



*Action for Warm Homes*

# **npower Fuel Bank™**

## **Evaluation Phase Two**

### **SUMMARY REPORT**



# ACKNOWLEDGEMENTS

NEA gratefully acknowledges the role of npower in commissioning this report. NEA is grateful to the Trussell Trust and independent Food Banks for their support and commitment to the evaluation. In particular NEA would like to thank Sean Gibson and Natalie Smith from npower for their support, and extends special thanks to the Fuel Bank service users who gave up their time to speak to us and without whom this research would not have been possible.

**Prepared by National Energy Action for npower**

Authors: Helen Stockton & Luke Garrett

March 2017

NEA

Level 6 (Elswick)

West One

Forth Banks

Newcastle upon Tyne

NE1 3PA

[www.nea.org.uk](http://www.nea.org.uk)

## INTRODUCTION

This report presents the results of a second phase of evaluation of the npower Fuel Bank™ scheme. While the pilot evaluation (Phase One) examined the experience and impact of the scheme from the perspective of service users and service providers (Food Bank staff and volunteers), this report focusses solely on service users.

The npower Fuel Bank™, launched as a pilot scheme in four areas 2015, was expanded into 10 new locations in spring 2016. Fuel Banks are now available across Great Britain in 14 areas (12 in England and one in both Wales & Scotland).

### Aims of the evaluation

This report builds on the findings from the pilot phase evaluation report (available [here](#)). This second phase evaluation aimed to provide an independent review of the Fuel Bank service, and to provide insights to help inform operational and strategic decision making and planning, and to inform wider vulnerable customer codes of practice/support. More specifically, it aimed to:

1. Examine further and validate the direct (reconnection to supply, avoidance of self-disconnection and avoidance of debt) and indirect (alleviates other aspects of crisis, e.g. health, finances etc.) impacts of the Fuel Bank service.
2. Provide an assessment of how well the referral system operates as a means of effectively reaching those in energy crisis.
3. Examine the impact and value of the Fuel Bank's package of support, including the fuel voucher and ancillary advice (booklet and follow-up service) and the extent to which each element contributes to addressing the cause and/or symptoms of energy crises.
4. Reflect on what additional intervention, if any, might be required to bring about longer-term impacts and to determine the extent to which the Fuel Bank package delivers longer-term benefits to recipients.

### Methods

Fieldwork took place between December 2016 and February 2017 and adopted a *mixed-methods* approach, combining both quantitative and qualitative research methods. The quantitative element involved the distribution of 1200 paper-based postal questionnaires to service users drawn from across all active Fuel Banks. This resulted in a sample of 172 (valid responses), representing a response rate of 14.3%. The qualitative component consisted of four discussion groups, held with a total of 16 Fuel Bank service users and eight one-to-one telephone interviews. This resulted in a qualitative sample of 24 drawn from across both new and pilot areas.

The sampling frame was structured to allow for a comparison of whether there was any seasonal variation in a) how fuel vouchers were used in terms of fuel split and duration, and b) whether the direct benefits observed during Phase 1 of the Fuel Bank evaluation in 2015 varied by season (winter/heating season) or outside of winter. The extent to which this was possible was limited; please refer to the full report for details.

## SUMMARY FINDINGS

### *The npower Fuel Bank™ is reaching those in energy crisis*

Most respondents report to having been in energy crisis when they were issued with their fuel voucher. More than half of respondents had self-disconnected from their gas (57%) while almost half (46.5%) had self-disconnected from their electricity. A further third (32.5%) were using the emergency credit while two-fifths (41.5%) were doing the same for their electricity. Furthermore, just under four-fifths (78.8%) of service users reported an income of up to £10,000 or £192 per week, suggesting very low household incomes across the sample.

The vast majority (93.7%) of service users appear to have been somewhere on an energy crisis spectrum when they were issued with a fuel voucher. This spectrum ranged from extreme energy crisis, characterised by self-disconnection, through to milder energy crisis, experienced by those close to needing to use their emergency credit.

### *Electricity appears to be prioritised over gas and more so during winter*

Respondents were more likely to have self-disconnected from their gas supply than electricity supply, and were just as likely to have done so inside as outside the heating season (NB small sub-sample). While electricity prioritisation is suggested, the inferred motivations are complex and it is not completely clear to what extent the higher rate of disconnection for gas is due to how fuel is prioritised or to patterns of demand. Qualitative discussions suggested some active prioritisation of electricity over gas during the heating season by households (of whom a majority use gas to heat their home and hot water). The inferred explanations for what appears counter-intuitive, could perhaps, be explained by the greater utility people are provided with by electricity.

It was most common for service users to split their fuel vouchers roughly equally between gas and electricity with a slight bias towards electricity – this remained true inside the heating season. This finding further supports the view that electricity is prioritised over gas..

