



prepared



Toolkit 
How to set up your club



www.belfastcity.gov.uk/environment



Buying oil together

Northern Ireland is particularly dependent on home heating oil and it's been getting more expensive. It's often a challenge to keep our homes warm during the colder months and many people struggle to pay their heating bills.

There are various things you can do to lower your bill:

- Make sure that your home is well insulated
- Install thermostats and a timer
- Turn down your thermostat
- Make sure that you have the most efficient boiler you can afford and that it's serviced every year
- Find ways to spread the cost of heating across the entire year
- Think about switching to natural gas which is often cheaper than oil.

There's plenty of advice available (see the organisations listed at the end of this booklet) and for some households there may be grants available. We would encourage you to explore all of these options.

This guide offers advice on one practical way that people can come together to reduce the cost of oil. An oil buying club is based on the idea that it's usually cheaper to buy things in larger quantities. Clubs aren't ideal for everyone and we will explain their pros and cons, and if you decide to go ahead there are step by step instructions about how to go about it.





Why set up a club?

Ten years ago oil cost about 20p per litre (or £180 for a standard 900 litres delivery). Today, in 2014, 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).

One practical alternative is for people to get together with others in their local area to buy home heating oil as a group. The idea is simple - members place their order with a co-ordinator who then negotiates the best bulk price with suppliers. Once a price per litre has been agreed each member pays for their own oil directly to the chosen supplier.

While setting up an oil club is straightforward it does take some time, effort and a little cost. So it is probably best done with the support of an existing group. This short guide is particularly aimed at community leaders and workers, local councillors, and community organisations in Belfast who are thinking about setting up such a club. They have several advantages:

- Households can save money - clubs are usually free to join yet households can save from £10 to over £30 per delivery which represents 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.
- It can change buying habits and begin to reduce over reliance on very expensive emergency drums.
- It can encourage better household budgeting – for clubs to work well its members need to save regularly. Some clubs set up budgeting services using, for example, Belfast City Council's fuel oil stamp scheme.
- It can help build community spirit by bringing people together for a common purpose.
- It's a good way for members to gain skills and build confidence by being involved in organising groups, using computers and email and negotiating prices.
- It's better for the environment - tankers have to make fewer deliveries to the same area. By reducing the number of times a fuel tanker is on the road, it also reduces the risk of accidents.



Is a club right for you?

An oil club isn't right for every community. This checklist will help you decide:

Is there a club already in your area?

Check with your local Citizens' Advice Bureau, or contact your nearest community centre (see the end of the booklet for details). If a club is already operating successfully then it may be better to lend them your support. Contact them and find out about their rules.

Does your area have enough homes using heating oil and is there a good mix of incomes?

For your club to work well you need some members who can afford to place larger 900 litre orders to balance those ordering

smaller, more expensive quantities. If your club has too many small orders then you won't be able to get a discount. Ideally, your club should have a combined order of between 10,000 to 20,000 litres with at mix of individual orders between 300 and 900 litres.

Are there volunteers willing to organise the club?

While setting up a club is fairly straightforward, it does take some time to set up and maintain; and there are some costs. Your club will also need a venue for meetings; a phone; the use of a computer with spreadsheets, email and internet; and access to a printer. You may also need to make photo-copies.





What do we need to run the club?

Volunteers

- Three volunteers are more than enough to deal with a large club. However, if you have more, then the work can be rotated throughout the year to build up skills across your group.
- Volunteers need to be available for two to three hours each time there is an order due. One volunteer contacts the members to tell them of the upcoming oil buy date, encourages them to order and deals with queries; another collates the orders on a spreadsheet with delivery details and payment methods. A third volunteer can research the price of oil on purchase day and then broker the best price with suppliers.

Equipment

Most community groups should have access to the necessary equipment:

- A computer with access to the internet and MS Office (with Word and Excel)
- Printer, ink, paper
- An email address (you could set up a free Hotmail or Google email account)
- Access to a phone (ideally a mobile phone with a dedicated number for members to call)

Costs

Typically a group should be able to get up and running for only a few hundred pounds. Most of your costs can be reduced by working with an existing group that may give you access to their equipment for little or no expense.

You may need to budget for:

- A venue for a first meeting
- A Pay As You Go (PAYG) mobile phone and sim card
- A text and call credit bundle
- Printing and photo-copying for forms, leaflets and posts
- And, possibly, a basic website
- Some groups also offer small incentives to their new members (such as draught-proofing kit)

Some clubs charge a small annual membership fee to cover any costs. If you plan to do this then sure any fee is made clear at your first meeting.



How do we start?

Step one: Getting people interested

If a club doesn't already exist in your area you could approach a local community group to ask them to support your idea. It is much easier for an existing group to set up a club than for you to create one from scratch.

