

# Cost of Living - Background

Emerging from Pandemic:

Increased energy demand from economies booting back up in the South East Asian Market

Conflict in Ukraine – reduced supply

Dramatic increase in energy prices



# Cost of Living - How this looks for Dorset?

Senior Leadership asked Business Intelligence to model what this could mean for Dorset going forward

We used modelled data from Experian that looks at households (discretionary) Income by different household Group across Dorset.

We have looked at this data in detail and considered what this means for the residents of Dorset

Produced a predictive model for Dorset Council area



The model has a range of data integrated into it

- Energy Price Cap
- Inflation figures from the OBR
- Wage Inflation from the OBR
- **Cost of Living Mitigation** from Govt:
  - Universal Household £400 payment
  - Additional payments for those on universal credit, older residents,
  - and those with disabilities
- This data has been looked at over time to consider potential impacts by:
  - household group and by area
- **This is only modelled data – to provide us with a guide**



Earlier this summer, prior to Government interventions, the model was adjusted to reflect the impact of anticipated energy price cap in:

- January 2023 - £4,200
- April – 2023 £6,000

The following slides illustrate the potential impact on Dorset residents the model projected for January 2023 and April 2023

Followed by the impact that is now being predicted given the government intervention

We are working closely with our community and engagement team as well as the voluntary sector to help target resources effectively



Summary

Fuel cap  
£4,200

Assumptions

Fuel cap  
£6,000

77,748

Households in the red  
(<£0)

42.6%

% households in the red  
(<£0)

77,748

Households significantly  
impacted (<£50)

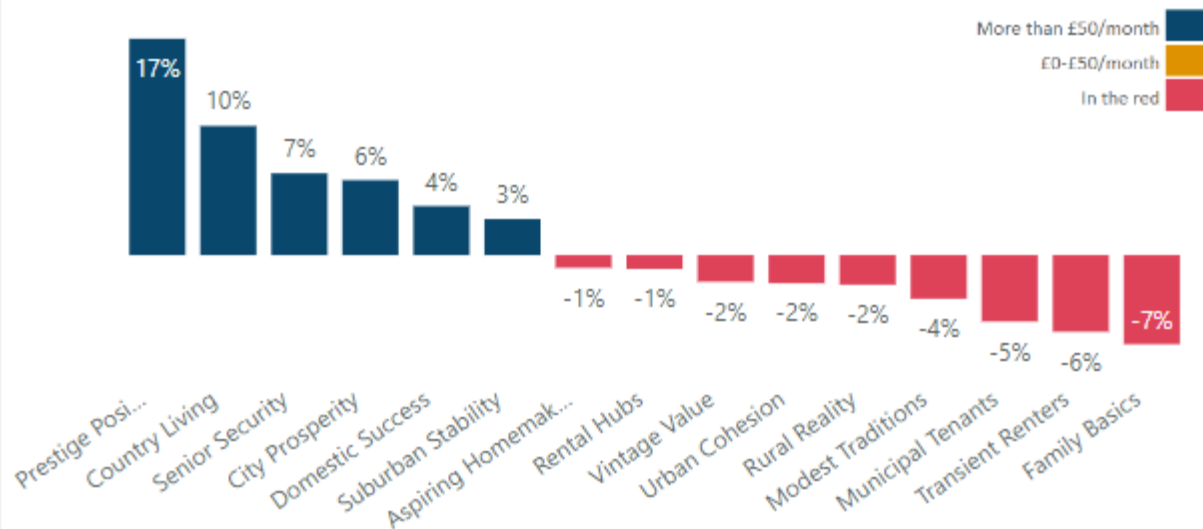
42.6%

% households significantly  
impacted (<£50)

