



Report to:	Development Committee
Subject:	Programme to support community heating oil clubs in Belfast
Date:	27 May 2014
Reporting Officer:	John McGrillen (Director)
Contact Officers:	Catherine Taggart Community Services Manager Clare Mullen, Community Services Unit Manager, Mark McCann, Business Research Development Manager (Health and Environmental Services)

1	Relevant Background Information
1.1	The issue of fuel poverty has been of growing concern to the residents of the city. The latest available figures indicate that, in the greater Belfast area, 42% of households are defined as being in fuel poverty ¹ . One contributing factor to this is that, unlike other parts of the country, Northern Ireland remains particularly reliant on home-heating oil which has become increasingly expensive over the past few years.
1.2	As Members will be aware the Council supports a number of initiatives to tackle the issue of fuel poverty. This includes our contribution to Department Social Development 'Warm Homes' scheme which aims to target households most at risk of fuel poverty and to improve the energy efficiency of their homes. We have also offered seasonal warmth packs for older people during the winter months. The Council also set up and manages the 'Be Warm' fuel stamp scheme which encourages householders to save for home heating oil by spreading the cost of bills over the year. The scheme had sold £1 million worth of stamps by February of this year.
1.3	Ten years ago home heating oil cost about 20p per litre or £180 for a standard 900 litres delivery. Today this has jumped to around 55p per litre or nearly £500 for 900 litres. As a result many households have resorted to ordering smaller quantities but at a much higher cost per litre. It's worse for those who rely on small emergency drums as they are often paying over £1 per litre or the equivalent of £900 for 900 litres.

¹ 2011 House Condition Survey, NIHE. A household is considered to be in fuel poverty if, in order to maintain a satisfactory level of heating (21C in the main living area and 18C in other occupied rooms), it is required to spend in excess of 10% of its household income on all fuel use.

1.4	In response to this price challenge a number of community groups across Northern Ireland and here in Belfast some with the support of Bryson Energy and Community Foundation NI have set up local 'oil buying clubs' to negotiate more competitive deals from oil suppliers. Successful clubs have saved their members hundreds of pounds over the course of a year.
1.5	This paper proposes that the Council puts in place a pilot programme to promote the concept of oil clubs and to offer practical guidance and support to communities that wish to establish their own club.

2	Key Issues
2.1	The idea behind an oil club is a simple one, a group of neighbours place their individual orders with a volunteer co-ordinator who then negotiates the best bulk price with suppliers. Once a price per litre has been agreed each household then individually make arrangements for delivery and payment directly with the chosen supplier. The advantage for the supplier is that they receive a large order for oil that is delivered to a compact area over a short period of time. NB: At no time does the club handle payments – that is always done directly between the householder and the oil supplier.
2.2	With support from the Public Health Agency, Bryson Energy and Community Foundation NI, officers within Health and Environmental Services have developed a practical guide for setting up a club that is aimed particularly at existing community groups and workers across Belfast. A draft of the guide is attached as Appendix One. Additional material and downloadable templates would also be available from the council's website.
2.3	<p>Oil clubs have three main advantages:</p> <ul style="list-style-type: none"> - Households save money: clubs are usually free to join yet households can save from £10 to over £30 per delivery, representing thousands of pounds saved within a community each year. - Everyone gets their oil at the same price per litre regardless if they order 300, 500 or 900 litres. - Clubs can help change buying habits and begin to reduce over-reliance on very expensive 'emergency' drums. The guide encourages clubs to work with oil suppliers that participate in the Council's 'Be Warm' Fuel Stamp scheme which exists to help people better manage their oil bills over the year.
2.4	While setting up a club is fairly straightforward, experience elsewhere has shown that it does take quite some time, effort and a little cost. A club needs a few committed volunteers with organisational and meeting skills; access to a meeting room; access to a computer; a mobile phone; printer; photo-copying facilities, etc. So, while it is possible for enthusiastic individuals to set up their own neighbourhood club, it is probably best done through an existing local community group, church groups, clubs, etc. Such groups are likely to have the basic community development skills, resources and local knowledge to make the club an on-going success over a number of years.
2.5	To maximise the potential of the guide, it's proposed that the Council run a pilot programme to provide practical support to local groups that might need additional help in setting up a club. Working with our colleagues in Health &

	Environmental Services, we are proposing that the most effective way to deliver such a support programme would be through the eighteen Capacity Support organisations. These organisations are contracted to provide community development support in neighbourhoods across the city.
2.6	While yet to be agreed, it is anticipated that the role of the capacity organisations would be likely to include offering access to meeting rooms and computer suites; small admin support; signposting to relevant bodies such as Bryson Energy, the Consumer Council and Community Foundation Northern Ireland (CFNI). It is proposed that a total maximum budget of £18,000 would be made available to across all the participating Capacity Support organisations to cover their additional costs in supporting the programme across the city.
2.7	At the end of 2014/2015 Council officers would carry out an evaluation of the pilot programme to gauge its success.
2.8	The proposed timetable for the programme would be as follows: <ul style="list-style-type: none"> - A September 2014 workshop in the city centre location to begin promotion of the guide and also to offer practical advice and examples of the work of successful clubs. All Members would be encouraged to attend the event with invitations issued in August. - Following this event those Capacity Support organisations willing to participate would offer ongoing practical support to any groups seeking help, while Council would promote the concept of oil buying clubs. - February 2014 - a follow up workshop to refresh interest in the concept and to encourage membership drives amongst clubs and to encourage saving across the year for future oil purchases. - April 2015 – Evaluation of the programme.
2.9	At this stage Members are being asked to consider and approve this outline programme proposal. Following approval, Community Services staff will then negotiate with the Capacity Support organisations regarding their potential role in supporting the programme and would seek to determine the contractual arrangements.
2.10	A follow-up paper with detailed proposals would be brought back to both Development and Health & Environmental Services in August 2014 for final approval.

3	Resource Implications
3.1	The estimated costs for the pilot programme are: <ul style="list-style-type: none"> - Print production of the oil guide £2,000 - September and February workshops £3,000 - Capacity Support budget £18,000 - Total costs £23,000
3.2	It is proposed that Community Services make a contribution of £8,000 to the budget which has been identified from within existing 2014/15 Revenue Estimates.
3.3	The Health and Environmental Services department contribution is £6,000 which has been identified from within existing 2014/15 Revenue Estimates.

3.4	The Public Health Agency, who provide a range of support to address fuel poverty in the city, and who have worked with officers on the oil club guide, have indicated that they are willing to contribute £10,000, subject to final agreement on the detail of the programme, and approval by our Committees.
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4	Equality and Good Relations Considerations
4.1	There are no equality or good relations implications at this stage. However all new policy and strategy work detailed within the plan will be subject to equality screening in line with the Council's standard processes.

5	Recommendations
5.1	<p>The Committee is requested to approve the following:</p> <ol style="list-style-type: none"> 1. To agree to the outline programme proposal to support new oil buying club across the city during 2014/2015 and the proposed engagement and support role for Capacity Support organisations. 2. To agree in principle to the £8,000 contribution from Development. 3. To agree to receive a follow up paper in August 2014 which will include the final detailed programme proposal and information on the September workshop.

6	Decision Tracking
	Timeline August 2014. Reporting Officer Catherine Taggart

7	Key to Abbreviations
	CFNI – Community Foundation NI PHA – Public Health Agency

8	Documents Attached
	Draft oil club guide