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Inequalities and the Cost of Living: Experiences of New Horizons Participants

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1. Executive Summary

The New Horizons programme provides up to 20 hours of one to one coaching to people on low incomes in Cambridgeshire and Peterborough, and aims to support people with managing money, finding work, and getting online. This report presents the findings of the final phase of evaluation of New Horizons carried out by the Cambridge Centre for Housing and Planning Research (CCHPR). The report is focused on how New Horizons participants are managing with the rising cost of living, its impacts on people's lives, and how different forms of inequality interact as people navigate increasing pressures on their finances. The rapid rise in the cost of living in the UK over the past several months has seen a marked increase in the number of people living in poverty (Joseph Rountree Foundation, 2023). And given that people on the lowest incomes are known to be disproportionately affected by the rise in the cost of living (see Trust for London, 2023), the New Horizons client group is likely to be facing some of the worst effects. As the New Horizons project draws to a close after over 6 years of providing coaching, this report highlights how its client group – and others living in poverty in the UK – are experiencing the significant issues caused by the cost of living crisis. The report also highlights the implications that the rising cost of living has had on the New Horizons programme more broadly.

The key findings presented in the report can be summarised as follows:

- The **effects of the rising cost of living for New Horizons participants** have been significant. Many New Horizons participants are struggling to afford everyday necessities. Some people have reduced their energy use as far as possible, while others are avoiding social activities to save money. This has a serious impact on wellbeing.
- **The vicious circle of poverty**, in which experiencing one form of disadvantage exacerbates vulnerability to other forms of inequality, is highlighted as creating key difficulties for New Horizons participants struggling with the rising cost of living. For instance, being unable to afford transportation can create challenges for redeeming energy vouchers.
- **Uncertainty** about how people will be able afford to pay their bills is preventing some New Horizons participants from feeling able to plan for the future. There is considerable hesitancy around moving on from temporary accommodation, where utility bills are covered, as a result of the fear of being unable to cope with the cost of living.

- **Digital exclusion** is known to be closely associated with poverty. It follows that while online connectivity is understood by many New Horizons participants to be essential, some participants are reducing their level of digital inclusion to save money. Indeed, some people are giving up home broadband, and relying instead on mobile data, which can limit access to online opportunities.
- **Fuel poverty** has been a key aspect of many New Horizons participants' experiences of the rising cost of living. There are several key points to highlight here:
 - **The poverty premium**, which sees people on low incomes paying more for everyday goods and services, is a widely recognised issue, which affects New Horizons participants in two key ways. Firstly, people on pre-payment meters are understood to pay more for their energy use. Secondly, when people are on pre-payment meters for their gas and electricity, they may not have the funds to top both meters up. This can mean having to rely on more expensive electric heaters until such a time as money becomes available to top up the gas meter.
 - **Housing inequalities and fuel poverty** are known to be closely related. Some homes are harder to heat than others. This can be due to the quality of the building itself, or due to specific individual housing circumstances.
 - The **stigma** associated with fuel poverty has long been recognised. Indeed, this stigma is rooted in the broader stigmatisation of poverty. However, New Horizons coaches and participants highlight that there is a sense that 'everyone is in the same boat' due to the rising cost of living, and given that so many people are struggling with energy bills, having a cold home is accepted as a widespread condition.
- **Geographical disparities** in access to cost of living support mean that there is a 'postcode lottery', with people's addresses affecting their eligibility for some offers of financial help. Indeed, New Horizons coaches highlight that they are able to seek certain grants for some of their clients and not others, based on their location. In addition, where people live shapes their access to affordable goods and services. For instance, given the financial pressures that people face as the cost of living continues to rise, some people cannot afford the cost of transport to access cheaper supermarkets, and instead are having to buy their food at a higher cost from accessible local convenience shops.

- **Coaching during the cost of living crisis** has been increasingly focused on securing vouchers and grants to supplement participants' incomes. There is recognition that no amount of budgeting can solve people's financial problems at the present time, as incomes are simply too low to cover all necessary expenditures due to the rising cost of living. Coaches highlight that there is often nothing more they can do, and that there is a limit to the effectiveness of coaching in the present economic and political climate.
- While it is clear that the cost of living crisis has created and exacerbated several issues which coaching does not seem able to solve, interviews with New Horizons participants reveal **how New Horizons helps** in other key ways. As previous phases of the New Horizons evaluation have found, participants value the non-judgemental approach which coaches take, and highlight that their coach has helped alleviate some of the negative emotions which some participants feel as a result of the stigmatisation of claiming benefits. Participants reflect that having someone to talk to has key advantages for wellbeing. These sentiments do not appear to have changed as a result of the rising cost of living.

