



*Action for Warm Homes*



**npower Fuel Bank™**

**Pilot Evaluation Summary Report**



# ACKNOWLEDGEMENTS

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# INTRODUCTION

This report presents the results of an evaluation of the npower Fuel Bank™ scheme piloted in four areas across England. The fuel bank pilot is a partnership project between npower, NEA, the Trussell Trust and individual food bank providers in the pilot areas. The pilot has also been supported by a range of other agencies, including referral partners and the fuel voucher issuing body Charis.

The fuel bank programme is currently operating as a pilot and is targeted at food bank service-users that use a PPM and who are also in energy crisis or at immediate risk of being so (for example, struggling to meet their energy costs, regularly self-disconnecting or rationing their energy use or using emergency credit). The pilot is currently being delivered in four areas:

- County Durham
- Gloucester
- Kingston upon Thames
- Birkenhead (The Wirral)

Npower has committed funds for both the fuel vouchers and to contribute to and support the management and administration of the scheme, for example: supporting food banks with training (in partnership with NEA) and delivery; overseeing systems and processes; administering and monitoring the issuing of vouchers; liaison with the voucher code issuing body Charis; and coordinating and overseeing the development of the pilot between all partners involved.

The contribution to energy costs is provided in the form of a fuel voucher to the value of £49 (equivalent to approximately two weeks' dual fuel use) in three pilot areas and £30 (equivalent to approximately one week's dual fuel use) in one pilot area (the Wirral). The

varying sums were introduced to help understand:

- a) What value would be sufficient to provide immediate relief to those in energy crisis and enable reconnection to their energy supply where self-disconnection had occurred.
- b) How available funds could be most efficiently and effectively deployed.
- c) Whether issuing a lower value voucher would result in users requiring repeat support.

A revised version of a guidance booklet first developed by NEA during a DECC-funded scoping project to explore how food banks might be able to support food bank users in energy crisis was and adapted to include details of the fuel voucher. It also included locally and nationally available fuel poverty and energy efficiency support and those provided exclusively by npower (e.g. Health through Warmth). The booklet is provided to each fuel bank service user with the aim of providing details of wider support and assistance that can help to remedy and reduce their energy vulnerability. The booklet details programmes of support, how to save energy and manage energy bills and lists other agencies they can turn to for further advice. The intention was that this type of support would complement the food parcel and fuel voucher by providing support that could extend beyond the immediate crisis period by offering more long-term solutions to energy-related problems.

As of mid-September 2015 the fuel bank had issued a total of 1,654 vouchers and the scheme has assisted over 1,200 unique households containing an average 2.36 people. This rate of activity suggests that the fuel bank scheme could reach over 3,000 unique households across the four pilot areas. However, it should be borne in mind that the

advent of the heating season<sup>1</sup> may impact on the demand for fuel vouchers going forward.

### **Aims of the evaluation**

Evaluation is important in terms of both accountability and to enable learning and understanding of what the successes and challenges of a programme have been. These insights will be of particular value for determining what lessons can be taken forward in any service roll-out and to demonstrate the effectiveness and outcomes of the programme.

Overall, the aim of the evaluation has been to assess the impact of the fuel bank on food bank service-users and to assess the processes of administering the scheme from the view of food bank providers and service users.

The broad questions addressed by the evaluation include:

- What has been the impact of the scheme on food bank service-users and how has the energy credit been utilised?
- What has been service users' experience of the scheme's processes and systems?
- What medium-to-long term support is required to help relieve energy crises and how can this be best provided?
- What has been food banks' experience of the scheme's processes, operational performance and impact on resources and capacity?

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<sup>1</sup> SAP modelling assumes an 8 months heating season from October – May. However, based on observational data, the Energy Follow-up Survey (DECC, 2013) suggests this could be an over-estimate of between 1-2 months.

## **Methods**

The evaluation adopted two principle approaches to investigation. The first was to be formative, the aim being to shape and improve the pilot programme as it goes forward; and secondly to be summative, the aim being to assess the outcomes associated with the programme.

To achieve these aims the research adopted a mixed methods approach that combined the qualities of both quantitative methods, offering breadth and qualitative methods, offering depth.

### **Quantitative methods**

To enable the evaluation team to speak to as many service users as possible during the evaluation period a questionnaire was administered as a structured telephone interview. While the majority of questions were in closed form, the structure allowed for a more in-depth exploration of the issues where required.

