



A photograph of Southampton City Hall at dusk. The building is illuminated, and its clock tower is prominent. The sky is a deep blue, and there are silhouettes of trees in the foreground. A dark blue banner is overlaid on the left side of the image, containing the title text.

Cost of Living



Summary of Findings – September 2022

A white rectangular box with rounded corners containing the text "Data, Intelligence & Insight Team".



Data, Intelligence & Insight Team



Background



Method



Forecast



Summary of Findings

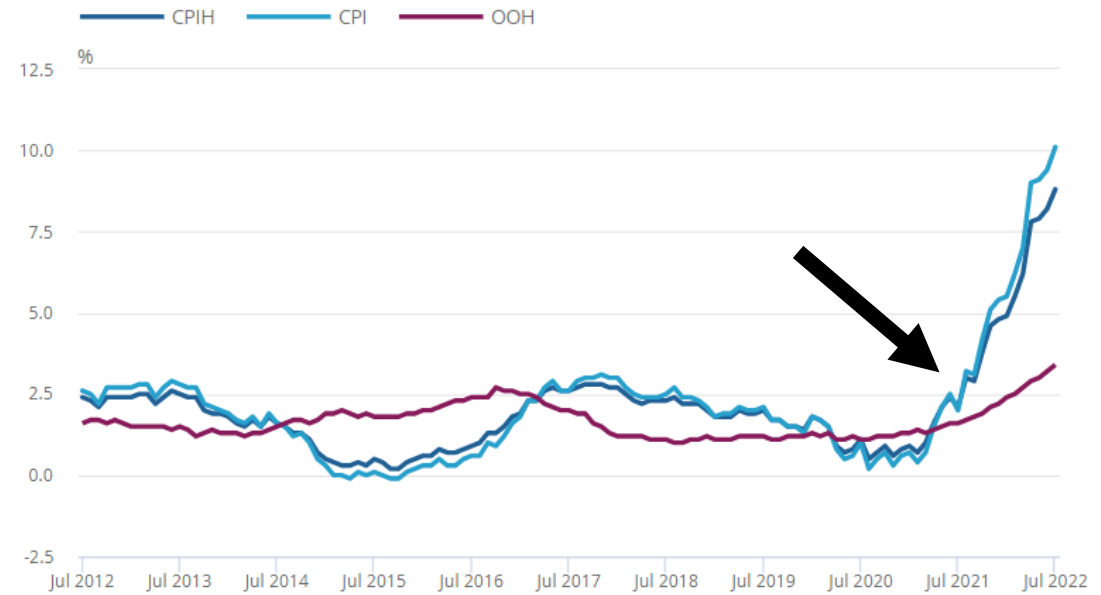


Background

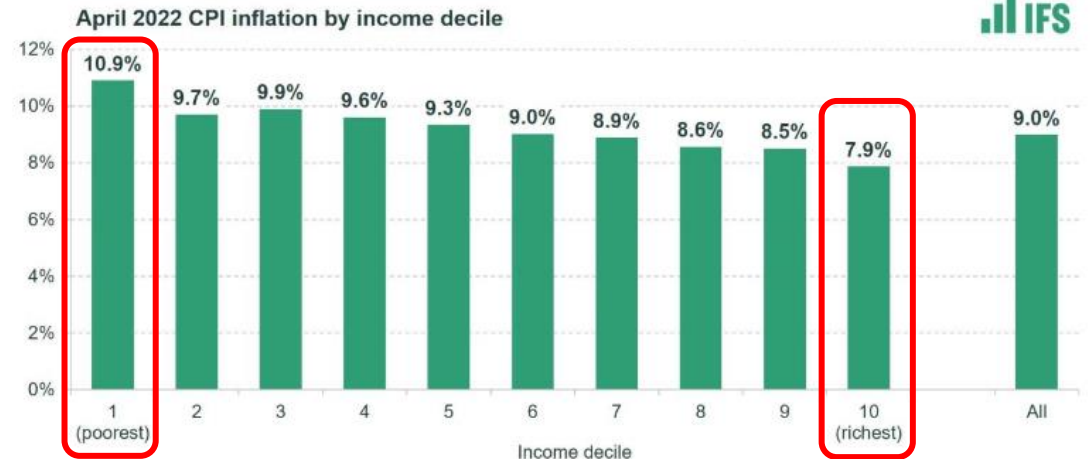


- The ‘**cost of living crisis**’ refers to a decline in ‘real’ income (adjusted for inflation) experienced in the UK since late 2021
- Inflation being greater than wage increases is cited as the primary cause, although recent tax increases have exacerbated the issue
- Rising energy and fuel costs, the war in Ukraine, Brexit and the COVID-19 pandemic are some of the main factors that are attributed to increasing inflation and living costs
- The consumer price index (CPI) inflation rate increased from 2.0% in July 2021 to 10.1% in July 2022 (8.8% when including housing costs - CPIH) – the trend chart on the right highlights this increase
- Inflation rates have reached double-digits for the first time since 1982 and are expected to keep rising
- Although this will affect all, it is expected that more deprived households are experiencing poorer outcomes, the chart on the right shows that CPI inflation is higher in poorer income deciles (10.9% for the poorest income decile as of April)

CPIH, OOH component and CPI annual inflation rates for the last 10 years, UK, July 2012 to July 2022



Source: Office for National Statistics – Consumer price inflation



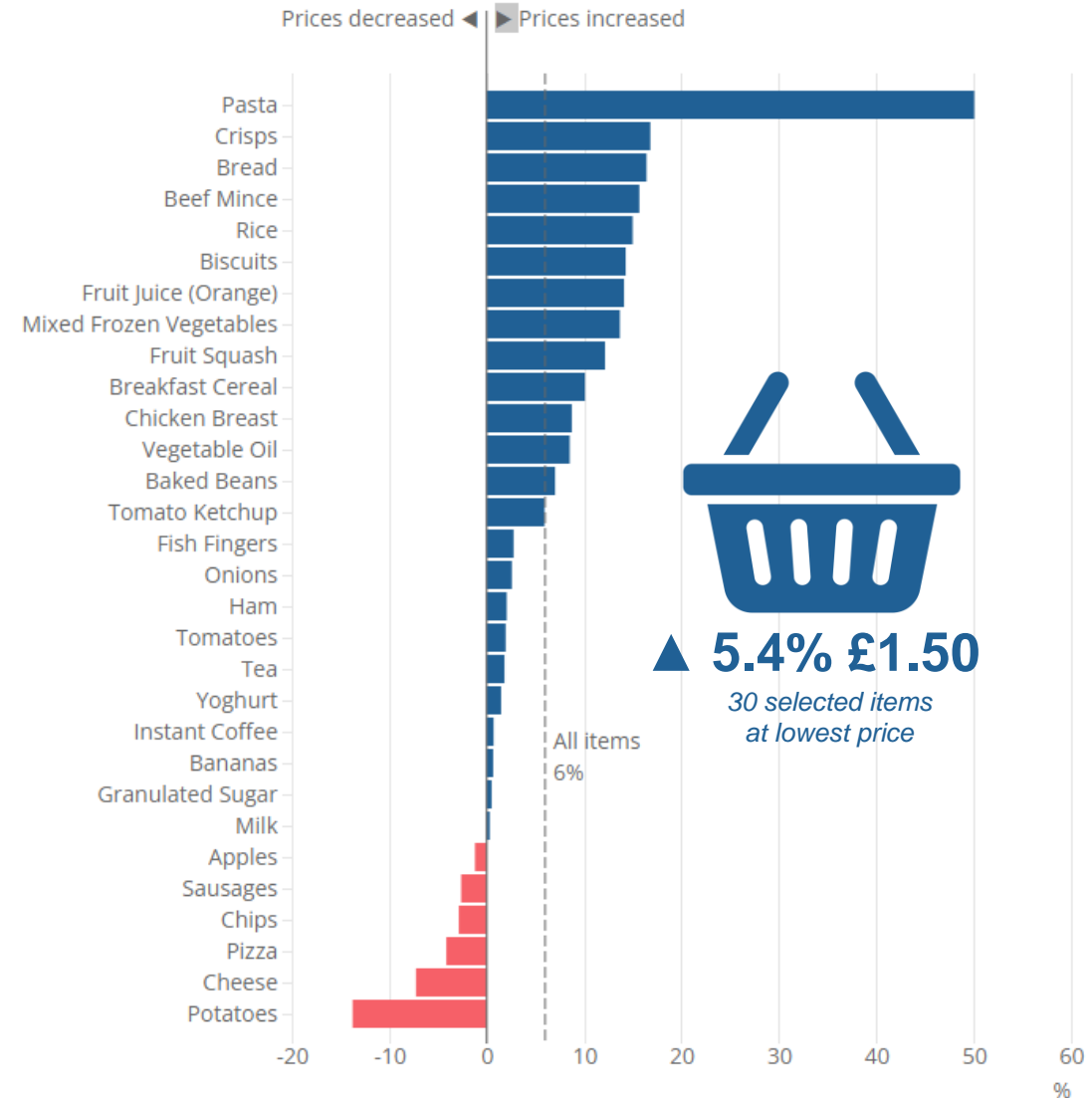
Source: Karjalainen H and Levell P (2022) - <https://ifs.org.uk/publications/16058>



Cost of Living – Groceries

- ONS found that the price of a shopping basket consisting of 30 everyday groceries at the lowest price has **increased by +5.4% (+£1.50)** on average nationally, **between April 2021 and April 2022**
- ONS looked at an April to April comparison, however it is anticipated that the price of food will continue to increase across the UK beyond April 2022
- The price of 13 of the 30 sampled products increased at a faster rate than the average, with **5 items increasing by more than 15%**
- Although, 6 of the 30 items lowest prices fell on average between April 2021 and April 2022
- Evidence of **shrinkflation** is also noted; pack size reducing with cost remaining the same

Lowest price of selected 30 everyday groceries, item-level price changes, April 2022 compared with April 2021



▲ 50.1% 17p
Pasta

▲ 16.8% 12p
Crisps

▲ 16.4% 7p
Bread

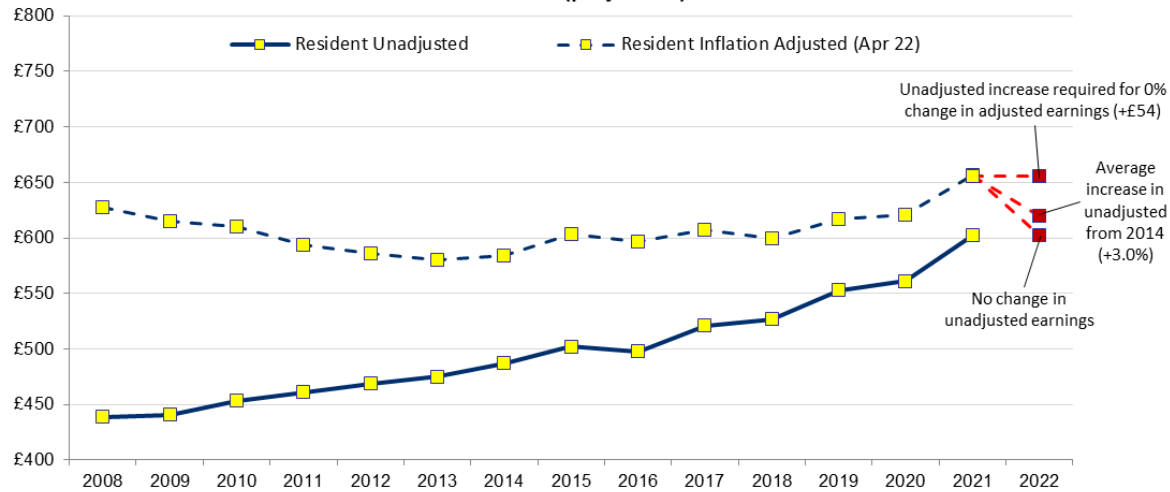
▲ 15.7% 32p
Beef mince

▼ 7.3% -7p
Cheese

▼ 13.8% -12p
Potatoes

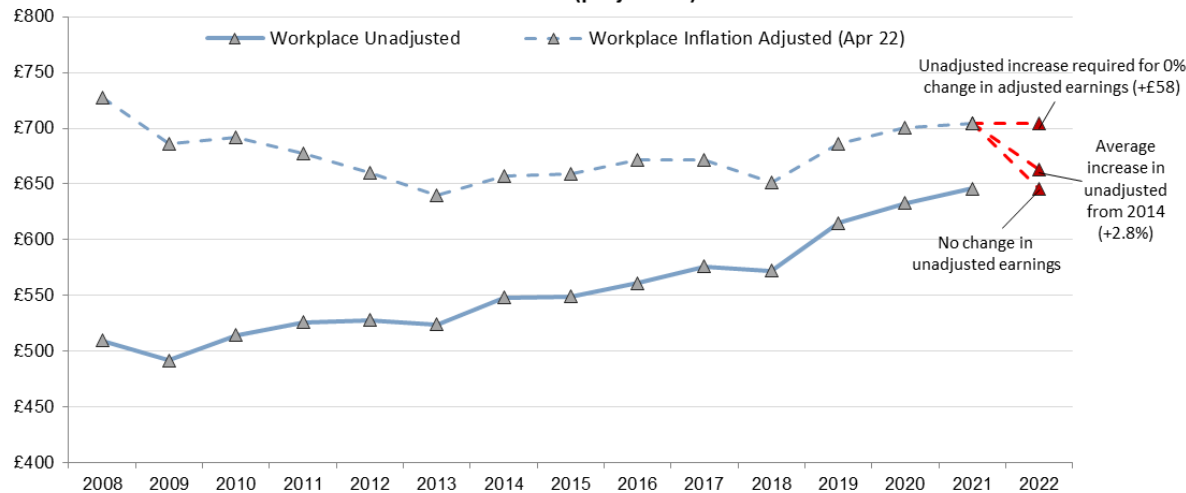


Gross weekly pay for full time workers - resident analysis: Southampton trend: 2008 to 2022 (projection)