2. Introduction

2.1. New Horizons

The New Horizons programme is managed by CHS Group (Cambridge Housing Society), and is delivered in partnership with other organisations, including Voluntary Norfolk, Centre 33, Cross Keys Homes and Longhurst Group. Working-aged people living in Cambridgeshire, Peterborough and West Norfolk who are not currently in employment, or are struggling to make ends meet, are able to enrol in the programme to receive up to 20 hours of one to one coaching across three key areas:

- **Managing money:** Participants work with their coaches to address debts and other pressing financial problems, as well as receiving advice on budgeting with the intention of stabilising participants' finances in a sustainable way.
- **Finding work:** Participants may work on writing a CV, considering potential options for future jobs, exploring opportunities for volunteering or training courses to develop employable skills, and searching for work online.
- **Getting online:** Participants may work with their coaches to improve their digital skills, as well as exploring options for gaining access to affordable internet connections and devices.

2.2. The evaluation

The Cambridge Centre for Housing and Planning Research (CCHPR) is the evaluation partner for New Horizons and has produced a series of reports examining the various impacts that the programme has had for participants over its duration. Previous reports addressed topics including digital exclusion, and the long term impacts of New Horizons after participants have exited the programme. As the latest phase of New Horizons draws to a close, this report seeks to examine how various facets of inequality intersect for New Horizons participants, and people in similar situations, in the context of the rising cost of living.

Given that New Horizons supports people who are often already on very low incomes, and are therefore likely to experience some of the worst effects of the cost of living crisis, this report provides a timely reflection on the multiple ways in which the rising cost of living is shaping inequalities for those already among the most disadvantaged. The findings are presented in the analysis to follow.

3. Inequality and the Rising Cost of Living

Since the end of 2021, a rapid and sustained increase in the cost of living has occurred in the UK, with disastrous effects for many people, leading many commentators to brand the situation as a 'cost of living crisis'. The reasons for the crisis include the impacts of Brexit (Partington and Kirk, 2022), the enduring impact of the pandemic (Francis-Devine et al., 2023), the impact of the invasion of Ukraine (ibid), and economic policy (Stewart and Allegretti, 2022). But regardless of the causes, the consequences are clear, with poverty rates climbing over the past year (Joseph Rowntree Foundation, 2023).

Inflation in the UK (as measured by the Consumer Price Index (CPI)) has remained at over 10% since September 2022, rising rapidly from its September 2020 level of 0.5% (ONS, 2023). Meanwhile, inflation of food prices stands at its highest level for 45 years, with average grocery prices rising by 16.7% over the course of the last year, and as of January 2023, inflation of housing and bills stood at 26.7% (Race, 2023). Energy prices are a key factor in the rise in household bills, and while the government offers an Energy Price Guarantee (EPG) to keep average household bills below a certain level, this level is set to rise at the end of June (Gov.uk, 2023).

There is clear evidence to suggest that the cost of living crisis is disproportionately affecting those who are already the most disadvantaged. Notably, under the EPG, customers on pre-payment meters pay an estimated 6% more than customers able to pay by direct debit (Money Saving Expert, 2022). Indeed, among people living in England's most deprived neighbourhoods, 63% found it difficult to pay their energy bills, compared with 35% of those living in the least deprived areas (ONS, 2022). Experiencing certain facets of disadvantage heightens vulnerability to further dimensions of poverty: People on low incomes are more likely to live in poor quality housing which is more difficult to heat, meaning that housing inequality exacerbates the risk of fuel poverty for many already struggling households (NEA, 2022).

