



## Warm Home Discount Scheme 2018/19 Consultation: Submission from Feeding Britain

### Overview

In response to the consultation on the Warm Homes Discount (WHD) scheme for 2018/19, Feeding Britain would like to propose an amendment to the permitted activities under the Industry Initiatives, to allow energy companies to support emergency Fuel Banks which provide emergency prepayment top up vouchers to people in acute crisis, including users of food banks. We have responded to the consultation questions below which relate directly to this issue.

### About Feeding Britain

Feeding Britain is a national charity established in 2015 by a cross-party group of MPs and peers, chaired by Frank Field MP. Our vision is a UK where no one goes hungry. We want to demonstrate how hunger and its underlying causes can be addressed, and use this learning to advocate for system level change to eliminate hunger in the UK.

We operate 12 local Feeding Britain pilots across the UK, which bring together local charities, community groups, local authorities and other stakeholders to deliver practical action to alleviate and prevent hunger in their communities. This includes supporting people in immediate food crisis, through providing advice services in food banks and other emergency food projects, establishing fuel banks, community cafes and opening social supermarkets where vulnerable people can access low-cost food and support. We also work on policy changes that can be implemented at local authority and national government level to prevent people going hungry, and on initiatives that help to build longer term community resilience to hunger.

### About Fuel Banks

In several of our pilot areas, the network operates a 'Fuel Bank<sup>®</sup>', which aims to help people in acute food crisis, by helping to alleviate fuel poverty. The Fuel Bank<sup>®</sup> is a scheme, pioneered by npower but available to prepayment customers of any energy supplier, whereby people visiting a food bank or other emergency food project, receive an emergency voucher to top up their prepayment gas or electricity meter. The voucher provides around 2 weeks' fuel and can be redeemed immediately; advice is provided to the recipient to contact their supplier to protect the voucher from being used for repayment of debt. The scheme targets the most vulnerable people as they have already been assessed as eligible for emergency food support by an approved referral partner. This means it captures people in acute need, but who may not, for various reasons, meet the criteria for support under the other mechanisms of the WHD scheme.

We know that fuel costs are one of the main pressures on household budgets for people in poverty. We also know that people who have been driven to seek emergency food aid through a food bank or other emergency food project because they are unable to buy food, are also highly likely to be struggling to pay fuel bills. This places people in an unacceptable situation of having to choose between heating and eating. It can also mean that people are unable to effectively use the emergency food package they receive, because they lack the fuel to cook.

For these reasons, we see addressing fuel poverty and addressing food poverty as two closely interrelated issues, with people needing support on one issue highly likely to be at risk of the other. However, many of the people being supported through emergency food projects are not currently being supported under the WHD scheme. Many are in work, but are struggling to make ends meet and do not meet the current criteria for support, others may not yet be receiving the benefits to which they are entitled which may mean that they later become eligible for WHD support, and for some a food crisis is a temporary situation that requires only a short term bridging assistance. For people in these groups, who nonetheless find themselves in a desperate situation, support from an emergency Fuel Bank® can provide a much needed, rapid means of alleviating hunger, immediate pressure on household budget and ensuring they are able to cook and heat their home. In Coventry, Wirral and Bristol (Feeding Britain pilot areas) Fuel Bank® support has provided help to over 30,000 people to date.

Fuel banks provide rapid emergency support to people in acute crisis, helping them get through that immediate crisis. They provide a breathing space, allowing people time to access the longer term support that they need to get themselves back on their feet. They also provide a means of reaching out to the most vulnerable people in the first instance, as a starting point for a wider package of support including advice services, debt management support, budgeting support and income maximisation, as well as skills and employability schemes.

### **Responses to consultation questions**

#### **Q1: Do you agree that the cap on Industry Initiatives spending should increase from £30 million to £40 million in 2018/19?**

Yes, we would welcome the increase in Industry Initiatives spending, as we think it has significant potential to reach people in the most acute need.

#### **Q2: Do you agree that a Local Authority declaration under ECO Flexible eligibility should count as evidence that a household is “wholly or mainly” in fuel poverty and therefore would be eligible for support under Industry Initiatives?**

Yes, this would be a helpful criteria, as part of a wider package of eligibility criteria. However it is important that a range of measures should be counted as evidence, including referral from charities and community organisations supporting people in crisis.

#### **Q5: Do you agree that Government should expand the list of activities allowed under Industry Initiatives to include the provision of financial assistance with energy bills, including rebates, to households that are particularly at risk of fuel poverty?**

Yes, this would be a welcome development. As described above, we recommend that Emergency Fuel Banks are specifically included in the list of permitted activities. This would facilitate much greater industry support for Fuel Banks, and in particular would make it more likely that different energy companies would contribute funding to this valuable initiative. npower initially developed the model in partnership with The Trussell Trust (Trussell Trust food banks who are part of our Feeding Britain pilot networks in Birkenhead, Coventry and Bristol being some of the early participating projects), but the support has always been available to

customers of any energy supplier. The npower Foundation (Fuel Bank® charity) has been set up to make the model more widely available, and are working with Feeding Britain and other charities to establish more Fuel Banks around the country.

However, to take this proven model of support to scale, it will require support and financial input from energy suppliers across the industry. If support for Fuel Banks were permissible under the WHD Industry Initiatives component, we believe it would make it easier, and more likely, for a broader range of energy suppliers to contribute. They could, for example, fund the creation of new Fuel Banks in areas where provision is currently lacking, working with Feeding Britain or other charity partners to implement the scheme, in partnership with the npower Foundation to make use of the methodology and systems already developed. It would also allow for a number of energy companies, including smaller suppliers, to collaborate by contributing to pooled funding to support Fuel Banks, and a standard approach to this aspect of fuel crisis.

**Q6: Do you agree that spending on the provision of financial assistance with energy bills should be capped at £5m, or 12,5%, of industry initiatives spending? If you think an alternative cap should be set, please provide your reasons.**

No, we think there should be flexibility for suppliers to support initiatives based on need in the communities they serve and advice from charities and community partners who are experts in fuel poverty. In our work, we see emergency financial assistance, in the form of vouchers for prepayment meters, as being a crucial element of support for people in crisis and one which provides a breathing space to help people access longer term support. We would be reluctant to see an arbitrary cap on this.

**Q7: Do you agree that financial assistance with energy bills per household should be equivalent to the amount of the WHD rebate (£140)?**

No, again we feel that there should be flexibility. The majority of people supported through emergency Fuel Banks would receive fuel credit to a much lower value than this (the average amount of credit provided is for a 2 week supply; £30 in the summer, increasing to £49 in the winter), and a single voucher is often enough to get people through the immediate crisis and give them the breathing space to access longer term support.

However, some people may require a return visit, meaning that, for those with larger families or homes that are expensive to heat, the £140 cap may prove problematic. This could apply in particular for those with complex crises, people with no recourse to public funds, or people who have been left without money due to lengthy benefit sanctions. In these circumstances, terminating support because of an arbitrary financial cap has been reached, rather than because they have been able to resolve their crisis, would be unfair. There may be other families who need to access the Fuel Bank more than once in a year, even if they only require one voucher at a time.

However, as mentioned above, this would likely be a rare occurrence and in many instances the Fuel Bank support would fall well within the cap. We could therefore propose that the £140 cap is set as a guide, with the flexibility for implementing partners to exceed this in exceptional circumstances.