Source: ONS - Annual Survey of Hours and Earnings & Consumer Price Inflation

Gross weekly pay for full time workers - workplace analysis: Southampton trend: 2008 to 2022 (projection)



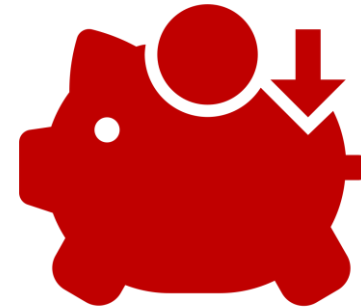
Source: ONS - Annual Survey of Hours and Earnings & Consumer Price Inflation



▲ 108.5 to 110.1 2020 to 2021

▲ 110.1 to 120.0 2021 to 2022

Consumer Price Index (all items April)



▲ £33 Resident

Adjusted earnings 2020 to 2021

▲ £4 Worker

▼ £54 Resident

Adjusted earnings 2021 to 2022

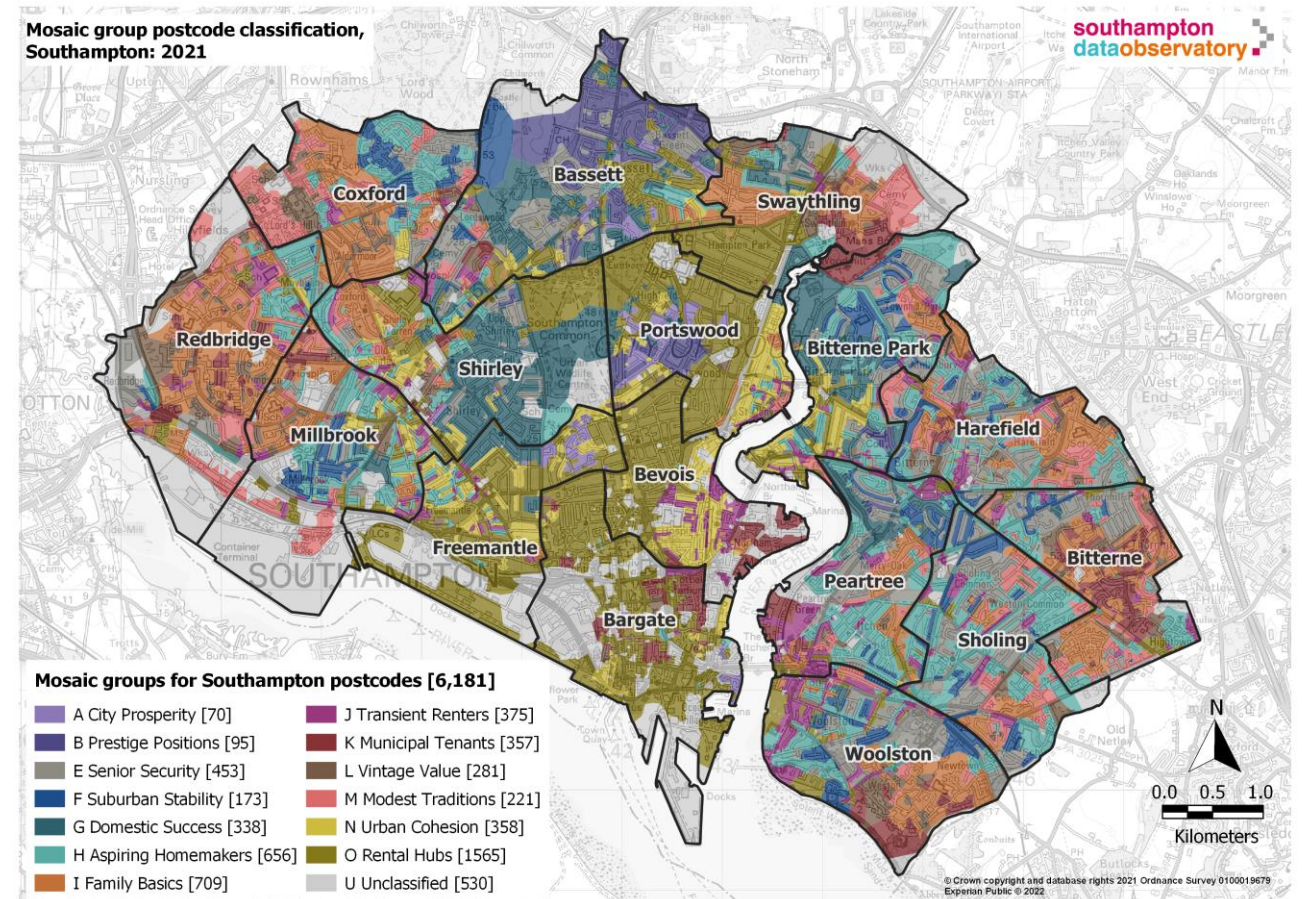
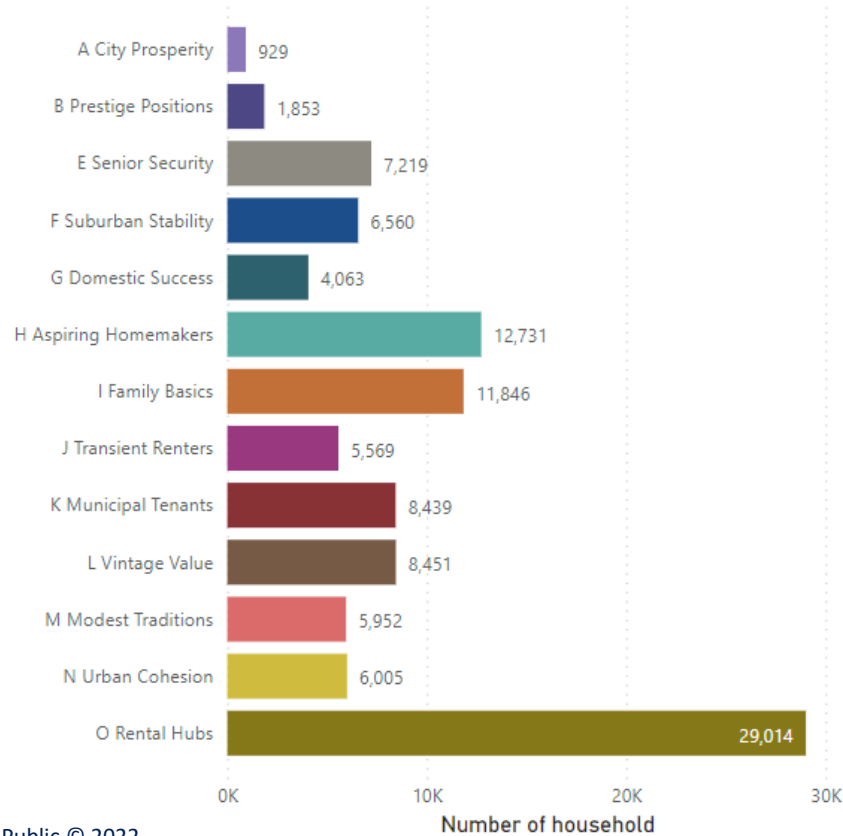
▼ £58 Worker (assuming no change in unadjusted)

- The graphs on the left show projections for adjusted resident and worker earnings based on **April 2022 inflation** (120.0 CPI all items)
- Assuming unadjusted earnings do not change, a 'real' **decline of -8.3%** in earnings could be expected for both residents and workers in Southampton – an impact of inflation increasing during the cost of living crisis
- Unadjusted weekly earnings would **need to increase** by at least **£54 for residents** and **£58 for workers** to negate the impact of inflation in 2022;
- This would be an unprecedented increase in unadjusted earnings locally, therefore would expect wage growth in Southampton to fall behind inflation, resulting in a **decline in 'real' earnings in 2022**
- [ONS estimates of weekly earnings from August 2022](#), also suggests that 'real' pay is declining as a result of inflation



- Mosaic is a demographic profiling tool that segments households according to their characteristics and behaviours
- The graph on the left shows the number of households per Mosaic group in Southampton
- The map on the right shows the Southampton Mosaic group postcode classification

Total number of households by Mosaic groups, Southampton 2021





- Households are assigned to one of 15 Groups and then further divided into 66 sub-groups (Types)

Group	Group/Type Name	One-Line Description
A	City Prosperity	High status city dwellers living in central locations and pursuing careers with high rewards
B	Prestige Positions	Established families in large detached homes living upmarket lifestyles
C	Country Living	Well-off owners in rural locations enjoying the benefits of country life
D	Rural Reality	Householders living in less expensive homes in village communities
E	Senior Security	Elderly people with assets who are enjoying a comfortable retirement
F	Suburban Stability	Mature suburban owners living settled lives in mid-range housing
G	Domestic Success	Thriving families who are busy bringing up children and following careers
H	Aspiring Homemakers	Younger households settling down in housing priced within their means
I	Family Basics	Families with limited resources who budget to make ends meet
J	Transient Renters	Single people renting low cost homes for the short term
K	Municipal Tenants	Urban residents renting high density housing from social landlords
L	Vintage Value	Elderly people with limited pension income, mostly living alone
M	Modest Traditions	Mature homeowners of value homes enjoying stable lifestyles
N	Urban Cohesion	Residents of settled urban communities with a strong sense of identity
O	Rental Hubs	Educated young people privately renting in urban neighbourhoods



Mosaic – Type definitions

Sub group / type	Group/Type Name	One-Line Description
A01	World-Class Wealth	Global high flyers and moneyed families living luxurious lifestyles in London's most exclusive boroughs
A02	Uptown Elite	High status households owning elegant homes in accessible inner suburbs where they enjoy city life in comfort
A03	Penthouse Chic	City professionals renting premium-priced flats in prestige central locations
A04	Metro High-Flyers	Career-minded 20 and 30-somethings renting expensive apartments in highly commutable areas of major cities
B05	Premium Fortunes	Asset-rich families with substantial income, established in distinctive, expansive homes in wealthy enclaves
B06	Diamond Days	Retired residents in sizeable homes whose finances are secured by significant assets and generous pensions
B07	Alpha Families	High-achieving families living fast-track lives, advancing careers, finances and their school-age kids' development
B08	Bank of Mum and Dad	Well-off families in upmarket suburban homes where grown-up children benefit from continued financial support
B09	Empty-Nest Adventure	Mature couples in comfortable detached houses who have the means to enjoy their empty-nest status
C10	Wealthy Landowners	Prosperous owners of country houses including affluent families, successful farmers and second-home owners
C11	Rural Vogue	Country-loving families pursuing a rural idyll in comfortable village homes, many commuting some distance to work
C12	Scattered Homesteads	Older households appreciating rural calm in stand-alone houses within agricultural landscapes
C13	Village Retirement	Retirees enjoying pleasant village locations with amenities to service their social and practical needs
D14	Satellite Settlers	Mature households living in developments around larger villages with good transport links
D15	Local Focus	Rural families in affordable village homes who are reliant on the local economy for jobs
D16	Outlying Seniors	Pensioners living in inexpensive housing in out of the way locations
D17	Far-Flung Outposts	Inter-dependent households living in the most remote communities with long travel times to larger towns
E18	Legacy Elders	Financially-secure elders on good pensions, now mostly living alone in comfortable suburban homes
E19	Bungalow Haven	Peace-seeking seniors appreciating the calm of bungalow estates designed for the older owners
E20	Classic Grandparents	Lifelong couples in standard suburban homes, often enjoying retirement through grandchildren and gardening
E21	Solo Retirees	Senior singles owning affordable but pleasant homes, whose reduced incomes are satisfactory
F22	Boomerang Boarders	Long-term couples with mid-range incomes whose adult children have returned to the shelter of the family home
F23	Family Ties	Active families with adult children and some teens, giving prolonged support to the next generation
F24	Fledgling Free	Pre-retirement couples enjoying greater space and reduced commitments since their children left home
F25	Dependable Me	Single mature owners settled in traditional suburban homes working in intermediate occupations
G26	Cafés and Catchments	Affluent families with growing children living in upmarket housing in city environs
G27	Thriving Independence	Well-qualified older singles with incomes from successful professional careers in good quality housing
G28	Modern Parents	Busy couples in modern detached homes juggling the demands of school-age children and careers
G29	Mid-Career Convention	Professional families with children in traditional mid-range suburbs where neighbours are often older
H30	Primary Ambitions	Families with school-age children, who have bought the best house they can afford within popular neighbourhoods
H31	Affordable Fringe	Settled families with children, owning modest 3-bed semis in areas where there's more house for less money
H32	First-Rung Futures	Young owners settling into the affordable homes they have bought in established suburbs
H33	Contemporary Starts	Young families and singles setting up home in modern developments that are popular with their peers
H34	New Foundations	Occupants of brand new homes who are often younger singles or couples with children
H35	Flying Solo	Independent young singles on starter salaries choosing to rent homes in family suburbs

Sub group / type	Group/Type Name	One-Line Description
I36	Solid Economy	Stable families with children, renting higher value homes from social landlords
I37	Budget Generations	Families providing lodgings for adult children and gaining the benefit of pooled resources
I38	Economical Families	Busy families with children, who own their low-cost homes and budget carefully
I39	Families on a Budget	Families with children in low value social houses making limited resources go a long way
J40	Value Rentals	Younger singles and couples, some with children, setting up home in low value rented properties
J41	Youthful Endeavours	Young people endeavouring to gain employment footholds while renting cheap flats and terraces
J42	Midlife Renters	Maturing singles in employment who are renting affordable homes for the short-term
J43	Renting Rooms	Transient renters of low cost accommodation often within older properties
K44	Inner City Stalwarts	Long-term renters of inner city social flats who have witnessed many changes
K45	City Diversity	Households renting social flats in busy city suburbs where many nationalities live as neighbours
K46	High Rise Residents	Tenants of social flats located in high rise blocks, often living alone
K47	Single Essentials	Singles renting small social flats in town centres
K48	Mature Workers	Older social renters settled in low value homes who are experienced at budgeting
L49	Flatlet Seniors	Ageing singles with basic income renting small flats in centrally located developments
L50	Pocket Pensions	Penny-wise elderly singles renting in developments of compact social homes
L51	Retirement Communities	Elderly living in specialised accommodation including retirement homes, villages and complexes
L52	Estate Veterans	Longstanding elderly renters of social homes who have seen neighbours change to a mix of owners and renters
L53	Seasoned Survivors	Single elderly who are long-term owners of their low value properties which provide some financial security
M54	Down-to-Earth Owners	Ageing couples who have owned their inexpensive home for many years while working in routine jobs
M55	Back with the Folks	Older owners whose adult children are sharing their modest home while striving to gain independence
M56	Self Supporters	Hard-working mature singles who own their budget houses and earn modest wages
N57	Community Elders	Established older households owning city homes in diverse neighbourhoods
N58	Culture & Comfort	Thriving families with good incomes in diverse suburbs
N59	Large Family Living	Large families living in traditional terraces in neighbourhoods with a strong community identity
N60	Ageing Access	Older residents owning small inner suburban properties with good access to amenities
O61	Career Builders	Professional singles and couples in their 20s and 30s progressing in their field of work from commutable properties
O62	Central Pulse	City-loving youngsters renting central flats in vibrant locations close to jobs and night life
O63	Flexible Workforce	Successful young renters ready to move to follow worthwhile incomes from service sector jobs
O64	Bus-Route Renters	Singles renting affordable private flats further away from central amenities and often on main roads
O65	Learners & Earners	Inhabitants of the university fringe where students and older residents mix in cosmopolitan locations
O66	Student Scene	Students living in high density accommodation close to universities and educational centres



Household discretionary income
(bands of <£30, £30-£124, £125-£249, £250-£499, £500-£999, £1,000-£1,499, £1,500-£1,999, 2k+)



Number of bedrooms
(1, 2, 3, 4 & 5+)



Internet savviness
(very savvy to not very savvy)



Communication
(email, mail, social networking)



Health: smoking, exercise, eating habits



TV programmes
(news, music, comedy, sports)



Method



£

Discretionary income
September 2021 extract

Size of households
(1 bed, 2 bed...)