Additionally, low income households are facing steeper increases to their expenses than higher income households (Institute for Government, 2022). Indeed, given that energy costs make up an average of 11% of total outgoings for low income households compared to just 4% of total outgoings for the wealthiest households, inflation is estimated to stand at 3% higher for those on the lowest incomes than for those on the highest incomes (Karjalainen and Levell, 2022). Further, the prices of low-cost staple foods have typically increased more than the prices of luxury foods, meaning that the reported rates of food price inflation do not accurately capture the experiences of those most severely affected by the cost of living crisis (Monroe, 2022).

As noted in previous New Horizons reports, different forms of inequalities intersect with one another in several ways to differentially shape people's experiences of living in poverty. For example, digital exclusion has been shown to have multiple financial implications – including making it more difficult to search for employment, making it more difficult to find well-paid work (as such jobs often demand digital skills), and making it more difficult to find good deals, resulting in people paying more for essentials. Meanwhile, fuel poverty, and in particular, the fear of being unable to pay rising energy bills, can cause people to cut down their spending in other areas (Longurst and Hargreaves, 2019). And given that cost is often highlighted as a key barrier to getting online, it stands to reason that expenditure on internet connections and devices such as laptops and smartphones may be costs that those worried about fuel poverty cannot afford (see Holmes et al., 2022). This report therefore seeks to outline some of the key ways in which various forms of inequality interact for New Horizons participants in the context of the rising cost of living.

4. Methods

This report presents data collected through semi-structured interviews conducted with New Horizons participants, coaches and managers. A total of 12 interviews, with 5 coaches, 2 managers, and 5 participants, were conducted between December 2022 and February 2023.

Coaches were asked to provide contact details for participants who wanted to take part in the research. Coaches identified a total of 8 participants who had agreed to have their contact details shared with the research team, and these participants were contacted via text message before attempts were made to call them for telephone interviews. All New Horizons participants who took part in an interview were given a £10 shopping voucher to thank them for their time.

Interviews were recorded and transcribed for analysis. Interviews were analysed thematically, with transcripts coded by the key themes which arose. In order to preserve anonymity, pseudonyms are used to refer to interview participants throughout this report. These are listed below.

Table 1. List of pseudonyms

	Pseudonym	Role
1	Louise	New Horizons participant
2	Will	New Horizons participant
3	Leah	New Horizons participant
4	Harry	New Horizons participant
5	Barry	New Horizons participant
6	Emma	New Horizons coach
7	Sam	New Horizons coach
8	Charlie	New Horizons coach
9	Alex	New Horizons coach
10	Pat	New Horizons coach
11	Claire	New Horizons manager
12	Debbie	New Horizons manager

5. Findings

This section sets out the findings of this research, with a particular focus on how the rising cost of living is affecting New Horizons participants, how various forms of inequalities faced by New Horizons participants coalesce and interact, and how taking part in New Horizons may help to mitigate some of the challenges faced by participants.

5.1. Effects of the rising cost of living for New Horizons participants

Given that the cost of living crisis is disproportionately affecting those on the lowest incomes (see Trust for London, 2023), many New Horizons participants – who are unemployed or economically inactive – have experienced significant financial difficulties as a result of the rising cost of bills and everyday items. Many New Horizons participants are living on very low incomes and have reported that getting by has become increasingly difficult in recent months. Indeed, Harry highlights that after paying his bills and rent, he has approximately £7.50 a week left to spend on food and any other outgoings. This is despite trying to keep his bills low by using as little gas and electricity as he possibly can:

I have the lowest usage possible. I did speak to the power companies and that, and I am low [in terms of the amount of energy I use]. I have literally one shower a week, do the washing once a fortnight in the washing machine. I do stuff like that, limit the time the machine's on. Yeah, and fortunately, the weather has not been that bad, so I've only had to have the heating on once so far – Harry, New Horizons participant

Harry was also using solar-powered garden lights, leaving them outside to charge during the day, and bringing them inside at night time, to avoid using his mains-powered lighting in an effort to further reduce his electricity bills. While some New Horizons participants are not in a position to be able to go to these lengths to reduce their expenditure – for instance, due to caring responsibilities or health conditions which mean avoiding using the heating is impossible - this experience of cutting down expenditure to the bare minimum is not unique. Another New Horizons participant highlighted that given the rising costs of essentials such as food and electricity, many everyday activities are no longer affordable:

Doing anything fun, you know, isn't an option. I'm never going to go down the pub with friends anymore in that kind of setting. Like, I kind of live a decent amount away from my family and stuff...So it's really hard to see people – Will, New Horizons participant

Meanwhile, another New Horizons participant reported that she had had to stop attending therapy sessions, which she had previously been paying for privately. Trying to manage with the rising cost of living can therefore have serious consequences for health and wellbeing. Indeed, poverty and social isolation are understood to be linked (Zavaleta et al., 2014), and with the rising cost of living rendering the costs of socialising or travelling to meet friends and family unaffordable, this issue is heightened.

