Market Review
2015
I am now embarking on my sixth year as Chairman of the Petrol Retailers Association and have enjoyed immensely the challenges of this vibrant industry, the support of so many old and new friends, and the progress that has been made to secure the financial wellbeing of your trade association. However, there is still much to do, so I am hoping that the National Committee will ask me to continue a while longer – when my three-year appointment as Director on the main RMI Board comes up for re-election in June.

Membership continues to grow from just over 500 sites in 2009 to nearly 3,000 at the end of 2014 and this includes 45 out of Forecourt Trader’s Top 50 Indies list. There is no reason why we cannot continue to build on these numbers, with a target of 5,000 achievable by 2018.

The Market Review 2015 is the PRA’s third such annual publication and each year has seen the contents improving both with editorials and advertising from sponsors. As our finances improve so we can employ more professional assistance and the new format of the fortnightly e-newsletter is a good example. Thank you for your positive comments.

One of the key objectives for 2015 is to provide members with a user-friendly, quick and informative website with a goal to build some really helpful FAQs (frequently asked questions), especially of an operational and technical nature. The project has commenced and results should be seen in the second quarter.

Finally, thanks again to all our sponsors – whether this is for the Regional Forums, Roadshows, publications or the RMI Dinner. It is great to have your support and I trust that you are able to benefit too.

And don’t forget to encourage other retailers to sign up for membership!
As we look back on 2014, both now and in the future, I believe that several really key changes have occurred that will affect the UK road fuels retailing market in a positive way for independent retailers. For these changes to happen in the same year is coincidental and fortuitous. The changes were:

- Further retreat of oil companies from front-line retailing
- Growth of supermarket out-of-town mega stores stalls
- Collapse of global crude oil prices
- UK economic growth recommences
- New car market surges to a record 3.4m vehicles on the road.

After several years trying to sell its refinery at Milford Haven in Wales, Murphy Oil announced in autumn 2014 that it would close, following abortive attempts to clinch a deal with Klesch. However, its company-owned network of 228 sites moved into independent ownership with the Patron Capital-backed Motor Fuels Group, which propelled them into the number two position for site ownership behind MRH.

Meanwhile, the orderly exit of Exxon from site ownership in the UK retail sector continued with the final tranche of 210 sites in the South East placed on the market. Rumours abound regarding bids, but it seems likely that the existing large independent groups will soon become even larger. Experian Catalyst indicates that this sale will leave Exxon with just 300 Esso-branded forecourts that are leased to Tesco for their Tesco Express outlets by mid-2015.

Meanwhile, the big surprise of the year was the move by Shell to sell up to 250 of its ‘Tier 3’ sites into the independent sector, also by mid-2015. This followed the eye-watering £1bn investment into UK downstream retailing only a couple of years previously – it’s amazing what strategic U-turns can be introduced by a new CEO. Shell’s latest concept is to have a nucleus of 500 company-owned forecourts complemented by 500-600 dealer-owned forecourts to provide unrivalled UK coverage (excluding Northern Ireland) and real brand power.

BP currently leads the way with brand presence having close to 1,300 forecourts (split dealer/company, 75:25) across the UK, including Northern Ireland. Its company goal is to press on with the highly successful franchise arrangement with M&S Simply Food so it’s active in the market buying, leasing and exchanging forecourts. This all adds up to a massive reduction in oil company-owned/operated forecourts from 1,850 at the start of 2014, to just 1,000 by mid-2015. All these off-loaded sites seem destined to be sold into the independent sector so increasing our numbers from 5,350 to over 6,000 (70% of total site numbers). This is despite further drop-off as sites close due to financial pressures or better property opportunities, as witnessed around London in 2014.

Nearly 900 independent forecourts have closed in the last five years, but it is hoped that the rate of closure is beginning to wane.

One of the most encouraging signs in the market during 2014 has been the opening of first-class, new-to-industry (NTI) petrol retail outlets, often with complementary food-to-go franchises such as Subway, Greggs, Burger King and Starbucks or Costa Coffee. MRH, Euro Garages, Westmorland Services, Exelby, Penny Petroleum and Brookfield Group come to mind as do the Spar wholesalers James Hall and Blakemore.
Did you know?
Harvest Retail SUPPLY SITES in SCOTLAND!

Harvest Energy blend and supply over 10% of Britain’s road fuels from depots across England, Scotland and Wales.