Discretionary income as a proportion of total income



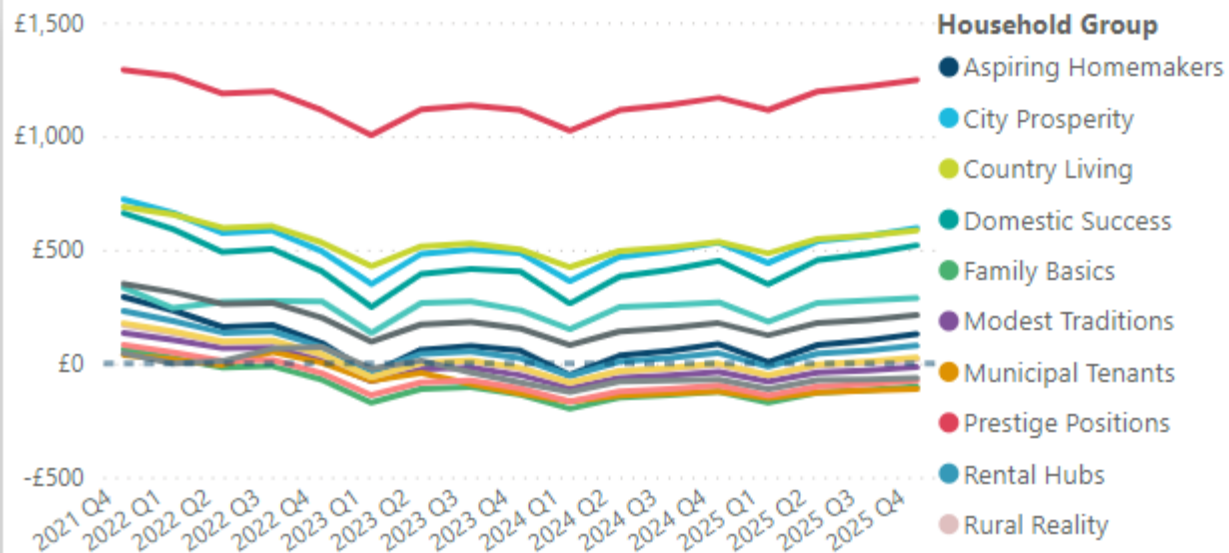
2023 Q1



Filter - Groups

All

Median discretionary income (monthly)



Summary

Fuel cap  
£4,200

Assumptions

Fuel cap  
£6,000

77,748

Households in the red  
(<£0)

42.6%

% households in the red  
(<£0)

89,580

Households significantly impacted (<£50)

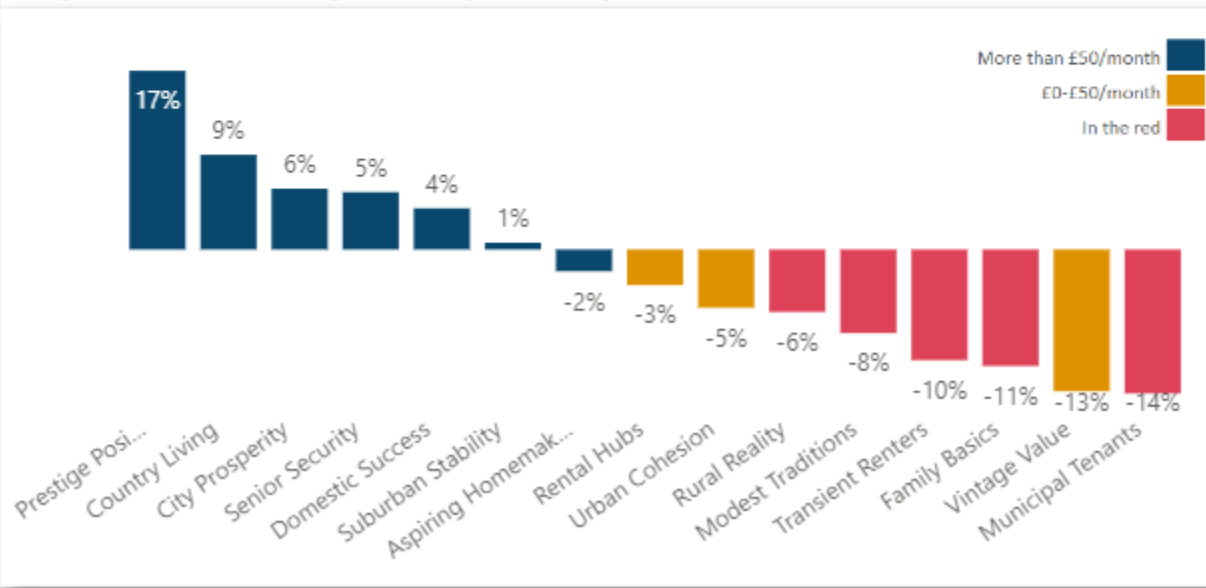
49.1%

% households significantly impacted (<£50)

