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ECONOMICS



THE BRITISH GAS ENERGY TRUST

ALLEVIATING THE IMPACT
OF FUEL POVERTY

MAY 2024



British Gas
Energy Trust



British Gas



TABLE OF CONTENTS

Forewords	4
Executive Summary	6
1. Introduction	10
2. Fuel poverty in Britain	12
2.1 Covid-19, war in Ukraine, and the cost-of-living crisis	13
2.2 The impact of the crises on fuel poverty	14
2.3 The implications of rising fuel poverty for fuel debt	16
3. What does the British Gas Energy Trust do?	18
3.1 The aims of the Trust and who it seeks to support	18
3.2 How does the Trust deliver on its aims?	18
3.3 The Trust's response to recent crises	20
4. Profiling the Trust's beneficiaries	24
4.1 Beneficiaries of debt write off grants	24
4.2 Funded organisations	26
5. How do the trust's programmes impact its beneficiaries?	30
5.1 The Trust's Theory of Change	30
5.2 The impact of fuel poverty and fuel debt on individuals and wider society	30
5.3 The impact of the Trust's programmes in practice	31
6. The social return on Investment in the Trust in the financial year 2023/24	34
6.1 Regional results	36
7. The Trust's social impact since 2020	38
Appendix A: Additional analysis	40
Appendix B: SROI methodology	42

FOREWORDS

BRITISH GAS ENERGY TRUST

Over the past two decades the British Gas Energy Trust has supported millions of people suffering from the detrimental impact of fuel poverty. Since 2020, the Trust has been able to triple the number of people supported thanks to a threefold increase in funding from British Gas, our sole funder. The Trust has taken a proactive response, first to the pandemic and then to the energy crisis and continued cost of living challenges. This has involved diversifying support as well focusing funding and services towards some of the most deprived communities and households most at risk of the harm that poverty causes.

The evidence from this report establishes what we have long believed: that holistic support, when combined with practical help such as debt grants, vouchers, and energy efficiency measures has had a significant positive impact on the lives of those supported, and a positive social impact far in excess of the actual funds invested.

Supporting individuals across their multiple areas of need, be it energy, debt, or health related issues, not only improves their standard of living but can have beneficial outcomes for those around them too, including their families and those in their household.

The focus is the individual and understanding their specific situation and needs, which is why we fund projects delivered through front line charities and community-based organisations, ensuring local support is available where the issues are and that help is delivered in a way that is cognisant of the diverse needs of different communities. The same is true for our direct grants programmes which apply a similar approach to the individual circumstances of each applicant.

We recognise that being in our 20th year is not a cause for celebration, indeed two decades after being established to help alleviate the detrimental impact of poverty, need for the support we provide is increasing in many areas.

But there is hope. What we see from this report is that the approach works, and really does help positively change people's situation and wellbeing. One of the overarching learnings, from this report, from our perspective is the ongoing need to invest in and expand the provision of direct support to individuals and households, through initiatives delivered by third sector organisations alongside grant payments and financial handouts.

With the dedication and support from our funder British Gas, we are confident the next decade will see us working together for regenerative change, to help people affected by or at risk of fuel poverty.

My final note would be, that while this report provides compelling evidence that combining practical support in the form of grants and emergency vouchers with holistic, person-centred support changes lives for the better, it is the stories from frontline advisors and people themselves that make our work so fulfilling:

“ Thank you so much for your help, it really does mean a lot to me and my young daughter to have our debt resolved. You don't realise how much this means to myself and my family, there were happy tears, and my shoulders feel a little bit lighter! ”



Jessica Taplin
Chief Executive, British Gas Energy Trust

BRITISH GAS

The last couple of years has been an incredibly tough time for many of our customers and communities who have experienced a rollercoaster of unprecedented events—from the first global pandemic in 100 years to the onset of the largest armed conflict in Europe since World War II.

These events have contributed to the current cost of living crisis and have sadly resulted in more and more households feeling the pressure of paying for everyday essentials - whether that's their mortgage, rent and council tax, or their food, water and energy bills.

I see it as our duty to do whatever we can to help people through the crisis. That's why we've ramped up our support for those who are struggling to pay for energy by growing our call centre team and voluntarily donating £140 million to support those customers in paying their energy bills over the last two years, which is more than any other energy supplier in the UK. This has contributed to us donating over £200 million to the British Gas Energy Trust over the last decade, and complements the hundreds of millions of pounds we provide each year to wider support programmes like the Warm Home Discount and Energy Company Obligation.

During this time, I'm proud of how we've worked with the Trust to ensure it can be a lifeline to the rising number of people who have needed a helping hand, irrespective of whether they're a British Gas customer or not. It does this by providing expert money and energy advice alongside direct grants, whilst building extra capacity at the heart of communities by funding over 40 projects in 2023-24, and advice centres focused in areas of greatest social need.

In the following pages, you'll hear just how invaluable this support has been. Being in debt is incredibly worrying and over time, it can really take its toll. So by easing the immediate financial stress and growing life-long money and energy management skills, it's great to see that the Trust is helping improve health and wellbeing whilst generating broader economic benefits to society through savings to the NHS, boosting tax revenue and more.

Although I'm pleased that the Trust has been able to treble the number of people supported in recent years, society can't go on like this. I'm therefore fully committed to seeing what more we can achieve, together with our friends at the Trust, in broader society in the years to come, and I'm hopeful that together, we'll work towards delivering a fairer future for many more people.



Chris O'Shea
Chief Executive, Centrica

EXECUTIVE SUMMARY

£198 million

BGET's total investment since 2004 towards alleviating the detrimental impact of fuel poverty.



ABOUT BRITISH GAS ENERGY TRUST

In 2024, the British Gas Energy Trust (the Trust) marks 20 years since its establishment as a charitable trust, funded solely by British Gas. Over the past two decades, the Trust has invested nearly £200 million to combat fuel poverty, providing support to around 170,000 individuals in the last four years alone.

The Trust pursues its mission to alleviate the detrimental impact of fuel poverty through a two-pronged approach. Firstly, the Trust extends direct support to households through its direct grant programmes, which provide fuel vouchers to those currently in or at risk of fuel poverty, as well as grants to individuals in arrears to write off their debt. Secondly, the Trust provides organisational grants to charitable groups to enhance their capacity to deliver money and energy advice services to those facing financial hardship.¹

The Trust, along with its partner organisations, support individuals facing challenging circumstances, such as long-term illness and disability, which are linked with a higher likelihood of being in fuel poverty. By alleviating fuel poverty, the Trust's programmes intend to help individuals have better control of their finances, live in warmer, healthier homes, and report a greater sense of wellbeing. Through its organisational grants, the Trust also intends to enhance the capacity and ability of organisations to deliver support and reach those in need.

PURPOSE OF THE STUDY

This report conducts social return on investment (SROI) analysis of the Trust's operations from April 2020 to March 2024, and is preceded by a 2015 report looking at the social return on investment in the Trust since its creation.² The report follows a best-practice methodology and draws on extensive survey and administrative data from the Trust on its beneficiaries.

KEY FINDINGS

The period 2020 to 2024 was marked by rising fuel poverty due to the large increases in fuel prices and the broader cost of living. During this period, in England alone the number of fuel poor households more than doubled from 4.3 million to 8.9 million according to one measure.³ In response, the Trust tripled its expenditure from 2020/21 to 2023/24, and increased the number of individuals it supported annually from 21,000 to 67,000, complementing the raft of support measures introduced by government.

67,000

The number of individuals supported by the Trust in the financial year 2023/24, an increase from 21,000 in 2020/21.



¹ The Trust also operates a number of smaller programmes including the provision of white goods, and energy efficiency measures, and the payment of processing fees for bankruptcy and debt relief orders.

² Oxford Economics, "The economic and social impact of British Gas Energy Trust", August 2015, accessed April 2024.

³ Fuel expenditure of more than 10% of income after housing costs is used as the definition of fuel poverty. Data from Department for Energy Security and Net Zero, "Annual Fuel Poverty Statistics in England, 2024 (2023 data)", accessed March 2024.

The social return on investment in the Trust

The report finds that, in the latest financial year, every £1 spent by the Trust yielded £5.50 in social value. Grants to organisations offering money and energy advice services boasted the highest SROI ratio of £6.50, meaning every £1 of BGET's funding to partner organisations generated £6.50 in social value. This was followed by direct grants to clear fuel debt arrears, for which the Individuals & Families (I&F) fund had an SROI of £2.60, and the Energy Support Fund (ESF) an SROI of £2.30, and lastly fuel vouchers (Financial Assistance Payments) had an SROI of £1.10. The relatively high SROI ratio for grants to organisations highlights the importance of combining energy debt relief with more holistic support.

In terms of scale, over the past four years, the Trust created more than £200 million in societal impact in excess of the cost of its operations and programme funding. In the last four years, the Trust created £264 million worth of social impact, compared to its cost of operations and programme funding of £61 million. This impact consisted of enhanced wellbeing for supported individuals and other members of their households, worth £253 million, and broader economic benefits to society in the form of £11 million of gains to the exchequer through additional tax revenue, and savings to the NHS.

The Trust's impact across the UK and in areas of deprivation

The Trust's impact spans across the UK. **In the latest financial year, its activities in the North West of England, Scotland, London, and the South West of England created the largest social impact.** During this same period, the Trust's activities in England created £40 million in net benefits to society, its activities in Scotland £7 million, and its activities in Wales £2 million.

The Trust's support prioritises areas of acute need with around four in 10 direct grant recipients residing in the 20% most deprived areas of England, Scotland, and Wales. Moreover, of the organisations funded by the Trust which have a geographic focus, around two-thirds (65%) were based in the 20% most deprived areas in England, Scotland, and Wales.⁴

“ Grants to organisations offering money and energy advice services boasted the highest SROI ratio of £6.50, meaning every £1 of BGET's funding to partner organisations generated £6.50 in social value. ”

£264 million

Social impact created by the Trust between April 2020 and March 2023.



⁴ Organisations funded as of financial year 2023/24.

The types of individuals the Trust supports

When comparing the Trust’s beneficiaries to national benchmarks, the Trust is able to disproportionately reach groups identified as being more likely to be at risk of fuel poverty. For example, beneficiaries of the funded organisations programme are, compared to the population, more likely to be unemployed (19% vs. 3%), more likely to claim universal credit (51% vs. 9%), and more likely to have a long-term illness and/or disability (53% vs. 36%).⁵ Certain socioeconomic and demographic groups, including those above, have been shown to be more at risk of being in fuel poverty.

The tangible impact of the Trust on its beneficiaries

Survey data on beneficiaries of the Funded Organisations programme demonstrate the tangible impact of the Trust’s work on individuals. At follow-up surveys after support had been received, **just under two-thirds (65%) of respondents agreed or strongly agreed that they feel less stressed since receiving support (65%) and more than three-quarters (77%) agreed or strongly agreed that they feel more financially stable and secure.**

This impact also translates into improvements in individuals’ sense of wellbeing. At baseline, 44% of respondents agreed or strongly agreed that they were satisfied with their lives (a commonly used measure of wellbeing), which had risen to 74% at follow-up surveys after support had been received.

Case studies of the Trust’s impact

The report also illustrates the Trust’s impact on funded organisations through the use of case studies to showcase the work of charities dedicated to supporting individuals in areas of deprivation, and those with specific needs. The case studies use anonymised real-world examples to demonstrate the impact of the support on individuals.

77%

Share of Funded Organisation beneficiaries who agreed or strongly agreed that they feel more financially stable and secure after having received support.





1. INTRODUCTION

The British Gas Energy Trust (the Trust) is an independent charitable trust funded solely by British Gas, whose mission is to alleviate the detrimental impact of poverty by focusing on fuel poverty. In 2024, the Trust marks 20 years since its launch, during which time it has invested nearly £200 million in pursuit of its mission.⁶

The Trust employs a two-pronged approach to reducing fuel poverty, and its adverse impact on individuals. Firstly, the Trust extends direct support to households through its direct grant programmes, which provide fuel vouchers to those currently in or at risk of fuel poverty, as well as grants to individuals in arrears to write off their debt. Secondly, the Trust provides organisational grants to charitable groups to enhance their capacity to deliver money and energy advice services to those facing financial hardship. The Trust's programmes are active throughout England, Scotland, and Wales.

This report undertakes a social return on investment (SROI) analysis of the Trust, which quantifies the societal benefits and costs of the Trust's activities. Following on from previous research conducted by Oxford Economics in 2015, the report examines the impact of the Trust's interventions against the backdrop of contemporary challenges.⁷

The report's structure is as follows:

- Chapter 2 describes the evolution of fuel poverty, the fuel poverty gap, and fuel debt in recent years, contextualising these trends within the dual crises of Covid-19 and Russia's invasion of Ukraine.
- Chapter 3 provides further detail on the Trust, including its aims, the target demographic it seeks to support, its method for achieving its aims, and its response to recent crises.
- Chapter 4 uses data on the Trust's beneficiaries to illustrate the challenges they face, as well as their geographical distribution across England, Scotland, and Wales, including the proportion which are located in deprived areas.
- Chapter 5 outlines the mechanisms through which the Trust's programmes can create social impact, drawing upon its theory of change and existing empirical evidence on the impact of fuel poverty. It also uses the Trust's data to demonstrate the impact of one of the Trust's programmes on individuals.
- Chapter 6 summarises the report's findings on the social return on investment in the Trust for the financial year 2023/24.
- Chapter 7 looks back at how the Trust's social impact has evolved since 2020, and the total impact it has created in that time.

⁶Estimated using the Trust's 2023 impact report which states that total spend from 2004 to the end of the Trust's financial year 22/23 was £176 million, and the Trust's forecast expenditure for FY23/24 of £22 million.

⁷Oxford Economics, "[The economic and social impact of British Gas Energy Trust](#)", August 2015, accessed April 2024.



2. FUEL POVERTY IN BRITAIN

The number of households in fuel poverty has seen a significant increase across Britain since 2020.

In England, the number of fuel poor households rose from 4.3 million to 8.9 million from 2020 to 2023, according to one measure.^{8,9} In Scotland, the same measure suggests the number of fuel poor households

is expected to have risen from 610,000 to 980,000 between 2019 and 2023.^{10,11,12}

This rise in fuel poverty can be attributed to increases in fuel prices and broader living costs, which drove up fuel poverty rates from 2020 onward.

The profound socioeconomic impact of Covid-19 was

associated with an initial uptick in fuel poverty levels in 2020 and 2021. This situation was exacerbated by Russia's invasion of Ukraine in 2022, which resulted in significant increases in global fuel prices and contributed to mounting inflationary pressures across the rest of the economy, further straining household budgets.

DEFINING FUEL POVERTY IN BRITAIN

A person is defined by the Office of National Statistics as being in fuel poverty if they are in a low-income household and cannot keep their home warm at a reasonable cost.¹³

In statutory terms, fuel poverty is defined differently in each of England, Scotland, and Wales:

- In England, members of a household are in fuel poverty if, after subtracting energy and housing costs, their residual income is below the poverty line and their home has a poor energy efficiency rating.^{14,15} The government also produce measures that are consistent with Scotland and Wales as a part of their statistical releases.
- In Scotland, members of a household are fuel poor if, after housing costs, they would need to spend more than 10% of their net income on fuel to pay for reasonable fuel needs.¹⁶
- In Wales, members of a household are fuel poor if, before housing costs, they would need to spend more than 10% of their net household income on fuel to heat their home to a "reasonable" level.¹⁷

Where this report cites measures of fuel poverty, we use the after-housing costs measure. We have chosen this measure as it allows for comparability between England and Scotland. The Low Income Low Energy Efficiency (LILEE) metric is also not as sensitive to changes in energy costs, and so may not adequately capture the burden faced by households struggling to keep their home warm at a reasonable cost.