Our key benefits include:

- Competitive pricing
- No hidden extras
- Full dealer support
- Dedicated relationship manager
- Distinctive forecourt imagery
- Guaranteed, reliable supply
- Pump maintenance
- Credit card package
- Free PRA membership
- Flexible capital investment to assist in the development of your site.

Proud to be working in partnership with SPAR

Call the Harvest Retail Dealer Hotline for more information, your dedicated relationship manager will work with you to create an adaptable package to suit your business.

talk to us...
Dealer Hotline: 0844 225 3082
www.harvestretail.co.uk

Retirement. There has also been significant investment by dealers through knock-down-and-rebuild (KDRB) with Rontec, Kay Group, Henderson Retail, George Hammond and the Simon Smith Group among the many seizing the moment.

After decades of sustained growth in vast out-of-town supermarkets by the ‘big four’ (Tesco, Sainsbury’s, Asda and Morrisons) – most with forecourts to take their total close to 1,400 – the bubble appears to have been burst this year by the unexpected and swift change in shopping habits.

Graham Ruddick, a senior journalist with the Telegraph, has been following this development and described their demise in November 2014 as “the supermarkets have eaten themselves”. His analysis concluded that their rapid and successful development of online shopping (up between 15 and 25% pa), their move into the convenience sector (up by more than 30% pa) and over investment into mega stores brought about much of their recent financial difficulties. Of course, the impressive growth of super discounters Aldi (up by 30%) and Lidl (up by 20%) has only served to compound the big four’s problems.

With an average throughput close to triple, these supermarkets pricing tactics have badly dented, if not wrecked, the fuels business of nearby independent forecourts with Local Planning Authorities (LPAs) seemingly disinterested in the negative impact on existing local businesses. This is one of the perceived negatives of the National Planning Policy Framework (NPPF) introduced in April 2013. Certainly Tesco, Sainsbury’s and Morrisons all appear to have slowed, if not halted, their investment programmes into new supermarkets.

This will certainly provide a welcome opportunity for independents to regain market share and this was evidenced by the H1/2014 fuel volume statistics from DECC.

**DEMAND FOR ROAD FUEL**

The overall demand for retail road fuels was up by 1.1% but the supermarkets, for the first time, were down by 1.1% on a like-for-like basis, whereas the independents and remaining oil company forecourts had growth of +2.8%. Asda appears to be actively progressing the addition of unmanned petrol pumps in car parks of its existing supermarket sites but seems to have made little progress towards its aspiration of 150 new standalone PFS sites, predominantly located in the South East of England by 2018.

After geo-political tensions had again impacted on market sentiment, global oil prices peaked at US$115/barrel for Brent Crude in June with pump prices peaking at 137.79ppl for petrol and 136.7ppl for diesel. Then bad news started emerging about demand levels from the BRIC countries, which was followed by poor economic data from the Eurozone and the market simply took fright and crude prices began falling fast.

However, the conventional thinking was that OPEC would cut production in order to force prices back towards US$100/barrel, which was deemed to be the acceptable level. This was the old order as the massive surge in output from the tar sands of Canada plus the shale fracking of mid-west USA was providing the world’s largest economy with oil production not seen for 30 years.

With increasing supply and falling demand, text book economics took over and crude oil continued its fall with Brent Crude bottoming at close to US$50/barrel in week 10/14. This impacted pump prices with mid-2014 lows of 116.6ppl for petrol and 124.3ppl for diesel – which is great news for hard-pressed consumers and businesses. Road fuel volumes should continue to strengthen and margins should be under less pressure. This is very pleasing news for retailers as we head into 2015.

Following sustained lobbying by PRA, the Chancellor confirmed in his Autumn Statement on December 3 that fuel duty would remain frozen for the duration of this Parliament and that the Fair Fuel Stabiliser was being abolished. Nevertheless, we should all remind our customers that the Treasury is taking around 65% of the pump price in duty plus vat.

The big question is where and when will this oil price slump end? There is constant speculation but if we rely on a market correction is when demand begins to outstrip supply again, we might see low price levels throughout most of 2015. Perhaps if specific corrective action is taken by OPEC in the spring and/or the new outlets in North America are forced to halt production due to high extraction costs then we might see crude rising again by the summer. Watch this space.