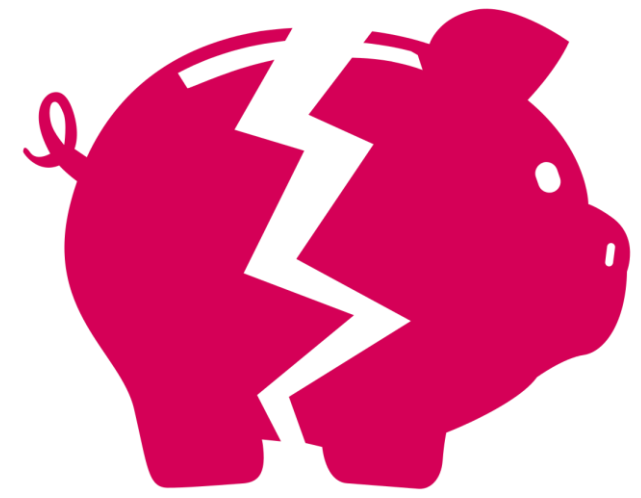
'Typical' energy
usage of households

Increase in energy
prices

Discretionary income is the income remaining to spend, save or invest after paying essential bills, mortgage/rent, groceries, utilities and any other necessary expenses



Discretionary income **minus**
increase in energy bills
(adjusting for + £66 monthly
support)



Estimated impact on
household income

Baseline energy bill &
estimated increase



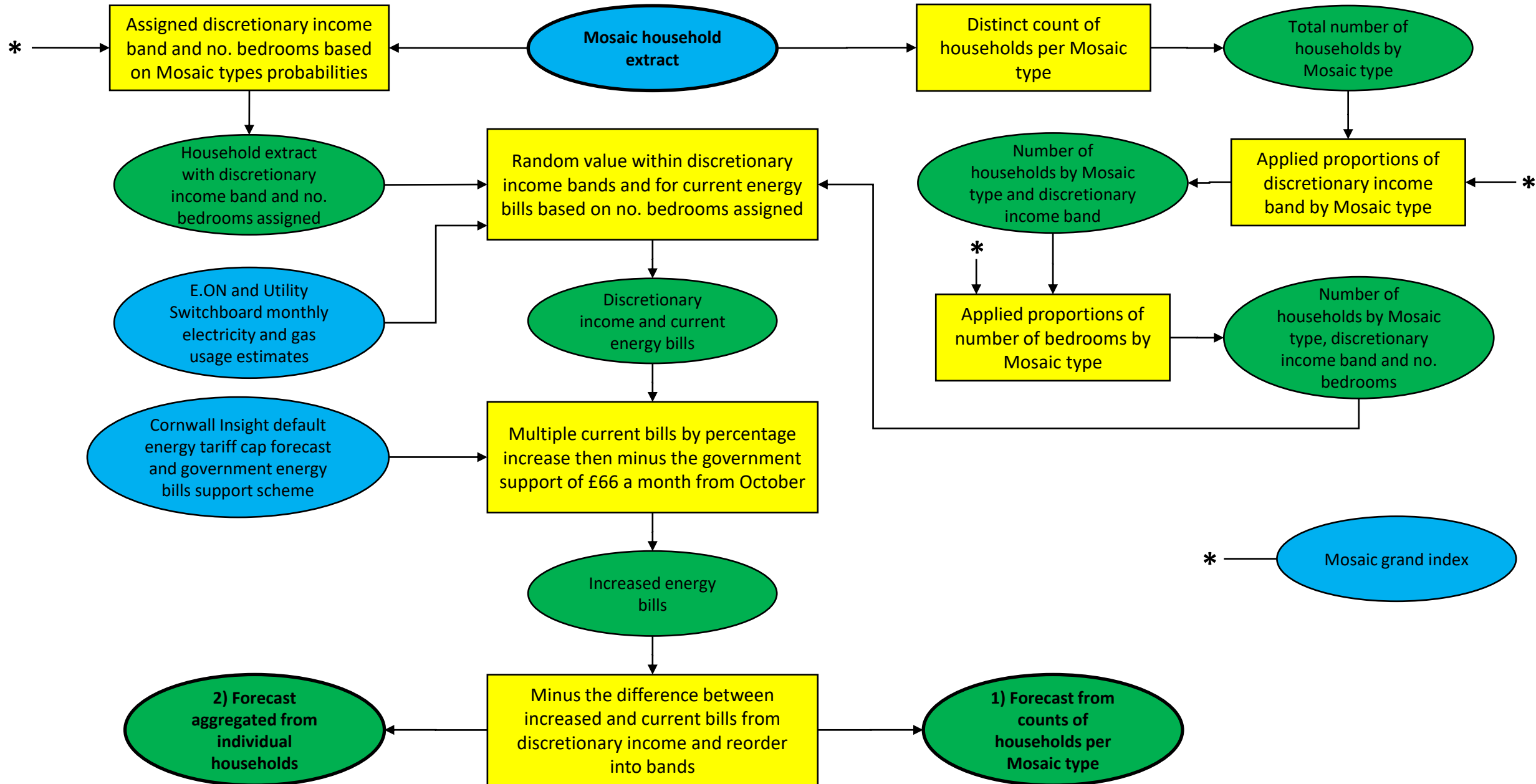
Method 1

- Distinct count of households per Mosaic type
- Applied Mosaic grand index proportions of discretionary income band and number of bedrooms to each count per type
- Multiplied estimated current bills by the forecast percentage increase, minus the guaranteed £66 a month government support
- Minus the difference between current and forecast energy bills from discretionary income estimates and reorder into bands
- Produces a forecast from counts of household per Mosaic type
- More accurate distribution of households per monthly discretionary income band

Method 2

- Assigned discretionary income band and number of bedrooms to household extract based on Mosaic grand index probabilities
- Multiplied estimated current bills by the forecast percentage increase, minus the guaranteed £66 a month government support
- Minus the difference between current and forecast energy bills from discretionary income estimates and reorder into bands
- Produces a forecast from aggregated individual households
- Potential for more in-depth spatial analysis (by deprivation quintiles)

Discretionary income is the income remaining to spend, save or invest after paying essential bills, mortgage/rent, groceries, utilities and any other necessary expenses



- Electricity and gas day rate and kilowatt per hour tariffs were applied to usage estimates based on number of bedrooms per household – shown in Table 1
- However, to better estimate energy bills in 1 bedroom and 4 bedroom housing a linear interpolation was applied to the 2, 3 and 5+ bedroom values – shown in Table 2
- The E.ON and Utility Switchboard estimates were used as upper and lower bounds respectively, for assignment of current energy bills
- Energy price forecasts from Cornwall Insight, can then be applied to these current bill estimates to forecast change
- The baseline can and has been adjusted relative to previous energy price caps

Table 1: E.ON and Utility Switchboard monthly estimates Q2 2022

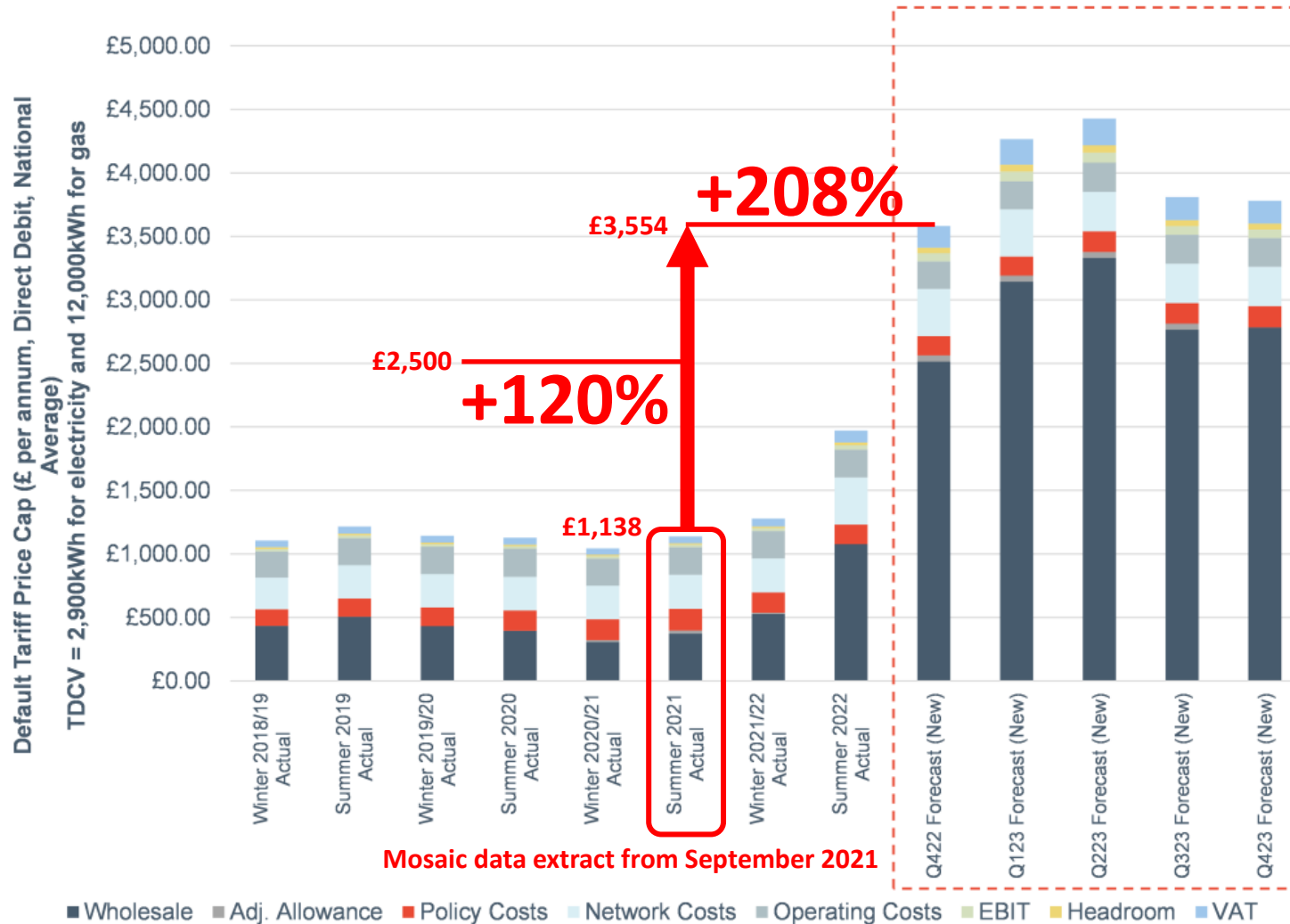
No. beds	E.ON energy estimate (£ per month)	Utility Switchboard estimate (£ per month)
1 to 2 beds	139	132
3 beds	207	196
4 to 5+ beds	295	278

Table 2: E.ON and Utility Switchboard monthly estimates, with 1 bedroom and 4 bedrooms interpolated Q2 2022

No. beds	E.ON energy estimate (£ per month)	Utility Switchboard estimate (£ per month)
1 bed	95	91
2 beds	139	132
3 beds	207	196
4 beds	248	234
5+ beds	295	278



Default Tariff Price cap levels chart since 2018 and Cornwall Insight’s predictions for the next four quarterly cap periods



- The energy price cap was introduced in 2019, aiming to improve supplier efficiency by driving down costs and encourage consumer engagement with the supply market through switching
- Cornwall Insight forecasts changes in the energy price cap based on the Ofgem methodology and changes in prices to both wholesale and non-wholesale elements of energy bills
- The graph on the left shows the forecast for an average user over the next five quarters
- **Between Summer 2021 actuals and the October (Q4) 2022 forecast, it is estimated that the default tariff price cap levels will increase by +208%;**
- However, the government aims to limit the price cap to £2,500 for households (+120%)
- Cornwall Insight provide additional information on energy price cap forecasts