The severity of fuel poverty can be measured using the fuel poverty gap, which is the additional income required for a fuel poor household to no longer be in fuel poverty.¹⁸ The aggregate fuel poverty gap represents the total reduction in energy costs required to take all fuel poor households out of fuel poverty.¹⁹ This measure is calculated in England using the LILEE metric, and in Scotland using the after housing costs metric.

⁸ Department for Energy Security and Net Zero, "Annual Fuel Poverty Statistics in England, 2024 (2023 data)", accessed March 2024.

⁹ Fuel expenditure of more than 10% of income after housing costs is used to estimate fuel poverty.

¹⁰ Scottish Government, "Cost of Living (Tenant Protection) (Scotland) Act 2022: first report to the Scottish Parliament", accessed April 2024.

¹¹ Scottish Government, "Scottish House Condition Survey: 2022", accessed April 2024.

¹² The collection of fuel poverty data is devolved to national governments, and comparable data does not exist in Wales.

¹³ Definition for England and Wales. Office for National Statistics, "How fuel poverty is measured in the UK: March 2023", accessed February 2024.

¹⁴ A poor energy rating is defined as a property with a fuel poverty energy efficiency rating of band D or below. The energy rating measure calculated estimates how much energy is required to heat an individual's home, based upon its materials and insulation properties.

¹⁵ Department for Energy Security and Net Zero, "Fuel Poverty Methodology Handbook", accessed February 2024.

¹⁶ Scottish Government, "Home energy and fuel poverty", accessed February 2024

¹⁷ Statistics for Wales, "Welsh Housing Conditions Survey (WHCS) 2017-2018 Fuel Poverty Projections for Wales 2021: Methodology Report", accessed February 2024

¹⁸ Office for National Statistics, "How fuel poverty is measured in the UK: March 2023", accessed February 2024.

¹⁹ Suzanna Hinson and Paul Bolton, House of Commons Library, "Fuel Poverty", accessed March 2024.

The increases in fuel prices paid by consumers in the UK occurred in part due to structural factors which meant the UK was vulnerable to a global shock of this nature.²⁰

These factors included a dependency on gas imports, and the incomplete transition away from fossil fuels to renewable energy sources.

During this period of increasing fuel poverty, the Trust’s support complemented a range of measures introduced by the UK government to limit the effect of these crises on households.

2.1 COVID-19, WAR IN UKRAINE, AND THE COST-OF-LIVING CRISIS

While disposable incomes in poorer households increased slightly during the first year of the pandemic due to support measures provided by government, **evidence suggests lockdown restrictions and social distancing led to increased spending on fuel, as individuals spent more time at home.**^{21,22} Additionally, anecdotal evidence indicates that the quality of housing for those already living in

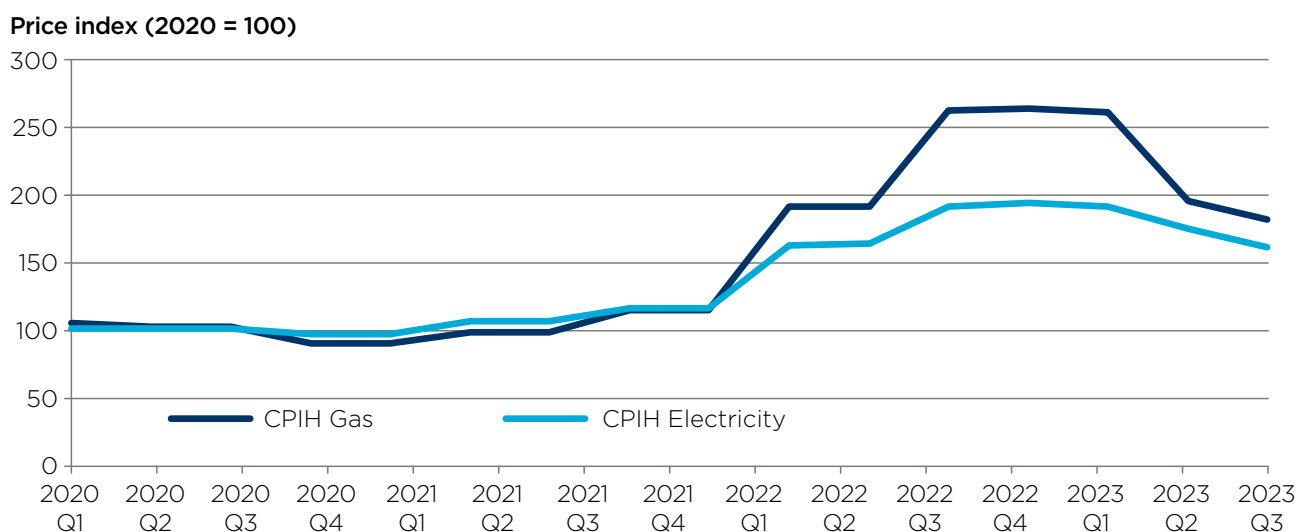
substandard conditions may have further deteriorated due to delays in necessary repair work.²³ For these households, energy efficiency may have worsened, increasing both the incidence and severity of fuel poverty.

Around two years after the onset of Covid-19, **Russia’s invasion of Ukraine resulted in a more than doubling of the prices paid by consumers for gas, and a near doubling**

in electricity prices within a year. By the end of 2023, gas and electricity prices had fallen somewhat from their peak but were still 71% and 61% higher respectively than pre-Covid-19 levels.

From the start of 2020 to the end of 2023, prices of goods and services purchased by consumers (excluding energy) also increased by around 20%, placing additional strain on household budgets.²⁴

Fig. 1: Evolution of gas and electricity prices from the start of 2020 to end of 2023²⁵



Source: Oxford Economics, ONS

²⁰ Environmental Audit Committee, “Accelerating the transition from fossil fuels and securing energy supplies”, January 2023, accessed April 2024.

²¹ Institute for Fiscal Studies, “Living standards, poverty and inequality in the UK: 2022”, July 2022, accessed March 2024.

²² See Box 1: Covid-19 and fuel poverty. Suzanna Hinson and Paul Bolton, House of Commons Library, “Fuel Poverty”, February 2024, accessed March 2024.

²³ Phillip Brown, Dillon Newton, Rachael Armitage and Leanne Monchuk “Lockdown, Rundown, Breakdown. The Covid-19 lockdown and the impact of poor-quality housing on occupants in the North of England”, October 2020, accessed March 2024.

²⁴ Oxford Economics calculations using Office for National Statistics, “Consumer price inflation tables”, accessed March 2024.

²⁵ The periods where prices are largely unchanged (e.g. Q4 2022 to Q2 2023) reflect when the price cap imposed by government became binding for the vast majority of consumers.

2.2 THE IMPACT OF THE CRISES ON FUEL POVERTY

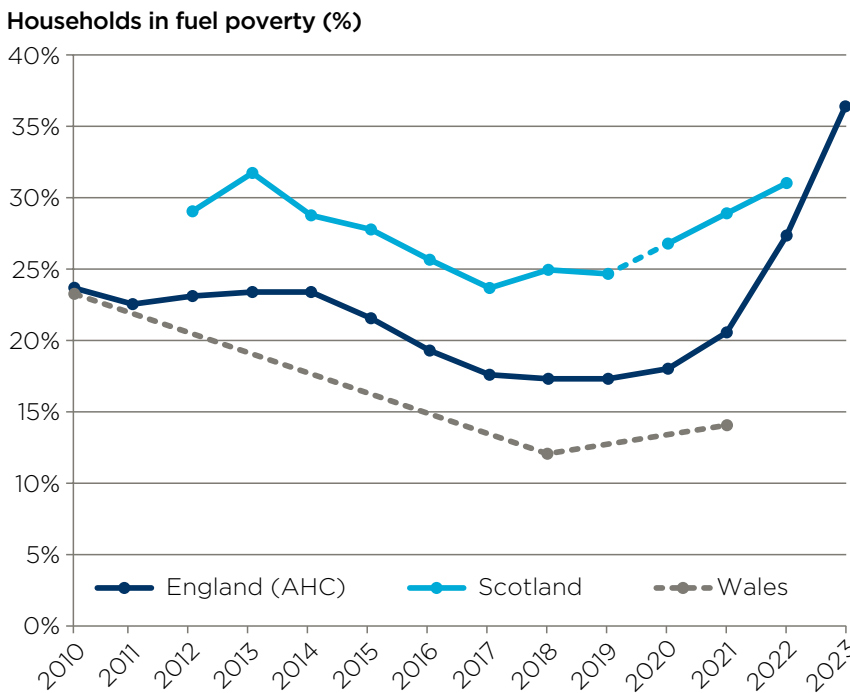
Due to rising fuel prices, and broader cost-of-living pressures, fuel poverty levels, and the severity of fuel poverty—measured by the fuel poverty gap—have increased according to available data.

The extent of the change in fuel poverty depends on the definition chosen by governments, and varies across England, Scotland, and Wales. In England, according to the after housing costs measure, 36% of English households were estimated to be in fuel poverty in 2023, representing a doubling from 2020.^{26,27}

Using the same measure in Scotland, 31% of households were estimated to be in fuel poverty in 2022, up from 25% in 2019.²⁹ Though official data for 2023 are pending, forecasts suggest it may have risen to 39% by April 2023.³⁰

In Wales, the available data differ in methodology, using the before-housing costs measure, which is more conservative. In 2021, 14% of Welsh households were considered fuel poor, slightly up from 12% in 2018.³¹ Recent modelling carried out by the Welsh government suggested the proportion of households in fuel poverty could have risen to as high as 45% in Wales in 2022, though this figure could be considered an overestimate as it did not adequately consider support available to households.^{32,33}

Fig. 2: Incidence of fuel poverty in Great Britain, by nation, 2010-2023²⁸



Source: Oxford Economics, Department for Energy Security and Net Zero, Scottish Government, Welsh Government

²⁶ Department for Energy Security and Net Zero, "Fuel poverty trends 2024", accessed March 2024

²⁷ In England, the preferred measure is the "Low Income Low Energy Efficiency" (LILEE) metric, which shows minimal change in the number of fuel poor households from 2020 to 2023. As this measure is less sensitive to changes in fuel prices, we use an alternative measure of fuel poverty, which defines a household as fuel poor if it spends more than 10% of its income on fuel after housing costs.

²⁸ Dashed lines represent years with missing data.

²⁹ Scottish Government, "Scottish House Condition Survey: 2022", accessed April 2024.

³⁰ See 4.3 of Local Government and Housing Directorate, "Cost of living (Tenant Protection) (Scotland) Act 2022: first report to the Scottish Parliament" January 2023, accessed April 2024.

³¹ Welsh Government, "Fuel poverty in Wales: interactive dashboard", accessed April 2024.

³² Ibid.

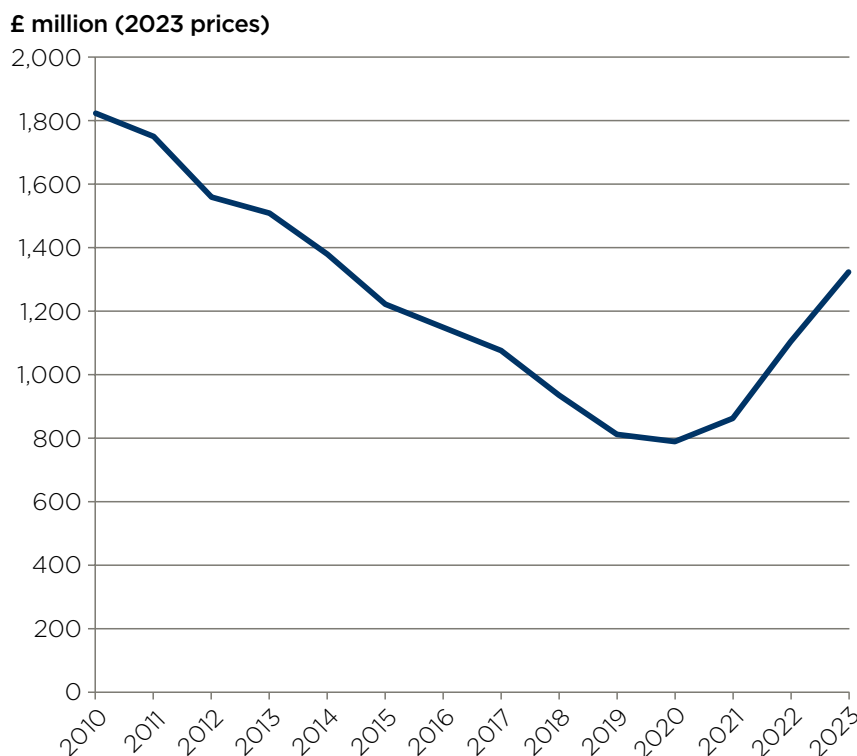
³³ Suzanna Hinson and Paul Bolton, House of Commons Library, "Fuel Poverty", February 2024, accessed March 2024.

The aggregate fuel poverty gap, defined as the amount of money needed to lift all fuel poor households out of fuel poverty, increased by 67% in England between 2020 and 2023.³⁴ In 2023, the typical fuel poor household in England would have needed £232 per year to escape fuel poverty, compared to £137 in 2020.^{35,36} Due to data availability, this calculation is based on the most conservative LILEE measure of fuel poverty, and using a less conservative measure would indicate a higher amount is needed.

2.2.1 Fuel poverty and household characteristics

Certain demographic groups are more likely to be defined as fuel poor, including households in the rental sector, households where someone has a long-term illness or disability, low-income households, and ethnic minority households. For example, households with an individual with a long-term illness or disability are 61% more likely to be fuel poor than other households.^{38,39}

Fig. 3: Aggregate fuel poverty gap in England, 2010-2023⁴¹



Source: Oxford Economics, Department for Energy Security and Net Zero

Similarly, ethnic minority households are 34% more likely to be fuel poor compared to non-ethnic minority households.⁴⁰ This is supported by ONS analysis which indicates that individuals are significantly more likely to experience energy insecurity if they are of an ethnic minority, or have a long term disability.⁴¹

³⁴ Department for Energy Security and Net Zero, "Fuel poverty detailed tables 2024", accessed March 2024

³⁵ Department for Energy Security and Net Zero, "Fuel poverty trends 2024", accessed March 2024

³⁶ Median fuel poverty gap expressed in real terms.

³⁷ The LILEE metric is used here as there is no official source of the fuel poverty gap where fuel poverty is defined using the "after housing costs" measure.

³⁸ Analysis taken from box titled "Variations in fuel poverty in England 2023", which uses the LILEE metric to define fuel poverty. Suzanna Hinson and Paul Bolton, House of Commons Library, "Fuel Poverty", accessed March 2024.