Whether it's working through an existing group or a few people coming together for the first time, you will want to let people know about your plans. You could advertise a first meeting in your local community centre, library, in a local newspaper, in shop windows, at parent and toddler groups, on church noticeboards and by word of mouth.

You want to make sure that your membership is local. A supplier will not give you a good price if their tanker has to travel miles between your members' homes.

We've created a sample information leaflet and poster which you can download and adapt for your own group. We've provided useful links at the end of this booklet.

Important: Think about members of your community who might benefit from your club but will find it difficult to join such as your older neighbours or those who are house-bound. How can you get these harder to reach people involved?

Step two: Your first meeting

It's a good idea to organise a public meeting to talk to others about the benefits of a club and to sign up potential members. It's often a good idea to talk to your local councillor or community worker as they may be able to come along to offer support and advice. Think about using your local community centre but any accessible local venue should do.

If you can, hold your first meeting early in the year – as the spring and summer months are the easiest time for people to save for autumn and winter fuel bills.

To make the most of the meeting make sure you have someone who is willing to chair and have a short agenda prepared beforehand. It is also a good idea to have a secretary who is willing to take notes, names and addresses. We have an agenda template you can download and adapt but your agenda should cover the following:

- What is an oil club and what are its benefits?
- What are the roles and responsibilities?
- How to become a member
- Planning our first order of oil

You might also wish to invite someone from an existing oil buying club to share their experiences of setting up and running a club.

Your club will need a set of rules, or 'terms of reference', for its members. You can download a sample from our website and



then change them to suit your own needs. At the first meeting, agree your terms of reference explaining what people can expect from the club. You'll need to make sure that everyone has a copy.

By the end of the meeting you should have:

- Elected a chairperson, secretary and, if required, a treasurer
- Agreed your club's terms of reference
- At least two people willing to volunteer
- Signed up at least 20 to 30 members
- Agreed a first delivery date

Setting a delivery date around the end of a month is best as this is when most people are paid.

Step three: Confirm your members

- You need to have at least 20 members willing to buy at least a total of 10,000 litres.
- Any individual order should not be less than 200 litres
- You will want at least some members who are able to order 900 litres.
- It is each member's responsibility to ensure they can accept their delivery of oil (that they have enough room in their tank and are able to arrange access for the supplier)

Important: You need to highlight to members that the club does not collect money or deal with payments. It is the responsibility of each member to arrange

their own payment directly with the supplier.

Most oil suppliers deliver oil six days a week, Monday to Friday 8.30am-5pm and Saturday 8.30-3pm. You may also need to check if members need a smaller tanker to make their delivery.

You can download a sample membership form and a spreadsheet template for collecting names and order details. You can also use the spreadsheet to keep notes on individual houses such as those with limited access so that, when you place an order, you can check that the oil supplier can accommodate these particular requirements.

Step four: Getting ready for your first order

1. Buy a mobile phone and a text and voice bundle.
2. Make sure your volunteers are clear about their roles.
3. Download and send order forms to your members. (This can be done by email, post or hand delivered.)
4. Collate the order forms by an agreed date.
5. On the morning you have chosen to buy check the price of oil on a few comparison web sites and the Consumer Council oil price watch site. This is the price you want to beat.
6. Phone your potential suppliers to find the best quoted price.



Step five: Brokering with suppliers

- You should draw up a list of oil suppliers who can deliver in your area (keep this list on a spreadsheet).
- We recommend that you use only suppliers who have signed up to the Belfast City Council oil stamp scheme.
- Call each supplier and note their quoted price for both 500 and 900 litres (including VAT). At this point you shouldn't mention that you represent a club.
- Take note of your ten cheapest quotes.
- Contact these ten suppliers again and let them know that you represent an oil club and explain the total volume of oil you wish to purchase and how many customers you have. Remain polite and courteous at all times.
- If interested the supplier will probably want a breakdown of the numbers and volumes of each order; delivery type (for example if they need to use of a small tanker). Have all this information ready to hand.
- Some oil suppliers will not be interested; some will immediately be able to give you their best price per litre; others will have to have more time to work out their costs and get back to you.
- Don't forget to ask the supplier if they accept Belfast City Council fuel oil stamps.

- Choose the cheapest three or four suppliers from your list.
- You may wish to check a final price between these suppliers but you should make sure to remain on courteous terms with them. (You may use these suppliers in future).
- You should now have identified the best price from a supplier.

Check your spreadsheet to see if any orders have been placed by members with particular requirements, such as a house with limited access which require smaller tankers or homes where the oil tank can only be reached by going through the house, and ensure that the oil supplier can meet these needs. If your chosen supplier cannot make arrangements for a small tanker, or other special delivery options, you may wish to make separate arrangements with another supplier for those of your members who need this service.



