



ACS Submission – Hand Car Washes Inquiry

1. ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the House of Commons Environmental Audit Committee's inquiry into hand car washes. ACS is a trade association representing 33,500 local shops across the UK, including fuel retailers. Our members include Motor Fuel Group, MRH, HKS Retail, Rontec and thousands of independent fuel retailers. There are over 8,000 forecourts across the UK, making up 17% of the convenience sector. The forecourt sector provides 109,000 jobs across the 8,000 sites across the UK. For more information about ACS, see Annex A.
2. ACS welcomes the Environmental Audit Committee's inquiry into hand car washes. 51% of petrol forecourts have car washes, with the majority being jet car washes (27%), followed by automatic car washes (25%). Only 5% of forecourts have hand car washes on their site.¹ The hand car washing market includes many small operators on car parks and pieces of vacant land. Where these operators breach environmental or employment regulations, these should be enforced. ACS supports in principle the introduction of a licensing system for hand car washes. In considering such a system, we encourage the Committee to first assess how existing regulations could be more effectively enforced, and what additional benefits a licensing system could bring. Specifically, any new measures must be sure to tackle illegal hand car wash operators rather than simply applying additional costs on businesses that are already complying with the relevant regulations.
3. Where hand car washes are located on forecourts, many will generally be compliant with environmental regulations because of the extensive requirements placed on forecourt retailers not to contaminate the groundwater with fuels sold on the site. A number of fuel retailers have transitioned from rollover car washes - mechanical car washes where roller brushes clean the vehicles - to hand car washes in order to remain competitive. This means that the appropriate drainage infrastructure remains in place on the forecourt for a hand car wash to operate. Forecourt retailers lease the space on their sites to third party businesses rather than directly employ members of staff to carry out hand car washing.
4. Where hand car washes operate on forecourt sites these are usually leased to a third-party operator with a contract outlining the terms of service for how they operate. We do not have extensive research on employment practices in relation to hand car washes, but we urge the Committee to review recent research completed by the GLAA².

¹ ACS/HIM 2017

² [The Nature and Scale of Labour Exploitation across all Sectors within the United Kingdom](#)

5. Please see below for ACS' response to the relevant questions.

Development of the Industry

How many hand car washes are currently in operation in the UK? How many people are employed by them? How have hand car washes developed over the past decade? What impact has this had upon the wider car wash industry?

6. A small number of fuel retailers (5%) offer hand car washing at their sites, this is equivalent to 422 forecourts across the UK³. The growth of hand car washes at forecourt sites is due to fuel retailers moving away from rollover car washes because of the increased costs of operating these services. The Car Wash Association estimate that in total there are between 10,000 to 20,000 car washes across the UK, hand car washes located on forecourts therefore represent a very small part of the hand car wash sector⁴.
7. Where forecourts host hand car wash services, the space is typically leased by the forecourt owner to a third-party operator. Many fuel retailers have contracts in place with their tenants.
8. Given the scale and nature of hand car washes on forecourt sites, we do not have details about how many people are employed by hand car wash businesses. It is important to note that in the instances listed above, employees of hand car washes are not directly employed by forecourt owners.

Environmental Impact

How does the environmental impact of hand car washes compare to that of automatic car washes? What steps have been taken to reduce their environmental impact and use water more sustainably?

9. Where forecourts have transitioned from a rollover car washes to a hand car wash, the drainage facilities are the same. ACS' forecourt members suggest that draining infrastructure will already be in place where hand car washes are operating on forecourt sites. The contaminated water either flows to a foul sewer directly (with consent from the local authority for drainage) or goes through an inceptor then through to a foul sewer.
10. If a hand car wash on a forecourt does not have the correct drainage, it is unlikely that the contaminated water would enter groundwater or surface water drainage as forecourts have separate drainage systems in place to prevent fuel contamination in groundwater. However, if detergent entered these drainage systems, they would interfere with forecourt oil interceptors. Forecourt retailers look to avoid these problems by only allowing hand car washes to operate in the designated washing bay with the correct drainage.
11. Most hand car washes are not located on forecourt sites. Some will operate on purpose built or converted premises with drainage facilities similar to those on a

³ ACS/ HIM! Data 2017

⁴ [EAC Committee Hand Car Wash Inquiry Page](#)

petrol forecourt site. Hand car washes operating on land without specialist drainage facilities are likely to be the least professional operators, flagrantly breaching the law by not having appropriate drainage facilities. Other hand car washes operate on large car parks, often next to supermarkets or other large retail sites. These sites are unlikely to include appropriate drainage facilities.

12. Much hand car washing is carried out by car owners at their homes. It should be noted that in these instances, chemicals used in car washing enter surface water drainage or groundwater.
13. The environmental impact of different types of car washing services is not a function of whether they are hand car washes or automated car washes, but of the drainage facilities they install. We have illustrated how these different models impact the environment in Annex B. Regulated car washes, depicted on the left of this illustration, would include all automated car washes, hand car washes on petrol forecourt sites, and professional purpose-built hand car washes with drainage facilities. Unregulated hand car washes would include those operating on land without specialist drainage, those on supermarket car parks (unless drainage facilities have been put in place), and home car washing.