³⁹ 16.9% of households with an individual with a long-term illness or disability are fuel poor according to the LILEE metric, compared to just 10.5% of all other households.

⁴⁰ 16.6% of households with a reference person who is of an ethnic minority are fuel poor, compared to 12.4% of households with a reference person who is not of an ethnic minority.

⁴¹ Office for National Statistics, "Characteristics of adults experiencing energy and food insecurity in Great Britain: 22 November to 18 December 2022", accessed April 2024.

2.3 THE IMPLICATIONS OF RISING FUEL POVERTY FOR FUEL DEBT⁴²

As higher energy costs placed a greater burden on fuel poor households, more households have struggled to keep up with their energy bills. **Consequently, both the number of households with fuel debt and the average amount of debt owed have increased.**

As of autumn 2023, there were around 12% more households in energy debt than there were just before the start of the Covid-19 pandemic.⁴³ The average debt owed by indebted households had also increased since 2020 by around 60% for electricity (from around £750 to almost £1,200), and 70% for gas (from almost £600 to just over £1,000).⁴⁴

Moreover, as of January 2024, 41% of adults responsible for energy bills reported difficulty in paying them⁴⁵. This figure peaked in May 2023, when 49% of households struggled to pay their energy bills.

⁴² See Appendix A for additional detail.

⁴³ Ofgem, "[Debt and Arrears Indicators](#)", accessed February 2024.

⁴⁴ Ofgem, "[Debt and Arrears Indicators](#)", accessed February 2024.

⁴⁵ Office for National Statistics, "[Public opinions and social trends, Great Britain: 17th to 28 January 2024](#)", accessed February 2024.



3. WHAT DOES THE BRITISH GAS ENERGY TRUST DO?

3.1 THE AIMS OF THE TRUST AND WHO IT SEEKS TO SUPPORT

The Trust is dedicated to alleviating the detrimental impact of poverty, with a specific focus on fuel poverty.⁴⁶ To achieve its mission, the Trust has two primary aims:

1. To assist individuals in reducing the burden of energy debt, making informed energy choices, and improving money management skills; and,

2. To bolster the capabilities of the organisations the Trust funds, enabling support to people facing hardship through money and energy advice services.

To achieve its first aim, the Trust primarily targets low-income households in or at risk of fuel poverty. These households include those facing unexpected hardships, long-term health conditions,

and other vulnerabilities; characteristics which were identified in Chapter 2 as being correlated with a higher likelihood of being in fuel poverty.

To fulfil its second aim, the Trust seeks to support advice providers, debt relief charities, and social enterprises.

3.2 HOW DOES THE TRUST DELIVER ON ITS AIMS?

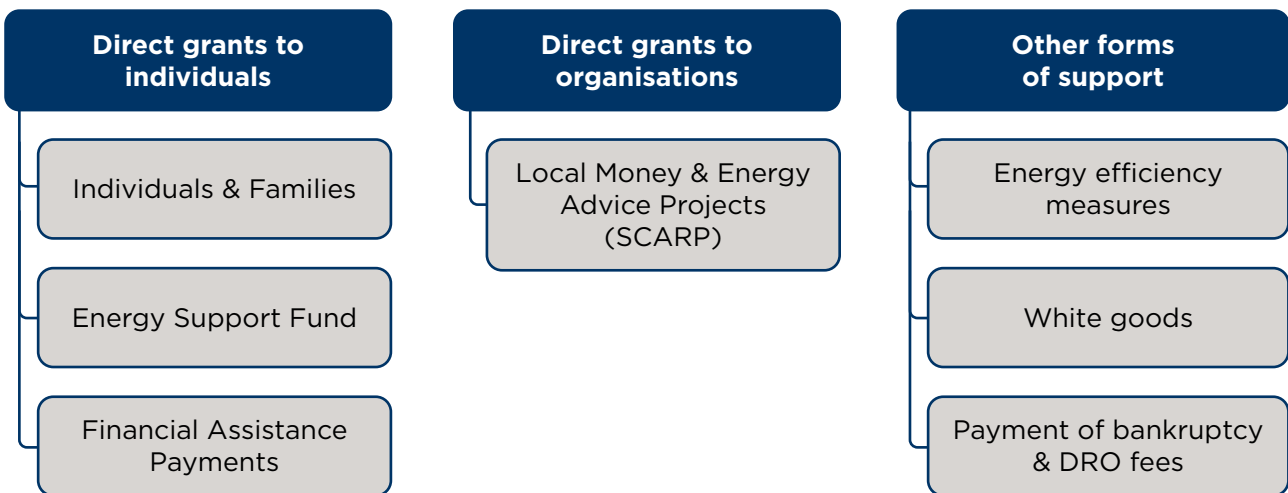
The Trust operates a number of programmes to realise its aims, as set out in Fig. 4.

Firstly, to help people avoid the burden of energy debt it operates three forms of direct grant to individuals facing fuel poverty.

Secondly, to enhance the capacity of organisations providing support to those in fuel poverty it provides organisational grants to money and energy advice projects through the Funded Organisations programme (also known as Supporting Communities at Risk, or SCARP).

Lastly, it operates several smaller programmes including the provision of energy efficiency measures (EEMs) and white goods, and support to individuals in paying for the admin and processing fees relating to bankruptcies and debt relief orders.⁴⁷

Fig. 4: An overview of the structure of the Trust’s programmes⁴⁸



⁴⁶ The description of the Trust’s aims draws on its Impact Report 2023. British Gas Energy Trust, “[Impact Report 2023](#)”, accessed April 2024.

⁴⁷ The benefits arising from these are only in part captured in our analysis where they are provided via the Funded Organisations programme, however they reflect a small share of the Trust’s overall expenditure.

⁴⁸ SCARP stands for the Supporting Communities at Risk Programme.

Fig. 5: Additional detail on the Individual & Families Fund, the Energy Support Fund, and Financial Assistance Payments

	Individual & Families Fund	Energy Support Fund	Financial Assistance Payments
Type of support	Debt write-off	Debt write-off	Fuel vouchers
Maximum grant size	£2,000	£2,000	Up to three fuel vouchers worth £49 each
Average grant received per unique beneficiary (FY 2023/24)	£530	£960	£100
No. unique beneficiaries (FY 2023/24)	1,800	5,400	19,000
Restrictions	British Gas and non-British Gas customers Debt must be written-off in full Individual must have received help from a money advice agency	British Gas customers only Debt must be written-off in full Individual must have received help from a money advice agency	

Note: Average grant, and no. unique beneficiaries are for FY 2023/24, and are in part based on forecasts. Some non-British Gas customers are not eligible for I&F if their provider has a similar scheme. Requirement to seek help from a money advice agency not in place at start of period. Figures have been rounded to the nearest ten.

The Trust’s direct grants offering consists of: the Individual & Families (I&F) Fund, the Energy Support Fund (ESF), and Financial Assistance Payments (FAPs). Key details for these are set out in Fig. 5.

Both I&F and ESF provide grants to write off fuel debt in full. The main distinction between them is that ESF is exclusively for British Gas customers, whereas both British Gas and non-British Gas customers are eligible for I&F support. Typically, around one in 10 individuals accessing I&F support are non-British Gas customers.⁴⁹

FAPs, in the form of fuel vouchers valued at up to £147, are provided to all beneficiaries receiving an I&F grant. Additionally, external agencies can refer individuals to receive FAPs if they are in or at risk of fuel poverty.

The Funded Organisations programme provides organisational grants to over 40 debt and money advice, disability, and energy charities. These charities, in turn, provide community facing assistance to those in fuel poverty. The support that organisations provide is in-depth and tailored to identify

the root causes of fuel poverty, and tackle these head-on, with clients benefitting on average from three hours of support to help resolve their issues.

The Trust funds organisations which have either a thematic or a geographic focus. Organisations with a thematic focus operate across the UK, and include those such as Scope and Kidney Care UK, which cater to individuals with specific needs. Organisations with a geographic focus are situated in areas marked by higher-than-average levels of deprivation, and include those such as the Bromley-

⁴⁹ By volume, one tenth of grants went to non-British Gas customers in the most recent financial year.

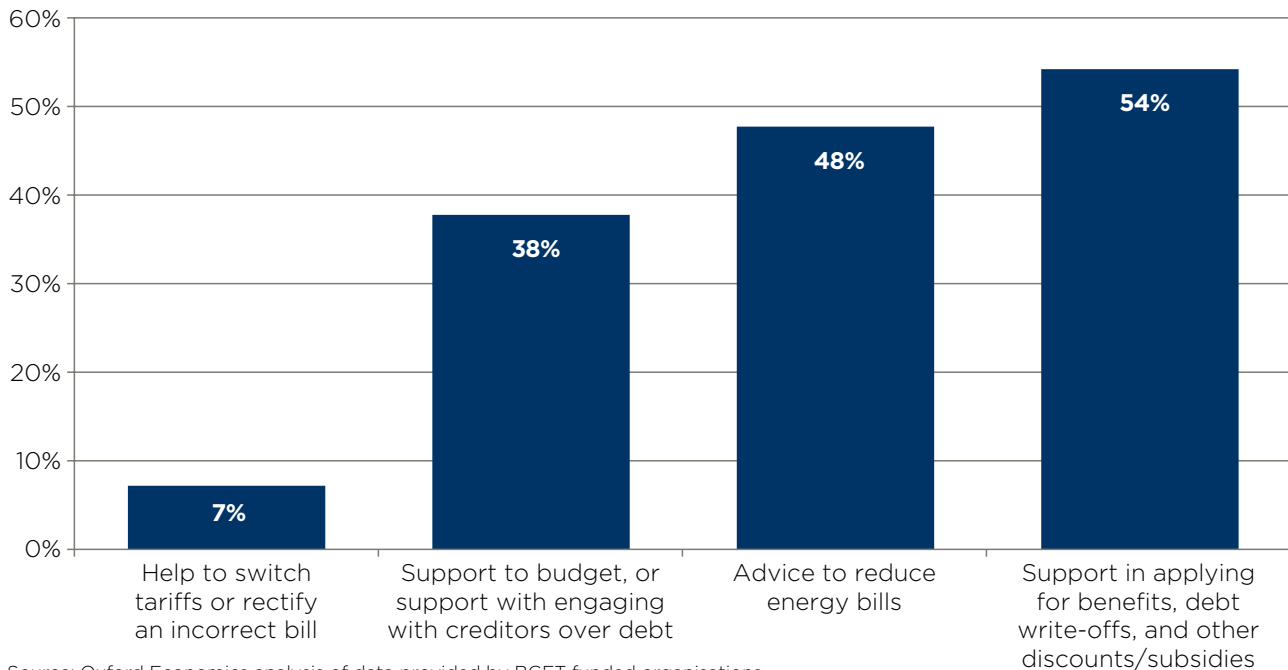
by-Bow Centre. To support its geographic targeting, the Trust has commissioned analysis to identify areas with particularly acute needs. In addition, the Trust funds several organisations to operate temporary pop-ups at post offices, which provide similar support to other funded organisations.

Services provided by funded organisations include budget planning, education around energy use, eligibility checks for benefits, fuel tariff switching, and other advice on topics such as housing and employment. **The most common form of assistance provided is support in applications for benefits,**

debt relief, and accessing discounts and subsidies, received by just over half (54%) of beneficiaries.^{50,51} The second most common form of support provided is advice on reducing energy bills, received by just under half (48%) of beneficiaries.⁵²

Fig. 6: Types of support received by beneficiaries of Funded Organisations

Percentage receiving support



Source: Oxford Economics analysis of data provided by BGET funded organisations

3.3 THE TRUST'S RESPONSE TO RECENT CRISES

In response to the increases in fuel poverty driven by Covid-19 and the Russian invasion of Ukraine, the Trust tripled its yearly expenditure between 2020/21 and 2023/24. This was made possible by funding from British Gas, the Trust's sole funder.

In the financial year 2020/21, the Trust's expenditure amounted to around £7 million per annum.⁵³ This was followed by a small real terms increase to around £8 million in the financial year 2021/22, and then a much larger increase to £24 million, marking a nearly 300%

increase, in the financial year 2022/23. These changes were prompted by the escalation in fuel prices and fuel poverty, both of which became acute from 2022 onwards.

⁵⁰ This could include one or more of the following: a benefits check, support applying for benefits or tax credits, support to challenge a benefits decision, support applying for funded heating or insulation, support applying for a Warm Home Discount, help applying for water bill/other utilities discount and help to apply for a grant to pay off debt.

⁵¹ Oxford Economics analysis of survey responses collected by the Trust's funded organisations.

⁵² This could include one or more of the following: advice on how to save energy at home, energy saving measures, advice on low carbon techniques.

⁵³ Figures in this section are in 2023 prices.

The increase in aggregate expenditure was for the most part on direct grants to beneficiaries. However, in real terms, all of the Trust’s programmes had a higher level of expenditure at the end of the period compared to the beginning.

The tripling of the Trust’s expenditure also corresponded to a three-fold increase in the estimated number of unique beneficiaries supported by the Trust. In the financial year 2020/21, approximately 21,000 unique beneficiaries received support from the Trust, a figure that rose to around 67,000 by the financial year 2023/24.⁵⁴ And at a programme level, the number of unique beneficiaries supported by the Funded Organisations programme is forecast to have roughly doubled between the start and end of the period.

While the number of individuals supported by I&F remained roughly consistent from 2020/21 to 2023/24, the introduction of ESF and the expansion of FAPs resulted in a more than 12-fold increase in the total number of individuals supported by direct grants, from around 2,200 to over 26,500 from the start to the end of the period. The significant uptick in unique beneficiaries supported by ESF in the financial year 2022/23 coincided with the increase in fuel prices.