5.2. The vicious circle of poverty

It is widely understood that experiencing one form of disadvantage can have the effect of exacerbating vulnerability to other forms of inequality. For instance, previous research with New Horizons participants has shown that housing inequalities can pose a barrier to getting online, which then limits people's opportunities in numerous ways, including posing challenges for job searching, managing bills, finding better deals, and participating in online learning (Holmes and Burgess, 2022). Indeed, coaches highlight that poverty is often a vicious circle, in which disadvantage becomes compounded:

They might be offered a job interview. But they're like, 'okay, but now I can't afford the bus to get in for that job interview'. And then they miss it and then the job centre sanctions [them]. And they're like, 'well, thanks'. And then they're in this sort of cycle. They're not able to move forward with things – Alex, New Horizons coach

It stands to reason that the rising cost of living will further entrench this issue. Crucially, this 'cycle' can pose a significant barrier to receiving much needed financial support. As Claire, a New Horizons manager, highlighted, some New Horizons participants have tried to redeem their energy top-up vouchers issued via the Energy Bills Support Scheme (Gov.uk, 2023), and struggled to do so. Claire recounts how one New Horizons coach made several trips to various shops to find one which would accept the vouchers – something which people living on very low budgets may not be able to afford to do, owing to the cost of transportation. This is, of course, a challenge which those who can afford to pay a monthly direct debit for their energy, do not have to face. Those who are already among the most disadvantaged therefore face additional barriers to receiving cost of living support.

5.3. Uncertainty and inequality

While many New Horizons participants live in socially rented houses or flats, rented either from the local authority or from Housing Associations, others are housed in temporary accommodation, including hostels and sheltered housing. This means that New Horizons participants' experiences of the rising cost of living varies significantly, since some participants who live in temporary accommodation have their energy and utility costs covered in their rent payment, and therefore have not had to deal directly with managing such bills. Among this group, the rapid rise of the cost of living in the UK appears to be holding some New Horizons participants back:

There's definitely been a sort of hesitancy with regards to moving forward. I'd say there's a lot of hesitation in looking at either going to university or going to a flat and whatnot... Especially with the utilities and you know, in terms of electricity, and the water and whatnot. – Leah, New Horizons participant

The fear of being unable to cope with utility bills is therefore preventing New Horizons participants from feeling able to move on from temporary accommodation, or to take steps in their lives – such as going to university – which were previously on their agenda. The uncertainty – and, by extension, worry – created by the cost of living crisis therefore has clear implications for New Horizons coaching. While previous New Horizons research has highlighted that people's mental bandwidth can be consumed by money-related stress, leaving them unable to tackle other seemingly less imminent concerns (such as getting online) (Holmes and Burgess, 2021a), the cost of living crisis appears to be limiting some New Horizons participants' opportunities by making people feel unable to make choices which would potentially see them more fully exposed to the impacts of rising costs. As such, while New Horizons coaching has previously sought to help people make positive changes in their lives, stasis appears to be viewed as the safest option for some people in the current circumstances.

Indeed, coaches highlight that progress which had been made by some participants towards improvements in their personal finances has effectively been undone by the rapid rise in the prices of everyday goods and services. Here, one coach outlines the situation one of their participants is facing:

All the debts were cleared, the rent arrears were cleared, they were in credit, they were feeling really good. We worked a bit on a CV, they were just planning for future and then the energy [bills] increase meant that they struggled then to afford things. Their discretionary housing payment ended.

They were then definitely not able to afford the shortfall. And they're still struggling now. – Alex, New Horizons coach

Alex highlights that this participant, who had cleared their debts to get onto a stable financial footing, is now at risk of eviction or having to move out of their home, because they can no longer afford their rent. Similar experiences were recounted by Debbie, a New Horizons manager. The cost of living crisis is, in effect, moving the goal posts, such that the strategies people had been employing to improve their situation are no longer working.

