

Alleviating fuel poverty: the role of the energy café

Policy Briefing 06

November 2017



Summary

An energy café is a local community initiative providing energy advice and advocacy in a welcoming setting. People who attend energy cafés will receive tailored advice, information and support on a range of issues, including: how to effectively engage in the energy market to reduce energy bills, how to deal with fuel debt, and how to reduce energy consumption and energy costs by cutting unnecessary energy use and energy loss from their properties.

Energy cafés provide good value for money – some have provided aggregated financial benefits for clients that significantly exceed the cost of delivering the programme. Critically, an energy café/shop programme costs much less than a home visit service but can provide benefits of a similar magnitude in terms of fuel poverty alleviation.

Energy cafés provide an opportunity to identify vulnerable members of the community and refer them to other services such as housing and health authorities. They could also act as a triage service providing appropriate referrals to other services such as a home visit service. Key challenges relating to energy café provision include securing and maintaining funding, providing volunteer staff and attracting those who most need help.

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About this briefing:

This briefing is based on work funded by Chesshire Lehmann Fund and carried out on behalf of the Centre on Innovation and Energy Demand (CIED), an RCUK-funded End Use Energy Demand Centre. Contact: CIED@sussex.ac.uk



The ongoing issue of fuel poverty

Each year people across the UK suffer from the consequences of living in fuel poverty. High energy bills mean that they cannot afford to keep their homes at a comfortable temperature and have to limit cooking hot meals and washing clothes. Meanwhile, cold, damp homes can cause health problems. Fuel poverty can lead to increased hospital admissions and excess winter deathsⁱ, as cold homes can cause respiratory, circulatory and mental health problems. Fuel poverty costs the National Health Service in England approximately £1.36 billion each yearⁱⁱ. It is an ongoing problem, with around four million households in the UK affected by it.



Our research

This briefing is based on research with six community groups who have run multiple energy cafés across the UK. The study aimed to understand whether, with whom and under what circumstances advice through energy cafés works.

The full project report 'The Fuel Bill Drop Shop': an investigation into community action on fuel poverty, is available at

<http://tinyurl.com/huxverc>



What is an energy café?

An energy café – also sometimes referred to as an energy shop – is a local initiative providing energy advice in a welcoming café setting. Energy cafés are physical spaces where people can get face-to-face energy advice - filling a gap that was created by the disappearance of energy advice centres and high-street presence of energy suppliers. Energy cafés have been located in a variety of places, including town centre shops, community cafés, city farms, food banks and village greens.

Many energy cafés attract clients using a range of publicity and marketing tools, from adverts in local newspapers to social media campaigns. Even though energy cafés primarily target those struggling to pay their energy bills, they are open to everyone. A typical advice session ideally starts with the client's energy bill and goes on to provide tailored advice on supplier or tariff switching, information about and access to discounts, and advice on appropriate energy efficiency, renewable energy and energy saving measures.

Funding for energy cafés has come from a range of sources, including local authorities, utilities, European funds and government programmes such as the Big Energy Saving Network.

The length of service for most energy cafés varies and is related to their resources (that is, funding and availability of volunteers). Some cafés are permanent, while others 'pop up' for a few weeks.



The role of energy cafés in tackling fuel poverty

While energy cafés have rarely been set up with the sole purpose of tackling fuel poverty, our research showed that it is likely that a large proportion of energy café clients are in or at risk of fuel poverty. Our research also showed that of the different functions energy cafés perform, they were most effective in helping people to engage in the energy market: to switch supplier, tariff or payment method; to cope with fuel debt; to access The Warm Home Discount; and to register for energy suppliers and network operators' Priority Services aimed at customers in need. The impact of this engagement is large: the combined financial benefits for clients typically exceed the cost of delivery of the programme by at least a factor of three.ⁱⁱⁱ

Energy cafés also provide advice on energy efficiency, behaviour change and installing 'light' measures (such as low energy light bulbs, flow control taps and shower heads, and draft excluders). When compared with a home visit service (a relatively well-established intervention into fuel poverty) there is some evidence to suggest that energy cafés provide better market engagement outcomes than home visit services. On the other hand, home visit services may be more effective in delivering outcomes relating to energy efficiency and installation of light measures.