Step six: Contacting your members

- Contact everyone who ordered and give them the name of the successful oil supplier and the agreed price per litre.
- Give members a deadline by which they have to confirm or decline their order.
- Email your order list to the successful oil supplier. This should include names and addresses, contact numbers, and quantities required.
- The oil supplier will contact the members to arrange payment and deliveries.

Step seven: Review and prepare for the next order

Did everyone order? There's no binding obligation on members to fulfil their orders. And it's unlikely that all members will order oil every time. And there will be circumstances when members will have committed to buying oil but will drop out at the last minute.

However, if your club wants to maintain a good relationship with suppliers you should encourage everyone to stick with their commitments to buy or let you know in good time. If someone repeatedly fails to fulfil their order you may wish to ask them to leave the club.

Were there problems?

It's inevitable that there will be teething problems (for example wrong phone

numbers, missed delivery times). Keep in touch with your members and ask them about any problems that occurred. Note them down and you will be better prepared for future orders.

It's a good idea to keep in contact with other successful clubs and share your experiences.

Do you need more members?

Over time members will drop out of your club so you may want to continue to encourage new people to join. A larger group may be able to negotiate a better price. However, bear in mind that a large group needs more volunteer time to manage. And it's important to keep your membership local.

If you've too many people it may be a good idea to encourage another community group to set up their own club.



Tips for running your club



- Set up your club in the spring or summer – don't wait until winter.
- Try to place orders for Winter early in the Autumn, when suppliers are less busy and can sometimes offer better discounts.
- If you can, get your members to agree the club's order dates a year in advance. This will help people to plan their savings.
- Encourage members to start saving as soon as possible – promote the Council's Be Warm fuel stamp scheme
- Choose your co-ordinator well. This person will be key to your success. You need someone who is confident about negotiating prices over the phone.
- Be courteous with your suppliers. You're more likely to get a result if you're polite and they may be in a position to offer you a better deal the next time you phone them.
- Keep up to date with oil prices by checking comparison and the NI Consumer Council websites. Prices change on a regular basis.
- Price is not everything. When you choose a supplier, also bear in mind quality of service, reliability and flexibility.
- Keep a list of suppliers, their prices and service record, which you can update and regularly review.
- Make sure you keep written copies of all orders and agreements, ensuring any computerised information is also backed up on paper.
- Get in touch with members in plenty of time before an order is due to give them time to reply.
- Make sure the club's rules make it clear that it is the responsibility of members to pay the supplier, not the club.
- Think about using email or text to speed things up, but remember that not everyone will be online or have a mobile phone.
- Promote the club at community events and invite new people moving into the area to join the club.
- Remember to look out for the more vulnerable or isolated members of the community e.g. older people or those for whom English is not their first language who might be interested in joining the oil club. Think about how you can help them to join and place orders.
- Keep members up to date on other schemes that can help reduce their fuel costs, such as home insulation grants, boiler replacement schemes, etc.



Paying for oil

It is important to explain to members that they are responsible for paying for their own oil. The club, its volunteers and coordinator do not play any role in taking money.

Members have a number of options:

- **Cash:** All suppliers will accept cash.
 - **Cheque:** Some suppliers will accept a cheque but many will insist on it clearing before delivering oil.
 - **Debit Card/Credit Card:** Most will accept these but there may be an additional charge of between 1.5%-2.5% for using a credit card. Check with your supplier before ordering.
 - **Online:** Many suppliers now offer an online service. This will require a debit or credit card at the time of order. There are usually different tariffs depending on how soon you require a delivery.
- Important:** There are two other main ways of paying for oil – and these are often a good way for households to budget bills throughout the year. However, both methods make it difficult to switch suppliers at short notice. For this reason they don't work well for oil club members.
- **Paypoint:** Some suppliers participate in the Paypoint scheme to help householders budget for oil. They issue a personal swipe card and spread the cost of the delivery over a period of time. The scheme is pre-payment and the card should have the required amount pre-paid before delivery.

- **Direct Debit:** Many suppliers operate their own direct debit schemes where householders can arrange an agreed monthly debit from their bank to the oil supplier's account thus spreading the cost throughout the year.

Belfast City Council Be Warm oil stamp scheme

The scheme allows householders to spread the cost of home heating oil over the year and could be useful for members of your club. This is how it works:



1. Collect the scheme's oil savings card from a participating outlet.
2. As soon as you receive the card, fill in your name and address (to help prevent fraud).
3. Buy one or more of the scheme's £5 oil saving stamps from any Belfast outlet. These stamps are not refundable. (Don't use stamps from other schemes.)
4. Stick your stamps onto the card. Each card holds 40 stamps worth £200.