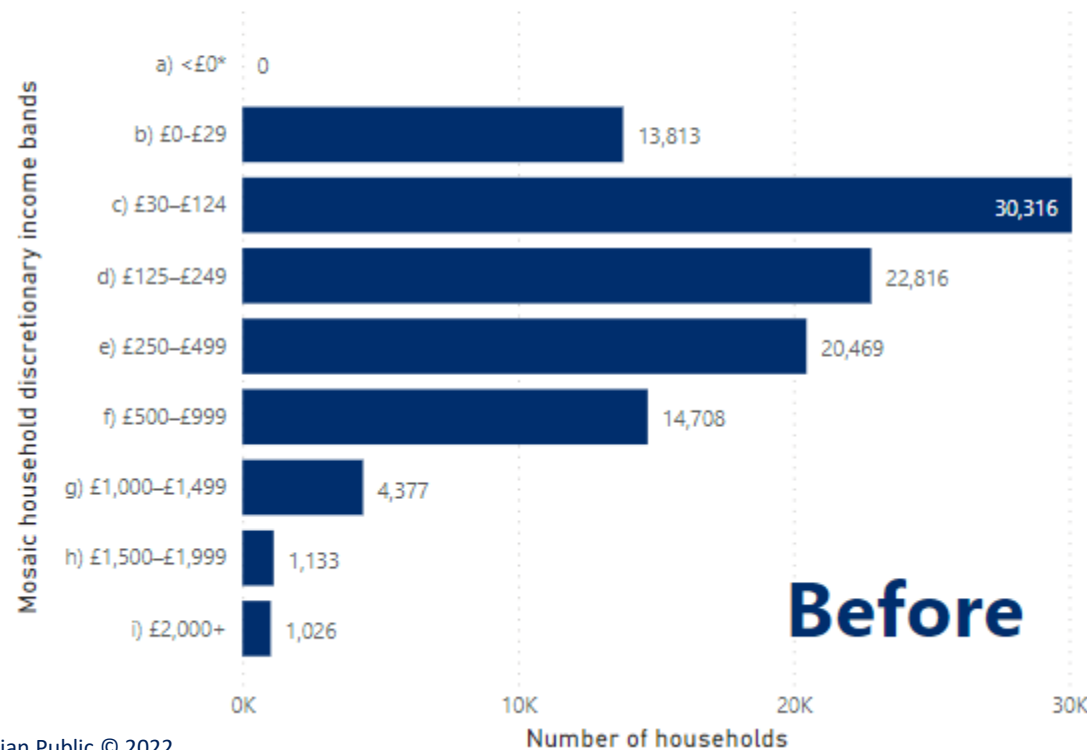
Forecast 1 – April (Q2) 2021 to October (Q4) 2022



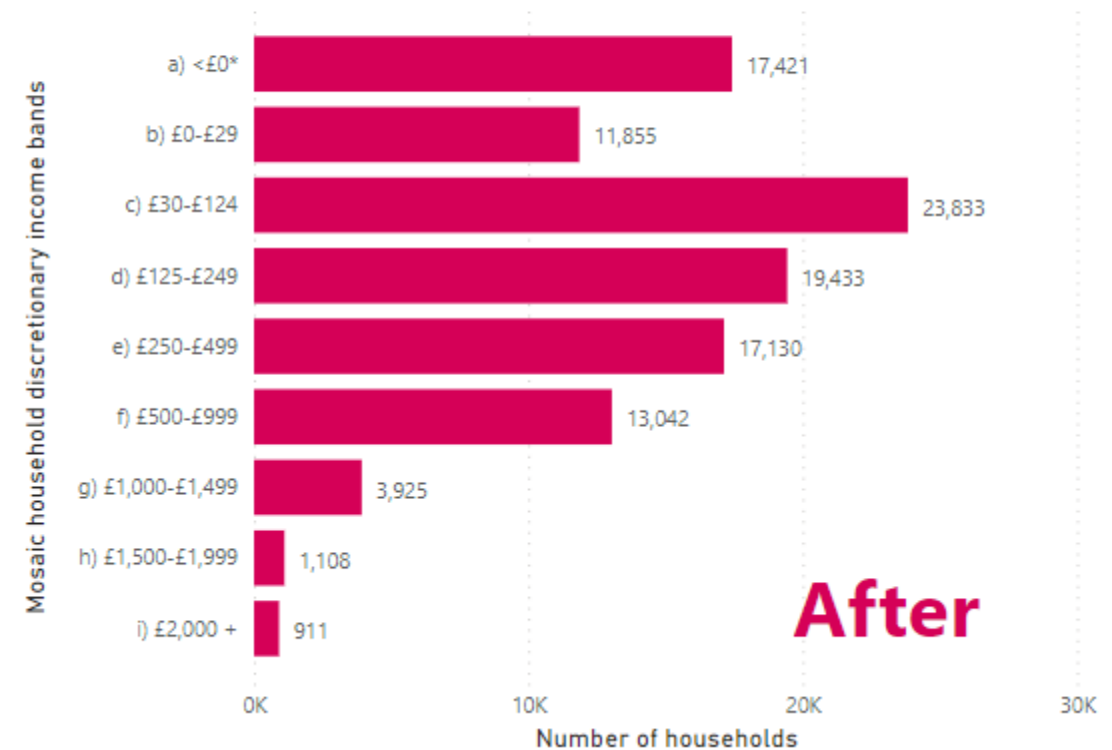
- Based on the government’s £2,500 cap, **+120% increase in the energy bills** from **April 2021** to **October 2022**, we estimate the discretionary income of **approximately 16% of households** in Southampton to fall **below £0 per month**
- Expanding this, we estimate **almost 50% of households** would have a discretionary income **below £125 per month**, with these households potentially in a precarious financial situation if there were unforeseen circumstances e.g. car break down

If energy bills increase by **+120%** we estimate that approximately **17,421** households will have a monthly discretionary income below £0 **16%**

Count of households by estimated Mosaic household discretionary income bands before changes applied, Southampton



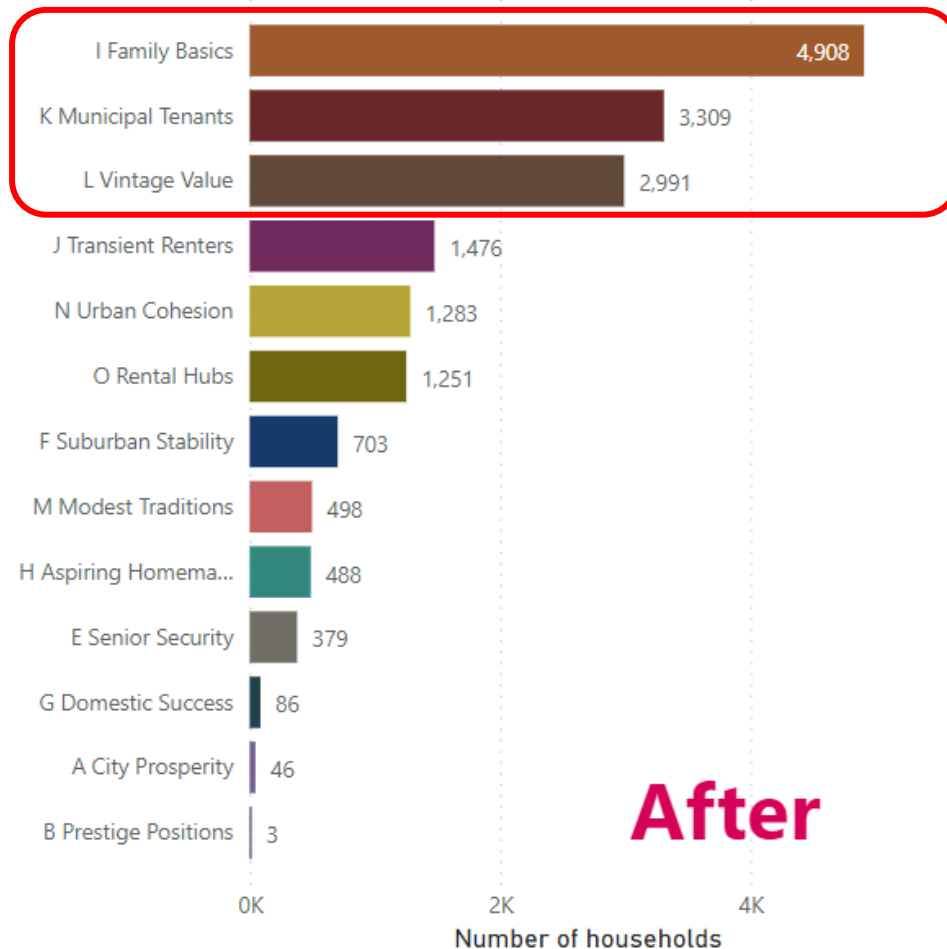
Count of households by estimated Mosaic household discretionary income bands after changes applied, Southampton





- The households most vulnerable (estimated income below £0) to rising energy bills appear to fall most frequently within the **I Family Basics**, **K Municipal Tenants** and **L Vintage Value** Mosaic groups (**approximately 64% of households**)

Number of households with a discretionary income of a) <£0* by Mosaic groups after changes applied, Southampton



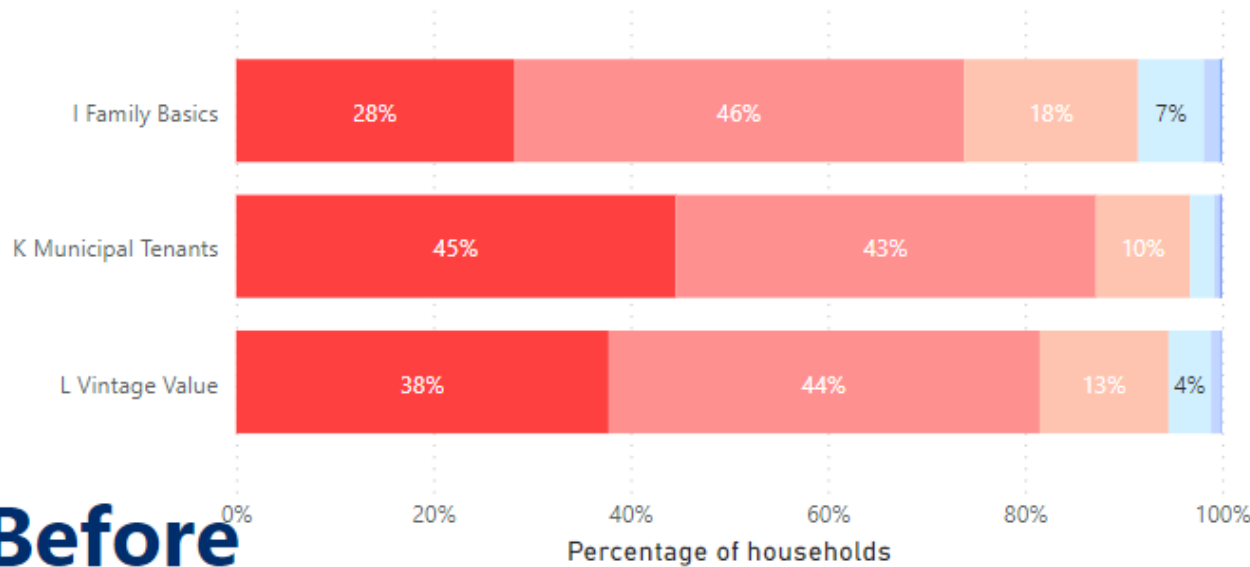
- I Family Basics** – Families with limited resources who budget to make ends meet
- K Municipal Tenants** – Urban residents renting high density housing from social landlords
- L Vintage Value** – Elderly people with limited pension income, mostly living alone



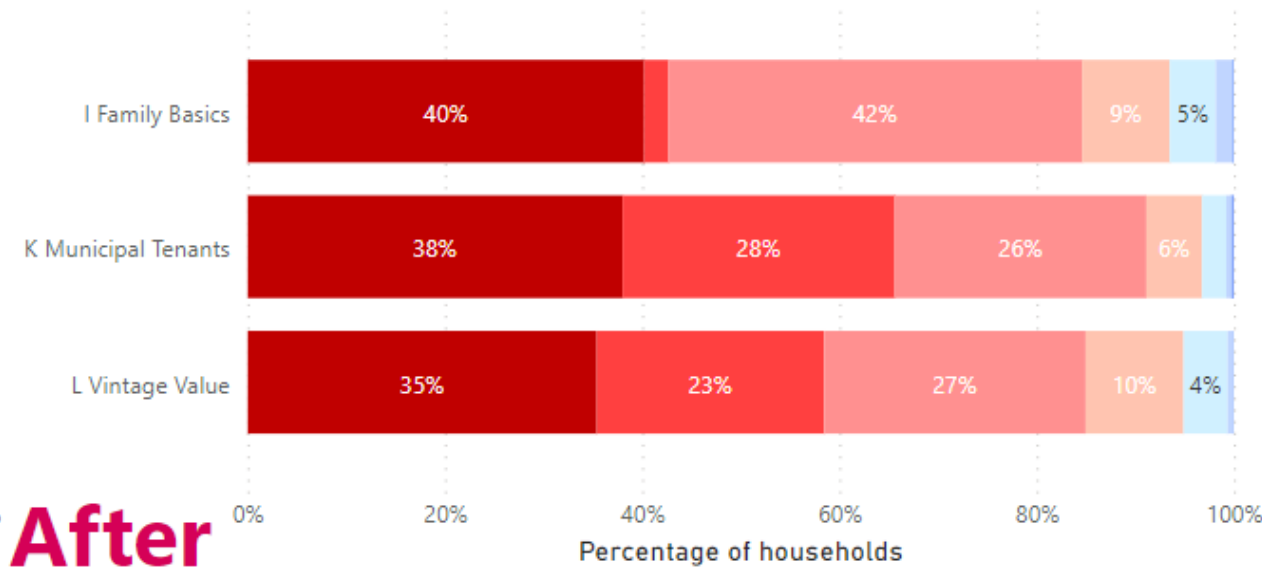
- A more detailed breakdown of all monthly discretionary income bands by the three Mosaic groups identified as most vulnerable (estimated income below £0) to rising energy costs shows;
- **I Family Basics** rising from **28%** of households **below £30 to 42% (40% below £0)**,
- **K Municipal Tenants** rising from **45% to 66% (38% below £0)**,
- **L Vintage Value** rising from **38% to 58% (35% below £0)**