Discretionary income as a proportion of total income



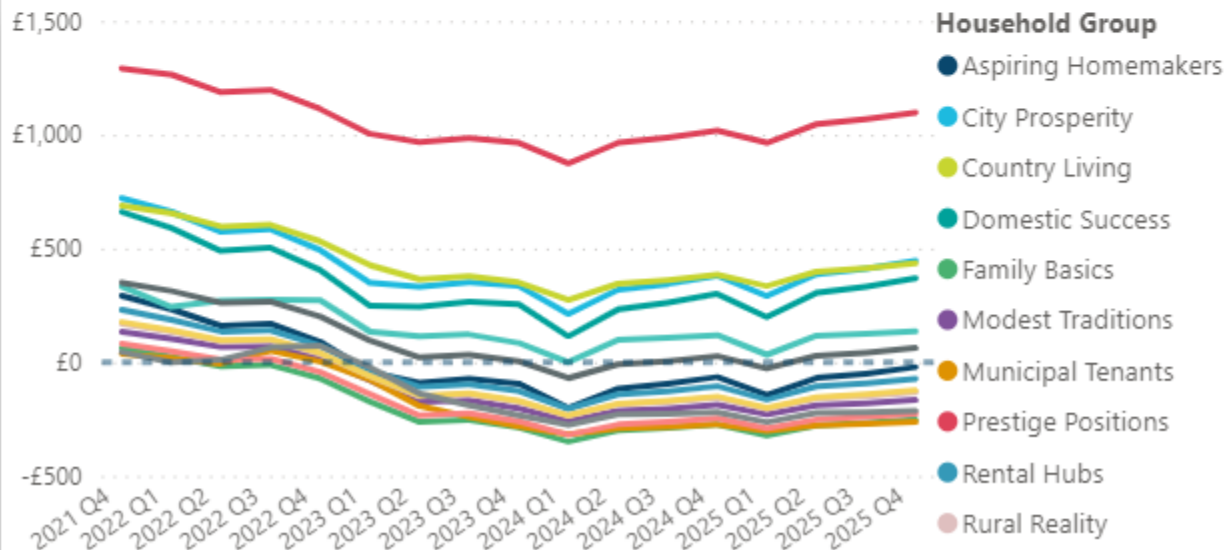
2023 Q2



Filter - Groups

All

Median discretionary income (monthly)



Summary

Assumptions

11,188

Households in the red (<£0)

6.1%

% households in the red (<£0)

28,379

Households significantly impacted (<£50)

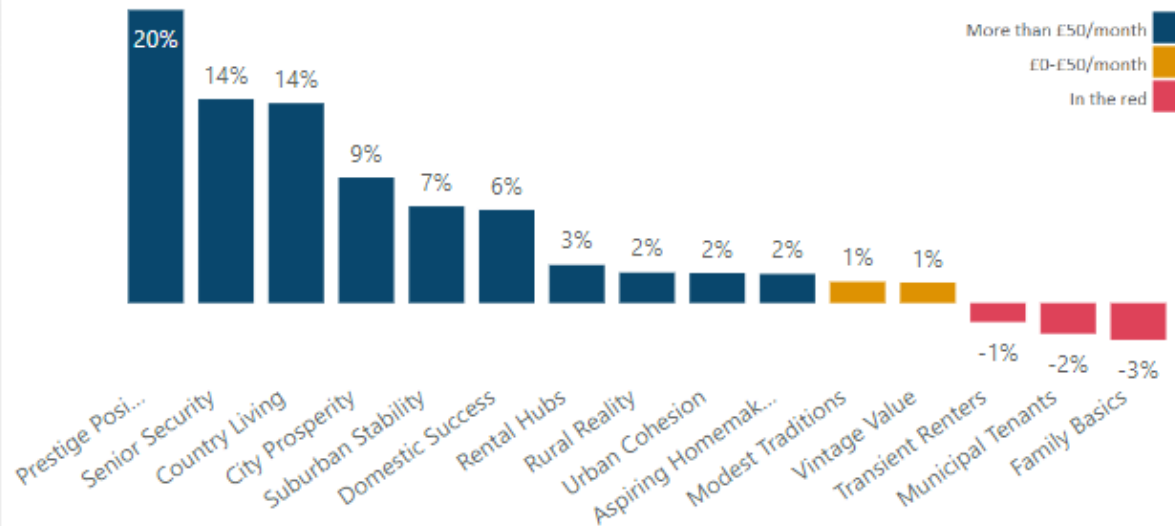
15.6%

% households significantly impacted (<£50)