5.4. Digital exclusion

A previous phase of the New Horizons evaluation covered the topic of digital exclusion extensively (see Holmes and Burgess, 2021b). Earlier findings will not be repeated here, but given the well-documented relationship between digital exclusion and poverty (Longley and Singleton, 2009), it is worth noting how the rising cost of living has affected New Horizons participants' opportunities for getting online.

There is recognition that being online is essential for a wide range of everyday activities, including social, leisure, and work activities, and that losing access to the internet would be detrimental for many New Horizons participants. As such, coaches highlight that New Horizons participants have typically remained online in recent months.

However, as Pat, a New Horizons coach, highlights, some participants are giving up their home broadband and relying instead on mobile data:

I've had a couple of clients who have just completely cut off their Wi Fi. And they're now just focusing on their data. So that's all they've got – they've got their phone and their data, which is still is still good, but it means that yeah, they are technically excluded. There are some things you can only do on a laptop – Pat, New Horizons coach

As Pat highlights, relying on mobile data for online access means that while participants may still be able to access some online opportunities, their degree of digital inclusion is reduced compared with when they were able to use broadband. Indeed, one New Horizons participant highlighted that as her data contract is limited, she rations her data, saving it for job searching activities. Another participant highlighted that relying on mobile data can be frustrating:

I used to have Wi Fi, I just kind of stopped [my contract], cancelled it, and I just use my mobile device... It's pretty annoying. It's like, I can still like tap on my laptop [by hot-spotting] or whatever. But it's not great. Yeah, it's just a lot slower and it's kind of spotty sometimes – Will, New Horizons participant

Will highlights that he often downloads large files overnight, since his download speeds over mobile data are particularly slow. It is clear, therefore, that this lower level of digital inclusion has implications for accessing online opportunities. It is also notable that while people are indeed cutting their expenditure on online access, being online is nonetheless recognised as an essential expense. As one coach, Emma, highlighted, “we've learned through the pandemic, that [being online is] a necessity, [it] isn't a luxury”.

5.5. Fuel poverty

Fuel poverty has affected New Horizons participants in numerous different ways:

5.5.1. The poverty premium

The discussions with New Horizons participants, coaches and managers reflect existing knowledge that there exists a poverty premium on energy bills (see Money Saving Expert, 2022) which has been highly noticeable in recent months. Indeed, those who cannot afford direct debits for their energy bills and who are instead on pre-payment meters often find themselves being charged more for their energy use. However, the poverty premium also works in more complex ways:

I have to use the payment card to take to the shop for the gas topping up... I know when I've run out of gas, that's when my boiler starts to flash. And I have to rely on a little [electric] heater, which I have in the bedroom, until I know I've got the money to top up the gas. – Louise, New Horizons participant

Here, Louise explains that she is on a pre-payment meter for her gas, and when she has run out of money on her gas meter, she has to walk to the nearest shop to top-up if she can afford it. Since she is on a low income, she often doesn't have this option, and instead must rely on a more expensive electric heater which only heats one room until she has the money available to top up.

5.5.2. Housing inequalities and fuel poverty

Housing inequalities are widely understood to be a key factor in fuel poverty. As previously highlighted, those on low incomes are more likely to live in poor quality housing which can be more difficult to keep warm (NEA, 2022). Interviews with New Horizons participants and coaches affirm this. Indeed, Louise, a New Horizons participant, commented that her new flat was easier to keep warm and free of mould than the flat she previously lived in, owing to the quality of the windows.

Notably, the way in which housing circumstances shapes vulnerability to fuel poverty appears to go beyond building quality. One New Horizons coach, Charlie, highlights that one of their clients is struggling to stay warm because of the threat of demolition of the block of flats she lives in:

She's in a building, she's waiting to hear what's going to happen to the building. They're either going to demolish it or refurbish it. And a lot of people have already started moving out. And she was saying yesterday that she can feel the difference... it's as if the building is a lot colder, because a lot of the properties are empty – Charlie, New Horizons coach

The management of the block of social housing flats that this New Horizons participant lives in – and the uncertainty around its future – is having a clear impact on her ability to keep warm. Indeed, Charlie suggests that the decision about the future of the building was delayed by several months, over which time, neighbours had begun to vacate their flats, leaving them unheated. Vulnerability to fuel poverty therefore has an important temporal dimension, which is shaped in specific ways by individual and local circumstances, including by decision-making (or lack thereof) on the part of housing providers.

