



The Value of British Gas Energy Trust

Impact Report Summary

Introduction

At British Gas, we know that sometimes people struggle to pay their bills. There are lots of ways that we can help people who need it.



Christine Tate MBA
Head of Corporate Responsibility
at British Gas

One way British Gas can help is through the British Gas Energy Trust (BGET). It gives people in debt a hand with grants and advice. Over the last decade we've invested over £78 million in the Trust to help around 150,000 people manage their energy costs.

The Trust offers support to people struggling with debt, whether they're a British Gas customer or not. It also supports debt awareness and prevention projects, so people are less likely to run into problems in the first place. The Trust also provides funds to small local advice charities to deliver specialist money and fuel debt advice services in communities.

To mark the ten year milestone of supporting the British Gas Energy Trust, we wanted to truly understand the impact that the Trust is making, not just to the people it helps directly but also to the communities we operate in. That's why we've worked with Oxford Economics to undertake a Social Return on Investment study to understand the social, economic and environmental impacts of the Trust.



Imelda Redmond CBE
Chair, British Gas Energy Trust

Over the past ten years the British Gas Energy Trust has worked to help those who need it most. As Chair of the Trust, I see first-hand how it helps people. The study by Oxford Economics, commissioned by British Gas, has helped to quantify some of the wider positive impacts our work has on people every day.

The study has identified a range of benefits, demonstrating a significant Social Return on Investment. It ranges from the funding we give, to advice organisations, to providing the individual financial grants to help clear debts and the additional support to help people stay debt free.

I would like to take the opportunity to thank all our funded organisations for their commitment and hard work – this report quantifies how much of a difference we are making together.

Over the coming months, the board of Trustees will explore how together, we can put a plan in place to continue to help people stay warm and healthy.

Oxford Economics methodology

We asked Oxford Economics to undertake a Social Return on Investment study. Social Return on Investment is a tool used to quantify the value of wider impacts, taking into account social, economic and environmental factors.

This involved a piece of research, consulting with experts across the sector. They surveyed 850 people and carried out desk based research. Through this research they identified the key positive impacts the Trust has on people in need of support. The researchers then attached a monetary value, to each of these impacts.

The full process leads to financial values for each of the impacts – allowing Oxford Economics to establish a Social Return on Investment figure for the British Gas donation to the Trust.

Headline finding

Over the past ten years the Trust has donated over £56m to individuals, families and organisations. This has created benefits to society worth almost £121m, meaning that for every £1 awarded by the Trust there has been a social return worth more than £2.10. Or, put another way, society has benefited by more than £2.10.

Broken down by types of grants

Where grants were given to individuals, for every £1 spent the social benefit is estimated to be £1.90

Where grants have been given to organisations, we see that for every £1 spent the social return is calculated at £5.50



Between 2004 and 2014, the benefits to society have been broken down into:

Individual health benefits (reduced stress, depression, anxiety and general improved health)

£54.3m

Individual social benefits (improved financial skills, relationships, housing stability)

£20.8m

Individual economic benefits (moving into full or part time employment, increased productivity and working hours)

£4.7m

NHS savings (on treatment for mental and general health)

£11.7m

Central government savings (DWP benefits, HMRC tax revenues)

£4.1m

Local government savings (broken tenancy costs)

£25.5m

90%

Receipt of a grant made a positive difference to the mental health of those in fuel debt in 90% of cases

71%

BGET support improved the housing stability of 71% of beneficiaries struggling with fuel debts

- Getting a grant made a positive difference to the mental and physical health of those in fuel debt in 90% and 65% of cases respectively
- The grant also made a positive difference to 61% of recipients' relationships with their partners, children, other family members or work colleagues
- Had a positive impact on the housing stability of 71% of the beneficiaries struggling with fuel debts
- Improved the employment situation for 14% of the recipients
- Asked whether receiving a grant from the Trust's Individual and Family Grant scheme had improved the way they manage their money, 76% said it had made a positive difference

Other findings to note:

- 56% of people who received a grant from BGET lived in the local authority regions ranked as the most deprived quartile. 53% of the money awarded goes to people living in the most deprived quartile of local authorities
- 60% of award recipients are dependent on benefits for their income
- 65% of the applicants to BGET lived in rented accommodation – a mixture of both the private rented and social housing sectors
- Between 2004 and 2014, 15% of those who received an award from BGET were registered as disabled
- 97% of recipients received an award on a single occasion – demonstrating how BGET is sustainably helping people to stay out of debt
- 85% of award recipients were aged between 25 and 65 years old. 6% were below 25, and 9% were over 65 years old

Lessons learnt

This report has provided much food for thought. The Trustees have considered the findings and these will help shape our future.

Imelda Redmond CBE
Chair, British Gas Energy Trust

Partnership working

Providing both financial and practical help and advice has a positive impact. This can only be achieved through partnership working rather than organisations working on their own. Different sectors and industries need to work together to identify people in fuel debt. We've already seen some great results from the GP health trials we've funded – they offer people who may not have necessarily approached the Trust directly, another route to the help they need.