Service users were asked for their consent to be contacted by the evaluation team at the point of assessment for a fuel voucher by food bank staff. A contact list of those that had provided consent was then securely provided to the evaluation team to draw a sample. Telephone interviews were undertaken between late July and mid-August 2015 and on average lasted between 20 to 30 minutes. Interviews were audio recorded for note taking purposes.

### **Qualitative methods**

Four in-depth telephone interviews were undertaken with the managers and volunteers of the four participating food banks. Interviews were semi-structured and explored food banks' experiences, including views on the programme's processes and systems; what the successes and challenges of the pilot

had been; and what lessons they would share with any food banks involved in any future roll-out.

Each interview lasted approximately 30 to 40 minutes and was audio-recorded. The audio was then professionally transcribed and analysed thematically to draw out the common and leading themes across all the interviews.

### Service-user sample

A total of 36 service users were successfully interviewed and were drawn from across all four of the pilot areas. The sample breaks down as follows:

- Durham: 14
- Kingston upon Thames: 3
- Gloucestershire: 7
- Wirral: 12

The sample was structured to ensure that as far as possible each fuel voucher (FV) amount being tested was adequately represented. However, due to the smaller voucher value (£30) being tested in the Wirral not forming part of the pilot until July 2015, the number of service users that could be captured in the sample was limited. The sample by voucher value is therefore structured on a 2:1 (£49:£30) basis.

TABLE 1

Value of FV piloted		
	Count	Percent
£49	24	66.7
£30	12	33.3
Total	36	100.0

## SUMMARY FINDINGS

Fuel poverty campaigners have long recognised the issue of rationing among low-income households, be that the rationing of energy or other essentials in order to make ends meet. The ‘heat or eat’ conundrum so frequently a media soundbite is however a lived reality for an increasing number of families whose financial and personal circumstances have brought them to their local food bank.

Evidence from the limited research to date reveals a clear yet complex link between being able to afford the necessary energy to heat and power a home to an adequate standard and being able to afford sufficient food to meet the nutritional needs of a family. The dynamics involved are not completely understood, but the rationing of one or both, in order to access what is often just a proportion of what is required is evident. That is, households are rationing both energy and food, one in order to meet the needs of the other, or both in order to access some, albeit a reduced level of sustenance or warmth.

While we might not completely understand the relationship between heating (and powering) and eating, what is known is that these hardships are faced by millions of people every day in the UK and it was in recognition of this that the fuel bank pilot was established. The pilot, delivered in partnership between energy supplier npower, fuel poverty charity NEA, the Trussell Trust and four food bank providers, is the first of its kind in the UK. NEA undertook to provide an evaluation of the experience of and impact on both service users and service providers to help assess how well the fuel bank has operated during its pilot period and to help inform decisions about how the programme

may be extended into the future. What is clear from the evaluation to date is that the pilot has successfully engaged food bank partners at the strategic and operational levels; it has enthused and excited community food bank workers and volunteers about the positive outcomes that can be achieved for their clients; and it has also brought about tangible benefits for service users.

The issuing of fuel vouchers has three direct principal benefits to recipients:

- 1. enabling reconnection to energy supplies (in cases of self-disconnection)**
- 2. helping to prevent self-disconnection where emergency credit is already being used**
- 3. helping to reduce or pay down a proportion of energy debt, including preventing use of emergency credit**

The fuel bank pilot has also produced a series of indirect benefits:

- 1. freeing-up of money in other parts of the household budget to repay or gain control over other debts or areas of expenditure**
- 2. providing relief to those experiencing stress and anxiety worsened by their energy and financial difficulties**
- 3. enabling families access to the basics that are often and rightly taken for granted by most. For example, hot meals, ability to buy essential clothing and to give their children a warm bath**

As one recipient remarked:

***“[It’s] taken away worry about heating, washing the children’s clothes and gas and***

***food bills. It’s been really helpful. You don’t realise how much pressure it can take off.”***

## **Summary of the key findings**

- The majority of fuel voucher recipients – around three-in-four – had already expended all credit on either their gas and/or electricity pre-payment meters when they were first issued with a fuel voucher. That is, they had either self-disconnected and were without supply, or were using emergency credit and in danger of self-disconnecting. Self-disconnection was more common for gas (perhaps affected by seasonality), but users were clearly struggling to manage their electricity consumption with more than half of those surveyed using their emergency credit (electricity) when they were issued with their first fuel voucher.
- Both direct and indirect benefits were evident across the sample regardless of the voucher value. Unsurprisingly the majority of recipients used a proportion of their voucher to repay an emergency credit charge with the remainder used for ongoing consumption. A smaller, but not inconsiderable number used their voucher for ongoing consumption only, helping them to avoid using their emergency credit. A smaller number again used a proportion of their voucher to repay an historic debt with the remainder used for ongoing consumption in the vast majority of cases. Results do suggest that recipients of the lower value voucher (£30) were much less likely to use it solely for ongoing use (avoiding use of emergency credit).
- Highly skilled, experienced and empathetic staff at food banks played a key role in the success of the pilot. Their ability to effectively communicate the fuel bank