5.5.3. Stigma and fuel poverty

Existing literature highlights that there is a stigma experienced by many people living in fuel poverty. Indeed, one study shows that coldness and dampness in the home may be linked to the wider stigmatisation of poverty, and that smells of mould are sometimes linked to the stigma associated with 'uncleanliness' (Hards, 2013). This is reiterated by Emma, a New Horizons coach:

I had clients where I could tell that they hadn't washed and the clothes they were wearing weren't clean. But I knew it's because they didn't want to run the

washing machine - that uses water, and that uses electric... I think it's the stigma of seeing the consequences of [poverty] – Emma, New Horizons coach

Indeed, as Emma suggests, the stigma associated with fuel poverty is rooted in the stigmatisation of poverty more broadly. There is also evidence to suggest that this stigma, or a sense of embarrassment, can put people off seeking and accepting help for fuel poverty (Longurst and Hargreaves, 2019), and can mean that people refrain from inviting others into their homes (Hards, 2013). However, most coaches highlighted that the majority of New Horizons participants were still happy for their coaching sessions to take place at home.

Notably, there was a sense from both participants and New Horizons staff that the cost of living crisis, and the widespread difficulties with paying energy bills which it has created for many people, has to some degree lessened the stigma of fuel poverty. Indeed, people are talking about the fact that they can't afford to put the heating on in everyday conversation:

I think it has come up in conversation quite a lot. Because I think it's one of those things that's massively impacting everyone everywhere. So yeah, it's almost inevitable, I suppose. – Leah, New Horizons participant

Indeed, this sense that 'everyone's in the same boat', as Harry, a New Horizons participant, put it, has meant that fuel poverty is now an accepted condition for many people. As Charlie, a New Horizons coach, highlighted, while there remains a sense of concern around exposing guests to a cold home, it is also understood that this is for many people unavoidable.

[My clients] are asking me if I'm cold, and you know, they don't want a guest or somebody coming into the house to be cold. I think there is a stigma. But it's also the harsh reality, which brings with it a form of acceptance. – Charlie, New Horizons coach

Leaving aside the fact that it ought to be deeply concerning that fuel poverty now appears to be accepted as a normal condition in the UK, it is clear that fuel poverty is an important aspect of many New Horizons participants' experiences of the cost of living crisis. Also clear is the fact that fuel poverty itself and the way in which people's experiences of it unfold, are rooted in other forms of inequality which coalesce and are compounded by the rising cost of living.

5.6. Geographical disparities

There are clear geographical differences in the effects of the cost of living crisis across the UK. The UK's poorest cities have experienced greater levels of inflation than the wealthiest cities (Rodrigues and Quinio, 2022). Cambridge is among the cities thought to have fared the best in the cost of living crisis, with inflation in May 2022 recorded at just under 3 percentage points lower than in the hardest-hit cities (ibid.). However, interviews with New Horizons staff and participants reveal that there is nonetheless considerable variation in experiences of the rising cost of living at the local scale, with where you live shaping access to support, and influencing opportunities for saving money.

Coaches and managers highlight that eligibility for some grants is dependent on where participants live:

I've got one client, they live in Norfolk technically, they're in Wisbech, but they're very close to the border so they can't access any of the Cambridgeshire grants – Alex, New Horizons coach

In addition to this 'postcode lottery' for accessing support, participants also face variable levels of access to affordable goods and services. Here, one New Horizons coach recounts how living further away from large supermarkets can be a disadvantage for participants:

They can't afford the delivery [charge] for food. And they can't afford a taxi. So they have to do smaller shops... One participant that I'm thinking of is the one that's really struggling with... food costing them more. There's a small Tesco [convenience shop] up the road, but if they wanted to go to [the bigger] Asda or Iceland, they'd have to pay the extra for delivery – Alex, New Horizons coach

Clearly, there is a geographical dimension to the cost of living crisis which transcends any regional variations in inflation. Given that the cost of travelling (via public transport or private transport) may be unaffordable for people on very low incomes, exactly where people live, and what amenities are accessible to them without having to pay for transport, has a significant impact on their own cost of living.