The report notes how over 90% of people helped by the Trust felt their mental health had improved, whilst 65% said their physical health had improved too. Not only are there benefits to the people helped, there are also demonstrable benefits to the NHS – including fewer prescribing costs for treatments like anti-depressants and fewer appointments made by those in fuel debt as a result. This demonstrates the importance of partnership working. We need to take the opportunity to work closely with more partners.

Importance of sustainability

As the statistics show, giving one-off grants can make a real impact to people's lives in the short term. But if we want to make a sustainable long term impact, one-off grants need to be complemented with budgeting advice, energy efficiency products and behaviour change as well as any other additional help a customer needs. This is where the individual and organisational grants complement each other.

76% of people surveyed, who had received a grant from the Trust, said the help had improved the way they manage money. More often than not, people in fuel debt are likely to be in other types of debt. Through the funded organisations, people receive longer term help on other challenges and issues they may be facing.

Providing this financial grant, coupled with ongoing support means the help provided is truly sustainable and is a strategy that should be continued.

The impact of the Trust on people's lives

The report has highlighted the immediate positive impact on people's lives, through being cleared of debt. It also shows the longer term impacts of having better physical and mental health, feeling fitter and using less medication. Enhanced money management skills, improving relationships and a stabilised housing situation are among the other social benefits identified.

These outcomes can enable a person to become more confident and engage in or find work if previously unemployed. Having a job creates many benefits, not just for the individual receiving a higher income and improved psychological wellbeing, but also to society as a whole.

The report has highlighted that the Trust could potentially do more to help people with their employability skills. The Trustees will be exploring what additional support it can provide and will be encouraging other trusts and agencies to do so too.



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Case studies

“I felt like I was being treated with compassion”



A few years ago Caroline was given the opportunity to buy her council home, but quickly discovered that the boiler was not fit for purpose. A local heating engineer had no option but to condemn the boiler and Caroline was presented with a bill for its replacement.

Unable to meet the cost, Caroline became increasingly concerned about the effect the cold could have on her young family.

She said: “When we discovered that the boiler in our home was not up to standard my first concern was the health of my daughter. She suffers from sickle cell anaemia and the cold seriously exacerbates her symptoms, causing her great pain and discomfort. The boiler was so inefficient I could not afford to heat my home at night, and we began really to feel the cold.”

Caroline looked for an answer to her problem online, but struggled to find a solution that would apply to her situation. A friend then suggested she reach out to Manchester CAB and she arranged an appointment with energy adviser Vicky Egerton.

“When I arrived at my appointment Vicky took me through all of my finances and identified lots of ways I could make my home more energy efficient. She wanted to know everything about my circumstances and how not being able to heat my home could put my family in serious danger. I felt I was being treated with compassion and that Vicky really cared about the difficulties my family were dealing with”.

Vicky then suggested Caroline would be eligible for a grant from the British Gas Energy Trust and guided her through the application progress. After a short waiting period, on Christmas Eve Caroline was notified that she would receive £3,112 to replace her boiler.

Caroline, Manchester

“When I found out that our application had been accepted, I felt so relieved. It meant that we could now heat our home at any time of day and I could concentrate on keeping my daughter happy and healthy. It was the best Christmas present I could have ever hoped for”

15%

15% of those who received an award from BGET between 2004 and 2014 were registered as disabled



“This has lifted the burden I have been living with since 2011”



Mr. J also received help from the charity after losing his job which caused him to fall behind with the payment of his gas and electricity bills. After trying to pay back what he could, Mr. J was afraid to use his gas and electricity and then decided to stop using most of his appliances, hot water and heating.

After meeting with Mosrath Jahan from the Bromley-by-Bow Centre, Mr. J was taken through the application process to apply for a help from the British Gas Energy Trust. The Trust assisted Mr. J significantly, helping bring his account up to date and also in receiving money management advice to help him budget effectively in the future.

Mr. J couldn't be more pleased: “This has lifted the burden I have been living with since 2011. I can now look forward to my future and the opportunities that it may hold without having to worry about previous debt”.

He encourages those who are in fuel poverty actively to seek advice. “I didn't know these services were out there and it's a relief to know I've found them in time. I would strongly encourage others in similar situations to speak to a service like Bromley-by-Bow Centre to seek help – it's worth it”.

Mr J, London

“I can now look forward to my future and the opportunities that it may hold without having to worry about previous debt”

The aims of the Trust

The aims of the Trust are met in the following ways:

By administering a grants programme aimed at reducing energy debt for individuals and families experiencing hardship

By increasing and improving independent money advice services and education through organisational grant programmes

By reducing the potential for people to get into debt through the funding of debt prevention work

By ensuring the maximum amount of funds available for giving, through the effective and efficient administration of the Trust

To find out more please visit britishgasenergytrust.co.uk