### *Fuel vouchers were principally used for ongoing energy consumption – not to repay debt*

The majority of service users said they mainly used their fuel voucher to pay for ongoing energy use (73.9%). However, over a fifth (22.7%) of respondents said they mostly used their fuel voucher for a form of debt repayment. Of this, it was mostly debt in the form of emergency credit repayment.

### *Fuel vouchers meant some people cut back less often on energy and other essentials, while others rationed their fuel voucher to stretch its utility to the maximum*

Around two-fifths of respondents said that receiving a fuel voucher meant they cut back on energy for heating and other essentials such as food less often than usual. While the research could not establish the extent to which households could heat their home to the necessary standard for health and wellbeing – more than a quarter (26.7%) said they cut back on their heating a lot less than usual.

For some, it meant that they could afford themselves ‘extra comforts’, such as a shower or bath – the very things most people take for granted – illustrating the reality of living a life in crisis.

***“I thought it really helped, as I say, you’re scrimping every day and then you get the £49 – you feel as if you’ve won the lottery, so you can put your fire on for a wee bit.” (Glasgow male)***

***“It was, just more food, more clothes, more toiletries, washing stuff, everything basically, day to day living stuff.” (Hull male)***

### ***Multiple direct and indirect benefits were commonplace***

A majority of respondents agreed that receiving a fuel voucher had meant that each of the following direct and indirect benefits had been realised:

- Avoided or reduced self-disconnection
- Avoided or reduced use of emergency credit
- Reduced debt on their meter
- Avoided new debt on their meter
- Reduced worry associated with energy bills
- Reduced stress or anxiety
- Reduced worry associated with money in general
- More able to cope with other household bills

Results also suggested a seasonal effect for three specific outcomes. Specifically, those who responded in reference to using a fuel voucher during the heating season were statistically ( $P < 0.05$ ) more likely to agree that receiving a fuel voucher meant that they:

- Avoided or reduced use of emergency credit
- Worried less about energy bills
- Had reduced stress or anxiety

### ***Many respondents reported an improvement in their physical and/or mental health since receiving support from the Fuel Bank***

A large majority of service users could not achieve affordable warmth, with more than three-quarters agreeing that they could not always keep their home comfortably warm and that this affected their physical and mental health – or that of someone that lives with them. Around two-fifths of respondents said that they felt that their physical health (43.8%) and mental health (40.2%) had improved since receiving help from the Fuel Bank.

***“My health is up and down but without the help for fuel I wouldn’t have been able to survive, so thank you.” (Questionnaire respondent)***

***“Could buy some fruit & veg for my 4 year old child” (Questionnaire respondent)***

### ***The advice booklet was almost universally welcomed as very useful***

The vast majority of service users described the advice booklet provided to them when they received a fuel voucher as very or quite useful – indeed more than half (56%) said it was very useful. Grants and trust funds were by far the most preferred subject for follow-up advice specified by both survey and interview respondents. However, it is encouraging that the top topics for follow-up advice also included two of the principal means by which fuel poverty can be addressed – bill support (WHD) and energy efficiency (measures and energy saving behaviours); more than two-fifths expressed an interest in these subjects respectively. Areas of advice and support that were least popular among service users surveyed included aspects of energy market engagement – principally switching energy supplier or tariff and moving off prepayment.

### ***Follow-up advice was welcomed by most, but post or face-to-face were preferred***

The vast majority of respondents were interested in receiving follow-up advice in future. However, the most preferred means by which this could be provided were, by post (55.6%) and face-to-face (45%). A majority (62.3%) indicated that they would prefer any follow-up advice at the same time as being issued with a fuel voucher and qualitative insights suggested that this preference was driven by the need to be provided with advice when it is most needed. Conversely, delaying advice for a short time but containing it within the period of fuel voucher use could increase the likelihood of service users being more receptive or able to take on board the advice.

## **CONCLUSION & INSIGHTS**

The evaluation concluded that that the npower Fuel Bank™ continues to provide support to some of the most vulnerable energy consumers. Their energy crises can be largely attributed to very low incomes and an inability to afford the energy required to heat and power their homes to the level required. Assistance is provided at multiple points along an energy crisis spectrum – at the extremes of self-disconnection but also at the less extreme end of being close to using emergency credit, helping those in this this situation to avoid the ‘cliff edge’. It is therefore reassuring that fuel vouchers were principally found to be used for ongoing energy consumption and not to repay debt.