5.7. Coaching during the cost of living crisis

While New Horizons participants' experiences of the rising cost of living vary, coaches and managers highlight that there have been changes to the approach taken to coaching over the past several months.

Coaches and managers highlight that there has been an increased emphasis on securing vouchers and grants for clients to supplement incomes which do not stretch far enough amid the cost of living crisis:

A client of mine, he says he has £8 a day... He's on Universal Credit. So, you know, being able to do an award where they might be able to put £50 on the gas and £60 on the electric, or £50 on the fuel and a £50 supermarket voucher... it just takes the pressure off. And it can free up money for other things, even if it's just for a short time – Charlie, New Horizons coach

However, there is a recognition that while providing such vouchers provides short term relief, this is unlikely to improve people's lives in the longer term. Indeed, the extent of inflation in the UK, combined with stagnating incomes and a punitive welfare system, means that coaches are increasingly finding that there is nothing more they can do to support their clients:

I'm all out of options... You can't magic money out of thin air, you can't really take any more money out of the food budget without risking malnutrition and those things – Alex, New Horizons coach

Before, we were helping people manage their money better and just feel more positive about their ability to manage money. But because of the cost of living crisis, it's not actually having any difference – Emma, New Horizons coach

This means that while New Horizons was previously a programme which could help people get onto a stable financial footing, this is no longer an achievable goal for many participants. Indeed, as coaches indicate, no amount of budgeting can stretch very low incomes far enough to cover all expenditures at the present time. As Will, a New Horizons participant, explains, budgeting for him has become a matter of juggling bills as best he can:

It's kind of a balancing act, because I just – there's not enough money coming in to sort of cover everything. So it's figuring out like, 'okay, I won't pay this one this month', because I just sort of can't pay [all the bills] off – Will, New Horizons participant

Evidently, while coaches have continued to tailor their offer to individual clients' needs, there is a limit to how effective programmes such as New Horizons can be in an economic and political context which makes life increasingly difficult for those on the lowest incomes.

5.8. How New Horizons helps

While many New Horizons participants are continuing to struggle with their finances, many participants nonetheless find the coaching to be a helpful and positive experience. Indeed, previous phases of the New Horizons evaluation have found that the trust and understanding which coaches build with their clients is appreciated by New Horizons participants, who often reflect that they feel comfortable working with their coaches due to the sense that they are not being judged (Holmes and Burgess, 2020). This is echoed here by Leah, a New Horizons participant:

[My coach] definitely does have that element of empathy there... That definitely alleviates some of the, you know, some of the shame and some of the kind of embarrassment that I feel... because of the stigma associated with those who are on benefits – Leah, New Horizons participant

As has been reported elsewhere, this stigmatisation of poverty – and particularly of claiming welfare benefits – can deter people from seeking support from professional services. Indeed, people often delay seeking help from services such as food banks for as long as they can as a result of this stigma (Garthwaite, 2016). As such, the fact that Leah indicates that New Horizons helps to reduce the sense of shame she feels as a result of this stigmatisation is important. Other participants further highlight how the New Horizons programme has wellbeing benefits:

I can't sing [my coach's] praise enough. I just can't fault her because she really has helped me so, so much... Surprisingly enough, it does help chatting to someone... It's the sincerity. They're there to help you. They're genuine. You don't feel that you're being forced into anything, they explain everything – Harry, New Horizons participant

Indeed, while Harry was still having issues with his finances, he was clear that he had found his coach very helpful. Speaking to someone is highlighted as particularly valuable for improving wellbeing. As such, even while at the present time coaching may not have the transformative effect on people's lives which might previously have been possible, it nonetheless retains key benefits for participants.

6. Conclusions

This report, which is based on the final phase of CCHPR's evaluation of the New Horizons project, has examined how the rising cost of living has impacted the lives of New Horizons participants, as well as how it has affected the delivery of coaching. This section summarises the findings and presents some final reflections.