Fig. 7: British Gas Energy Trust annual expenditure, by cost, for the four most recent financial years⁵⁵

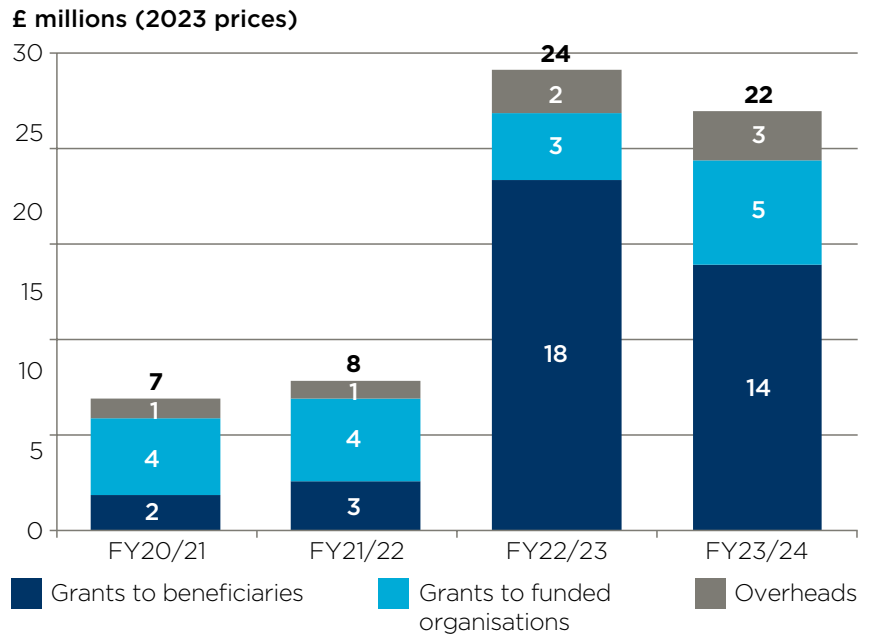
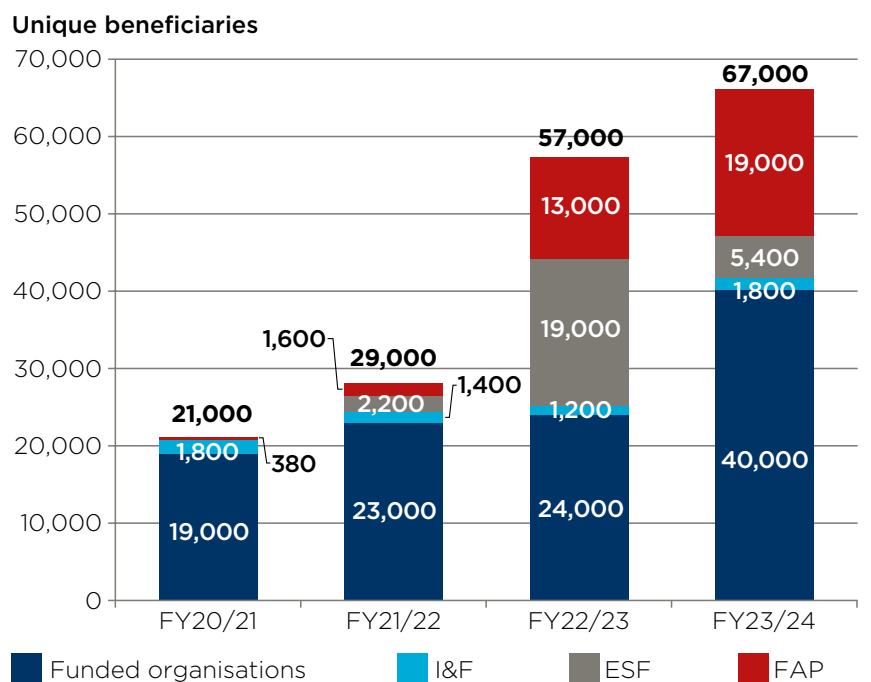


Fig. 8: Estimated number of unique beneficiaries supported by programme for the four most recent financial years⁵⁶



⁵⁴ FY 23/24 data is partially based upon forecasts of unique beneficiaries.

⁵⁵ FY 23/24 data based on accounts forecasts.

⁵⁶ Funded organisation unique beneficiaries for FY23/24 are based on forecasts.

BROMLEY-BY-BOW CENTRE: THE ENERGY BOOST PROJECT



In the most recent financial year, the Trust provided funding to the Bromley-By-Bow Centre, a community charity in east London, through a £223,000 grant. The funded project—Energy Boost—aimed to provide advice and support to people facing difficulties paying their energy bills. Its focus was on increasing people’s understanding of how to use appliances and heating systems more efficiently, by helping them to access the most affordable energy tariffs given their needs and identifying discounts available to them.

Through the grant, Bromley-By-Bow is expected to have supported over 1,600 beneficiaries. The project helped eligible households receive over £130,000 in additional income, and manage £544,000 in debt.

As an example of how Energy Boost helped alleviate financially distressed individuals, the charity supported a single parent on Universal Credit with three dependent children. The individual was in rent arrears on their housing association property, and had arrears on their British Gas electricity account of over £800. Bromley-By-Bow offered one-to-one support to the client, helping them to negotiate an affordable payment plan, clear their arrears with an ESF grant, receive almost £150 in fuel vouchers, successfully claim almost £70 in additional weekly income through the Personal Independence Payment welfare benefit, and supplied LED light bulbs to reduce ongoing electricity costs. The client reported that they “feel [they] can move forward now”.





4. PROFILING THE TRUST'S BENEFICIARIES

Data on its beneficiaries suggest that the Trust is successful in targeting areas of deprivation, where fuel poverty is more prevalent.

When comparing to national benchmarks, the Trust is also able to disproportionately reach socioeconomic groups identified as being more likely to be at risk of fuel poverty.

4.1 BENEFICIARIES OF DEBT WRITE OFF GRANTS

Beneficiaries of the Trust's debt write off grants are typically low income, reside in relatively deprived areas, and face barriers to employment such as caring responsibilities and illness.

4.1.1 Characteristics of grant beneficiaries

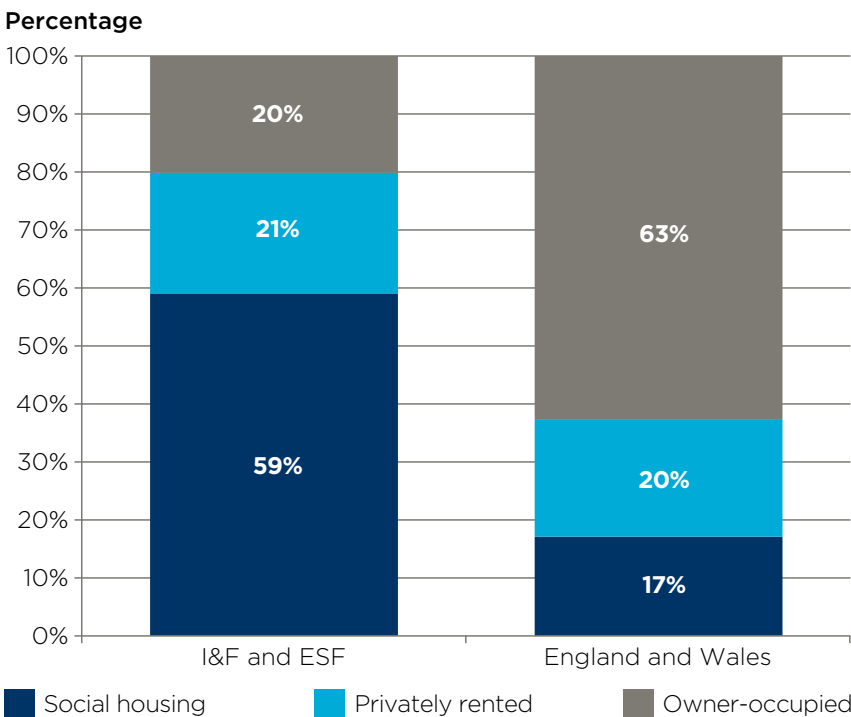
Compared to a national benchmark, beneficiaries of debt write off grants are less likely to own their own home and are significantly more likely to live in social housing.

In England and Wales, 17% of households live in social housing, whereas amongst I&F and ESF beneficiaries this was around 60%.⁵⁷ In contrast, around 60% of households in the population are owner-occupied, compared to just 20% among the Trust's beneficiaries.

The average recipient of an I&F and ESF grant has an income that would place them in the poorest 15% of households in the UK.

According to data collected in grant applications, the typical household receiving I&F and ESF grants had household income of £18,000 and £20,400, respectively, in the financial year 2023/24.⁵⁹ This places I&F and ESF recipients slightly below the 15th percentile household at the national level, which had gross household income of £21,700.^{60,61}

Fig. 9: Household tenure of the Trust's grant recipients compared to a national benchmark⁵⁸



Source: Oxford Economics analysis of data provided by BGET, ONS

⁵⁷ Office for National Statistics, "Housing, England and Wales: Census 2021", accessed April 2024

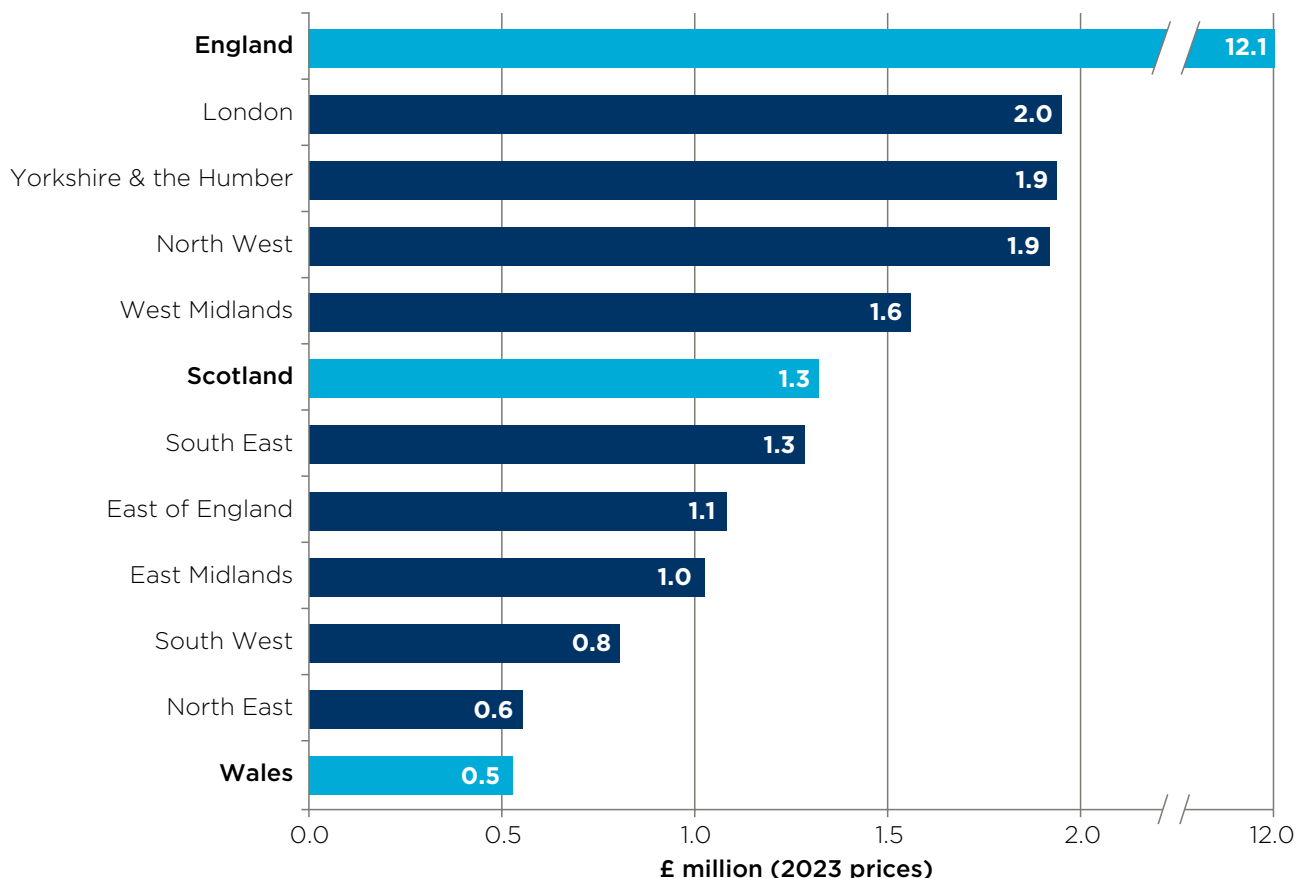
⁵⁸ Here, grant recipients of I&F and ESF programmes are combined as there is very little difference in tenure across the two programmes.

⁵⁹ Figures are rounded to the nearest 100. The lower income among I&F recipients reflects the household income eligibility criteria for the scheme.

⁶⁰ Office for National Statistics, "The effects of taxes and benefits on household income, disposable income estimate", accessed April 2024

⁶¹ Data for financial year 2021/22 expressed in 2023 prices. Rounded to nearest 100.

Fig. 10: Sum of I&F, ESF, and FAP grants paid by the Trust in the financial year 2023/24, by country/region



Source: Oxford Economics analysis of data provided by BGET

Some grant applicants also reported factors that may make finding employment difficult, impact their ability to afford their energy bills, and increase the likelihood of falling into debt. For example, among I&F and ESF applicants in the financial year 2023/24, 16% were carers, 16% reported they were suffering from a new illness, and 8% reported a reduction in their benefits.

4.1.2 The geographic distribution of grant beneficiaries

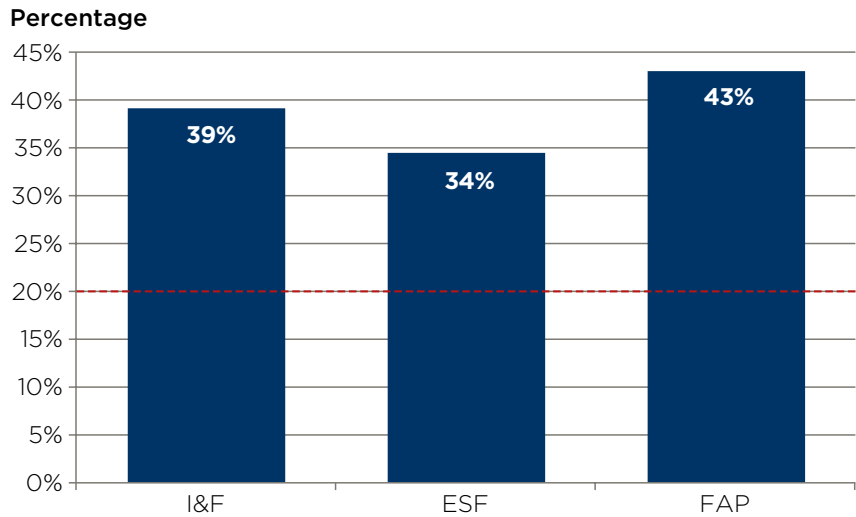
The Trust’s direct grant programmes are successful in reaching beneficiaries across England, Scotland, and Wales.⁶² Combining grants and payments made across the I&F, ESF, and FAPs programmes, the regions receiving the most support

in the financial year 2023/24 were London, the North West, and Yorkshire and the Humber.

⁶² Take-up of the schemes is not targeted, so is determined by underlying demand, and Warm Home Discount funding in each of England, Scotland and Wales.