scheme and its processes, as well as offering support and reassurance helped to ensure a positive experience for clients. This also contributed to the successful implementation of processes for issuing and redeeming vouchers. Despite early teething problems, as would be expected with any new and innovative pilot, problems such as the practicalities of getting codes to users were overcome with relative ease. Contributing to this success was the support and training provided to participating food bank staff, the quick introduction of adaptations to fuel bank systems (e.g. direct text message for issuing codes) and the sharing of good practice, challenges and successes.

- Service users in energy crisis typically received just one fuel voucher, the code for which was largely received by text message. Where codes were issued in person, over the telephone or email, users were encouraged to write the code onto a paper voucher enclosed within the accompanying advice booklet. Codes were usually redeemed immediately, that is, within 12 hours of being issued, with almost all service users redeeming their vouchers within three days.
- Npower as the programme manager worked closely with food banks to ensure that the scheme's systems and processes worked well; both for service users, but also for food banks in order that they fitted as seamlessly as possible into their existing service and protocols. The evaluation found that the most challenging aspect of the service to date has been the refusal of some PayPoint retailers to accept fuel vouchers. However, this does appear to have been a greater problem in the earlier stages of delivery and not the experience of the majority of service users. The scheme managers, in consultation with

food banks, were able to work with the voucher code issuing body to resolve the issue by amending the design of the fuel voucher in the accompanying booklets and examining ways to communicate better the legitimacy of the scheme with PayPoint retailers in the pilot areas.

- There are opportunities for cross-sector action, involving energy suppliers, food banks and the community and voluntary sector to provide more joined-up and holistic support to the most vulnerable households, both to respond to crises and to reduce future risk through the provision of complementary energy-related advice and support. It should be acknowledged however, that how this is provided and managed will require careful consideration, not least because of the often complex and challenging personal and/or financial situation of many service users; many of whom are primarily and unsurprisingly concerned with their immediate crisis. Furthermore, discussions with service users and food bank personnel have revealed the complexity and interconnectedness of these multiple challenges and that they cannot be resolved in isolation.
- Awareness of some of the available energy-related support was fairly low before service users received the supplementary energy advice booklets. However, provision of the booklets appears to have improved awareness of most of the referenced schemes. The most marked improvement appears to have been for the Warm Home Discount, the npower Energy Fund, npower's Health Through Warmth and priority service registers.
- Despite awareness of energy-related schemes being improved by the provision

of the energy advice booklets, this was not sufficient to engender action among many fuel bank service-users, with very few reporting to have taken any proactive action to address their immediate energy situation. Rather, actions resulting from the booklet tended to be more passive. Results suggest that limited use of the advice booklets has largely been a consequence of three factors: i) the immediate crisis was such that service users did not feel able to take on board or to manage any further information at the time; ii) booklets had been forgotten about since redeeming their vouchers, lost or misplaced; and iii) the information did not appear to be immediately relevant.

- While it is acknowledged by all that the fuel bank provides valuable short-term relief to a crisis and is able to bring about tangible benefits, further action is required to mitigate future energy crises among vulnerable households. This could be supported through the provision of financial management and debt advice and specifically tailored energy advice – both relating to energy efficiency advice and grants, but also the wider support available in the form of income and bill support (e.g. Warm Home Discount scheme and Cold Weather Payment). As a key frontline service there is a role for food bank networks to provide impartial and trusted advice, guidance and support (either directly or by referring) about the initiatives available to help households in need.
- The energy supply sector offers a wide-range of energy-related support and advice to consumers. These services vary, from schemes to improve the energy efficiency of dwellings, to providing direct income and bill support and general advice about managing energy in the home. The widely

acknowledged level of mistrust among consumers of the industry can however contribute to the low take-up of government mandated schemes and any voluntary offerings from the sector. Overcoming this and ensuring the most vulnerable energy consumers are able to access the support available to them is essential. Supplier-led programmes delivered in the community, in partnership and with the support of trusted third parties, like food banks and community sector organisations, can mean that services are able to reach out to help engage consumers. With more than a quarter of those surveyed stating that their view of energy suppliers was more positive since receiving their fuel voucher and more than three-quarters reporting an improved view of npower – partnerships such as that which has delivered the npower Fuel Bank™ can help to deliver benefits to the community sector, the energy sector and not least to vulnerable energy consumers.