### ***A fourth direct impact***

Results presented here reinforce those established during the pilot evaluation, particularly that there are both direct and indirect benefits that result from the Fuel Bank. However, while the pilot evaluation limited these to three (reconnection to supply; avoidance of self-disconnection; and reduce or avoid energy debt), this research expands these to include *reduced stress and anxiety*, including worry associated with energy bills. While the research is unable to directly attribute any improvements in general mental health to the help provided through the Fuel Bank, the evaluation is confident that reduced stress and anxiety specifically related to energy bills and energy management is an outcome for those that use the npower Fuel Bank™. This is however provided with qualification that relates to the longevity of these benefits. Through our discussions with service users we were able to determine that there are two main types of Fuel Bank user, those that are experiencing acute energy crises and those experiencing chronic crisis. The former is

characterised by short-term circumstances that give rise to the crisis – for example, delayed income – while chronic crisis tends to be much more prevalent and is characterised by more long-term difficulties and often a very complex set of financial and energy-related difficulties that require a more holistic set of remedies. While the Fuel Bank has a part to play in this, it cannot resolve energy crises alone. The Fuel Bank however plays a key role in providing energy support at a time of crisis, and this in turn provides a window during which other support, including energy-related support, can be provided and given the best opportunity to be accepted and acted upon.

### **Seasonality**

*Evidence of a seasonal effect* – that is any variation in experience and impact of the fuel voucher dependent on whether a fuel voucher was received inside or outside of the heating season – was not strong. However, there were three areas where some seasonal effect was present. These included:

- *How fuel is prioritised:* it is suggested that electricity, rather than gas, is prioritised during energy crisis and less likely to be disconnected from, even more so during the heating season. However, the picture is unclear and higher demand for gas during colder periods may also contribute to higher rates of self-disconnection. There was also a slight bias towards using a larger proportion of a fuel voucher on electricity credit than gas and this remained true during the heating season.
- *Fuel voucher duration:* there was no statistically significant difference between fuel voucher duration in and outside of the heating season; however, those using a fuel voucher outside of the heating season were very slightly more likely to report that their fuel voucher lasted three months or more. This could be attributable to higher energy demand inside the heating season.
- *Specific benefits more likely inside the heating season:* While the multiple benefits of the Fuel Bank were highly prevalent across all service users, there is evidence that avoided or reduced use of emergency credit; reduced worry related to energy bills; reduced stress and anxiety; and improvements in physical and mental health were more likely to be reported by those using a fuel voucher during the colder times of the year.

### **Insights for policy and practice**

- At least until the end of the period that npower has committed support for the Fuel Bank (March 2018), the service should continue to all service users presenting in energy crisis that meet the current criteria. This is in recognition of the multiple benefits that are derived from its use, irrespective of the extent of individuals' energy crisis, or the season during which the support is provided.
- The npower Fuel Bank™ provides direct support in the form of ongoing energy services and is used in this way in the majority of cases. In recognition of the credit being used, by a not inconsiderable proportion (22.7%), for some form of debt repayment the apportioning of credit between debt repayment and consumption (particularly for the most vulnerable

energy consumers who are most likely to self-disconnect) should be continually reviewed to ensure that it is fair and affordable.

- The least popular forms of follow-up advice included those related to energy market engagement, including switching and moving away from PPM which affords their users control over energy expenditure, and to some extent debt management. This perception outweighs the financial benefits associated with other forms of energy payment and so underlines the importance of supplier-led and other initiatives that seek to support vulnerable energy consumers.
- While there are significant benefits to be gained through market engagement, the most opportune and appropriate time to address market engagement and switching among Fuel Bank service users could be once other areas of a household's energy use and budgeting have been addressed. This research recommends that this advice is not excluded from any package of advice and support offered via the npower Fuel Bank™ in future, rather that the timing is carefully considered.
- It is acknowledged that the npower Fuel Bank™ is not a long-term solution to energy crises, and this was also the view of many interview participants who were aware that they would likely face similar energy challenges again in future. The development of a flexible triage service to complement the Fuel Bank's current package of support is recommended for trial. Given the lack of a single and clear favourite medium for how this should be delivered, and whether follow-up advice should be immediate at the point of voucher issue or delayed, flexibility may be the key to its success. Such flexibility would recognise the diverse nature of individual energy crises, advice needs and support preferences, and could be offered using a menu of preferences to tailor services.
- The evaluation recognises that energy often forms only one part of what can be a very complex and difficult set of circumstances for service users. As such, there may be limitations to the support that can be delivered solely via the npower Fuel Bank™. It may, therefore, be appropriate for the Fuel Bank and/or any npower-led triage service to link and refer to advice and support services provided via other agencies, including: food banks, other local community advice networks and statutory services e.g. local authority welfare rights service.
- It would be beneficial to understand how current advice and support provided via the npower Fuel Bank™, as well as any future triage/follow-up advice service can bring about longer term impacts. Future research in this area should include: how advice-based services are enacted by service providers; how they are acted upon by service users; what additional support might be needed to act upon advice; what the impact is on knowledge, capacity and propensity to act; and in the medium to long-term, the frequency or severity of energy crises.