



Glenravel Oil Club
Community Heating Oil Energy Saving Scheme
In association with Glenravel & District Community & Residents Association



Toolkit for Community Bulk-Buying Oil Clubs

Produced on behalf of the Causeway Coast and Glens and Mid and East Antrim Cluster



March 2013



Chairperson's Foreword

As Chairperson of the Causeway Coast and Glens and Mid and East Antrim Cluster,* I am delighted to provide this toolkit on how a community can set up a bulk buying oil club. The toolkit has been developed following Ballymena Borough Council's successful collaboration with Glenravel & District Community & Residents Association in establishing Glenravel Oil Club.

Northern Ireland has a high dependency on oil and as a group we were particularly struck by the impact that fuel poverty has on our health and wellbeing. Coming from, and representing rural communities, we recognised the role that poverty plays in determining the length and quality of peoples' lives. Having listened to the views of our local communities it was apparent that one of the main issues affecting households was the affordability of heating oil, and thus the concept of an oil buying club was developed and implemented.

Tackling fuel poverty head on, by finding practical steps to address its causes on the ground, is a crucial part of improving health and well-being and making a real difference to peoples' everyday lives.

The work of the group was officially launched this year as a model of good working practice at the 'Tackling Fuel Poverty Together' event in Stormont, hosted by Paul Frew, MLA. The success and learning from the scheme to date was endorsed by Nelson McCausland MLA, Social Development Minister, responsible for tackling fuel poverty.

The Minister commended the work of the group saying *"Tackling fuel poverty is an issue which needs a partnership approach and I commend the Mid and East Antrim, Causeway Coast and Glens cluster on working together to support their community and tackle a very real issue for many homes across Northern Ireland."*

To date over 130 households have joined the Glenravel community bulk buying oil scheme, and in the first three months participating households saved an average of nearly £100 each, which is real money back into the pockets of those in need within our communities.

The scheme clearly demonstrates that collaborative working is an excellent way of providing effective, community based solutions to local issues with efficient and focused targeting of resources.



This toolkit, produced by Ballymena Borough Council on behalf of the Causeway Coast and Glens and Mid and East Antrim Cluster, offers practical advice on issues to consider when setting up and running a community bulk buying oil club. I hope it will be of benefit to interested groups who are considering establishing their own scheme.

For those that do so, I wish you every success!



Anne Donaghy

Chairperson
Causeway Coast and Glens and Mid and East Antrim Cluster

*Ballymoney, Ballymena, Carrickfergus, Larne, Limavady, Moyle, Coleraine Councils, Public Health Agency and Northern Group Systems



Paul Frew MLA, Social Development Minister Nelson McCausland and Anne Donaghy Chairperson pictured at the 'Tackling Fuel Poverty Together' event at Stormont



Glenravel Oil Club

Community Heating Oil Energy Saving Scheme

Glenravel Oil Club started in October 2012. Through funding provided by the Public Health Agency and assistance from Ballymena Borough Council, on behalf of Causeway Coast and Glens and Mid and East Antrim Cluster, the club was set up for residents in the Glenravel area of Ballymena by Glenravel & District Community & Residents Association to help purchasers of central heating oil make savings by buying in bulk. By combining orders from participating members, oil prices are negotiated with oil suppliers to get the best price. It enables smaller deliveries to individual members at competitive prices that may not be available to those outside the scheme. To date, over 130 members have joined, and 6 bulk orders have been placed which equates to savings of an average of £100 per household, thus putting real money back into the pockets of those homeowners in need.

The success of the Club has without doubt has been attributable to the enthusiasm, willingness, effort and support of the volunteers of Glenravel & District Community & Residents Association who operate the Club, and the input of Ballymena Borough Council officers in its development and implementation. Ballymena Borough Council would like to acknowledge the dedicated assistance and support of the volunteers involved in working together to deliver a successful project which demonstrates that collaborative working is an excellent way of providing community based solutions to local issues.



Volunteers and members of Glenravel Oil Club



Guidance for Oil Buying Clubs

Introduction

Interest in heating oil buying clubs is on the rise. Customers and communities are increasingly aware of the cost of energy and the need to buy and use energy as efficiently as possible. With so many in Northern Ireland dependent on using home heating oil, there is a renewed focus on finding ways to make oil more affordable for all, including those who require smaller quantities or who struggle to keep warm and well.

This guide explains how heating oil is traded, what you need to consider before setting up, or becoming involved in, a buying group (also known as oil clubs, oil syndicates or oil co-operatives) and ideas on how to run and manage your group once established. It will also highlight some pitfalls to avoid and help you assess what is the best option for you and your community.