## Insights for policy and practice

- Fuel bank schemes have real potential to reach out to some of the most vulnerable energy consumers to deliver benefits both in terms of access to essential energy services, but also to contribute to their ability to provide a healthy living environment for themselves and their families. The results of this evaluation suggest that the npower Fuel Bank™ model could provide an effective blueprint for the development of services that combine the services of the community and voluntary sector and public and private sectors to support households in crisis.
- While recognising the real value and direct benefits of fuel vouchers to recipients, their impact is mostly limited to providing

relief in times of crisis. Secondary and indirect impacts of the fuel vouchers however, can extend beyond this period. Nevertheless, a more sustainable means of supporting households would be to ensure that crisis support is complemented with services that can prevent or reduce the extent or frequency of these events. This evaluation has found that while a passive approach to providing energy-related support, in the form of advice literature, is beneficial in terms of raising awareness of support, it is not sufficient to bring about a high rate of more meaningful action. A means of remedying this might be to offer a more specialised energy advice service, possibly in-house at food bank locations, although the evaluation team does acknowledge the resource implications of this. Where capacity and resource precludes this activity, referrals could be made to local advice services able to accommodate such a service. Secondly, the provision of follow-up telephone calls to offer further advice or support or simply to remind users about the advice resources they have received may be beneficial in maximising their impact. For example, a small number of service users remarked that taking part in the telephone survey had prompted them to go back to their energy advice booklet.

- While successful efforts were made to reduce the incidence of fuel vouchers being rejected by PayPoint retailers, it is recommended that any future pilot areas consider a small marketing initiative with local retailers to raise awareness of the service and its legitimacy. This could be done in conjunction with PayPoint by issuing a communication to their participating outlets in the pilot areas or in conjunction with a mailshot. This type of initiative might go some way to helping to reduce instances of failure or rejection.
- There are several factors related to the fuel bank scheme that are not currently understood. Firstly, how demand for different fuels during the heating season might influence how credit from a fuel voucher is apportioned across fuels; secondly, how the principal benefits and impacts of the scheme might vary during the colder months; and thirdly, if the greater demand for energy during the heating season might impact on demand for the fuel voucher service. These are issues that should be carefully monitored and considered going forward.
- Food banks took a proactive approach to ensuring the pilot was successful. From offering a friendly and supportive approach to delivery through to adopting a cooperative and open-dialogue that ensured operational challenges were quickly identified and where possible, remedied. Specific challenges identified included migration to food bank distribution points from neighbouring points that did not offer the fuel bank service. Despite this challenge appearing to be relatively limited, it is recommended that any future roll out of the service considers the likelihood of migration, what implications this might have for food bank and fuel voucher resources and what mitigating action can be taken. For example, participating food banks could seek to manage this by working with referral agencies to manage case-flow. The issue of migration is one that should also be monitored as the pilot scheme continues into the heating season when demand might reasonably be expected to increase. Similarly, the number of cases requiring in excess of three vouchers should be carefully monitored and consideration given to how any future increase in cases might be managed.

- Sharing of good practice and solutions among participating food banks worked very well in helping to find solutions to common problems. The evaluation recommends that the pilot continues to operate this system of cooperation and sharing, and to consider how this might be accommodated into any extension of the programme.
- While food banks were able to take evasive action in cases of unexpected outcomes and were vigilant to these, on reflection, guidance about how to respond and training could be beneficial. Such tools could be incorporated into a fuel bank toolkit alongside other support materials, such as 'how to guides', data collection or administration templates and energy-related guidance for delivery staff (e.g. how to identify and support fuel-poor households).
- There is considerable potential for the expansion of the fuel bank model. For example, within other agencies that support and engage vulnerable energy consumers, such as local authorities. While such agencies are often unable to issue cash to those at risk of self-disconnection or in energy crisis, working with energy suppliers to facilitate such a scheme could provide access to necessary infrastructure and systems (e.g. enabling financial transactions, access to agencies that manage and issue voucher codes and to PayPoint networks). Establishing such systems from scratch would present a significant barrier to set-up.



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