Across all direct grant programmes in the financial year 2023/24, the Trust recipients were disproportionately concentrated in areas of relative deprivation: 39% of I&F beneficiaries, 34% of ESF beneficiaries, and 43% of FAP beneficiaries resided in the 20% most deprived areas in England, Scotland, and Wales, where roughly 20% of the population lives.^{63,64,65}

Fig. 11: Percentage of the Trust’s recipients living in the 20% most deprived areas of England, Scotland, and Wales, by programme⁶⁶



Source: Oxford Economics analysis of data provided by BGET

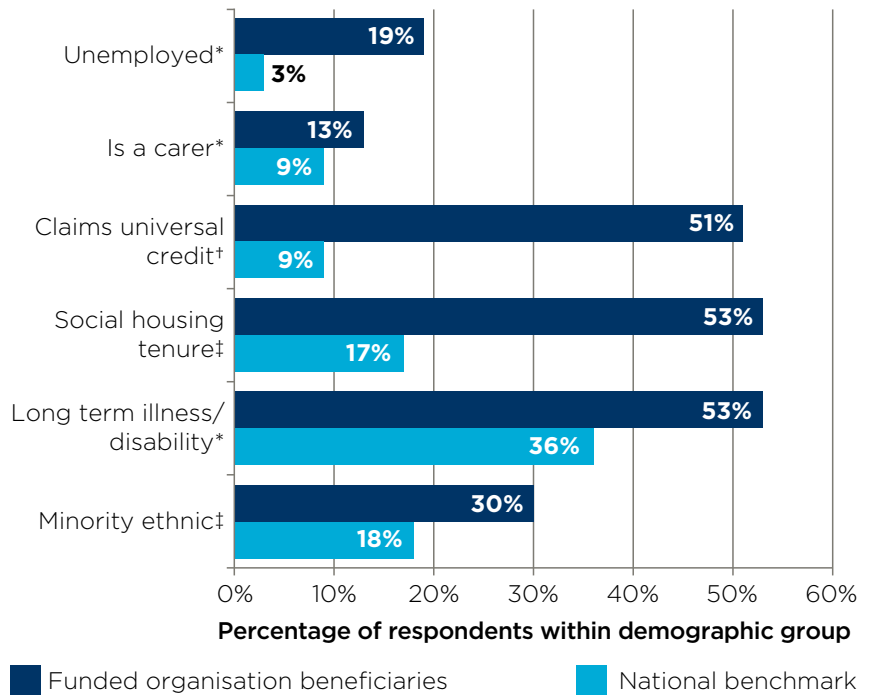
4.2 FUNDED ORGANISATIONS

Using survey data to profile beneficiaries of the Trust’s funded organisations reveals that support is effectively targeted in areas of relative deprivation and at groups who are more likely to be in fuel poverty.

4.2.1 Characteristics of beneficiaries of Funded Organisations

Benchmarking funded organisation beneficiaries against the population reveals that supported households are more likely to have characteristics associated with a higher rate of fuel poverty.⁶⁷ This includes having someone in the household who suffers from a long-term illness, being in social housing, and being of an ethnic minority.

Fig. 12: Funded organisation beneficiaries versus national benchmarks⁶⁸



Source: Oxford Economics analysis of data provided by BGET funded organisations

⁶³ Ministry of Housing, Communities and Local Government, “English indices of deprivation 2019”, accessed April 2024

⁶⁴ Scottish Government, “Scottish Index of Multiple Deprivation 2020”, accessed April 2024

⁶⁵ Welsh Government, “Welsh Index of Multiple Deprivation (full Index update with ranks): 2019”, accessed April 2024

⁶⁶ As there are pockets of deprivation in almost every local authority, we would not expect demand to be entirely concentrated in the poorest local authorities, meaning there would be a ceiling on these shares even with “perfect targeting” of support.

⁶⁷ Suzanna Hinson and Paul Bolton, House of Commons Library, “Fuel Poverty”, accessed March 2024.

⁶⁸ Symbols following demographic description denote the national benchmark used: * denotes UK, † denotes Great Britain, and ‡ denotes England and Wales.

Respondents are also more likely to be unemployed (19% vs. 3%), be a carer (13% vs. 9%), or claim universal credit (51% vs. 9%) than the population as a whole.

Funded organisation beneficiaries are also typically low income, a key determinant of fuel poverty, with 72% of beneficiaries surveyed reporting gross household income less than £16,190.

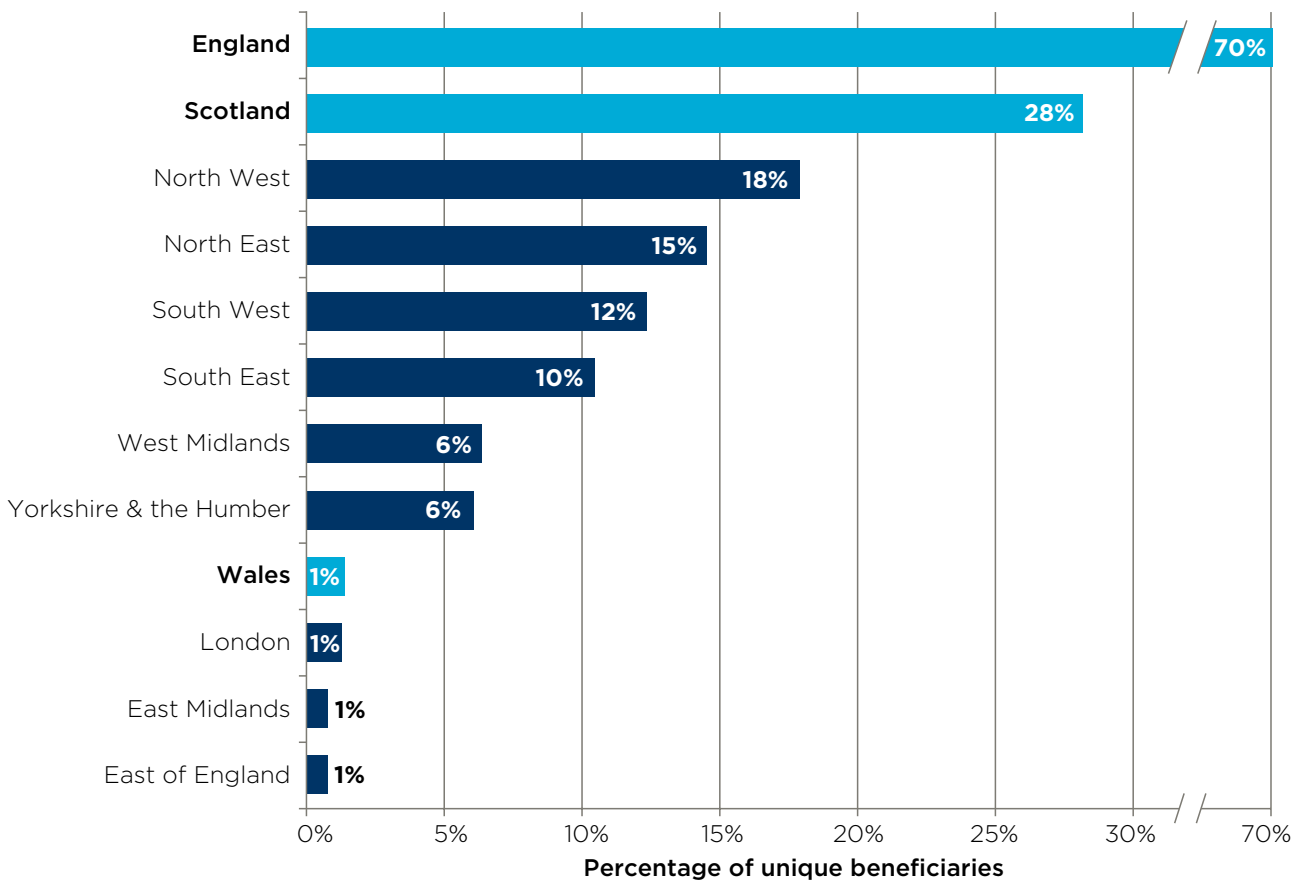
4.2.2 The geographic distribution of funded organisations and targeting in areas of deprivation

The Trust funds organisations serving individuals across England, Scotland, and Wales.

The four countries or regions with the greatest share of unique beneficiaries were Scotland, and the North West, North East, and South West of England.

Moreover, of the organisations funded by the Trust in the financial year 2023/24 which have a specific geographic focus, around two-thirds (65%) were based in the 20% most deprived areas in England, Scotland, and Wales.

Fig. 13: Funded organisation unique beneficiaries in the financial year 2023/24, by country/region



Source: Oxford Economics analysis of data provided by BGET funded organisations

MONEY MATTERS: THE BUDGET MATTERS PROJECT

A second funded organisation which the Trust supported in 2023/24 was Money Matters, an advice centre based in Glasgow. The Trust supported the organisation with a £173,000 grant, funding the BudGET Matters project. Under this initiative, the charity supported beneficiaries with free, personalised, and holistic financial advice, including on how to maximise their income, manage their debt, and optimise their energy usage. A core service of the project was to provide support aimed at improving beneficiaries' financial capabilities, equipping them with the knowledge to make informed financial decisions and the ability to effectively manage their finances.

In 2023/24, the project is expected to have supported just under 1,000 beneficiaries. This enabled the organisation to help individuals in financial distress benefit from a total of almost £1.5 million in income gains, and assisted in writing off more than £65,000 in client debt.

Individual cases of support are helpful to highlight the project's impact on its clients' financial wellbeing and overall quality of life. BudGET Matters supported a young family with two children under the age of six. While one of the adults was unable to work due to childcare responsibilities and suffered from deteriorating health, the spouse had to reduce their working hours to support their partner and children—as a result, the family fell into arrears on their household bills. Money Matters stepped in with energy efficiency and saving advice, and assisted the client with emergency fuel vouchers and funds for meals. The organisation also helped the family submit a successful housing complaint, which led to an investigation identifying leaks causing mould and suboptimal ventilation conditions, and arranged draught-proofing repairs that could potentially lead to improvements in the client's health.



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5. HOW DO THE TRUST'S PROGRAMMES IMPACT ITS BENEFICIARIES?

5.1 THE TRUST'S THEORY OF CHANGE

The Trust's theory of change sets out how it expects its programmes to create social impact through its support of people and organisations.⁶⁹

The theory of change links the programmes' inputs, primarily grants to individuals and funded organisations, to a set of immediate and long-term outcomes. **Understanding the outcomes achieved by the Trust's interventions is crucial for comprehensively capturing and quantifying the Trust's social impact.**

The intended immediate outcomes for all beneficiaries supported by the Trust's programmes (either directly or indirectly through funded organisations) are to improve households' financial situations, and thereby mitigate the negative mental health effects of burdensome debt. In the longer term, households are expected to have better control of their finances, live in warmer and healthier homes, and report reduced levels of stress and anxiety. These factors

should in turn culminate in individuals reporting a greater sense of wellbeing.

The Funded Organisations programme has an additional set of intended outcomes. In the short term, it intends to increase the capacity and ability of organisations to deliver support, and to enable organisations to better reach those in need. The long-term outcome is then to enhance the capacity of the sector as a whole.

5.2 THE IMPACT OF FUEL POVERTY AND FUEL DEBT ON INDIVIDUALS AND WIDER SOCIETY

The adverse impact of fuel poverty and fuel debt on individuals and wider society is well established in secondary research, lending credibility to the outcomes targeted by the Trust's theory of change.

Fuel poverty has been shown to negatively impact individuals' wellbeing. For example, research in Australia found that becoming fuel poor lowers individuals' levels of "life satisfaction", a widely used measure of wellbeing that is regarded as holistic in the elements of an individual's life that it reflects.⁷⁰ Similarly, an increase in a household's

level of bill arrears, including arrears on fuel bills, has been shown to lower life satisfaction.⁷¹

Changes in individuals' subjective wellbeing may stem from factors described in the Trust's theory of change, including financial instability, housing conditions, and mental health. Indeed, research in the UK has shown that entering into problematic debt leads to a higher likelihood of experiencing anxiety and depression.⁷²

Changes in wellbeing and mental health driven by fuel poverty and fuel debt will

also have wider economic impacts. Individuals reporting higher levels of wellbeing are known to earn more in later life, thereby benefitting the Exchequer and society at large through higher tax returns, and the higher public spending that this enables.⁷³ Similarly, a reduction in the prevalence of mental health conditions such as anxiety and depression amongst those receiving grants and/or advice will lower the financial burden on the NHS from treating these conditions, which in the most recent financial year stood at £16.8 billion.⁷⁴

⁶⁹ British Gas Energy Trust and Centre for Sustainable Energy, "[Theory of change](#)", accessed April 2024

⁷⁰ Sefa Churchill, Russel Smyth and Lisa Farrell, "[Fuel poverty and subjective wellbeing](#)", 2020, Energy Economics (86), accessed April 2024.

⁷¹ Simon Garforth-Bles, Chris Warner, Kieran Keohane on behalf of Financial Conduct Authority, "[The wellbeing effects of debt and debt-related factors](#)", 2020, accessed April 2024.

⁷² John Gathergood, "[Debt and Depression: Causal links and social norm effects](#)", 2012, The Economic Journal (122), accessed April 2024.

⁷³ Jan-Emmanuel De Neve and Andrew J. Oswald, "[Estimating the influence of life satisfaction and positive affect on later income using sibling fixed effects](#)", 2012, PNAS (109), accessed April 2024.

⁷⁴ NHS England, "[NHS mental health dashboard](#)", accessed April 2024

5.3 THE IMPACT OF THE TRUST'S PROGRAMMES IN PRACTICE⁷⁵

Analysis of survey data from one of the Trust's interventions, the Funded Organisation programme, showcases how the Trust creates social impact in practice.

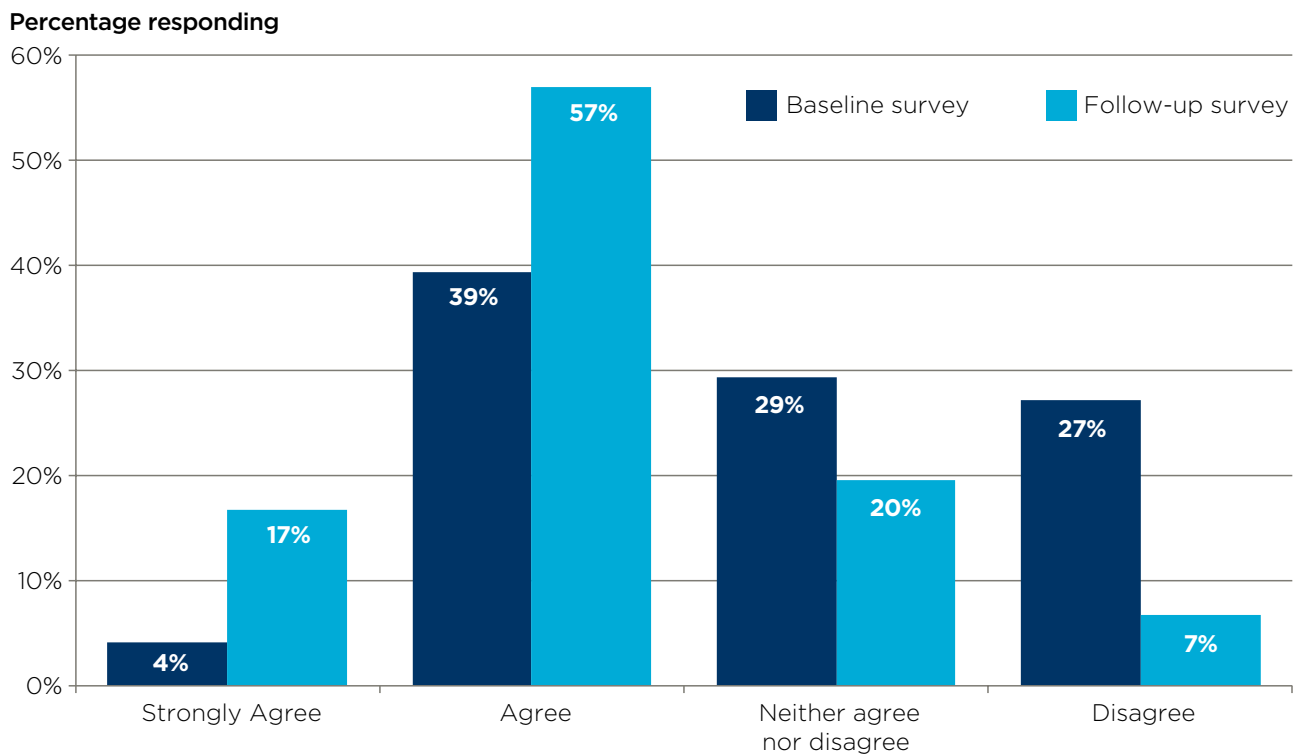
Funded organisations carried out surveys with beneficiaries of the Trust's funded interventions both at baseline when the individual first made contact with the organisation, and as part of a follow-up survey after the beneficiary had received support. Respondents were asked a range of questions, including several on wellbeing (such as life satisfaction).