Discretionary income band
Under £0
£0 to £29
£30 to £124
£125 to £249
£250 to £499
£500 to £999
£1,000 to £1,499
£1,500 to £1,999
£2,000 and over

Percentage of households by discretionary income band and Mosaic groups before changes applied, Southampton



Percentage of households by discretionary income band and Mosaic groups after changes applied, Southampton

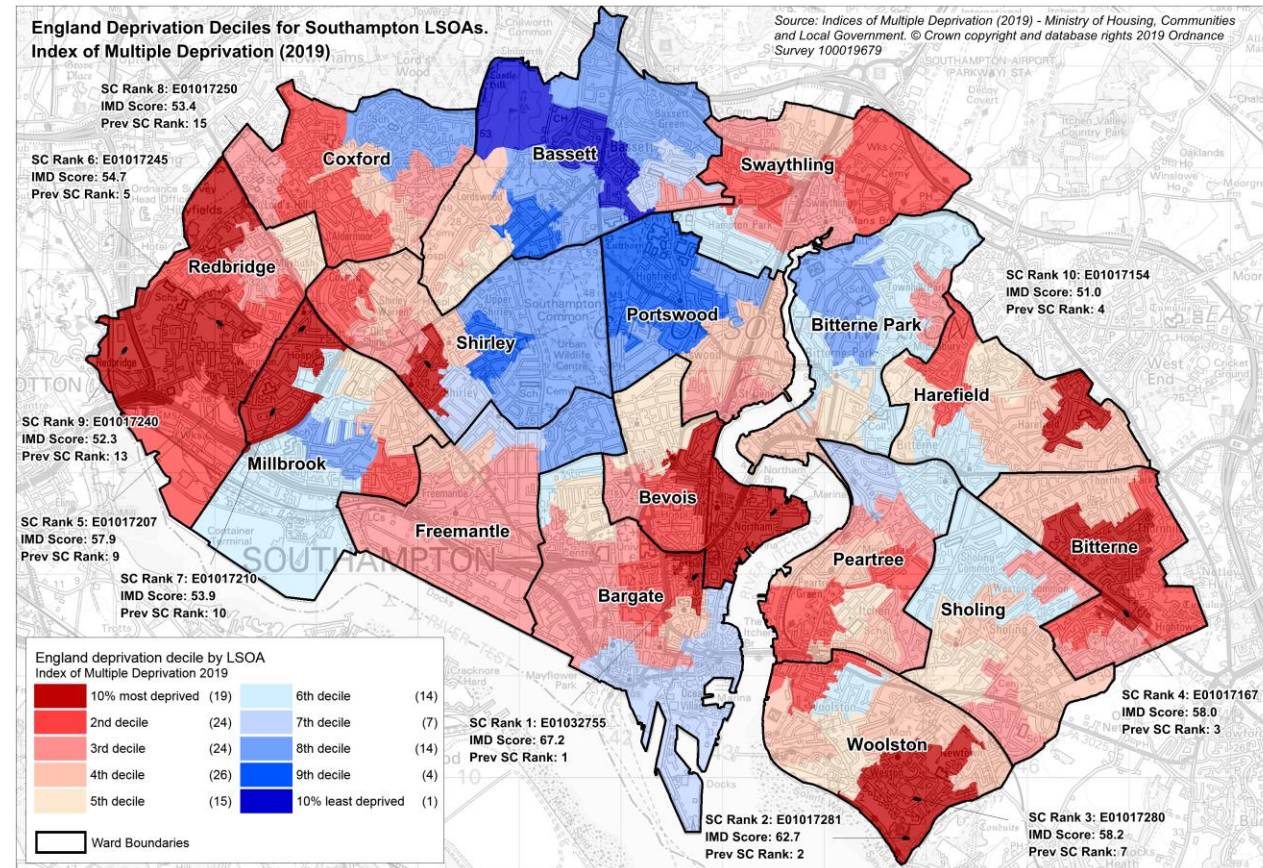
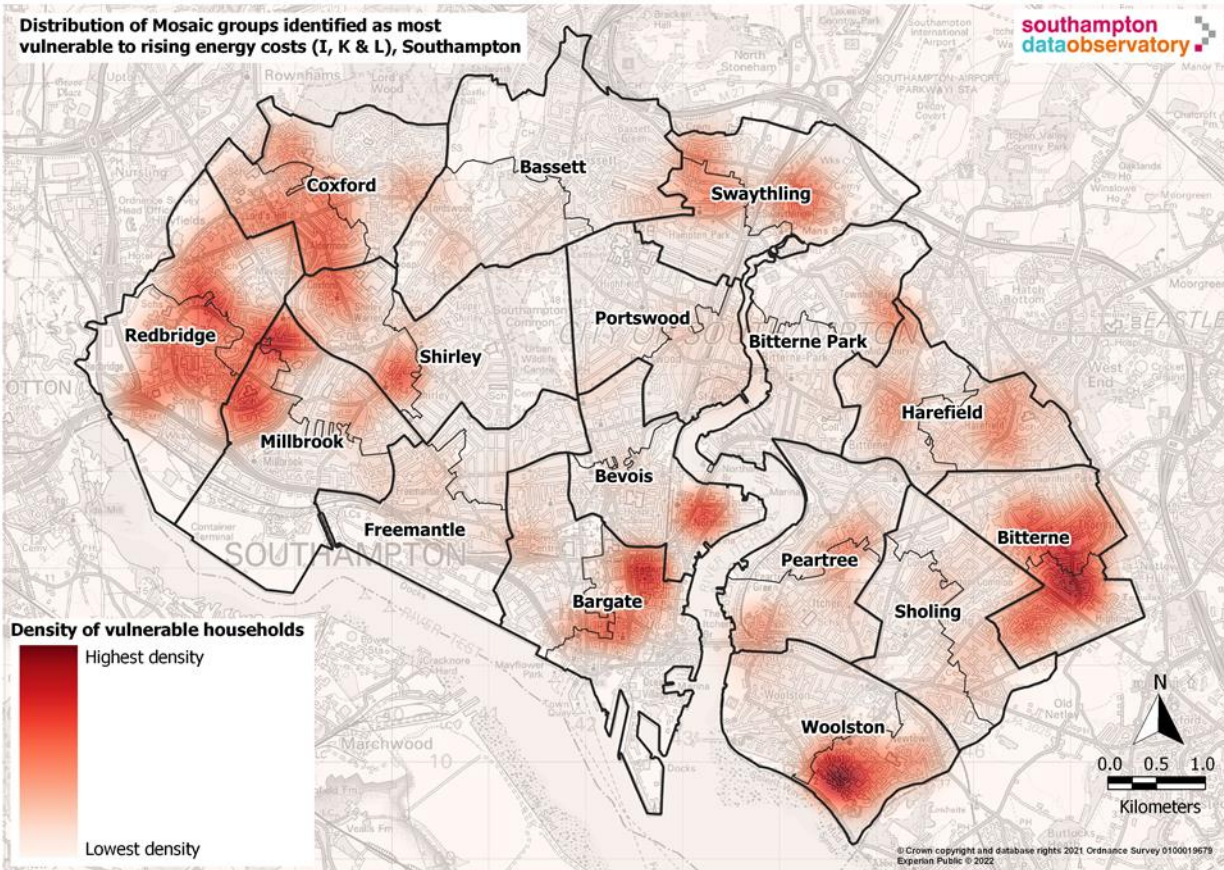


Before

After

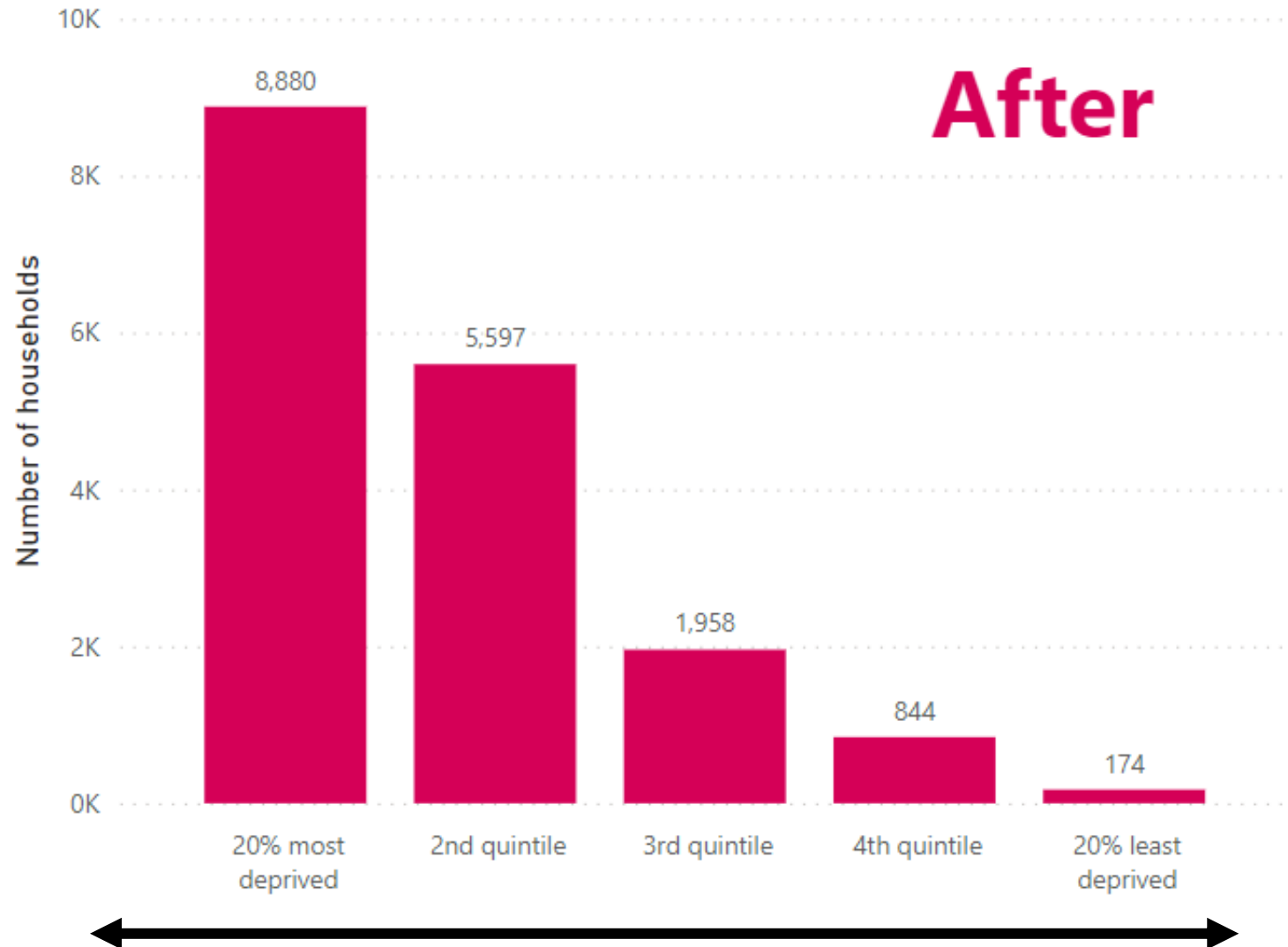


- Three most vulnerable (estimated income below £0) Mosaic groups in the city appear to be **I Family Basics**, **K Municipal Tenants** and **L Vintage Value**
- The map on the left highlights where households in these Mosaic groups are located across Southampton
- The map on the right shows levels of deprivation for Southampton neighbourhoods – darker red areas illustrate higher levels of deprivation and dark blue lower levels;
- Whilst there are hotspots of vulnerable groups across a number of Southampton wards, the highest densities of households in Mosaic groups identified as **vulnerable appear to be located in the more deprived neighbourhoods within Southampton**





Number of households with a discretionary income of <£0* by national deprivation quintiles after changes applied, Southampton



- **Half (50%) of households** estimated to have their **discretionary income fall below £0** a month are among the **20% most deprived** nationally;
- **This rises to over 80%** when expanded to the **40% most deprived** households
- Although, some of these households will likely receive **additional government support** beyond the £66 per month from October 2022 – additional support for the most vulnerable households is not accounted for within the forecast
- Whilst those living in the 40% most deprived neighbourhoods are estimated to be most impacted in Southampton. It is important to emphasise the **impact of rising energy prices and cost of living will be felt across all households** in Southampton