What regulations are hand car wash operators subject to regarding their impact on the environment and the use of chemicals? Who enforces these? How effectively?

14. There is limited guidance for hand car washes operating on forecourt sites. There are two guides currently available; one produced by the devolved administrations and another by the Environment Agency.
15. The Northern Ireland Environment Agency, Scottish Environment Protection Agency and Natural Resources Wales have developed guidance (GPP13: Vehicle washing and cleaning) on vehicle washing and cleaning which is based on relevant legislation and good practice⁵. However, the guidance is not endorsed by the Environment Agency. We have heard anecdotally from members that it is the GPP13 guidance which they use to comply with legislation in England despite it not being endorsed by the Environment Agency.
16. The Environment Agency do not have specific guidance on hand car washing but guidance on activities that produce contaminated water⁶. If a business pollutes, they could receive an unlimited fine, go to prison for up to 5 years, or both. The business may also have to pay for the whole cost of the clean-up.
17. Given the high-risk nature of a forecourt site, they will receive frequent visits from Trading Standards Officers, Environmental Health Officers, Fire Safety Officers and Petroleum Officers to ensure that they are storing fuel in accordance with the law. As part of these inspections, enforcement officers will also look at the risk of the hand car wash and other types of car washes on the forecourt site.

⁵ <http://www.netregs.org.uk/media/1414/gpp-13-v2-plussepa-plusniea-plusnrw.pdf>

⁶ <https://www.gov.uk/guidance/pollution-prevention-for-businesses>

What role should the owners of premises on which hand car washes are operated have in ensuring their environmental impact is minimised? What legal duties are they under?

18. Fuel retailers who lease space on their sites to hand car washes look to promote best practice. Contracts with these operators usually stipulate conditions such as that the property cannot be used for anything illegal or immoral and that the tenant cannot cause damage to the property. Where the owner of a forecourt site becomes aware of evidence that the tenant has breached their contract (for example, the hand car wash tenant washing cars outside the designated wash bay - and on the forecourt), the fuel retailer will evict the tenant for breaching the terms of the contract.
19. The Car Wash Advisory Service also provides their members with car wash investigation services⁷. Fuel retailers can and do use this service to have suspected illegal hand car washes looked into to ensure they are complying with the law and not undercutting their own legitimate car wash activity.

What further steps should be taken to minimise the environmental impact of car washes? How can run-off be managed most effectively? Are there less chemically intensive options available for car washes? How can water usage be minimised?

20. We would encourage the Environment Agency to review its guidance, given that fuel retailers have anecdotally said that they use guidance from devolved administrations for the compliance of their car washes in England. The Environment Agency could also work with devolved administrations to improve and relaunch GPP13: Vehicle Washing and Cleaning guidance so there is one single guidance document across the whole of the UK.
21. We would welcome new research into the most high-risk types of hand car wash operations. Currently research into the hand car wash sector is limited to the experiences of enforcement officers in specific regions. The Committee should consider whether further research into the non-compliance of the hand car wash sector across the UK would provide clarity into their practices so that the Environment Agency can take targeted enforcement activity.
22. We would also encourage the Committee to consider the role of consumer awareness in tackling illegal car washes. Increasing consumer awareness about the impact of illegal car washes could change consumer behaviour, as they may choose not to use illegal hand car washes and instead look for legitimate hand car washes. Consumers should be informed about whether the hand car wash they are using is legal. For example, the Car Wash Advisory Service does offer an accreditation scheme called WashMark, which some of our members have signed up to.

⁷ http://www.carwashadvisoryservice.co.uk/car_wash_investigation_services.php

Sustainable Employment Practices

23. We do not hold any information about the employment practices of hand car washes. As such, we do not have any information about the extent of exploitation or non-compliance with employment regulations in the hand car wash sector.
24. We encourage the Committee to consider the report and recommendations from the Director of Labour Market Enforcement's United Kingdom Labour Market Enforcement Strategy 2018/19 which does look into the extent of exploitation in the hand car wash sector⁸. The report identifies that the hand car wash sector is "an area of high risk, not only for labour market abuses (specifically NMW) but also linked to non-compliance on environmental (Environment Agency, 2014) and health and safety regulations, non-payment of tax (VAT, income tax and business rates), lack of appropriate planning permission, modern slavery conditions and poor housing."
25. One of the report's recommendations is that the Gangmasters and Labour Abuse Authority should trial licensing of the hand car wash sector in two or three geographically defined areas. We believe the Committee should take forward this recommendation. The role of a licensing system or registration scheme should be considered as part of efforts to tackle exploitation in the hand car wash sector.
26. There have been some challenges with the introduction of licensing systems that should be recognised. For instance, the alcohol licensing system, which represents the biggest regulatory challenge for convenience retailers and significant costs for local authorities to administer does not effectively tackle the problems it was designed to address. Despite its introduction in 2005, there remains a significant problem with the extent of non-duty paid alcohol across the UK simply because of lack of enforcement and the ability to remove illegal traders from the market.
27. If the government does consider the introduction of a licensing system for the hand car washes, we would welcome consideration into what type of system should be introduced. Both negative and positive licensing systems have their flaws in relation to tackling non-compliance and diligent enforcement activity is required to ensure they work effectively. Under a negative licensing system (registration scheme), rogue traders will not register under the scheme and the same enforcement challenges will remain. Under a positive licensing system (e.g. alcohol licensing system), the cost and administration burdens for both businesses and enforcement agencies misdirect efforts away from targeting the minority trading illegally who could be dealt with using existing penalties. Therefore, the Committee should consider which type of licensing system would be more appropriate in tackling illegal hand car washes.