The card can then be used for full or part-payment of a delivery of oil with participating oil suppliers. A list of participating retailers and oil suppliers can be found at:

www.belfastcity.gov.uk/buildingcontrol-environment/housing/fuel-stamps.aspx



Tips for managing your oil bills

Even if you are not a member of a club here is some useful advice for households:

- ✓ **Shop around:** you should always get prices from several oil suppliers and don't just accept the first quote from the oil supplier that you normally use.
- ✓ **Budget across the year.** Don't wait until the colder months to think about oil bills. Join a savings scheme or start collecting the council's £5 oil stamps, so that you are saving small weekly amounts throughout the year.
- ✓ **How much will you need?** A typical three bedroom semi needs about 2,700 litres of oil each year. With an ordinary oil burner this would cost about £1,560 a year (£30 a week). A more efficient oil condensing boiler would cost £300 less to run.
- ✓ **Think about installing gas.** Natural gas is available in many parts of Belfast and it's currently about 30% cheaper than oil. There are a few grant schemes that could help you make the switch (see the web-link at the back of this booklet).
- ✗ **Don't ask your oil supplier to top-up your tank.** It can be difficult to work out how much this will cost. Always give a specific amount in litres to deliver.
- ✗ **Don't use emergency oil drums.** These should only be used as an emergency measure. Buying oil by this method can be very expensive usually costing £1 per litre.

- ✗ **Don't fill up your own drums.** Filling up empty 20 litre plastic drums at the pump is very costly at approximately 70p per litre. It is also extremely dangerous to travel around with filled oil drums in the back of your car.
- ✗ **Never move your oil tank.** Oil tanks should never be tipped up to get the last bit of oil out of your tank. Not only can this damage the tank and the pipes, but dirt disturbed from the bottom of the tank can block the pipes which can then affect the oil burner.





Find out more

Templates for setting up your club

You can download useful templates and a copy of this guide from the Belfast City Council website to help you get started. (You will need MS Office compatible software to open them.)

Belfast City Council Be Warm Fuel stamp scheme

Our stamp scheme helps householders save for home heating oil, by spreading the cost of their fuel.

www.belfastcity.gov.uk/buildingcontrol-environment/housing/fuel-stamps.aspx

Grants

There are a number of grants available to enable householders to make their homes more energy efficient by installing loft, cavity wall insulation and a new boiler or heating system. These grants are available for people who own their own home as well as for private tenants.

Phone the Bryson Energy Advice Line on 0800 1422 865 for free and impartial energy advice and further information about these grants.

Find a local oil club

To find out if there is a heating oil club near you, visit the Citizens Advice website www.citizensadvice.org.uk/index/sitehelp/oilclubs-map and enter your postcode.

You can also register your oil club on this site wherever you live in the UK.

If you want to find out how other clubs have done it you can contact Community Foundation NI. CFNI have supported a number of communities in Belfast to set up successful oil buying schemes.

www.communityfoundationni.org/
Contact or telephone **028 9024 5927**

Finding the cheapest oil

There are also web sites where you can check on the cheapest prices for oil in your area. Here are just a sample:

Consumer Council oil price watch
www.consumercouncil.org.uk/oil-price-watch

Boiler Juice
www.boilerjuice.com

Cheapest oil
www.cheapestoil.co.uk/heating-oil-ni.aspx?prices=belfast

Click Oil
www.clickoil.com



Useful organisations

Belfast City Council

The council manages accessible community centres across the city offering facilities for meetings at reasonable rates. The council also has a number of community development staff who may be able to offer support and advice to your group.

www.belfastcity.gov.uk/community/communitycentres

Bryson Energy

Bryson Energy focuses its efforts on awareness-raising at public events, in schools and by providing advice to tenants in their own homes. Additionally, Bryson Energy facilitates the delivery of practical improvements to improve domestic energy efficiency.

Advice Line: **0800 1422 865**
www.brysonenergy.org

National Energy Action (NEA)

NEA is the national charity which aims to eradicate fuel poverty and campaigns for greater investment in energy efficiency to help those who are poor and vulnerable.

www.nea.org.uk/nea-northern-ireland/nea-northern-ireland

Tel: **028 9023 9909**

Citizens Advice Bureau

CAB provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. Find a local Bureau at the following link:

www.citizensadvice.co.uk
Advice Line: **0300 1 233 233**

Advice NI

Advice NI's mission is to develop an independent advice sector that provides the best possible advice to those who need it most. More information is available at the link or telephone number below:

info@adviceni.net
Tel: **028 9064 5919**

NI Housing Executive

The Executive manages a wide range of benefits and grants and can offer advice to tenants, landlords and owner occupiers.

www.nihe.gov.uk/index/benefits.htm



Belfast City Council

4-10 Linenhall Street
Belfast BT6 0HH

Tel: 029 9032 020

Email: ???@belfastcity.gov.uk

Copies of the templates and this guide are available in other formats and languages upon request.

This version published May 2014.