Discretionary income as a proportion of total income



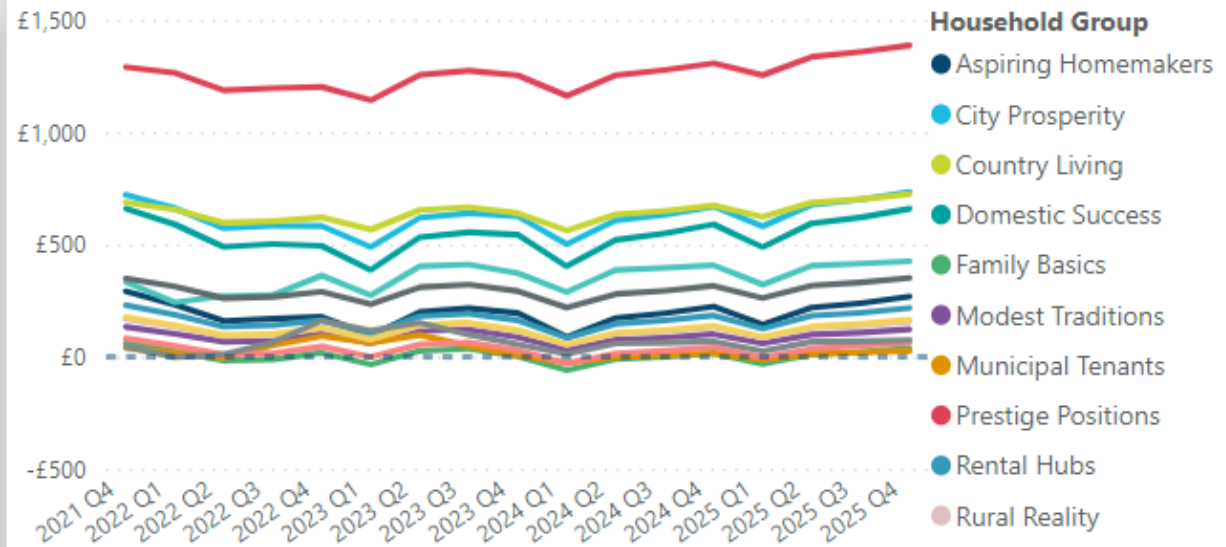
2024 Q1



Filter - Groups

All

Median discretionary income (monthly)



# Forecast - Simple Map View

Corporate Development - Senior Leadership Team  
Produced by Business Intelligence & Performance

Home Page

Report Guidance

FOR INTERNAL DORSET TOGETHER MEMBERS  
AND PRE-AUTHORISED USE ONLY



2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

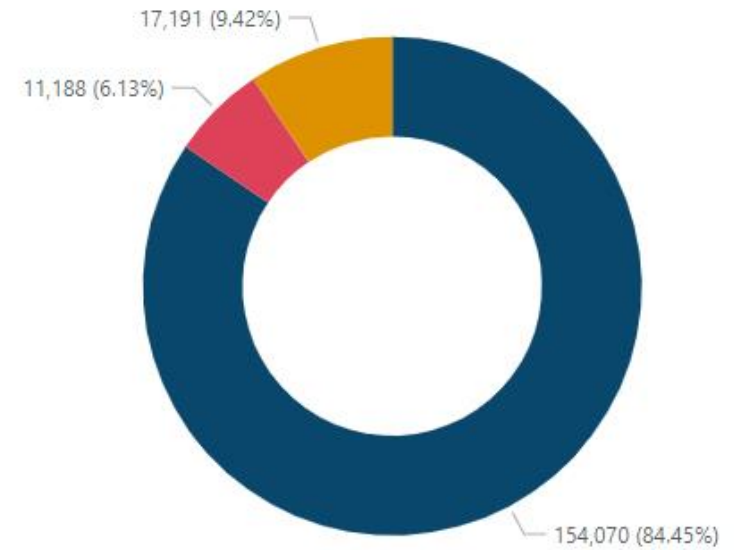
More than £50/month  
£0-£50/month  
In the red

These figures are forecasts and should be treated with caution!

## Predominant Household Groups with £50 or less discretionary income per month:



## Proportion of households within each income group





# Cost of living crisis in Dorset

Corporate Development - Senior Leadership Team  
Produced by Business Intelligence & Performance (Place & Corporate)