For more information about this submission, please contact Julie Byers, ACS Public Affairs Manager by emailing Julie.Byers@acs.org.uk or call 01252 515001.

⁸ [Director of Labour Market Enforcement: United Kingdom Labour Market Enforcement Strategy 2018/19](#)

ABOUT ACS

The Association of Convenience Stores lobbies on behalf of around 50,000 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 22,397 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 14,659 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 12,862 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls, Conviviality Retail 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



In 2017, the total value of sales in the convenience sector was £38bn.

The average spend in a typical convenience store transaction is £6.28.



There are 49,918 convenience stores in mainland UK. 74% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 370,000 people.

24% of independent/symbol stores employ family members only.



20% of shop owners work more than 70 hours per week, while 19% take no holiday throughout the year.

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



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.

79% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2016 and May 2017, the convenience sector invested over £858m 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 1200 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 1200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

ACS LOCAL SHOP REPORT

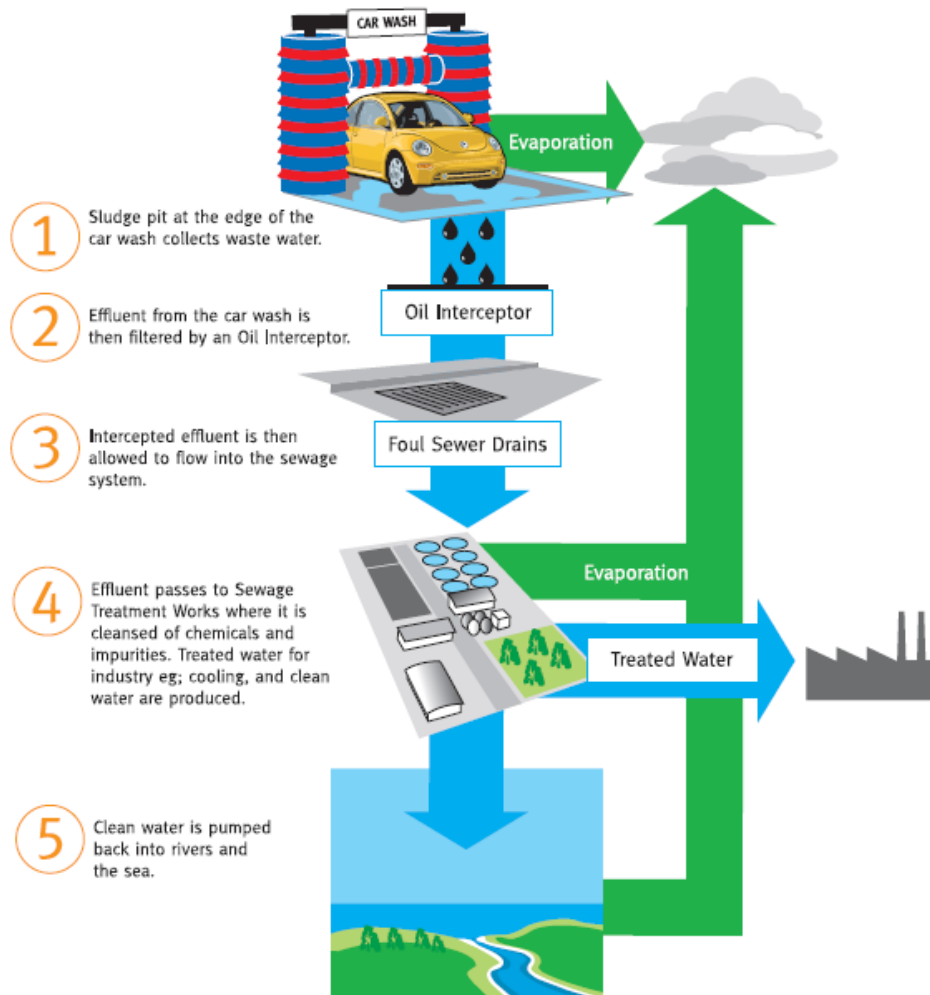
Annual survey of over 2400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,291 stores. The Local Shop Report also draws on data from HIM, IGD, Nielsen and William Reed.

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.

ANNEX B

Regulated Car Wash



Unregulated Hand Wash

