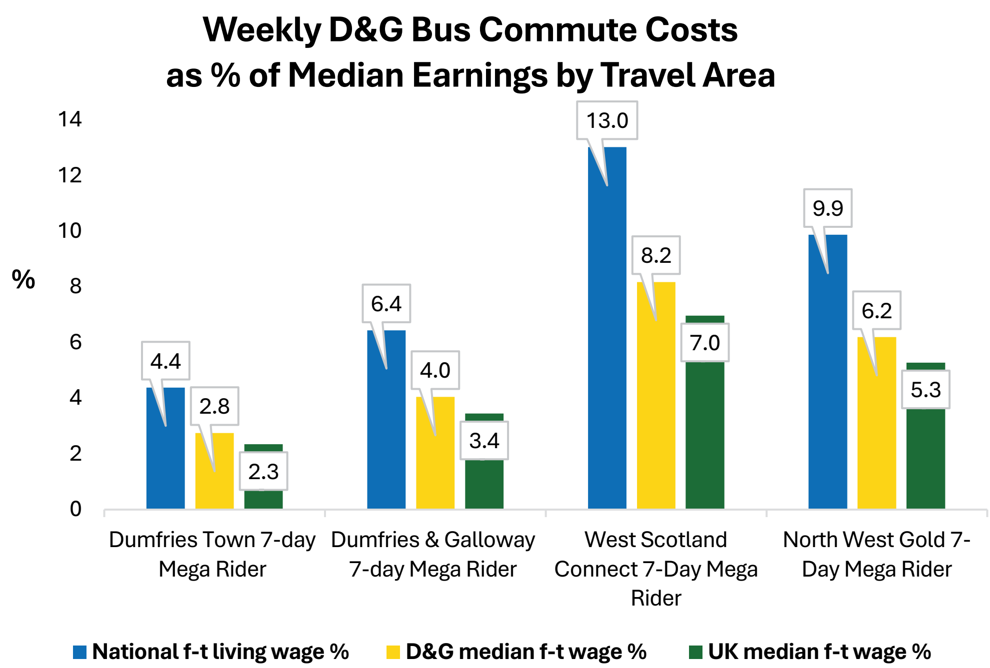

FIGURE 23: WEEKLY D&G BUS COMMUTE COSTS AS % OF MEDIAN EARNINGS BY TRAVEL AREA

Again, the percentage of weekly earnings used up by bus commutes (4%) from town to town within the region is slightly higher than that used up by car commutes (3.6%), albeit with the caveats already flagged above. Moreover, as with commuting by car, the impact of low incomes in D&G means that those on the National Living wage, suffer most compared with those on the D&G median income and then the UK median income.

Perhaps the Council/Scottish Government could consider addressing these commuting cost issues for the low paid by extending concessionary travel to those below a certain income level? This would tie in with one of the aims of the Scottish *National Transport Strategy* (Transport Scotland, 2023: p.10): to create a national transport system that 'reduces inequalities' and: 'Will provide fair access to services we need; Will be easy to use for all; Will be affordable for all'.

6. Conclusions and Recommendations

6.1 Conclusions

This 2024 snapshot report on the Cost of Living in Dumfries & Galloway raises a number of salient points regarding the price of shopping for everyday essential items and commuting costs. This data should be viewed in the context of the comparatively low level of incomes in Dumfries & Galloway, alongside the well-documented poverty and rural premiums. These combine to create additional disadvantage and cost of living hardship, not only for people on benefits or earning the National Living Wage, but also for those earning the D&G average wage, the lowest in Scotland. While some stakeholders are taking steps to improve the situation, more is needed in order to provide additional choice to consumers and commuters with a view to levelling up the cost of living and the quality of life for all in the region.

6.1.1 Shopping

- The overall average basket price in 2024 was £18.21, an increase of 18.8% from 2017, when the average was £15.33. This reflects the cost of living crisis that has been affecting the UK since 2021.
- As in 2017, there was variation in the price of an essential basket of shopping across D&G. These basket prices varied from the cheapest at £11.92 to the most expensive at £26.98, 126% more than the cheapest basket price.
- In terms of average basket prices by area, the lowest were found in Annandale & Eskdale and the highest in Stewartry. It should, however, be acknowledged that, unlike the three other regional areas, Stewartry did not have a large discount retailer (Aldi or Lidl) at the time of the research, although this changed in November 2024, when Aldi opened a new store in Castle Douglas.
- The cheapest basket price was significantly more expensive in 2024 than in 2017 (an increase of 35.6%), and more marked than the increase in the most expensive basket price (9.2% higher), hitting those on low incomes the hardest.
- Variation in basket prices depended on the location of individual shops. The poverty premium was noticeable in that more expensive baskets of shopping were found in more disadvantaged towns in Stewartry (Dalbeattie) and Upper Nithsdale (Kelloholm). The rural premium was evident in the higher prices charged in more remote towns such as Wigtown and Kirkcudbright.
- Price variations also depended on shop type. Convenience stores were generally the most expensive (especially those affiliated with the symbol group SPAR), followed by main chain supermarkets (Co-op, Tesco and Morrisons), and then discount retailers (Aldi and Lidl).
- The large chain retailers tended to charge more in their outlets in smaller or more remote towns such as Dalbeattie, Kirkcudbright or Newton Stewart than they did in their branches in larger, more accessible towns like Dumfries or Annan.