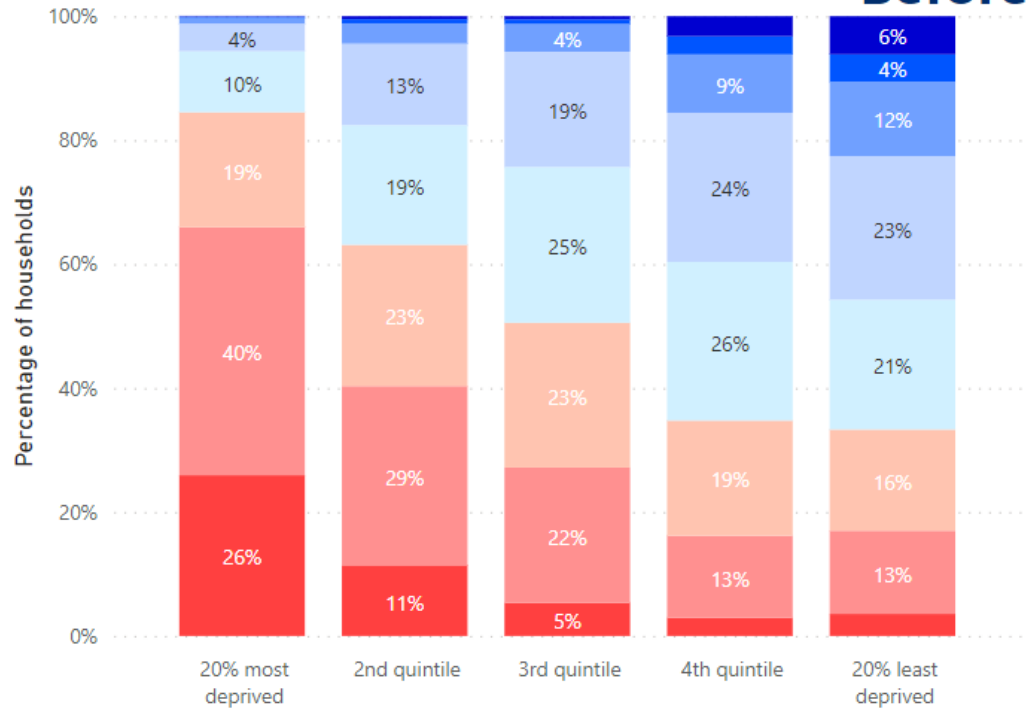


Forecast 1 – April 2021 to October 2022 – Deprivation

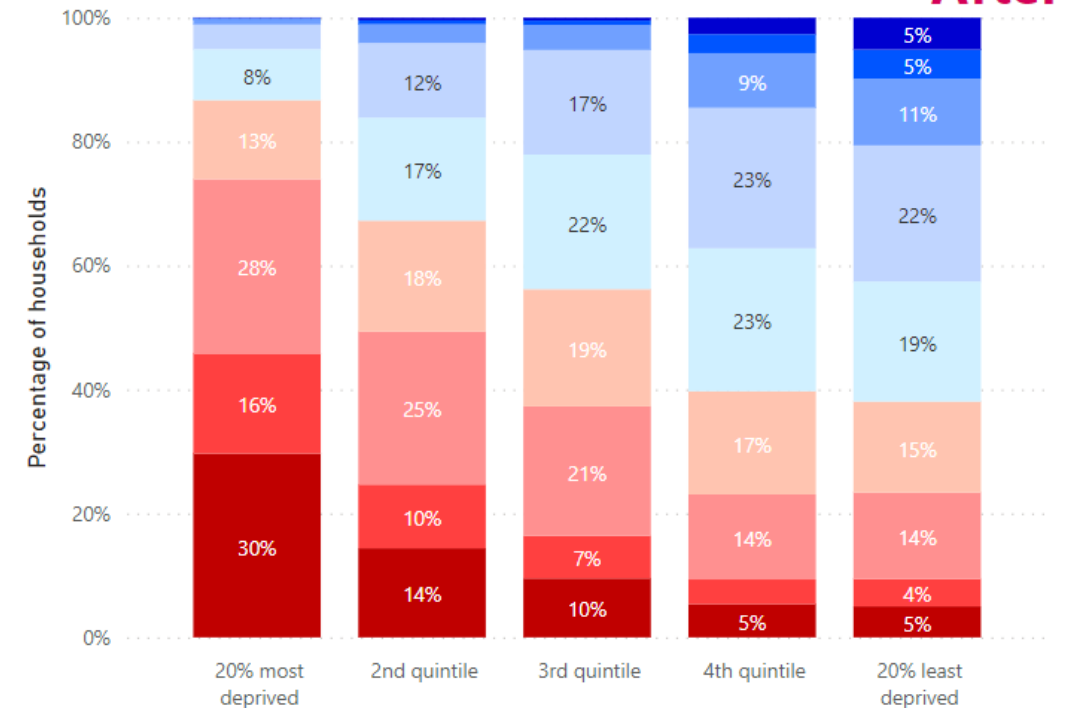
Method 2

- Before applying the +120% increase in energy bills, the proportion of households in poorer discretionary income bands is higher in the more deprived quintiles and after applying changes these inequalities remain;
- For the **20% most deprived**, **26%** had a discretionary income **below £30** before changes; **rising to 46%** after changes
- Compared to the **20% least deprived**, an **increase from 4% to 9%** households with a discretionary income **under £30** (**5% below £0**)
- Although impacts may be felt across all quintiles, the potential for the greatest impact appears to be among the most deprived

Percentage of households by discretionary income bands and national deprivation quintiles before changes applied, Southampton **Before**



Percentage of households by discretionary income bands and national deprivation quintiles after changes applied, Southampton **After**



Discretionary income band
Under £0
£0 to £29
£30 to £124
£125 to £249
£250 to £499
£500 to £999
£1,000 to £1,499
£1,500 to £1,999
£2,000 and over



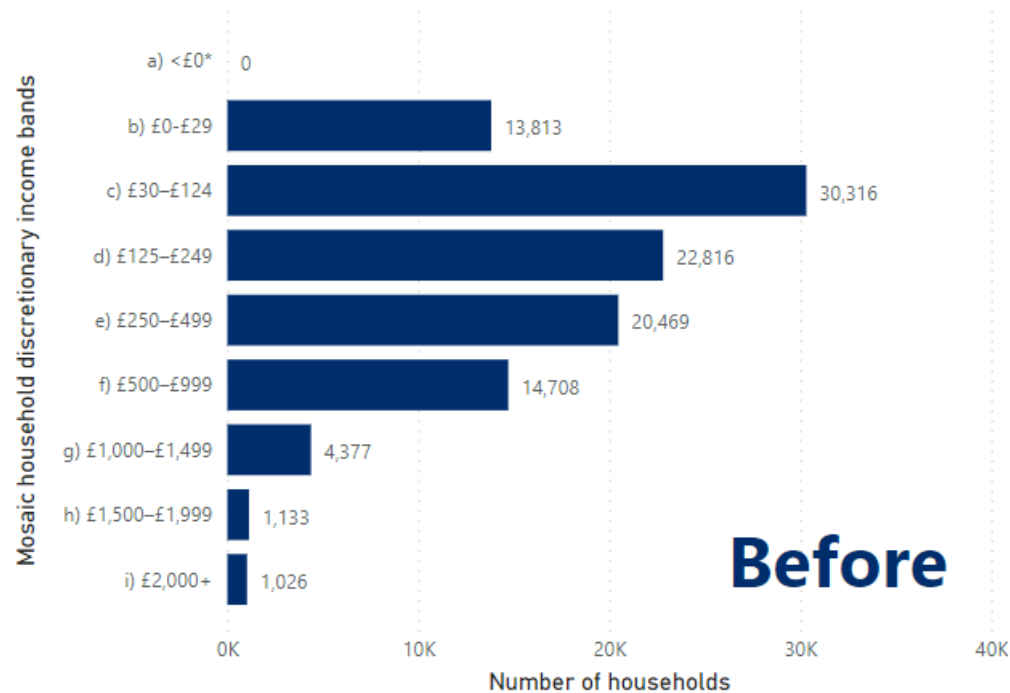
Forecast 2 – April (Q2) 2021 to October (Q4) 2022 without support



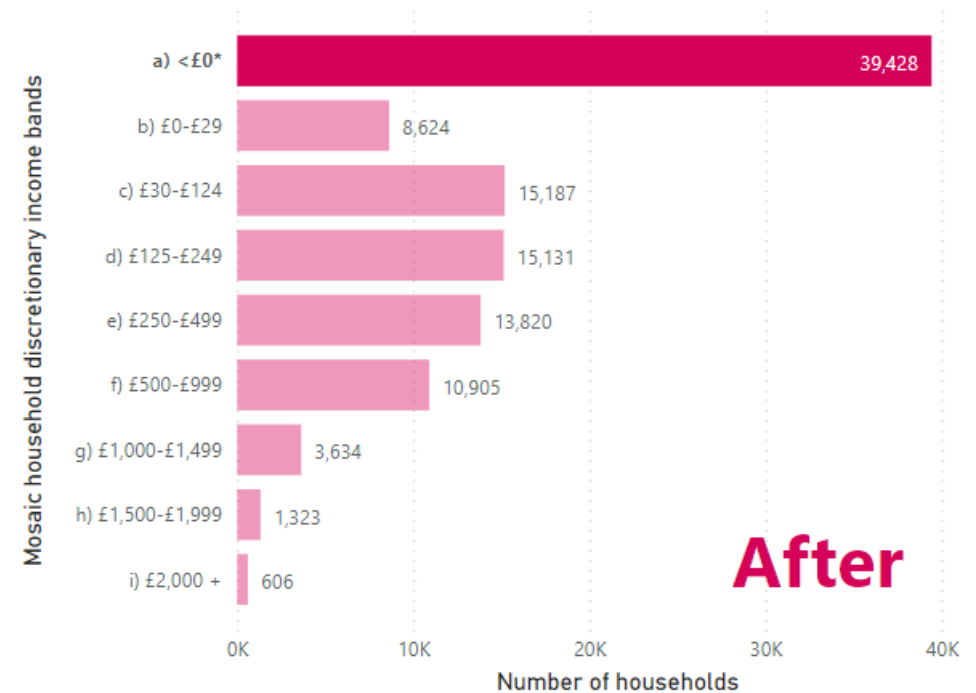
- Based on the government’s £2,500 cap but excluding £400 support, **+120% increase in the energy bills** from April 2021 to October 2022, we estimate the discretionary income of **approximately 36% of households** in Southampton to fall **below £0 per month**
- Expanding this, we estimate **near 60% of households** would have a discretionary income **below £125 per month**, with these households potentially in a precarious financial situation if there were unforeseen circumstances e.g. car break down

If energy bills increase by **+120%** we estimate that approximately **39,428** households will have a monthly discretionary income below £0 **36%**

Count of households by estimated Mosaic household discretionary income bands before changes applied, Southampton



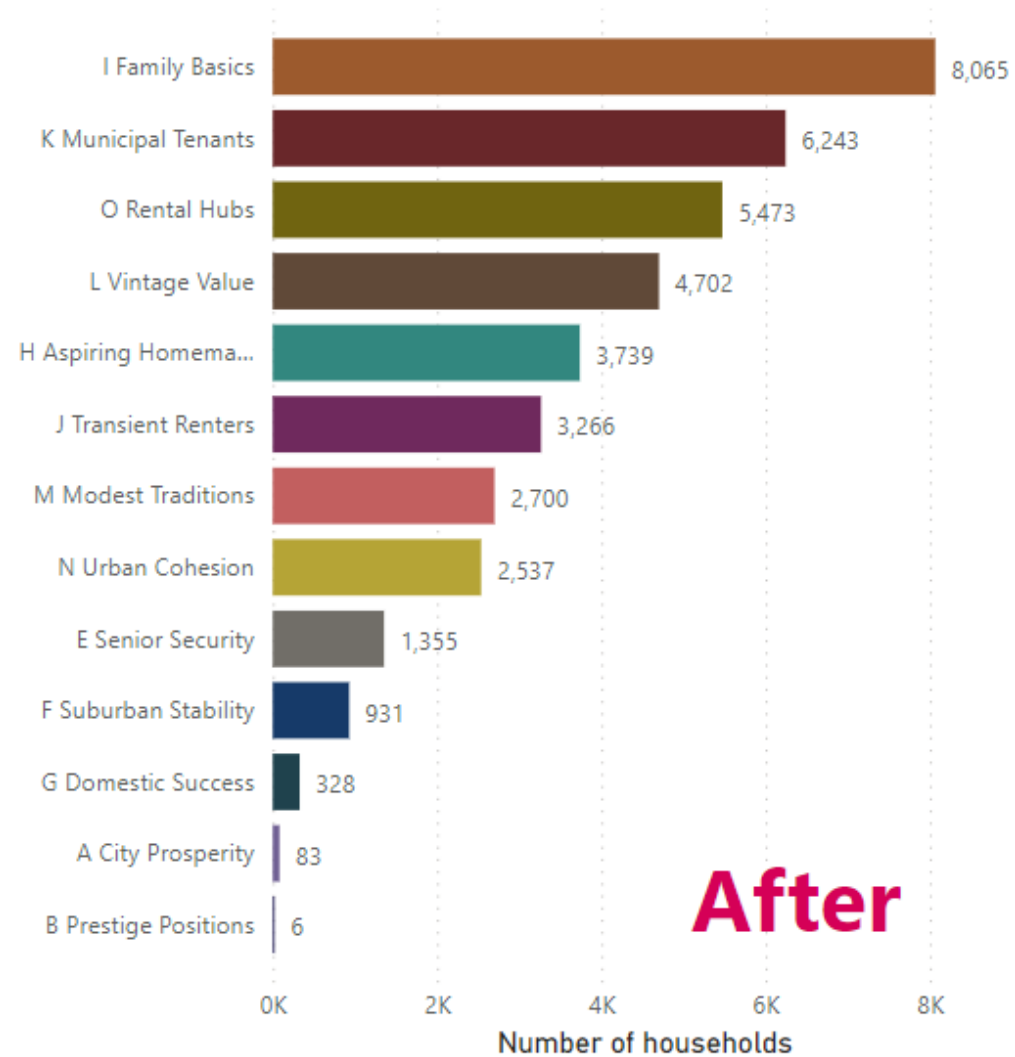
Count of households by estimated Mosaic household discretionary income bands after changes applied, Southampton





- Without £400 government support, Southampton households across most Mosaic groups appear to be vulnerable to rising energy bills