The considerable rise in the cost of living in the UK over recent months has created serious financial difficulties for many New Horizons participants. This is unsurprising, since New Horizons participants are on low incomes, and those on low incomes are known to be disproportionately affected by the cost of living crisis (see Trust for London, 2023). The experiences of New Horizons participants highlight the severity of the situation for many people whose incomes are simply not high enough to stretch to cover the rising costs of essential goods and services. These experiences are not unique, and are symptomatic of a punitive welfare system, and of an economy in which wages are failing to keep pace with inflation, as endured by those who are already the worst off.

This report has echoed the findings of previous phases of the New Horizons evaluation by highlighting the ways in which different aspects of inequality coalesce and interact. Indeed, there exists a vicious circle of poverty: This report has shown, for example, that being unable to afford a bus ticket may prevent people from getting to job interviews, which can then have implications for Universal Credit payments, creating further financial difficulties. Importantly, this effect can also pose barriers to accessing support with the cost of living, as people may be unable to travel to redeem vouchers, or access help. As such, at a time when poverty rates are increasing, this highlights the need to ensure that support is accessible to those most in need. Indeed, this report has highlighted that there are geographical variations in the support available to help people with the cost of living, and that where people live can in itself pose a disadvantage for coping with rising prices.

The evaluation of New Horizons has highlighted several key dimensions of inequality which shape participants' experiences of the rising cost of living. For instance, digital exclusion – which has been discussed extensively in an earlier evaluation report (see Holmes and Burgess, 2021b) – is an issue which is in some ways exacerbated by the cost of living crisis, as people seek to reduce their expenditure, and in doing so, may reduce their level of digital inclusion. Another key aspect of deprivation is fuel poverty, which has been experienced by many New Horizons participants over recent months as fuel and energy costs have continued to rise. The specific ways in which fuel poverty has been experienced by New Horizons participants is shaped by various factors, including whether they are on pre-payment meters, and their housing circumstances. Crucially, while there is a stigma associated with fuel poverty – which is itself rooted in the stigmatisation of poverty more

broadly – the fact that this is a condition which has become increasingly widespread in the UK over recent months is understood by some to have lessened the stigma, as fuel poverty has become increasingly accepted as inevitable for many people.

While the client group for New Horizons has always been comprised of people on a very low income, and New Horizons coaches are used to helping people facing significant financial difficulties, the rising cost of living creates additional strain which has implications for New Horizons and similar programmes. Indeed, this report has shown that fears over the cost of living has created a sense of hesitancy, with New Horizons participants fearful of the future, and feeling unable to make plans which may risk reducing their ability to cope with the rising cost of everyday essentials, rent, and utility bills. For projects such as New Horizons which have previously been focused on helping people get onto a stable financial footing with the intention of enabling them to find work, this effect of the cost of living crisis may have important implications with regards to the achievability of intended project outcomes going forward.

Indeed, while many features of New Horizons coaching have remained the same – including the trust which coaches build with their clients, and the way in which coaches tailor their support to individuals' needs – the rising cost of living has changed some aspects of the project. Coaches have often been in the difficult position of being unable to help participants as much as they would like, since low incomes can only stretch so far, and many New Horizons participants simply cannot afford to meet everyday costs. While in previous years, coaches would work with participants to figure out a manageable budget, in the present situation no amount of budgeting can help some New Horizons participants to make ends meet without cutting out essential basic expenses. Some coaches report that they have supported clients to improve their financial situations, only for energy costs to rise, leaving them with a budget deficit once again. As such, securing grants and vouchers for participants – and sometimes taking action on behalf of participants rather than supporting people to do certain activities themselves – has become an increasingly prominent part of the role of coaches. Indeed, as coaches highlight, projects such as New Horizons can help to tide people over, and to help them to cope with the cost of living in the short term, but the longer term benefits the project aims to deliver are becoming increasingly difficult to achieve.

It is important to note that despite these difficulties, New Horizons participants nonetheless suggest that taking part in the project has been beneficial for them. Indeed, as previous evaluations have shown, coaching can have wellbeing benefits, as many participants find it helpful to speak with their coach, and feel that they are being listened to. As such, while the rising cost of living has created significant challenges for projects like New Horizons, the empathy which coaches have for their clients is clearly a crucial element of the project which is valued by participants, even where the pressing financial issues they are facing cannot be

solved in the long term through the process. Indeed, for such long term improvements to be realised, concerted efforts to tackle poverty, led by government, will be required.

7. References

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