At baseline, just over 4 in ten (44%) of respondents agreed or strongly agreed that they are satisfied with their lives. This had increased to almost three-quarters (74%) at the follow-up survey, suggesting that Funded Organisation support had had a material positive impact on individuals' wellbeing.

“ I feel relieved, like a weight lifted has been lifted off my shoulders and I can focus on my mental health now. [The advisor] not only treated me professionally, she treated me like a human and she treated me like I was a friend. ”

Beneficiary supported by the Trust funded organisation Navigate

Fig. 14: Beneficiary responses to the question “Are you satisfied with your life?” in surveys before and after support



Source: Oxford Economics analysis of data provided by BGET funded organisations

⁷⁵ Quotes in section 5.1 are provided by British Gas Energy Trust.

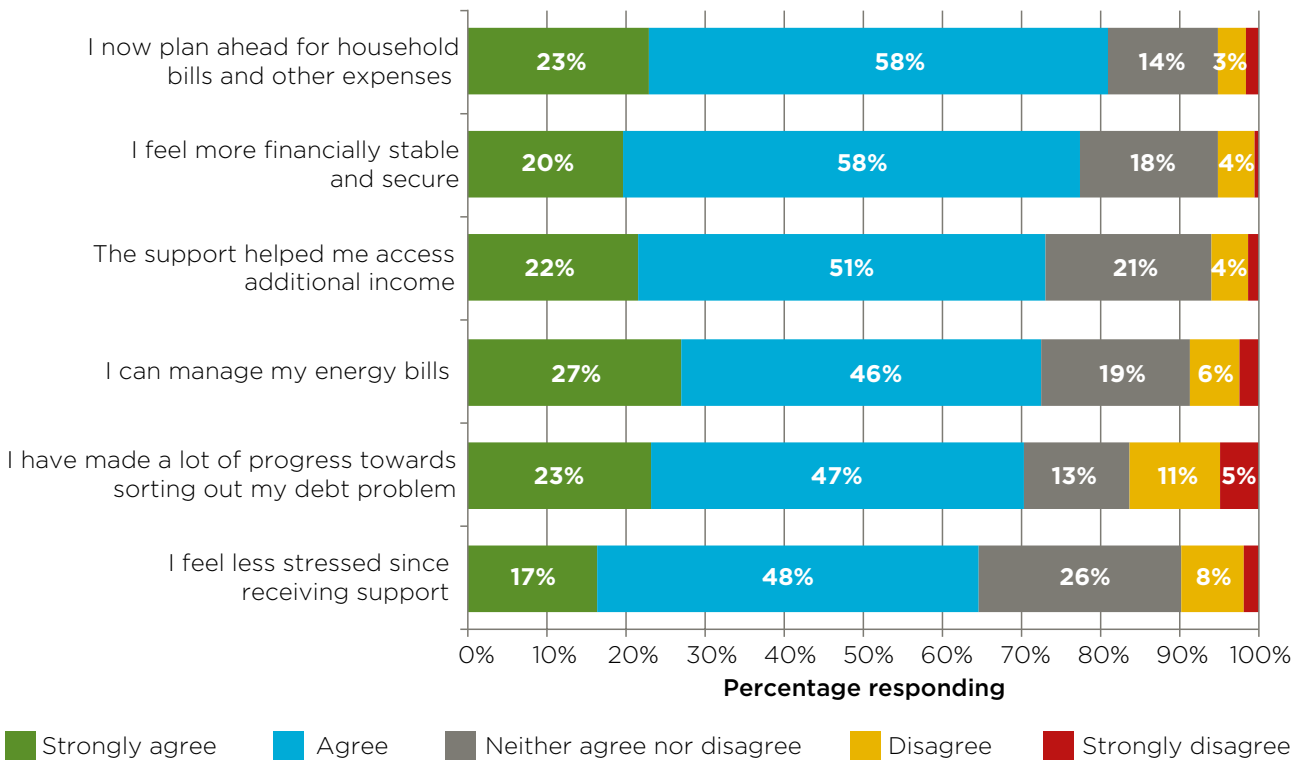
“ I wasn't sure if all my issues would be looked at, so I am happy that one advisor was able to support me with my problems. I feel I can move forward now. ”

Beneficiary supported by the Trust funded organisation Bromley-by-Bow Centre, who also receive a debt write-off grant from the Energy Support Fund, and fuel vouchers

A series of questions on the types of outcomes beneficiaries experienced sheds light into what is driving these changes in wellbeing. A majority of beneficiaries agreed or strongly agreed that support allowed them to better plan for household bills (81%), make progress to resolving their debt problems (70%), and access additional income (73%).

Similarly, a majority agreed or strongly agreed that they feel less stressed since receiving support (65%) and that they feel more financially stable and secure (77%).

Fig. 15: Percentage of Funded Organisations beneficiaries responding to outcome-based questions following support



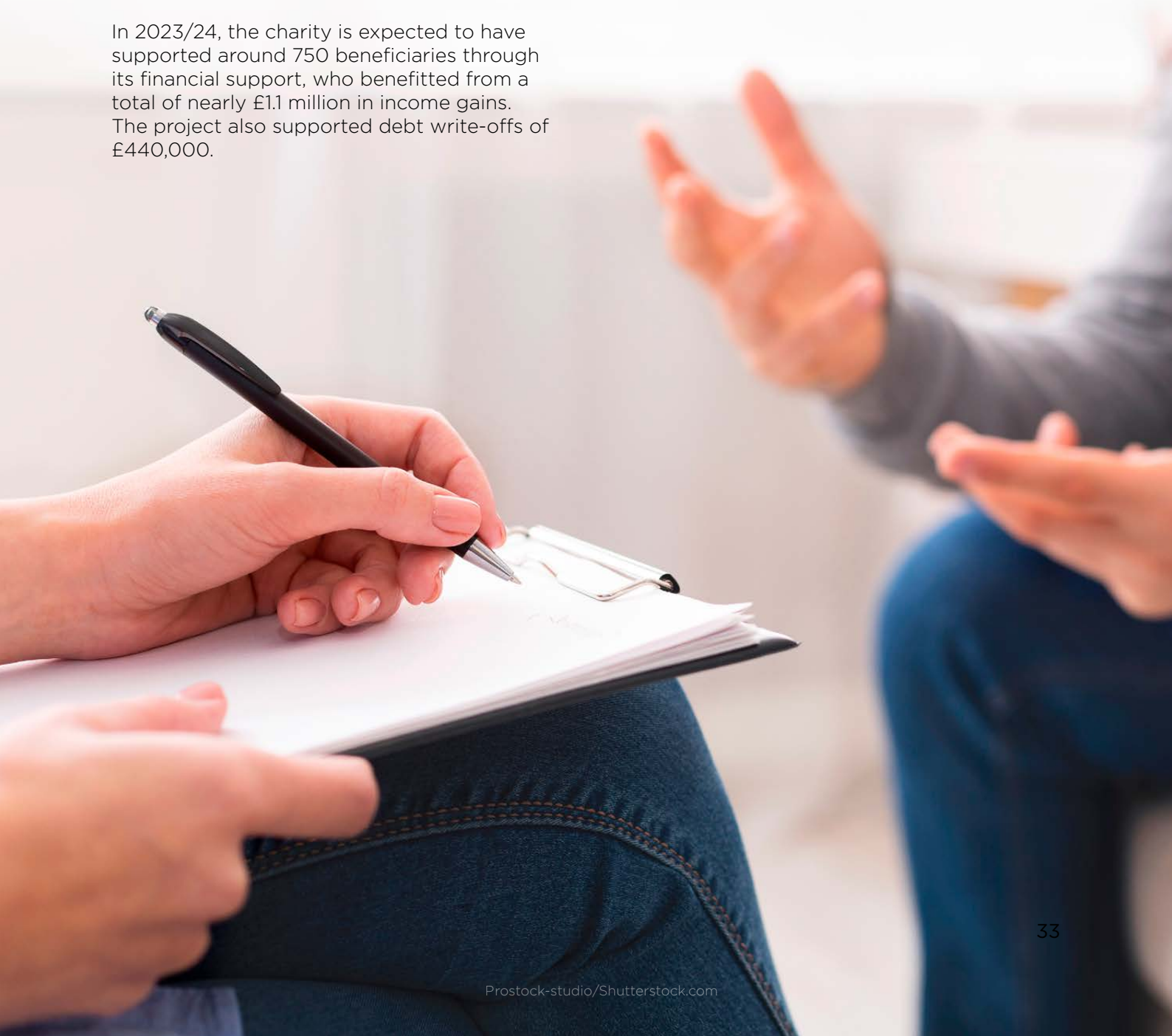
Source: Oxford Economics analysis of data provided by BGET funded organisations

RIVERSIDE ADVICE: THE HOLISTIC WELFARE RIGHTS PROJECT

Holistic Welfare Rights is a project funded by the Trust and delivered by Riverside Advice, a charity in Cardiff. The £107,000 grant disbursed by the Trust funds a service providing free and bespoke fuel and money advice to vulnerable and disabled individuals. The partnership aims to target people in or at risk of fuel poverty and living in deprived areas. Aside from advising on income maximisation, optimising energy efficiency, and arrears clearance, the project also provides a range of mental health services to its beneficiaries through the partnership of specialised charity 4Winds.

In 2023/24, the charity is expected to have supported around 750 beneficiaries through its financial support, who benefitted from a total of nearly £1.1 million in income gains. The project also supported debt write-offs of £440,000.

To exemplify the support provided by Holistic Welfare Rights on an individual basis, the charity last year helped an adult with physical disabilities who was experiencing severe social isolation. The client was regularly supported by Riverside Advice's partner 4Winds for mental health support calls, and Riverside Advice supported the client's application for Personal Independence Payments. The welfare benefit was awarded soon after application and has reportedly reduced a large amount of stress for the client.



6. THE SOCIAL RETURN ON INVESTMENT IN THE TRUST IN THE FINANCIAL YEAR 2023/24

METHODOLOGY FOR ASSESSING THE SOCIAL RETURN ON INVESTMENT IN THE TRUST

Social return on investment (SROI) analysis, also known as cost-benefit analysis, quantifies the social value created by an organisation. To evaluate the Trust's SROI, we quantified the societal benefits arising from its programmes and compared them to the cost of the Trust's operations and programme funding.

In this report, we adopt a wellbeing-centric approach, aligning with the Trust's aim to enhance the wellbeing of its beneficiaries. This approach follows UK government guidance which emphasises the measurement of individual wellbeing as a key input into social value.⁷⁶

Our analysis produces two main metrics: the SROI ratio, and a measure of total net benefits to society. The SROI ratio, calculated by dividing the societal benefits of a programme by its costs, gauges the efficiency of the Trust's initiatives. Net benefits, calculated as benefits minus costs, gives a sense of the scale of the Trust's social impact.

For each of the Trust's programmes, we estimated its impact on beneficiaries' wellbeing, as measured by life satisfaction, and placed a monetary value on this impact using an established methodology.⁷⁷ For the Funded Organisation programme, we used survey data to estimate the impact of advice on beneficiary wellbeing. For I&F and ESF, we used previous research on the impact of arrears on wellbeing to quantify the effect of having fuel arrears cleared by a Trust grant.⁷⁸ Details of the methodology for the FAPs programme are provided in the appendix.

Recognising that the Trust's impact extends beyond individuals to wider society, we also assessed exchequer gains including the NHS savings and increased income tax and National Insurance contributions resulting from the Trust's activities.

By employing rigorous methodologies tailored to each programme, our analysis provides a comprehensive understanding of the Trust's social return on investment.

Our analysis finds that the social return on investment in the Trust as a whole is 5.5, meaning for every £1 spent by the Trust in the most recent financial year, it created £5.50 in value for society. By programme, the social return on investment is largest for the Funded Organisations programme at 6.5, meaning every £1 of BGET's funding to its partner

organisations generated £6.50 in social value. This is followed by the Individuals & Families fund (2.6) and Energy Support Fund (2.3) (which create similar returns), and Financial Assistance Payments (1.1).⁷⁹ The relatively high SROI ratio for the Funded Organisations programme demonstrates the value in combining energy debt relief with holistic support tailored

to individuals' specific needs. Moreover, according to one categorisation used by a UK government department, the return of 5.5 for the Trust as a whole represents very high value for money.⁸⁰

Whilst a like-for-like comparison is not possible due to differences in methodology, context, and the specifics of each programme at the time

⁷⁶ Sara MacLennan, Ivan Stead, and Alan Little, on behalf of HM Treasury, "[Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance](#)", July 2021, accessed April 2024.

⁷⁷ Ibid.

⁷⁸ Simon Garforth-Bles, Chris Warner, and Kieran Keohane on behalf of the Financial Conduct Authority, "[The Wellbeing Effects of Debt and Debt-Related Factors](#)", November 2020, accessed April 2024.

⁷⁹ The low social return on investment figure reported for FAP likely reflects the conservative approach taken to quantify the programme benefits. This approach was taken due to the absence of either programme data or secondary research on the impact of fuel vouchers on individuals.

⁸⁰ See Box 5.1. Department for Transport, "Value for Money framework. Moving Britain ahead", 2015, accessed April 2024.

that they were analysed, the SROI ratio of 5.5 calculated for the financial year 2023/24 is higher than that of 2.4 from the previous report undertaken by Oxford Economics calculated for the financial year 2014/15.⁸¹ The finding that the Funded Organisations programme delivered a relatively high social return on investment was also observed in the previous report.

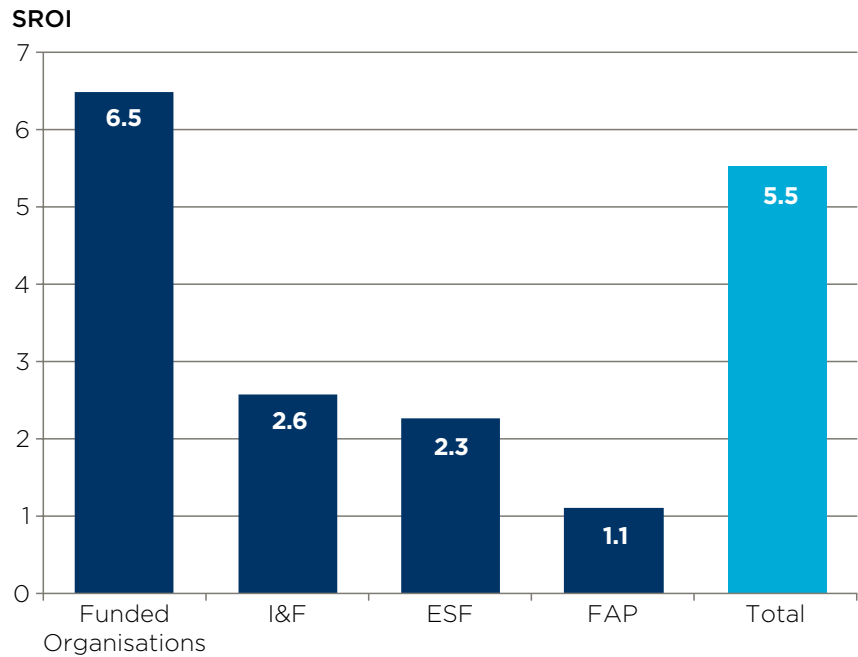
In the financial year 2023/24, the Trust’s programmes created £49 million in benefits to society in excess of the cost of delivering them.

