

Oil Clubs & Parish Councils

From: **Sue Murray** (Sue.Murray@rochfordcab.org.uk)
Sent: 12 October 2011 09:02:03
To: 'bsummvint@hotmail.com' (bsummvint@hotmail.com)

Dear Sir or Madam,

I am writing in relation to an initiative currently being spearheaded by Citizens Advice regarding the formation of oil clubs as a way of reducing the rising fuel costs for residents in your parish.

I am writing to encourage you to consider organising an oil group for your area or agreeing to act as a point of contact for any groups setting up. The financial savings that can be achieved through such schemes can be substantial and all that is required is a central co-ordinator to take responsibility for orders and negotiating best prices with oil distributors.

Having such valuable knowledge of how increasing fuel costs affect residents in your areas, we believe that parish councils could make a real difference to residents who currently purchase oil individually and are burdened with high delivery costs, missing out on the benefits associated with buying in bulk.

What are oil clubs?

Oil clubs are effectively local or national buying groups or co-operatives in which members club together to buy oil in order to make use of the discounts offered by oil distributors to those who buy in bulk. An advantage of joining such a scheme is that all those in the oil group benefit from the discount offered by the oil distributor, regardless of the actual volume that they choose to order.

Why does this save money?

Citizens Advice guidance suggests that as few as five houses in an area forming an oil group rather than buying and ordering their oil individually could potentially reduce the number of delivery tanker journeys from five to one and as such drastically cuts down on the delivery costs.

How many members does a club have to have?

The types of oil club that can be set up really depend on which are best suited to the needs of the area, for example, Chieveley Oil Club was set up six years ago and covers Chieveley village and its surrounding areas. It currently has around 210 members with a co-ordinator taking responsibility for contacting members for orders and ringing around oil distributors for the best prices.

However, oil clubs can also be a lot smaller comprising of a few neighbours or a large syndicate, it really reflects what residents want.

Points to consider

Before setting up an oil group it is important to consider the following issues:

- **Membership.** How big is the group going to be and who should it cover. This is important because discounts are likely to be more sizeable if the deliveries are made to properties relatively close to one another.
- **Getting others involved.** Consider creating a working group, inviting interested parties and those who may be able to promote and support the scheme.
- **Time.** Seriously think about the time commitment required from anyone who volunteers to act as a co-ordinator, as the scheme grows the job is likely to become more onerous and time consuming. It may be that in this case it is easier to join a larger or country-wide oil buying syndicate where a local co-ordinator is only responsible for liaising with a county co-ordinator and taking orders.
- **Communication.** Ensure that a system is in place which makes it easy to collect orders and make and receive payments for orders. Also make sure that a good relationship is built up with oil distributors as this may allow you negotiate more flexible payment options.
- **Data protection.** Make sure that you have considered any implications under the Data Protection Act 1998 as you will be dealing with members personal data.
- **Costs.** Some oil buying groups have membership fees which cover any admin costs associated with the group, you should consider whether a fee will be charged and how it should be kept and spent on.
- **Minimum order volumes.** Oil suppliers will have a minimum delivery amount, this should be checked and co-ordinators should ensure that it is met by each set of orders.

For more information on oil groups, see: <http://www.citizensadvice.org.uk/oilclubs> .

If you require any further information, please do not hesitate to let me know.

Kind regards,

Sue Murray

District Manager