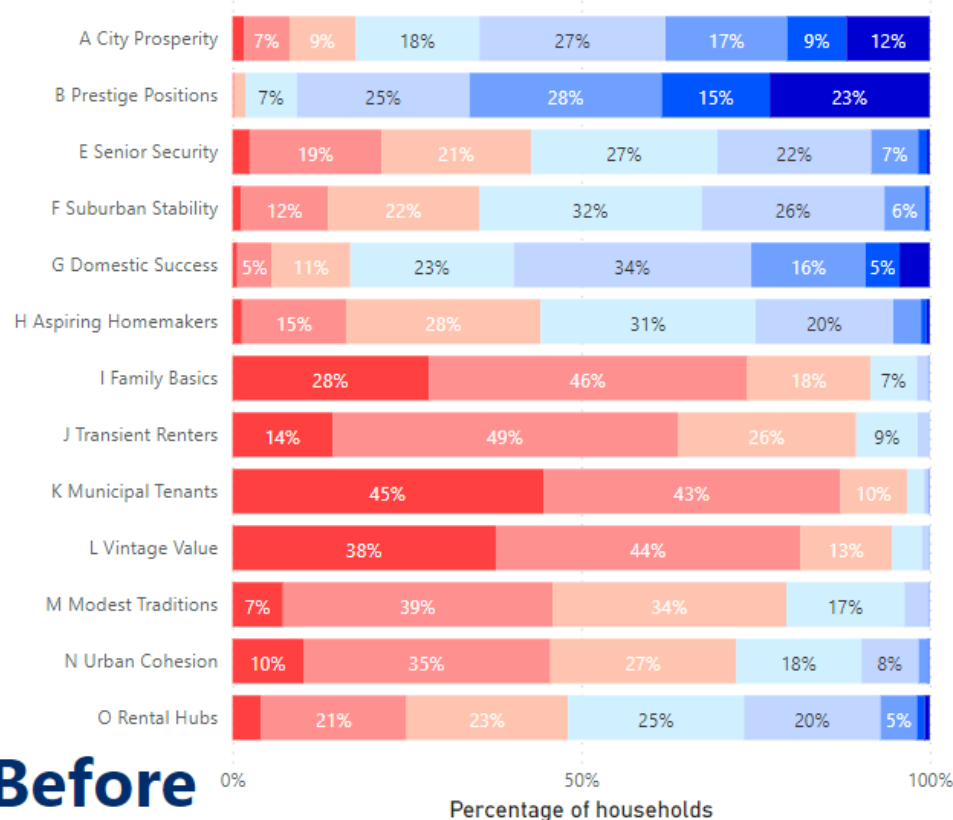
Number of households with a discretionary income of a) <£0* by Mosaic groups after changes applied, Southampton





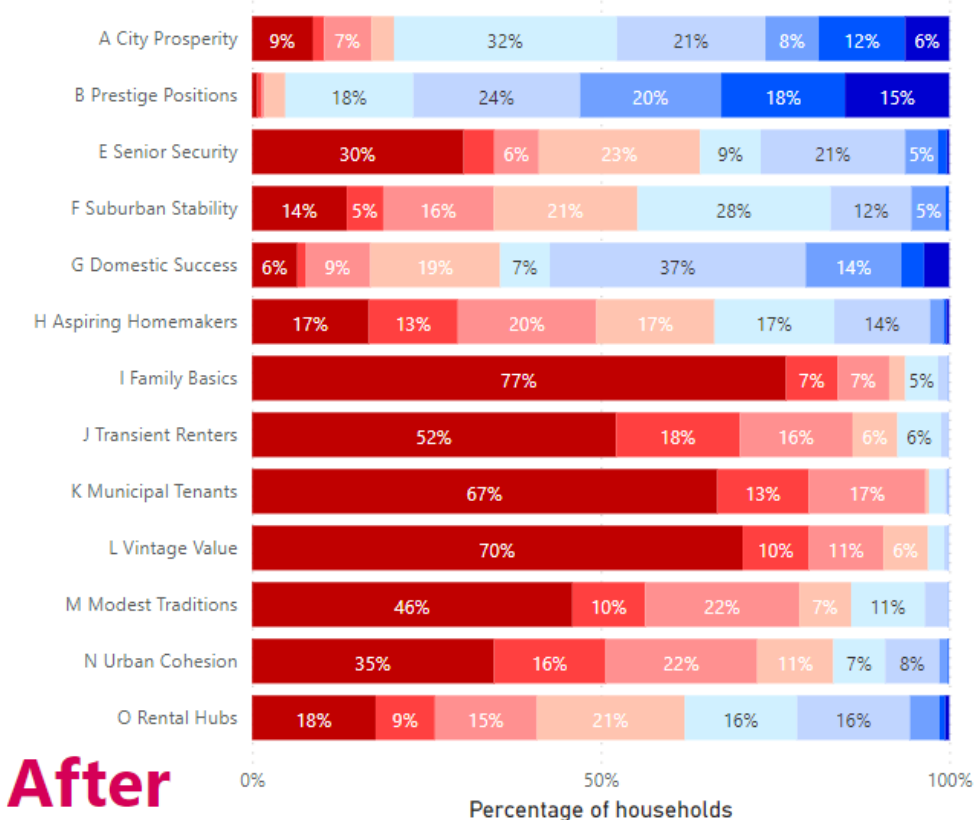
- A more detailed breakdown of all monthly discretionary income bands by Mosaic groups after a 120% increase in energy bills from April 2021 to October 2022 without £400 government support;
- Proportions of households **below £30 a month only remains below 10% for just several Mosaic groups**, including A City Prosperity, B Prestige Positions and G Domestic Success
- However, some groups with lower proportions, such as **O Rental Hubs** and **H Aspiring Homemakers**, still translate to **higher counts** due to a **higher number of households** in Southampton classified in these groups

Percentage of households by discretionary income band and Mosaic groups before changes applied, Southampton



Before

Percentage of households by discretionary income band and Mosaic groups after changes applied, Southampton



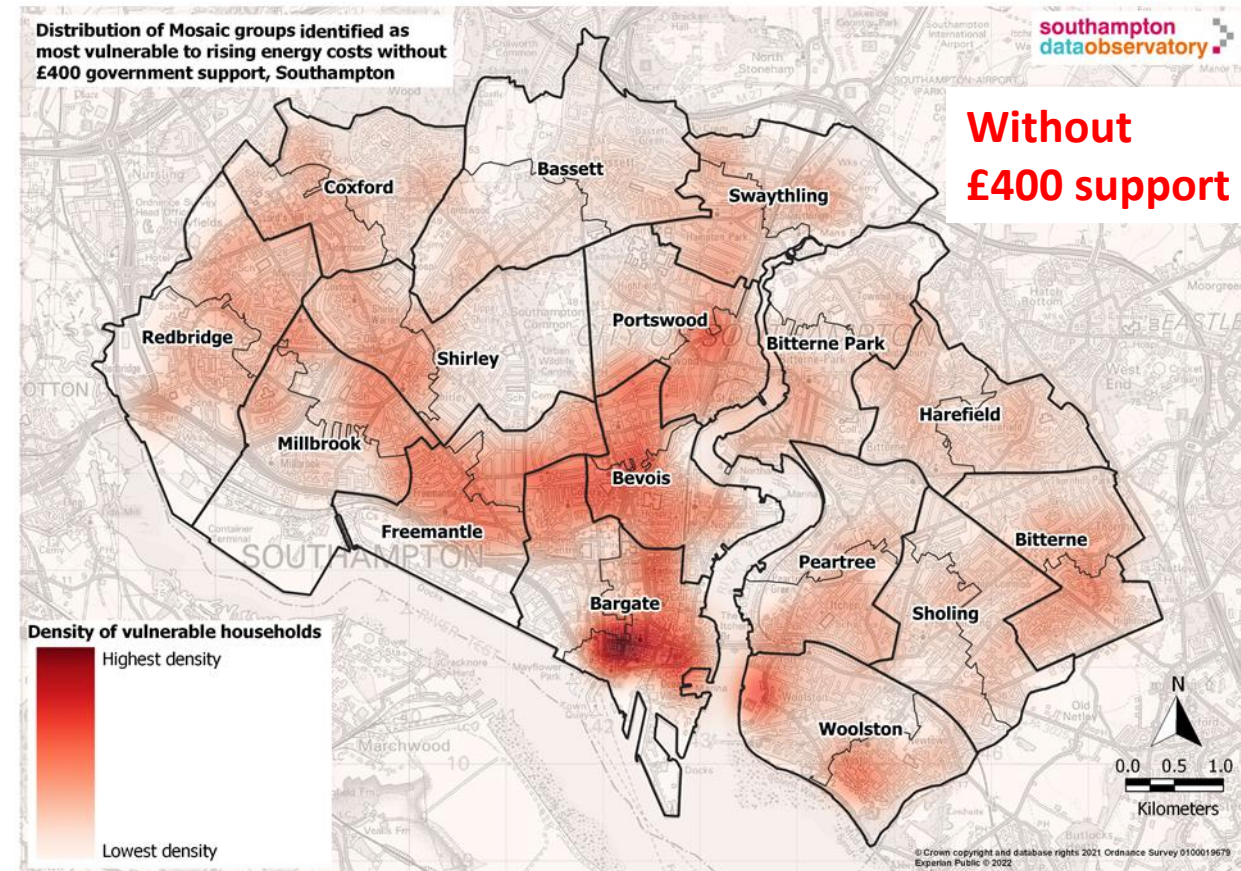
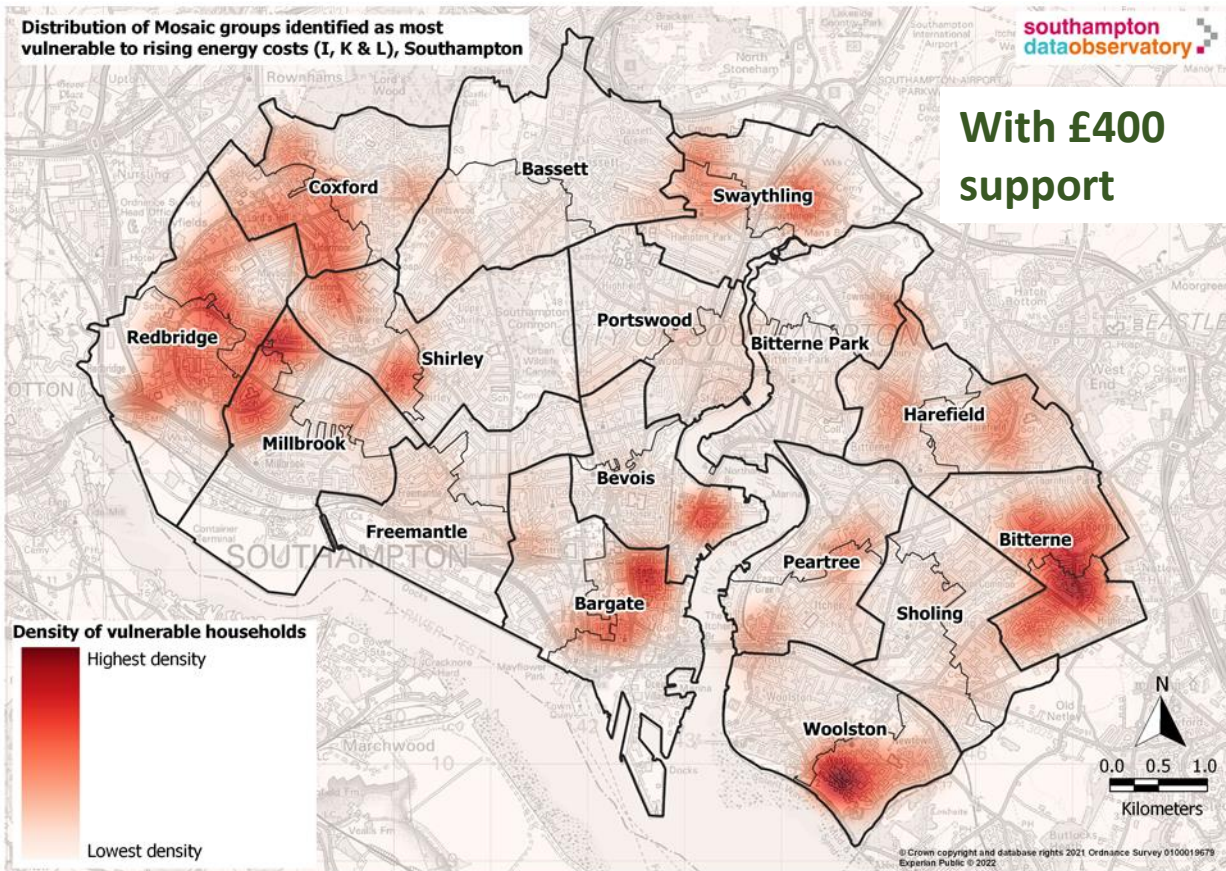
After

Discretionary income band



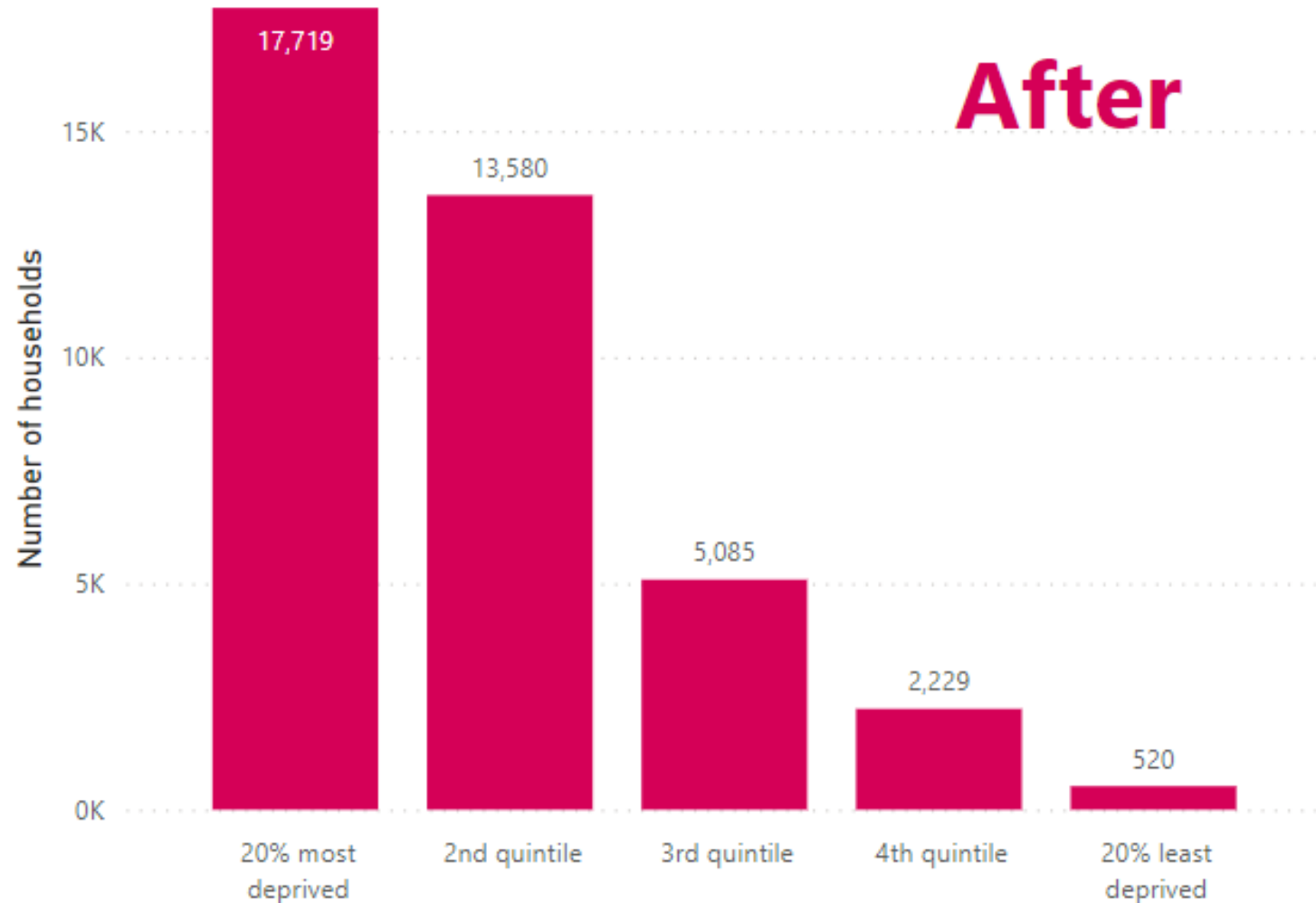


- **Forecast 1 (support)** – the three most vulnerable Mosaic groups in the city appear to be **I Family Basics**, **K Municipal Tenants** and **L Vintage Value**. The map on the left highlights where households in these Mosaic groups are located across Southampton
- **Forecast 2 (no support)** – the map on the right highlights households in Southampton **excluding those in Mosaic groups which appear less vulnerable** to rising energy costs (A City Prosperity, B Prestige Positions, E Senior Security, F Suburban Stability and G Domestic Success)
- Without £400 government support, households in many parts of Southampton could also be considered vulnerable to rising energy costs – highlighting that the cost of living crisis goes beyond deprivation