Heating Oil Suppliers

Heating oil is bought by your local distributor company from the refineries and importers. The price varies on a daily basis but will track the price of crude oil. Most national papers carry information on the daily price of crude oil.

Some distributors have their own storage where they can keep a few days' supply, whilst others who don't have their own storage, collect the oil from the refinery or terminal and deliver it directly to their customers. The cost to the customer is dependent on a number of factors including how much the distributors had to pay for the oil, the volume required and the costs of delivery

Delivery costs are included as part of the price of your purchase, irrelevant of whether you require a smaller or bigger fill. Oil tankers are expensive to buy and maintain, have specialised equipment and many safety features and are subject to frequent and rigorous safety checks. Obviously, smaller volumes still have to absorb the same delivery costs as larger volumes, and so this is where you may be able to get a better price if you club together with some neighbours to order your oil in the same delivery.



Why Join an Oil Buying Club?

Reduction in Unit Price

Most oil distributors offer a reduction in quoted prices for larger volumes as it reduces delivery costs. The advantage of an oil buying club is that all members benefit from the total volume price reduction irrespective of the individual volume ordered.

Fewer Goods Vehicle Movements.

Every time a tanker makes a delivery it uses a lot of fuel – a full tanker can get as little as 8 miles per gallon. If deliveries are organised so that a tanker delivers to several customers in the same area the tanker's fuel consumption is reduced.

For example, an oil buying club of five houses has the potential to reduce the number of delivery tanker journeys in the area from five to one. If each member of the group takes four deliveries a year, this could reduce the number of tanker movements from 20 to just 4 – safer for the community and better for the environment.

The oil supplier benefits too by saving on vehicle mileage, fuel and maintenance costs and their administration can be reduced.

Community spirit

Local villages, community groups, etc. can work together to benefit their local area, which can promote and encourage community spirit, reduce isolation for people struggling to make ends meet or who are vulnerable, and promotes innovative ways of coming up with practical local solutions which add to the sustainability of the community and wellbeing of residents.



Points to Consider Before Setting Up an Oil Buying Club

Keep the Buying Club Local

Think about the size of the membership and the area it will cover. A local area can be a street, village, a parish or defined by a postcode boundary. Suppliers route vehicles to deliver in a local area anyway but it can be an advantage and more efficient for the delivery if customers are closer together.

Working Together

You might want to form a working group of interested parties to decide how the club should be operated – should it be a membership scheme, will there be a membership fee, how often should orders be made, how will the club be advertised, what are the group's payment terms, who will act as co-ordinator(s), etc. This should help ensure the smooth running of the club thereafter.

In setting up an oil buying club it is also useful to contact others who may be able to provide support with promoting and organising the scheme such as housing associations, local council, local churches and schools, Citizens Advice Bureau or other charities and community groups.

Time

Oil buying clubs need a volunteer to administer and co-ordinate a club's oil order. Be aware of the time and commitment involved for a co-ordinator. Whilst buying clubs do offer potential cost savings, they can take a lot of time and organisation – firstly in establishing the group and then negotiating the best price with suppliers, placing orders, updating members, etc. For the club to be successful there must be commitment from the community co-ordinator. Further information is found in the appended *'Information for Community Co-ordinators'* leaflet.

Promotion

Once an oil buying club has been formed it is important to think about how to promote the club to the whole community. There are numerous options, for example, putting notices in the local newspapers,



parish or church bulletins, the local council newsletter, or in the village shop, post office, pub or church. Social networking sites such as Facebook, whilst not suitable for running oil buying groups, are useful for advertising. “Word of mouth” is invaluable, especially for reaching members of the community who are not online. Examples of advertising materials used by Glenravel Oil Club are attached.



Establish Good Communication

You may wish to develop basic terms and conditions to avoid any ambiguity between members and the operators of the club. Example terms and conditions can be found on the reverse of the 'Membership Form' attached.

It is important to set up a good communication system within your buying club. Whether it is by email, web based, by phone/text or completed order forms (example attached), the coordinator must be organised to receive orders from members.

The internet makes the process of collecting orders easier and having an email list means the co-ordinator can quickly contact members with a deadline for orders. You may wish to set up your own website. However, it is important to ensure alternative means of ordering are made available for those with no or limited internet access. You might want to have order drop off points in the local shop, church, library, etc. Word of mouth is also important and neighbours could email orders for elderly residents for example.

Co-ordinators will also need to collect information on behalf of the oil suppliers about any properties where deliveries could be difficult and be made aware of any new potential hazards, e.g. a new dog in the house. This information can be collected via a membership form (see example attached) and forwarded to oil suppliers when placing an order.