An energy café programme costs much less than a home visit service. Funding and resources allocated to fuel poverty alleviation programmes are typically very restricted, and the best use of resources entails matching clients to the type of intervention that will best respond to their needs for the lowest cost. There is a potential for energy cafés to act as a 'triage' service – referring clients on to a home visit service when clients present issues that cannot be resolved effectively through advice alone. The energy café can also refer to other local services including local authorities, the health service, and community sector organisations such as Citizens Advice and Age UK.

Challenges for energy cafés



Funding

A key challenge relating to energy café provision is securing and maintaining funding. Operations tend to be run on a shoe-string – usually by accessing low or rent-free venues and relying on volunteer efforts. Funding is still required to cover marketing, premises, and some staff costs. The costs are typically small in comparison with the levels of savings achieved on behalf of clients. The stop-start nature of funding grants means that energy cafés are often only provided on a temporary basis.



Skills and capacity gaps

Energy cafés rely on volunteers to deliver their service. This can lead to skills and capacity gaps in many of the areas that are crucial for providing an effective service. As well as expertise in providing energy advice, energy

cafés also require skills in fundraising, community engagement and marketing (that is, reaching and attracting potential clients and liaising with other local services). Energy café volunteers need to also be able to provide a safe environment for those who may feel stigmatised or are facing fuel poverty due to a personal crisis.



Reaching the right people

In order to be effective, energy cafés need to reach the right people – and many use a variety of marketing techniques to advertise their services, including newspaper adverts and social media campaigns. But other factors are important too in reaching those who need help:

- **Location** appears to be an important factor – if energy cafés can be located in areas of high fuel poverty, there is a much greater chance of reaching those that most need help. This may require additional funding (if

rent-free options are not available in these locations).

- Ensuring that the service is **available at times of crisis** – 'pop-up' services may not be available at the appropriate time from a client's point of view.
- Energy café services must be **stigma free** – they must provide appropriate privacy and also volunteers who are able to operate 'on a level' with clients.
- **Referrals** from other local services such as food banks, health services and local authorities could be a key way of reaching vulnerable people.



Conclusions

Energy cafés provide good value for money in terms of helping clients to make financial savings by engaging with the energy market and enabling access to price support mechanisms and debt relief. The financial savings achieved can be significantly larger than the cost of providing the service.

An energy café can act as a triage service by:

- signposting vulnerable members of the community to a range of non-energy related advice and support services; and
- referring those who present issues such as poor housing conditions that cannot be dealt with effectively at an energy café to another service such as a home visit.



Recommendations for policy makers

- More stable funding models are needed for energy cafés and there is a need for the provision of physical resources to enable community groups to run energy cafés in localities with high incidences of fuel poverty. Either schemes like the Big Energy Saving Networks initiative need to operate on a longer-term basis, or alternatives should be found. One option could be for other local services to provide funding where energy cafés can help deliver on some of their objectives such as identifying those who may be vulnerable to fuel poverty and have related health issues.
- Inter-agency working between community groups, local authorities and health authorities should be encouraged, to seize the opportunities that energy cafés can provide in reaching those in fuel poverty and acting as a potential triage service.
- Training and guidance for community groups looking to set up an energy café would be beneficial. There is need for capacity building to support community groups, especially in skills and knowledge creation, so that they are able to run effective energy shop interventions tailored to the needs of their specific communities. The Department for Business, Energy & Industrial Strategy (BEIS), working together with groups experienced in running energy cafés, should explore the possibility of establishing a central knowledge hub to facilitate learning and sharing of best practice between different groups.
- Many energy shops run on volunteer effort and limited grant funding, and further research could be conducted in how these initiatives could work more effectively with public sector organisations.

References and further reading

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