



**Submission – Business, Energy and Industrial Strategy Committee Call for Evidence:  
Downstream Oil Resilience Bill**

1. ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the BEIS Committees' call for evidence on the Downstream Oil Resilience Bill. ACS represents 33,500 convenience retailers across the UK including the following fuel retailers Rontec, Motor Fuel Group, Applegreen, Co-op and thousands of independent retailers. For more information on ACS see Annex A.
2. There are 7,398 fuel forecourt stores across the UK, trading in rural (17%), residential (28%) and urban (40%) locations. There are a diverse group of fuel retailers operating in the UK. 17% of fuel sites are operated by multiple retailers, 18% oil company-owned multiples and 65% independent retailers<sup>1</sup>.
3. Please see below for ACS' response to the relevant questions in the consultation. **For more information on this consultation response please contact [Lydia.hamilton-rimmer@acs.org.uk](mailto:Lydia.hamilton-rimmer@acs.org.uk).**

**Is the Government's policy on fuel resilience appropriate and effective?**

4. We believe that the Government is right to continue to prioritise fuel resilience and that the proposed approach set out in the bill is appropriate.
5. Despite the decline in the number of fuel retailing sites across the UK over the last two decades they remain critical infrastructure for our economy and society. Fuel retailers will continue to play an essential role long beyond the existing timeline for banning the sales of petrol and diesel vehicles.
6. We endorse the Government's plans to move to net zero economy, but this must be a just and carefully managed process. This includes retaining a diverse range of options for powering existing and developing mobility options and ensuring a reliable and secure fuel supply to essential services.
7. While the general principles of the Bill are welcome this must be underpinned by an ongoing close working relationship between fuel retailers and others undertaking downstream fuel activities. The resilience issues outlined in the Bill are relevant but other issues outside of the legislation could also threaten resilience, such as the recent driver shortages and impact of self-isolation procedures across the supply chain.

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<sup>1</sup> ACS Forecourt Report 2020

8. We support the Government's continuation of supporting fuel reserves via subsidise. The cost of buying fuel and the credit terms available to fuel retailers determines the amount of fuel that can be stocked. It is not viable for fuel retailers to invest in maintaining high fuel reserves in their underground storage tanks. Storing large quantities of fuel would be expensive and undermine cash flow and other business operations. Instead, sufficient fuel reserves are maintained to meet consumer demand and frequency of fuel tanker deliveries to sites.

**Are the measures contained within the draft Downstream Oil Resilience Bill necessary and proportionate?**

9. Fuel retailers requires further clarification on the businesses in scope and Secretary of State action on two sections of the draft bill. Firstly, power to require information applying to those persons 'carrying on downstream oil sector activities in the course of a business which has capacity in excess of 1,000 tonnes and/or a downstream facility owner if the owned facility has capacity in excess of 1,000 tonnes (Section 9, 1-3). Secondly, the duty to report incidents on persons carrying out downstream facility activities with the capacity in excess of 500,000 tonnes (Section 10, 1-2). The Government must clarify the businesses in scope and action to be taken in order for the sector to fully understand the scope of the provisions on separate businesses. Based on our current understanding the threshold contained in the bill relates to fuel retailers only in terms of total storage capacity not throughput.
10. We also urge the Government to clarify how wet stock management will be accounted for. We recognise the need for the Government to monitor fuel levels on a national basis and we understand from conversations with BEIS officials that wet stock management levels are already monitored. However, the provision to monitor this should be done via a third-party organisation given the additional infrastructure, administrative and fiscal burdens set up incurs.
11. We continue to seek clarification on the frequency of data requirements and whether it is proportionate for Government to require daily wet stock management reports or whether weekly would be more appropriate given the small number of fuel supply disruptions that occur. The Government must also clarify the usage of this data, for example would the Government seek to intervene in the market if an operator elected to reduce their fuel stock levels or would action only take place when fuel levels were reduced regionally or nationally?

**How did the Government's 2017 consultation on Fuel Resilience Measures inform the draft Downstream Oil Resilience Bill?**

12. The Bill has broadly addressed how the Government plans to mitigate the threats to security of fuel supply via the use of extending powers to the downstream sector. ACS' submission to the 2017 consultation made a strong case for the Government to retain oversight and funding for the reserve tanker fleet. We welcome that the Government has taken on board this recommendation.
13. We still require clarification on businesses in scope and Secretary of State action on section 9, 1-3 and Section 10, 1-2.

**Have the views of stakeholders been taken account of in the draft Downstream Oil Resilience Bill?**

14. Yes. However, we do note there has been significantly low engagement from the Government and industry on the Emergency Fuel Plan. It is vital that fuel retailers are aware of if they are a designated fuel site under the Emergency Fuel Plan. Being a designated site means that logistical and operational tasks may be different to that of a non-designated site. Designated sites require higher staffing levels with specific training for colleagues to be able to assist safe operations whilst there are significantly high numbers of vehicles, anxious customers and checking that any containers consumers use are compliant. Without full awareness of being a designated site, businesses are unable to implement the correct infrastructure to facilitate the Government's emergency plan. Additionally, at these sites where fuel rationing is likely, it can create a flash point for abuse, which staff must be trained and prepared for.
15. It would be useful for the Government to bring together relevant stakeholders across the Downstream Fuel Network to review the Emergency Fuel Plan.

**3. Are the measures contained within the draft Downstream Oil Resilience Bill appropriate, sensible and workable?**

16. Yes – please refer to Q4.

## Annex A

### ABOUT ACS

The Association of Convenience Stores lobbies on behalf of over 46,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.



Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.

### WHO WE REPRESENT

#### INDEPENDENT RETAILERS



ACS represents almost 19,000 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

#### SYMBOL GROUPS AND FRANCHISES



ACS represents over 14,000 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

#### MULTIPLE AND CO-OPERATIVE BUSINESSES



ACS represents over 13,000 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

### THE CONVENIENCE SECTOR



#### WHAT WE SELL

In 2020, the total value of sales in the convenience sector was £44.7bn.

The average spend in a typical convenience store transaction is £7.46.



#### WHO WE ARE

There are 46,955 convenience stores in mainland UK. 72% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



#### OUR COLLEAGUES

The convenience sector provides flexible employment for around 412,000 people.

13% of independent/symbol stores employ family members only.



#### HOW WE OPERATE

22% of shop owners work more than 60 hours per week, while 24% take no holiday throughout the year.

72% of business owners are first time investors in the sector.



#### OUR COMMUNITIES

Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

80% of independent/symbol retailers have engaged in some form of community activity over the last year.



#### ECONOMIC CONTRIBUTION

Between August 2019 and May 2020, the convenience sector invested over £585m in stores.

The most popular form of investment in stores is refrigeration.

### OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

#### ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1,200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

#### ACS INVESTMENT TRACKER

Regular quarterly survey of over 1,200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

#### ACS LOCAL SHOP REPORT

Annual survey of around 2,400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,700 stores. The Local Shop Report also draws on data from Lumina Intelligence, IGD, Nielsen and William Reed.

#### BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

For more information and data sources, visit [www.acs.org.uk](http://www.acs.org.uk)