- Small stores could not compete with large retailers on price or product range/ availability due to lower turnover, less shelf space, higher wholesale costs and overheads, variable and costly card transaction fees and rising employer costs. Moreover, symbol group affiliation (SPAR, Premier, Nisa, etc.), while providing some benefits to retailers, also ties them in to purchasing fixed amounts of stock from prescribed wholesalers. Nonetheless, many convenience stores where at the heart of their communities, offering additional 'lifeline' services to the benefit of the residents they served: home delivery; hot food and drinks; cashback/cash machines; post office/ parcel drop-off & collection; bill payment, etc.
- More generally, many vulnerable D&G residents cannot shop in the cheaper main chain or discount supermarkets due to distance, high travel costs, lack of mobility or inability to order online due to minimum spend requirements and/or higher delivery charges.
- This situation is compounded by limited and/or more expensive online grocery shopping opportunities for residents. In fact, rural D&G contains multiple localities ranked as being in the first (or worst) decile of 'e-food deserts' in terms of access to physical and online grocery shopping facilities, transport and socio-economic/ demographic challenges.
- Certain fresh produce (fruit) and hygiene products (nappies) were not available in some small convenience stores, adding to the difficulties faced by those on low incomes who may have to shop more locally, more often.
- However, unlike 2017, tampons/feminine hygiene products were available in all 35 shops visited in 2024, possibly as a result of the Scottish Government's efforts to combat period poverty via the 2021 introduction of the free period products Act of Parliament.

6.1.2 Commuting

- Travel is the greatest source of additional costs for residents of rural Scotland, with residents there more likely than those in the rest of Scotland to spend over £100 per month on fuel for their cars. Although fuel prices have dropped back from their 2022 peak, vehicle tax and insurance costs have escalated in the last 2 years in particular. Moreover, bus and coach fares rose by 60.9% between February 2014 and February 2024, above the cost of living increase of 47.9%, impacting more heavily on those who live in rural areas.
- This situation is exacerbated by the lower-than-UK-average median earnings in D&G, the lowest of all Scottish local authority areas. Those on the National Living wage or on benefits experience even more hardship compared with those on the D&G median income.
- According to the latest 2022 census 28.9% of D&G workers now work from home, slightly less than the Scottish average of 31.6% but still almost double the 16% of the region's workers who worked from home in 2011.

- The remaining 71.1% do not work from home. More workers in D&G travel to work by car/van (56.7%) or on foot (9.4%) than Scottish workers in general, while very few D&G workers commute by public transport (2.1% by bus and 0.5% by train).
- In terms of car/van travel, average fuel costs in the region were not hugely different to the UK averages; slightly more for regular unleaded and less for diesel. However, individual prices varied significantly, for unleaded petrol in particular. Motorway service stations charged the highest prices, but so did some big brand retailers in smaller towns. Supermarkets also charged different prices in different towns.
- While commuting by train is virtually impossible in D&G, commuting by bus is an easier option in terms of numbers of routes. However, very limited timetabling impacts negatively on commuting options for some routes, particularly for those who work non-standard hours or on Sundays.
- Once all motoring costs are taken into consideration, travel by bus would seem a cheaper option than travel by car, although costs for both are rising. While bus travel is more environmentally-friendly with a high level of concessionary fares available in Scotland, commuting by car is much more user-friendly for residents of D&G, particularly for those who live in rural or remote rural localities with limited bus routes and timetables.
- High commuting costs, whether by car/van or public transport, impact on people's employment, but also on their access to services and social opportunities. This is exacerbated by low incomes and high travel distances in D&G, especially in the more rural parts of the region.

6.2 Recommendations

The following recommendations seek to maximise choice for D&G consumers and commuters in a way that values and supports all sectors of the marketplace. It requires support from UK, Scottish and/or regional government, as well as retailers and transport companies. We hope that they will be given serious consideration, despite – or perhaps precisely because of – the serious socio-economic challenges that our region and its residents currently face.

6.2.1 Shopping

- Challenge different prices charged by the same supermarket chain in different locations.
- Challenge retailers, particularly very profitable large or discount retailers, to offer their own brand discounted ranges across all stores, charged at the same price irrespective of location.
- Lobby big supermarkets to assist low-income or isolated rural consumers by offering enhanced online shopping options, e.g. extending delivery coverage areas; charging lower fees for placing orders close to the desired delivery date or placing small orders.

- Support small food stores in rural locations by recognising their invaluable public service, while lobbying for reductions in their costs that would enable them to reduce prices to their customers: wholesale costs; card transaction fees, especially for small spends; National Insurance employer contributions.
- Incentivise more convenience stores in the region to participate in the government-funded Scottish Grocers' Federation-backed Healthy Living Programme with a view to boosting retailer participation and improving public health.
- Lobby government regarding 'nappy need' by encouraging exploration of different options to maximise choice: (i) potential subsidies on the cost of disposable nappies; (ii) promotion of reusable nappies in a realistic way that takes account of barriers to their use.

6.2.2 Commuting

- Challenge motorway service to consider reducing their marked-up fuel prices.
- Challenge supermarket chains to charge the same price for fuel at all of their outlets in a given area/region.
- Similar to small food stores, support small filling stations in rural locations to help them to reduce prices to their customers where possible.
- Lobby for D&G to become a designated area eligible for the Rural Fuel Duty Relief scheme.
- Promote the use of the Competition & Markets Authority-backed open data fuel finder scheme and access data from its proposed fuel monitoring function as soon as statutory backing is achieved, hopefully by the end of 2025.
- Lobby government for improvements to bus routes and timetables, based on evidenced employee/ service user need, taking account of non-standard working patterns.
- Lobby government to extend concessionary travel to those on low incomes.

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