Specifically, the Trust created £71 million in societal benefits, compared to its operational costs of £22 million.

The greatest portion of these net benefits are attributable to the Trust’s Funded Organisations programme, which delivered £32 million in net benefits to society, followed by ESF (£13 million), I&F (£5 million), and FAP (£0.3 million).

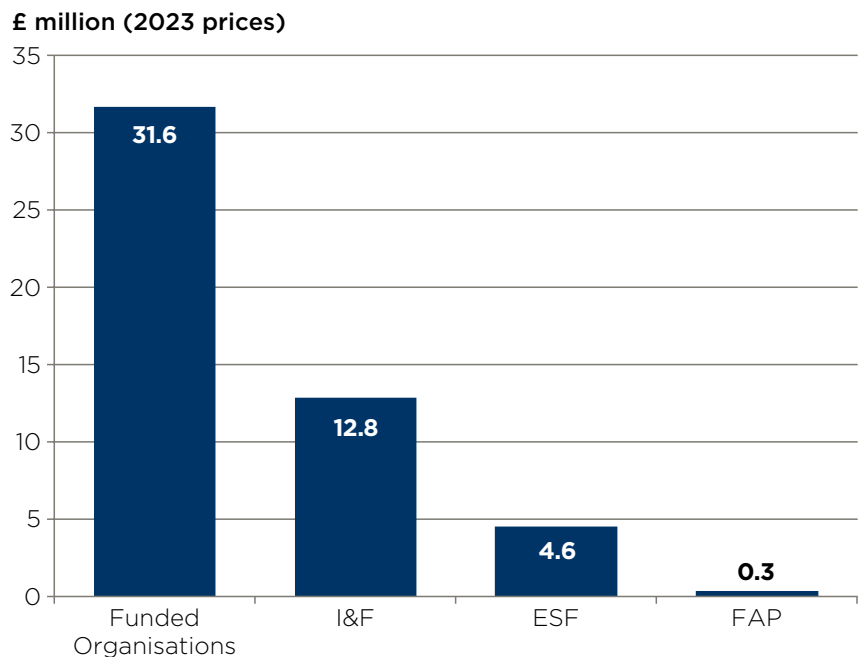
As set out in Chapter 5, benefits accrue not only to direct beneficiaries and other members of their household, but also to society more widely through higher exchequer revenues and a reduced burden on NHS. As a result of its activities in the financial year 2023/24, our analysis suggests that the Trust’s programmes will save the UK taxpayer £3 million through additional income tax and cost savings to the NHS.

Fig. 16: The social return on investment in the Trust in the financial year 2023/24, by programme



Source: Oxford Economics

Fig. 17: Net benefit to society created by the Trust in the financial year 2023/24, by programme⁸²



Source: Oxford Economics

⁸¹ Oxford Economics, “The economic and social impact of British Gas Energy Trust”, August 2015, accessed April 2024.

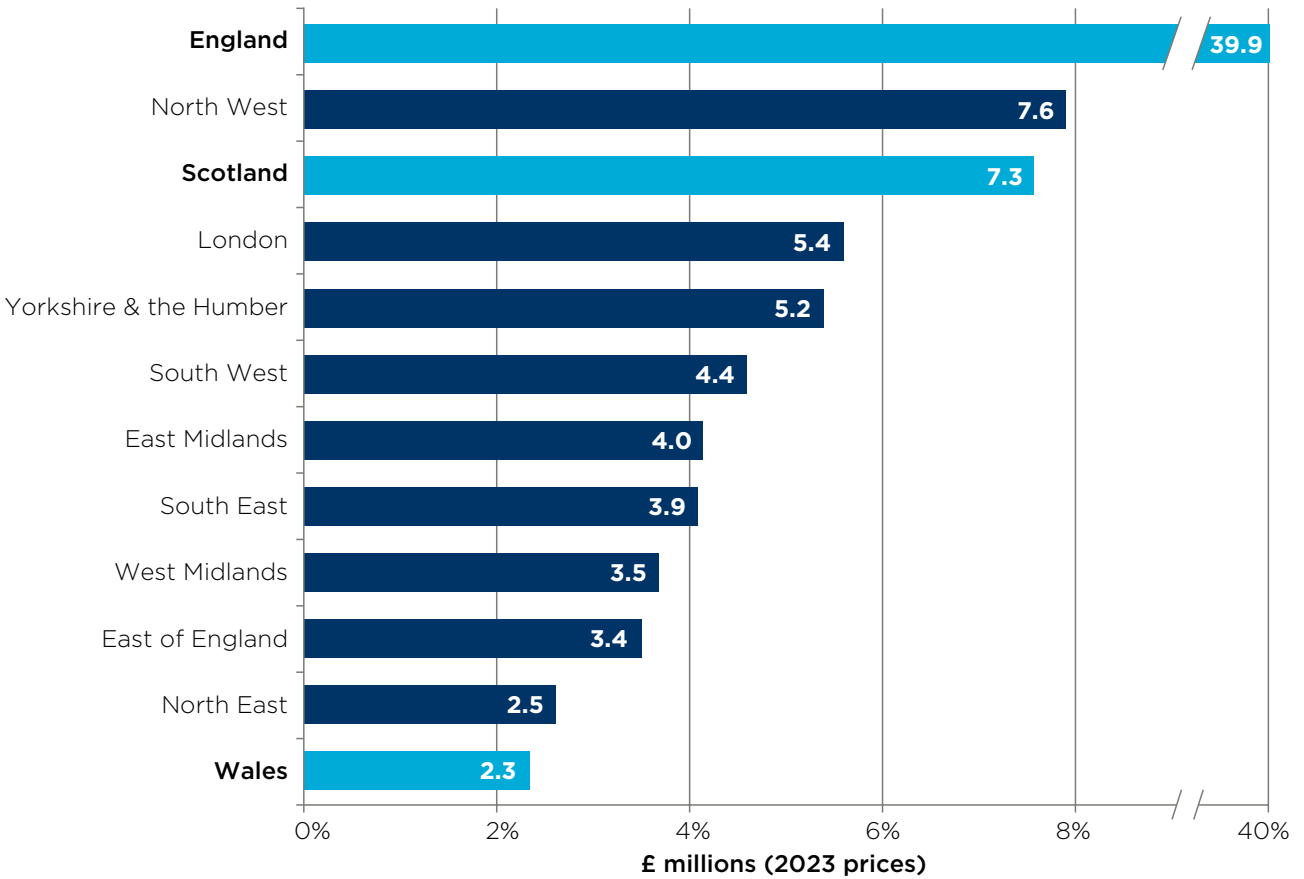
⁸² Net benefits for the Funded Organisations programme have been rescaled to reflect the share apportionable to the Trust. This was necessary as the Funded Organisations programme leverages in additional income and debt write-offs from other sources. Further details are provided in Appendix B.

6.1 REGIONAL RESULTS

In the financial year 2023/24, the Trust’s activities in England created £40 million in net benefits to society, its activities in Scotland £7 million, and its activities in Wales £2 million. Reflecting the concentration of its funded organisation activities in the

regions, the Trust’s activities created the greatest net benefits in the North West of England (£7.6 million) and Scotland (£7.3 million), followed by London (£5.4 million) and Yorkshire and the Humber (£5.2 million).

Fig. 18: Net benefits created by the Trust’s activities in FY 23/24, by region^{83,84}



Source: Oxford Economics

⁸³ As in the previous footnote, net benefits for the Funded Organisations programme have been rescaled to reflect the share apportionable to the Trust.

⁸⁴ A breakdown of net benefits by region and programme is provided in Appendix A.



7. THE TRUST'S SOCIAL IMPACT SINCE 2020

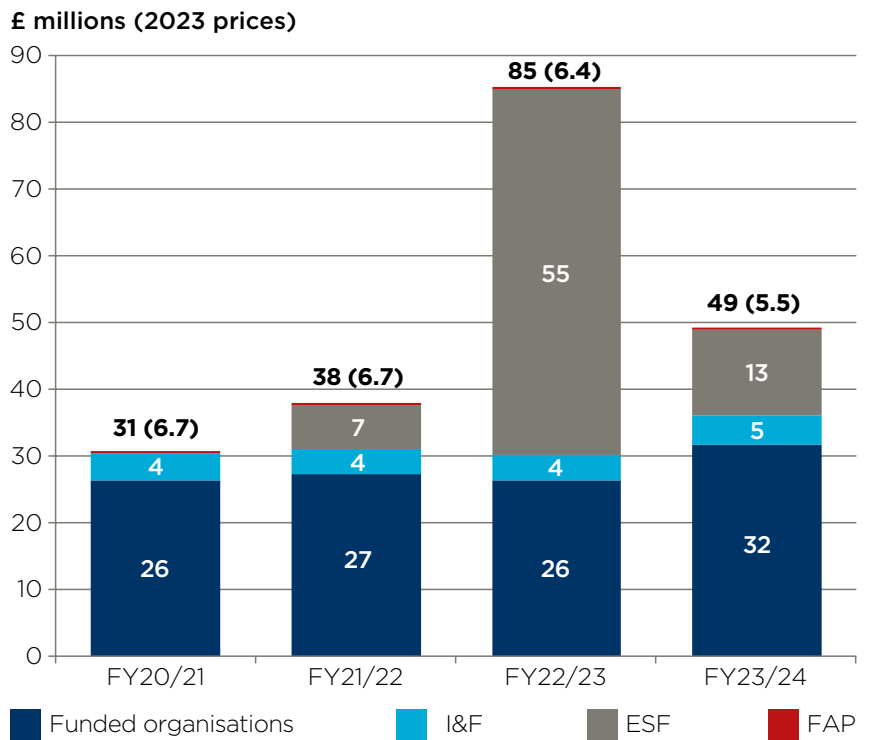
Since 2020, the Trust has created more than £200 million in benefits for UK society in excess of the costs of running it. Reflecting increases in funding from the financial year 2022/23 onward, the Trust created most of this social impact in the previous two financial years, and made its largest impact in the financial year 2022/23, driven by the significant increase in ESF grants awarded.

In the last four years, the Trust created £264 million worth of benefits to society, compared to its cost of operations and programme funding of £61 million. **These benefits include enhanced wellbeing for supported individuals and other members of their households, worth £253 million, and broader economic benefits to society in the form of £11 million of gains to the exchequer through additional tax revenue, and savings to the NHS.**

Changes in the headline social return on investment figure in each year are due to changes in the Trust's underlying costs, and changes to how the Trust allocates its overall expenditure to each programme. Grants to funded organisations represented the largest share in total expenditure in financial years 2020/21 and 2021/22, offering a partial explanation for the higher social return on investment in these years.

Costs per unique beneficiary for some programmes have also risen over time. For example, the average grant size per unique beneficiary for ESF has increased year on year, reflecting the increases in the fuel poverty gap, and the average amount of debt owed on fuel arrears, which were both identified in Chapter 2.

Fig. 19: Net benefits created by the Trust's activities for financial years 2020/21 to 2023/24, by programme and financial year (social return on investment figures in brackets)⁸⁵



Totals may not add up due to rounding. Figures for FAP were <£0.5 mn and so are not included on the chart.

Source: Oxford Economics

⁸⁵ Net benefits for the Funded Organisations programme have been rescaled to reflect the share apportionable to the Trust. This was necessary as the Funded Organisations programme leverages in additional income and debt write-offs from other sources. Further details are provided in Appendix B.

KIDNEY CARE UK: THE MONEY & ENERGY ADVICE SERVICE

In April 2023 the Trust granted £160,000 in funding to Kidney Care UK, a charity that provides practical, financial, and emotional support to patients affected by kidney disease and their families and carers. The funds enabled Kidney Care to set up the Money & Energy Advice Service, which has given specialist money and energy support to over 200 individuals who have reached out for help to Kidney Care UK. Beneficiaries were helped with claiming a total of £600,000 in income gains, and the organisation ran 15 workshops and education sessions.

One of the beneficiaries whom the advice service helped suffers from kidney failure and was referred to the Kidney Care UK Money & Energy Advice Service by a Patient Support & Advocacy Officer—who work in partnership with the advice service. The client required money advice, support with energy arrears, energy switching, and help to maximise their income. Kidney Care UK supported them by helping them complete their Universal Credit Work Capability forms, which could potentially add £390 per month to the client's income. Further support in filling out an application for a grant from Kidney Care UK enabled the client to clear a large amount of energy arrears.

Ground Picture/Shutterstock.com



APPENDIX A: ADDITIONAL ANALYSIS

Appendix A contains additional analysis on the evolution of fuel debt in the UK since 2020, and the Trust’s social impact by geography in the financial years 2023/24 and 2022/23.

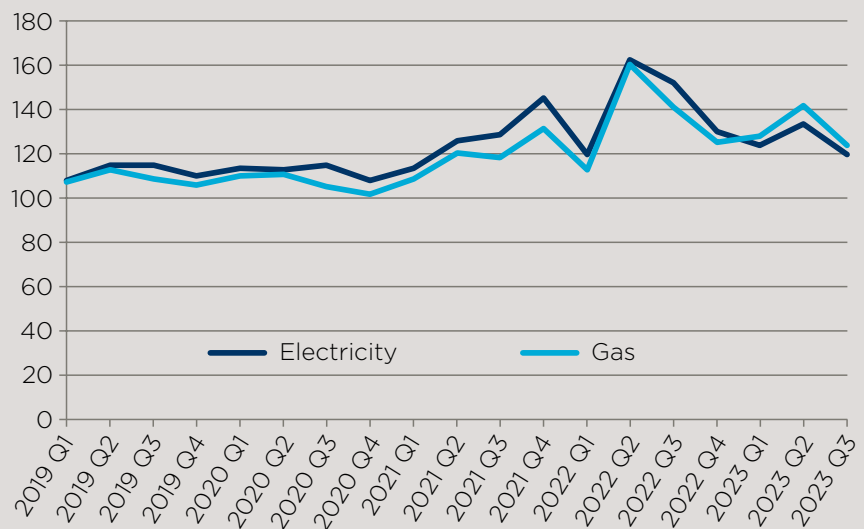
THE EVOLUTION OF FUEL DEBT SINCE 2020

The strain on households is evidenced by the number of households repaying debt on energy accounts, which grew steadily in 2021 before increasing sharply in early 2022 due to the spike in fuel prices.⁸⁶ Although the share of households with debt on their electricity accounts has declined since then, there are still more households in debt on electricity and gas accounts than there were pre-pandemic.