Number of households with a discretionary income of <£0* by national deprivation quintiles after changes applied, Southampton



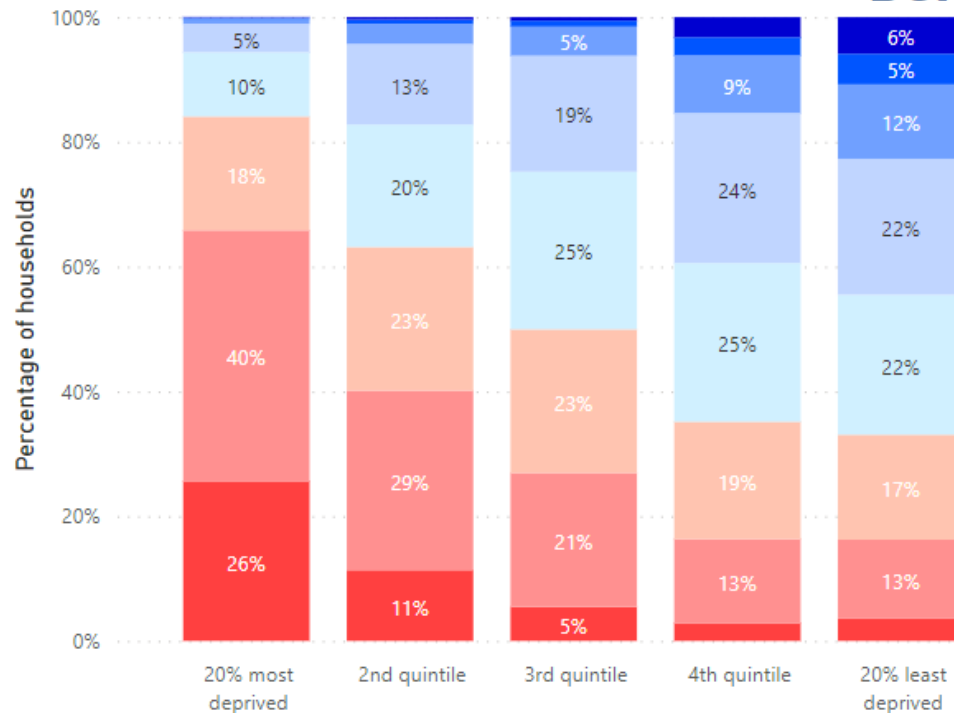
- **Around 45% of households** estimated to have their **discretionary income fall below £0** a month are among the **20% most deprived** nationally;
- **This rises to 80%** when expanded to the **40% most deprived** households
- This forecast assumes **no £400 government support** (£66 a month for 6 months from October 2022)
- Whilst those living in the 40% most deprived neighbourhoods are estimated to be most impacted in Southampton. It is important to emphasise the **impact of rising energy prices and cost of living will be felt across all households** in Southampton



- Before applying the +120% increase in energy bills, the proportion of households in poorer discretionary income bands is higher in the more deprived quintiles and after applying changes these inequalities remain;
- For the **20% most deprived**, **26%** had a discretionary income **below £30** before changes **rising to 68%** after changes (**59% below £0**)
- Compared to the **20% least deprived**, an **increase from 4% to 20%** households with a discretionary income **under £30** (**15% below £0**)
- Without any government support impacts could be significant across all deprivation quintiles

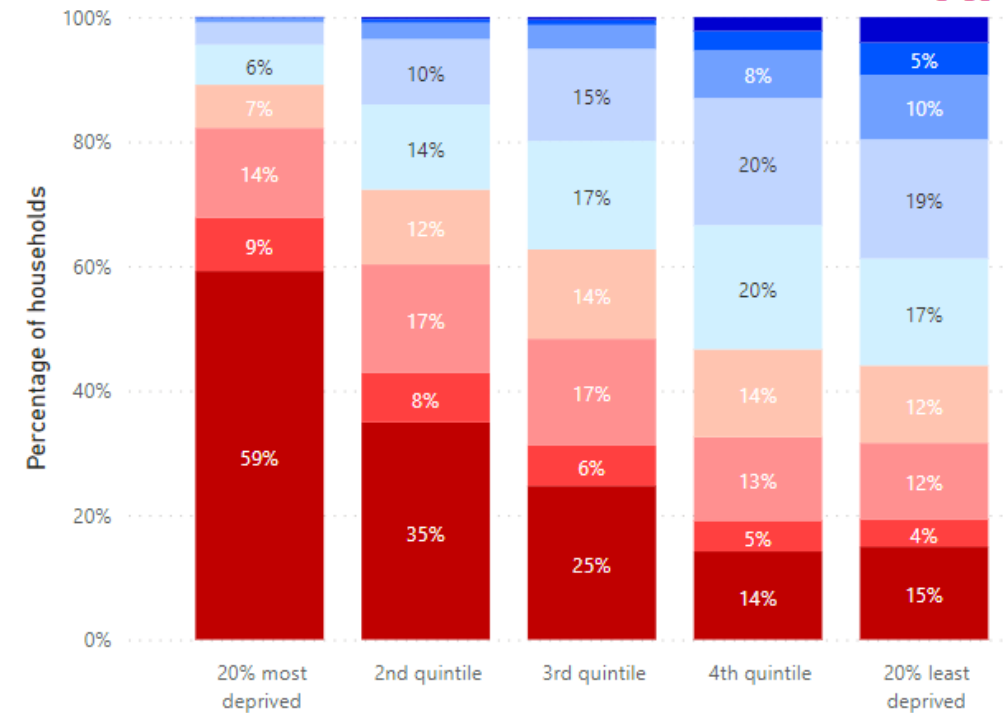
Percentage of households by discretionary income bands and national deprivation quintiles before changes applied, Southampton

Before



Percentage of households by discretionary income bands and national deprivation quintiles after changes applied, Southampton

After



Discretionary income band
Under £0
£0 to £29
£30 to £124
£125 to £249
£250 to £499
£500 to £999
£1,000 to £1,499
£1,500 to £1,999
£2,000 and over



Summary of Findings



- Based on the forecasted +120% increase in the energy price cap from April (Q2) 2021 to October (Q4) of 2022, we estimate the **discretionary income** of approximately **16% (17,421) of households in Southampton to fall below £0 per month**;
- However, almost **50% (53,109) of households** are estimated to have a **discretionary income below £125 per month**, with these households potentially in a precarious financial situation if there were unforeseen circumstances e.g. car break down
- The households **most vulnerable** to rising energy bills appear to fall most frequently within **the I Family Basics, K Municipal Tenants and L Vintage Value** Mosaic groups; accounting for 64% of households falling below £0
- Whilst there are hotspots of vulnerable household groups across many Southampton wards, the highest densities of households in Mosaic groups identified as **vulnerable appear to be located in the more deprived neighbourhoods within Southampton**
- **Impacts** of rising energy bills may be felt **across all deprivation quintiles**, however around **50% of households** forecast to have a **discretionary income below £0** are likely to be among the **20% most deprived nationally** (over 80% when expanded to the 40% most deprived)
- Whilst it is estimated that the impacts of rising energy bills will be greatest among the above three Mosaic groups and in more deprived neighbourhoods, that is not to say that other households; will also suffer negative impacts of rising energy costs
- Although, there is potentially £1,500 government support available to help households in this crisis, only £400 of this has been considered in the initial forecast. A number of households may be eligible for additional (up to £1,100) support in Southampton, but at present we have no robust way to apply this to the forecasts
- Only the **impacts on households have been considered**, however **rising energy costs** will likely have **far reaching impacts** for **schools, businesses, hospitals, care homes, etc.** – anywhere that uses energy. Also, **indirect impacts on businesses through reduced household discretionary income / spending power**
- A second forecast was produced which showed the **potential outlook if the £66 per month support for households wasn't in place**. At present, this support is due to end in April 2023. Without this support, it is estimated **36% (39,428) of households** could fall below **£0 discretionary income** and **60% of households below £125 per month**



- The Mosaic household extract provides the most probable Mosaic group and type for Southampton households. This can be linked to the Mosaic Grand Index, which provides probabilities of a household within a type having X characteristic;
- Mosaic grand index was last updated in late 2021, therefore situation for discretionary income may have worsened since
- Furthermore, household discretionary income bands and the number of bedrooms per household were assigned based on national proportions by Mosaic types. Therefore, it is unlikely that the true local of household discretionary income and numbers of bedrooms is reflected 100% accurately. Important to note that any outputs are estimates
- Additionally, random values within the range of discretionary income bands were assigned to each household as the Mosaic data does not provide the exact discretionary income of each households
- Whilst every household will receive government support of an initial £400 for 6 months (£66 a month) from October 2022. There will also be a one off cost of living £650 payment for those on means tested benefits, £300 pensioner cost of living payment (paid alongside winter fuel payment) and a £150 disability cost of living payment. This equates to a potential £1,500 support for eligible households. However, it is currently unclear how this will be applied locally, therefore these forecasts only consider the £66 a month reduction to energy bills. More can be read on the [government's Energy Bills Support Scheme here](#)
- Current energy bills were determined by number of bedrooms, but in reality usage is determined by a wider range of factors; including property size, insulation, usage, season, appliances, number of residents and payment method
- These forecasts do not account for potential changes in individuals' habits; for example cutting back on electricity and gas usage as prices rise
- Changes in discretionary income are not accounted for in the forecast, however evidence suggests that real pay is declining as a result of high inflation – [ONS: Average weekly earnings in Great Britain](#)
- Only the impact of rising energy bills have been estimated, increases in other living costs have not been considered in these estimates



- **Experian Mosaic household extract**; record of households in Southampton with the Mosaic groups and types classification applied from September 2021 – used as the base for estimating the numbers of households within discretionary income bands
- **Experian Mosaic grand index**; provides estimates for the proportion of people with a particular characteristic – used to apply percentage likelihoods of discretionary income bands and numbers of bedrooms to the household extract by Mosaic types
- **Utility Switchboard** – [How much gas and electricity does a UK home use?](#); national average electricity and gas usage estimates from August 2021 – used to estimate current energy bills
- **E.ON Energy** – [Energy Credit Plans](#); provides regional daily standing charges and price per kilowatt of electricity and gas – used to estimate current energy bills
- **Cornwall Insight** – [Price cap forecast](#); independent consultancy in the energy, utilities and environmental sector who have been forecasting changes to the energy tariff cap in the UK – used to apply estimated changes to current bills
- **Department for Business, Energy & Industrial Strategy** – [Energy bills support scheme](#); All households with a domestic electricity connection in Great Britain are eligible for the £400 discount; used to account for £400 government support (£66 a month from October)



<https://data.southampton.gov.uk/>

Southampton Data Observatory contains a large range of data, intelligence and insight on a range of topics:

- **Economic Assessment**
- Poverty and Deprivation
- *Neighbourhood Needs Analysis*
- *Community Safety Assessment*
- *VAWG Profile*
- Surveys and research results
- Population
- Health and Wellbeing (JSNA)
- Needs assessments
- Key facts, datasets and dashboards
- Signpost to externally published resources

The screenshot shows the Southampton Data Observatory website. At the top, there is a search bar and a navigation menu. Below the search bar, there are eight icons representing different data categories: Population, Health, Economy, Place, Community Safety, Children and Young People, Surveys and Research, and Data and Resources. At the bottom, there is a 'KEY FACTS' table with the following data:

KEY FACTS			
ESTIMATED POPULATION 260,111 HCC 2020-BASED SAPF	NUMBER OF DWELLINGS 109,900 VOA 2021	NUMBER OF BUSINESSES 8,785 ONS UK BUSINESS 2021	UNEMPLOYMENT 7,300 (5.1%) ONS APS SEPTEMBER 2021
MALE LIFE EXPECTANCY 78.3 ONS 2018-20 (POOLED)	FEMALE LIFE EXPECTANCY 82.5 ONS 2018-20 (POOLED)	LIVE BIRTHS PER YEAR 2,791 ONS 2020	DEATHS PER YEAR 2,011 NHS DIGITAL PCMD 2020

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