Good communication with oil distributors is important and some groups may prefer to work with only one supplier to develop a tailored service. This is particularly relevant for groups who place a high priority on flexible payment options, which may be offered by some oil distributors. Due to the number of distributors you may wish to draw up a list of those suppliers willing to be included in monthly negotiations to supply to members of the group. Example 'Information for Oil Suppliers' leaflet and 'Supplier Information Form' are attached.

Administering an oil buying club

If using a membership form to collect personal details and information on the properties for deliveries it is important that any personal information held needs to be done so in accordance with the Data Protection Act.

Decide if you wish to charge an annual membership fee – this can help the co-ordinator cover any costs for administration and communication.

Oil buying clubs also need to consider payment terms for their group. It is advisable that co-ordinators ask members to pay the supplier directly and do not handle any payments on behalf of the group. Payment terms should be spelt out to both members and suppliers.



Placing Orders and Purchasing Heating Oil

Placing Orders

As already mentioned, a variety of ways to place an order should be available. Decide on how the orders are to be collated and passed to the supplier. A simple spreadsheet could be used which can be emailed to suppliers providing delivery addresses, order quantities and information on any hazards/issues (example attached).

Minimum order volumes

The supplier's minimum delivery amount should be checked by the buying club at the outset. Once a group's order has been placed with the supplier, it is the individual member's responsibility to ensure they can accept their delivery of oil (e.g. they have room in their tank) and the supplier's to ensure a safe delivery. It should also be noted that the group should consider the size of tanker required to deliver to their area (smaller tankers may be needed for particularly hard to access properties). An order that 'just' requires two tankers may increase the cost of the oil and negate any savings that buying in bulk can achieve.

Buying oil at the best price

A club will need to decide when they are going to purchase the heating oil. Some clubs have set order deadlines and place orders at a fixed time and members have to accept the price at that fixed point but may still benefit from bulk ordering. However, other clubs may prefer to watch the market and agree the right time to buy for members. Prices will vary from month to month, week to week and even day to day and buyers, whether they are individuals or a group, can achieve savings by watching the markets and buying at the right time.

Co-ordinators should encourage members to avoid last minute buying in the winter months. Buying in November rather than December can make a difference because prices are usually at their highest in December when distributors are very busy.

It is worth remembering that members do not have to buy heating oil solely through the syndicate. They are free at any point to purchase oil themselves as their individual needs dictate and therefore do not need to wait until there are sufficient numbers in the oil buying club before they can place an order with the supplier.



APPENDICES



LOGO

Information for Community Co-ordinators of xxxxxx Oil Club

What's the scheme about?

xxxxx Oil Club is designed to help purchasers of central heating oil make savings by buying in bulk. By combining orders from participating members oil prices can be negotiated with oil suppliers to get the best price. It also enables smaller deliveries to individual members at competitive prices that may not be available to those outside the scheme.

How does the scheme work?

Anyone who wishes to make use of the scheme must join using the scheme's application form. To cover administration costs members will be asked to pay an annual membership fee to help cover administration costs of the scheme and to make it sustainable. This will be £xx for householders. (£xx for commercial businesses, £xx for community buildings if applicable)

Once a month (specify group's ordering frequency) the local community co-ordinator(s) collects orders from the members and collates the volume of oil to be ordered. Local suppliers who participate in the scheme are contacted and the best price negotiated on the members' behalf.

What does a community co-ordinator have to do?

Tell the community about the scheme! – by e-mail, face to face, leaflets, community groups.

- each month, collate heating oil orders received by order deadline – orders can come in by e-mail, text or from order forms left in convenient places in the community – the village shop, parish/church, post office.
- contact participating oil suppliers providing information on how many households want to order and how much they want and negotiate the best price.

- advise those ordering oil of estimated date of delivery
- **Next month do it again!**

What does the co-ordinator NOT have to do?

- handle any money for oil purchases (payment made direct to supplier by member)
- get involved in problems between oil supplier and customer

What kind of person makes a good community co-ordinator?

No special skills are needed but you must be:

- reliable
- well organised
- have access to internet/home computer
- be part of/known in the local community

What if I can't do it anymore?

We know you're a volunteer and that people's circumstances change but, where possible, we would ask that you commit to giving 3 months' notice and, if possible, to recruiting someone locally who can follow in your footsteps.

Membership Form



How do I join?

Go to www.xxxxxxxxxoilclub.co.uk and follow the link to the membership form or fill in this form and send it to the address below.

Your contact details:

Name _____

Address _____

_____ Post Code _____

Tel (Home/Mobile) _____ / _____

Email _____

How did you hear about the scheme?

- Newspaper Local Retailer Community Newsletter
 Word of Mouth Local Church Other.....