Home Page

Report Guidance

22/09/2022 10:08:58

Data Last Refreshed



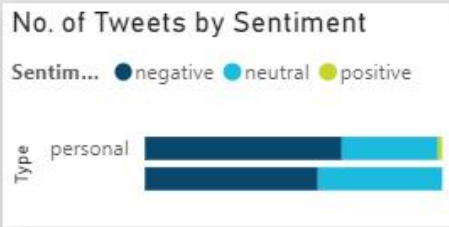
Sentiment

Emotion

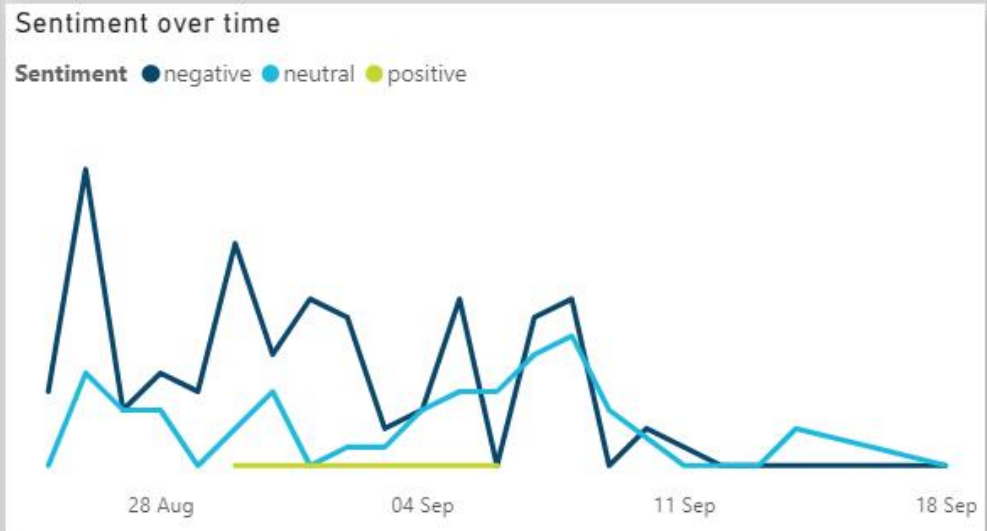
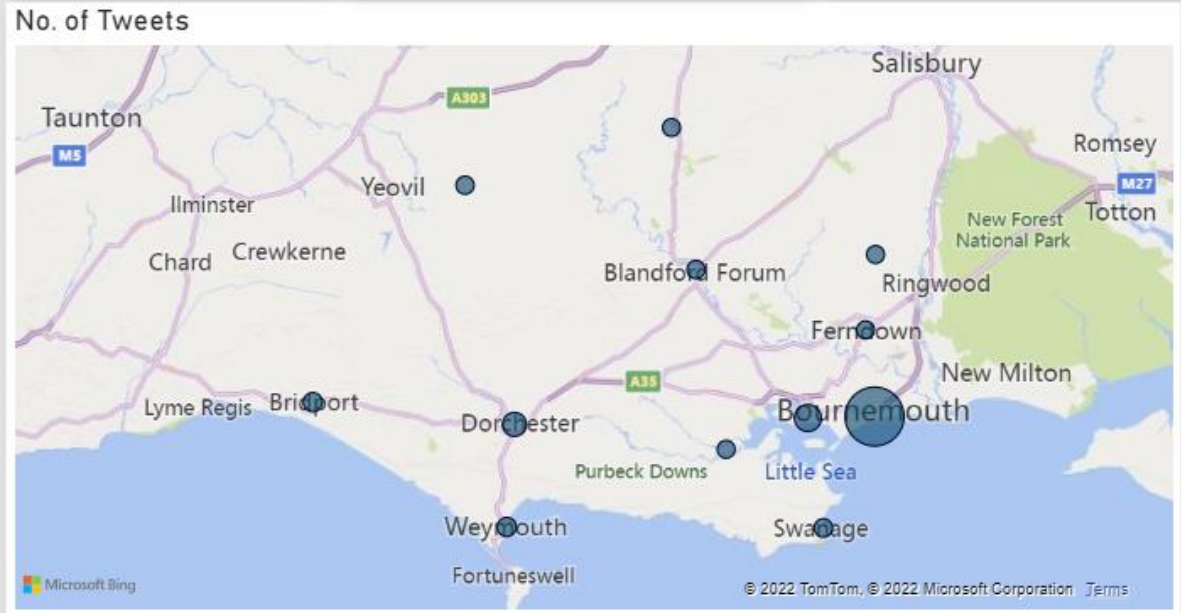
25/08/2022 18/09/2022



191  
No. of Tweets



- ### Tweet topic (cluster)
- Economy
  - Energy Bill
  - Food/Fuel
  - General Cost
  - Support



- Unfortunately we feel the model currently cannot reasonably incorporate the potential impact on residents of the current and likely market conditions following the mini-budget – interest rates, national insurance, tax changes etc
- Not only is this an ever changing story but would involve
- a degree of assumptions to be made for households that would be difficult to gauge
- However, we are keeping a watch on this and will incorporate any changes where deemed possible



# Impact of the model

- The model was presented to our Senior Leaders
- Who immediately released resources and capacity to our community engagement team
- Working with the voluntary sector to target additional resources
- Highlighted what the potential impact would be to our MPs during the summer
- Data for Good – let's hope so