Looking specifically at accounts in arrears, the average debt owed has increased by around 60% for electricity and 70% for gas since 2020.⁸⁷ In the third quarter of 2023, the average electricity account in arrears owed £1,193, whilst the average gas account owed £1,019.^{88,89} This contrasts with pre-pandemic levels of £745 for electricity and £594 for gas.

Fig. 20: Number of accounts with a customer repaying an energy debt

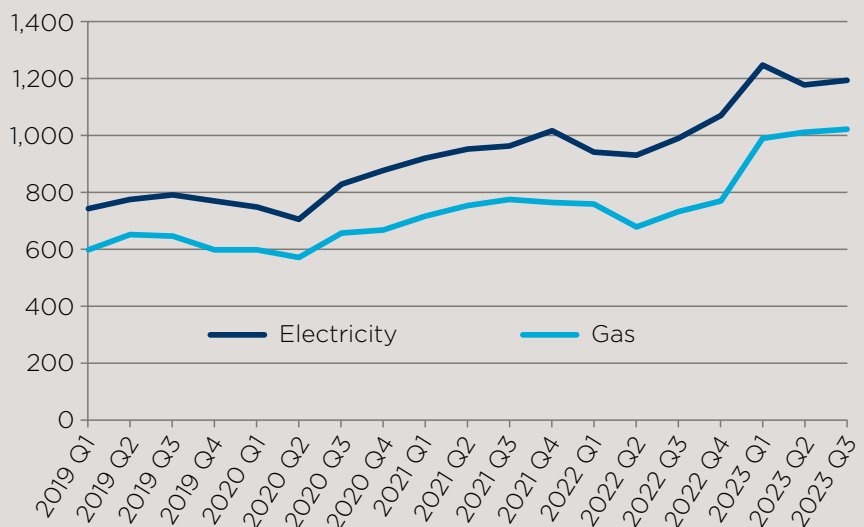
2019 = 100



Source: Oxford Economics, OFGEM

Fig. 21: Average debt owed by accounts in arrears

£ (2023 prices)



Source: Oxford Economics, OFGEM

⁸⁶ Ofgem, “Debt and Arrears Indicators”, accessed February 2024.

⁸⁷ Ofgem, “Debt and Arrears Indicators”, accessed February 2024.

⁸⁸ An account is in arrears if they have not paid a bill for longer than 13 weeks and there is no formal arrangement to repay the debt.

⁸⁹ Ofgem data converted into 2023 prices by Oxford Economics.

THE TRUST'S SOCIAL IMPACT BY GEOGRAPHY IN THE FINANCIAL YEARS 2022/23 AND 2023/24

Providing additional detail to the regional breakdowns in Chapter 6, the composition of expenditure by programme in each region drives differences in the proportion of net benefits created by each programme.

For example, the share of the Trust's impact in Scotland which was driven by the Funded Organisations programme can be seen to be higher than in the North West, whereas in the North West the share attributable to I&F is larger.

In addition to the country-level results presented in Chapter 6, using the available data, we also estimated the Trust's regional impact for the financial year 2022/23. In 2022/23, the Trust's activities in England created £74 million of social benefits in excess of costs, with £7 million created in Scotland, and £4 million in Wales.

Fig. 22: Net benefits created by the Trust's activities in FY 23/24, by programme, by region

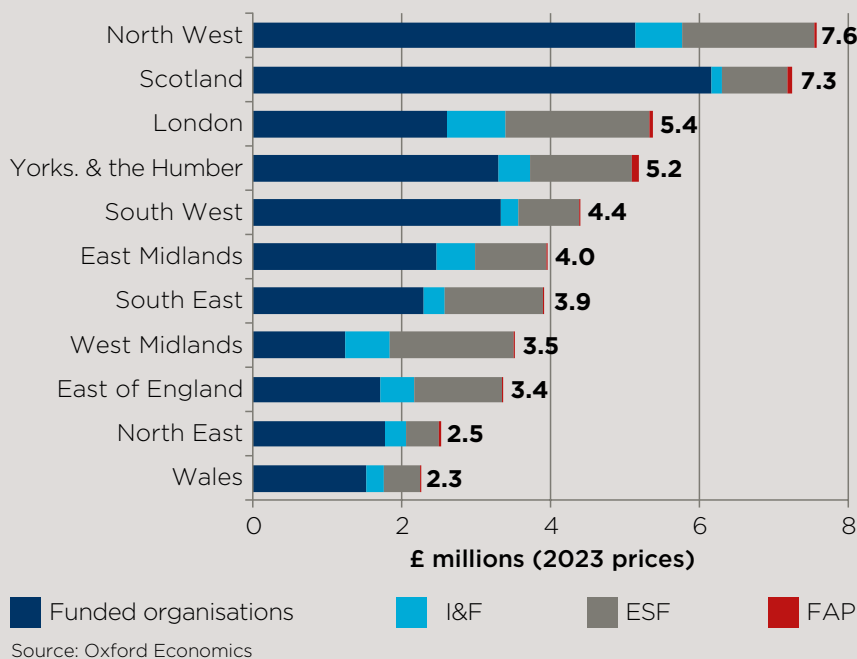
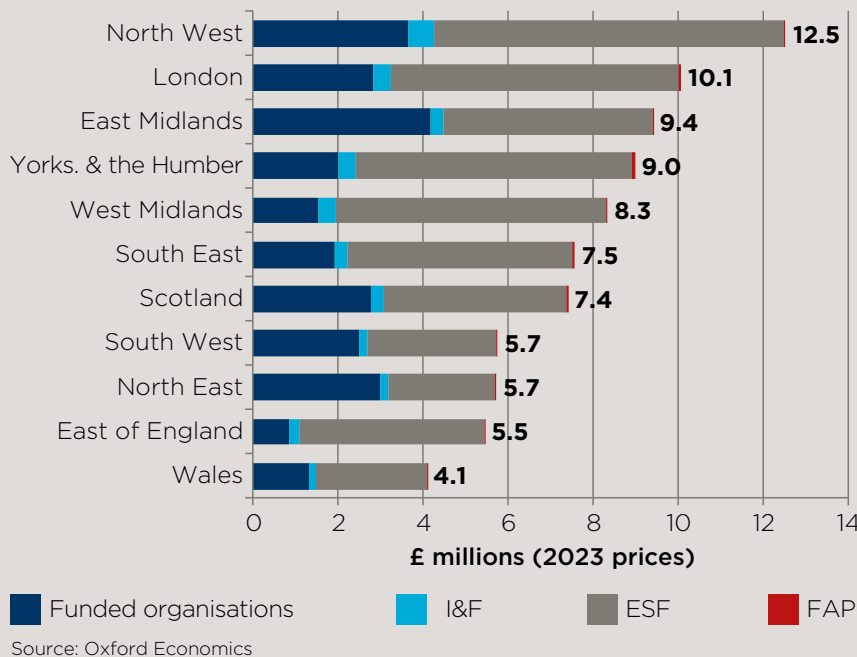


Fig. 23: Net benefits created by the Trust's activities in FY 22/23, by programme, by region



APPENDIX B: SROI METHODOLOGY

This appendix provides additional detail on the methodology used to undertake the social return on investment analysis. The methodology is based on the principles set out in HM Treasury's Green Book, which provides guidance on how to appraise programmes, such as those operated by the Trust.⁹⁰

Social return on investment analysis is a form of cost-benefit analysis which requires researchers to, as far as possible, place a monetary value on all of the benefits and costs of a programme. In this way, researchers can produce a number of metrics of interest such as the benefit-cost ratio (or social return on investment ratio), which compares the benefits created by a programme to the costs of running, and is a measure of efficiency. Another metric commonly used is the net present social value (or net benefits) which subtracts the costs of operating a programme from the benefits created, and is a measure of the scale of impact of a programme.

We expand below on the approach to quantifying and monetising the benefits and costs created by the Trust's programmes.

QUANTIFYING AND MONETISING BENEFITS

Drawing on the Trust's theory of change, its survey and administrative data, and secondary research on the impact of fuel poverty on individuals, we posit that the Trust's programmes can create benefits for society in two ways:

- They can have a direct impact on individual's quality of life by helping individuals better manage their finances, by alleviating stress and anxiety, and by improving their housing conditions. These are all factors which contribute to an individual's sense of wellbeing. As such, we use a subjective wellbeing approach to quantify and monetise the direct benefits to individuals, as described in the Green Book supplement on wellbeing guidance for appraisal.⁹¹
- They can have a wider economic impact by helping individuals to secure employment (or higher paid employment for those already employed), and by alleviating mental health conditions, in turn reducing costs borne by the NHS.

Quantifying and monetising direct impacts on individuals

Our approach to quantifying the direct impacts of the Trust's programmes differs for debt write-off grants, funded organisations and financial assistance payments.

For individuals receiving debt write-off grants through I&F or ESF, we quantify changes in individuals' subjective wellbeing (as proxied by life satisfaction)⁹² using previous research on the impact of household debt on wellbeing which found that an increase in an individual's arrears debt has a statistically significant negative impact on wellbeing.⁹³ We calculate the wellbeing impact of debt write-off grants as being around 0.08 life satisfaction points (or around 20% of the impact of going from unemployed to employed).⁹⁴ We monetise changes in subjective wellbeing arising from debt write-offs using the central value of a wellbeing life year (WELLBY), taken from the Green Book supplementary guidance, and updated to 2023 prices.⁹⁵ We apply the resulting monetary value to all adult members of the household, as fuel debt arrears can reasonably be expected to impact on all adult household members.

⁹⁰ HM Treasury, "The Green Book (2022)", October 2023, accessed April 2024.

⁹¹ HM Treasury, "Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance", July 2021, accessed April 2024.

⁹² Life satisfaction is a commonly used metric to assess wellbeing. For example, it is used by the Office for National Statistics to track the wellbeing of the UK population over time. Office for National Statistics, "Personal well-being in the UK: April 2022 to March 2023", accessed April 2024.

⁹³ Simon Garforth-Bles, Chris Warner, and Kieran Keohane on behalf of the Financial Conduct Authority, "The Wellbeing Effects of Debt and Debt-Related Factors", November 2020, accessed April 2024.

⁹⁴ The wellbeing impact of gaining employment is calculated at around 0.5 points of life satisfaction. What Works Centre for Wellbeing, "Unemployment, (Re)employment and Wellbeing", March 2017, accessed April 2024.

⁹⁵ A WELLBY is defined as the value of a one unit increase in life-satisfaction on a 0-10 scale for one person for one year.

For the funded organisations programme, we draw on survey data collected by funded organisations on behalf of the Trust. We analyse responses to the question: “Are you satisfied with your life?” to assess how funded organisation interventions impact wellbeing. In the Trust’s survey, respondents answer this question using a four-point scale ranging from “Disagree” to “Strongly Agree”. Amongst beneficiaries responding to both the baseline and follow-up life satisfaction question, we found, on average, changes in life satisfaction which were positive and statistically significant. To be able to apply the central WELLBY value, we rescaled the 1-4 life satisfaction scale to a 0-10 scale.⁹⁶ As the data did not allow for the simulation of a counterfactual, we used a deadweight factor to account for the share of individuals who would have experienced the change in subjective wellbeing even in the absence of the intervention.⁹⁷ As with I&F and ESF, we account for the impact of the intervention on other adult household members in our analysis.⁹⁸

The approach taken for Financial Assistance Payments differs as previous research and the available data do not provide evidence of the wellbeing impacts of receiving a financial assistance payment. As such, we treat the payment as a transfer from the Trust (and hence British Gas, as its funder) to beneficiaries. This transfer creates social value as lower income households benefit more from an additional pound of income than median or higher income households. We estimate these distributional benefits by constructing welfare weights as set out in HM Treasury’s Green Book and applying them to the total value of all financial assistance payment vouchers.

Quantifying and monetising wider economic impacts

Through the life satisfaction changes modelled in our funded organisations and I&F and ESF analysis, a fiscal dividend is created as a result of higher lifetime earnings and NHS cost savings. We describe how each of these is quantified below.

Firstly, to estimate the size of the fiscal dividend arising from higher lifetime earnings, we drew on existing research which quantifies how changes in an individual’s wellbeing lead to higher future earnings.⁹⁹ We calculated the net present value of the additional income tax and National Insurance contributions implied by these additional future earnings.

Secondly, to estimate the exchequer impacts of NHS cost savings, we drew on existing research of the impact of debt on the likelihood of experiencing anxiety to estimate the number of individuals no longer requiring treatment by the NHS.¹⁰⁰ We combined this with an estimate of the average cost of treating an individual with depression to arrive at an estimate of the total cost savings to the NHS.

⁹⁶ This rescaling exercise benchmarked the distribution of the 1-4 “Disagree” to “Strongly Agree” scale at baseline to a comparable group from ONS wellbeing data. “Disagree” was recoded to 4, “Neither disagree nor agree” was recoded to 5.5, “Agree” was recoded to 7, and “Strongly Agree” was recoded to 8.

⁹⁷ To assign a deadweight, we used Citizen’s Advice research which asked beneficiaries of debt advice whether they believed they would have overcome their debt problems without support from a Citizen’s Advice Bureau. Citizen’s Advice, “[All our impact](#)”, accessed April 2024.

⁹⁸ As the intervention extends to other forms of support beyond just debt write-offs, we did not assume a constant impact on all household members. Instead, we take an estimate of the impact of a change in an individual’s wellbeing on that of their spouse as a proxy for the spillover effect on other adult household members. Nattavudh Powdthavee, “[I can’t smile without you: Spousal correlation in life satisfaction](#)”, August 2009, accessed April 2024.

⁹⁹ Jan-Emmanuel De Neve, and Andrew Oswald, “[Estimating the influence of life satisfaction and positive affect on later income using sibling fixed effects](#)”, November 2012, accessed March 2024.

¹⁰⁰ John Gathergood, “[Debt and depression: Causal links and social norm effects](#)”, September 2012, accessed March 2024.

QUANTIFYING COSTS

The costs of running the Trust's programmes are taken from the Trust's annual accounts, which are comprised of grant costs (either in the form of direct grants to individuals or grants to funded organisations), fees to an external agency which administers the I&F, ESF, and FAP programmes, and operational costs such as governance, support, and research costs.¹⁰¹

For the Funded Organisations programme, life satisfaction changes are partially driven by income gains and debt written off as a result of advice provided. These could arise, for example, from negotiating debt relief with fuel providers, accessing additional benefits, or switching energy tariff. These represent external costs to third parties (principally utility providers and the exchequer) and so are included in our SROI analysis as costs.

CALCULATING THE SROI RATIO AND NET BENEFITS

Once the benefits and costs of the Trust's activities have been quantified, we calculate the SROI ratio by dividing benefits and costs, which are both calculated as above. The net present social value (or net benefits) are calculated by multiplying the Trust's costs of funding each programme by the programme specific SROI.



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May 2024

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Images on pages 9, 22, 23, 29, 37, 45 are provided by [Bruizer.co.uk](https://www.bruizer.co.uk)



4. Appliances - visual check

Description	Visual check for defects

5. Debt Check

Debt	Amount
Rent Arrears	
Clear Costs	
HM overpayment	
Security deposit	
Overpaid council tax	
HM arrears repaid	
Utility management fee	

6. Property Details - Tenancy Conditions

Condition	Action / Notes



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