Delivery details:

Where is your tank? _____

Does the oil supplier need to know about:

- Steps? Narrow/steep lanes? Dogs?
 Other? Please specify _____

Do you need to be there when the delivery is made? Yes/No

I have read and agree to the membership terms and conditions:

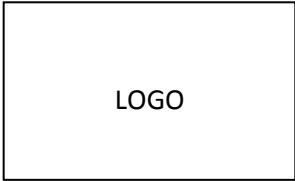
Signed: _____

Date: _____

Membership Terms and Conditions:

1. I give my consent for xxxxxxxx Oil Club Community Co-ordinator to negotiate on my behalf for the supply of heating oil at the best available price.
2. I understand that xxxxxxxx Oil Club will not negotiate any other terms (such as payment arrangements) on my behalf.
3. I agree that all payments of invoices must be made by me directly to the selected supplier and that I am responsible for ensuring I am aware of the payment terms specified by the supplier. Should xxxxxxxx Oil Club become aware of non-payment within suppliers terms, I accept that my membership of the scheme will be terminated.
4. I agree that once I have placed an order by e-mail or via the community co-ordinator, it is binding.
5. I agree that neither xxxxxxxx Oil Club nor anyone acting on behalf of xxxxxxxx Oil Club will be held liable for any claims that may arise between me and any of the selected oil suppliers who supply me.
6. I understand that when I want to order fuel, it is my own responsibility to ensure that my order form is returned to my local co-ordinator before the deadline specified for the next month's order, and that neither xxxxxxxx Oil Club nor anyone acting on behalf of xxxxxxxx Oil Club will be held liable for any shortage of fuel or any other problem I experience if I fail to meet the specified deadline.
7. I will advise xxxxxxxx Oil Club of any changes to my membership details in writing.

Personal information on the completed application form will only be used by xxxxxxxx Oil Club for the purposes associated with the supply and delivery of oil as part of the scheme.



Order Form

Name: _____

Address: _____

Quantity of oil (litres) to be ordered: _____

Contact Telephone No.: _____

Any special delivery instructions: _____

Signed: _____

Date: _____

Once placed, orders are binding

Information for Oil Suppliers of xxxxx Oil Club

LOGO

What's the scheme about?

The xxxxxx Oil Club is designed to help purchasers of central heating oil make savings by buying in bulk. By combining orders from participating members oil prices can be negotiated with oil suppliers to get the best price. It also enables smaller deliveries to individual members at competitive prices that may not be available to those outside the scheme.

Benefits of the Scheme for Suppliers

- Saves on vehicle mileage (fuel, wear and tear)
- Enables drivers to work more efficiently and make enough deliveries to empty their tankers
- Reduces administration through bulk ordering

How does the scheme work?

Anyone who wishes to make use of the scheme must join using the scheme's application form. To cover administration costs members will be asked to pay an annual membership fee to help cover administration costs of the scheme and to make it sustainable. This will be £xx for householders.

Once a month the local community co-ordinator(s) collects orders from the members and collates the volume of oil to be ordered.

Local suppliers who participate in the scheme are contacted and the best price negotiated on the members' behalf.

The supplier with the best price will obtain the order. Members will be informed of estimated delivery date allowing the supplier to deliver the oil to member households in that area on the same day.

Payment

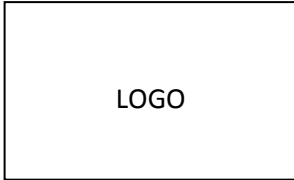
Method of payment will be determined by Suppliers Terms and Conditions of payment. The co-ordinator will have no responsibility for oil payments. Each member of the scheme will be responsible for their own individual oil payment.

Members who fail to comply with Suppliers Terms and Conditions of payment will be withdrawn from the scheme. It will be the responsibility of the supplier to inform the co-ordinator that a member has failed to pay so that the member can be removed from the scheme.

How to sign up to the scheme

Fill out the Supplier Information Form attached or download a form from www.xxxxxoilclub.co.uk and return it to the address below either by post or email.

Once the form is received, the Supplier will be included in the next month's oil price negotiation.



Oil Suppliers Information Form

Your contact details:

Company Name: _____

Address: _____

_____ Post Code: _____

Tel: _____ / _____

Company Email: _____

Contact Name for Pricing: _____

Email: _____

Minimum Litres per Household: _____ Litres

Estimated delivery time frame from day of order: _____ day(s)

Method of Payment

- Cash Credit/Debit Card Cheque
- Other _____

Time Frame for Payment:

- Before Delivery _____ day(s) in advance
- On Day of delivery
- After Delivery Up to _____ day(s) after delivery

Type of Meter on tanker:

- Mechanical
- Electronical