Finally, the UK is achieving growth levels reaching close to 3% pa and is the envy of many EU neighbours. This will also be stimulated by much lower fuel prices helping to keep both costs and inflation down. Although there is a General Election in May 2015, it is hoped that the winning party (parties) will stoke this economic revival rather than stifle it with increased taxation and regulation.

I am now more optimistic about the future for the independent retailing sector and your own investment plans will indicate that many share this exciting outlook.

The Petrol Retailers Association is constantly striving to improve the lot of independents and we will be announcing further membership benefits as we go forward. Let us work together and realise our dreams.
On October 1, 2014, new legislation came into force which brought the repeal of the Petroleum (Consolidation) Act (PCA) 1928 and various related regulations. The passing of PCA brought an end to an era and modernised the legal controls on the storage of petroleum spirit. This was a momentous occasion for the PRA which had, since the early nineties, been trying to get the legislation changed to something more appropriate to the current market.

For 50 years, PCA provided a good legal framework for those who enforced it and those that were required to comply with it. In the early years, the powers granted to enforcing Authorities to impose conditions they thought appropriate created few problems. This was because most petrol stations were owned and operated by companies in the motor industry, and were based in just one country or possibly two. But in recent years, petrol stations have become retail destinations and many have been bought to become part of national groups.

With PCA granting such broad powers to petroleum authorities and for national operators with sites in several counties, this meant differing conditions and standards were required. In an attempt to standardise licence conditions, LACOTS (Local Authority Co-ordinating Body on Food and Trading Standards) produced the first model of standard licence conditions in 1992 (I still have a copy).

Although these were generally adopted, many authorities were reluctant to give up their unique requirements. When the Dangerous Substances and Explosive Atmospheres Regulations came into force in 2002, it was fully intended to modernise the legislation and replace licensing with something more in keeping with the principles of the Health and Safety at Work Act. However, lack of time and resource led to the programme of reform being abandoned and the safe keeping of petrol now controlled by two pieces of legislation, PCA and DSEAR. This created a situation where instead of enforcing DSEAR by serving improvement notices, it had been an easier option to refuse to renew the licence in some cases.

In 2004, the Petroleum Enforcement Liaison Group (PELG) prepared a new model set of licence conditions, which effectively removed anything already covered by other legislation. This did improve the consistency somewhat, but even in 2014 there were still some authorities adding their own general conditions. In carrying out the Llofstedt recommendations, HSE therefore drew together a small task group comprising three industry representatives and three Local Authority representatives, who worked together to produce draft proposals, which went to public consultation.

All of this was completed within a two-year time frame, with the changes becoming law on October 1, 2014. The PCA has been replaced by what is known as a ‘Permissioning Regime’, with the Dangerous Substances and Explosive Atmospheres Regulations remaining as the primary legislation for the safe operation of petrol stations.

While the licence used to be granted to the named person who became the licensee, the Petroleum Storage Certificate under the new Petroleum (Storage) Regulations 2014 will be granted to the site. Whereas it was necessary under PCA to legally transfer the licence to a new owner, under PCR the certificate is handed over with the site to the new owner.

The petroleum storage certificate is not renewable and is a simple record of the installation. Unless prescribed material changes are made to the detail on the certificate it remains valid in perpetuity.

The legislative requirement for portable containers has at last been clearly defined and the limit on plastic containers has been raised to 10 litres and metal containers to 20 litres.

PCR contains a few notification duties, but does not take forward the reporting requirements of the model conditions of licence. Twenty-eight days notice is required before operating a petrol station or ceasing to operate and for providing the name of the new operator. The same applies before any prescribed material changes are made.

Fees remain as at present, but as there is nothing to renew it appears as a debt with the option to prepay for up to seven years.

PRA has published comprehensive guidance. Call 020 7580 9122 or log onto www.rmif.co.uk for more details.
From 2011 to 2013, there was a marked trend in oil prices in that prices would rise in the immediate period after New Year and then fall from about April onwards. But in 2014 this trend did not materialise and prices fell throughout the first quarter of the year. Middle Eastern tensions were low (this was pre-ISIS) and the new government of Iran was engaging with the international community over its nuclear enrichment programme.

In the second quarter of the year, again markets were not in bullish mood and prices in general slid sideways. A mild European winter helped, of course, affecting as it does heating oil (diesel) prices, but analysts were still scratching their heads as to why the Ukrainian crisis was seemingly having zero impact on prices. In June, the markets did finally spark into life – Brent Crude rose by $5 a barrel following the insurgency by ISIS in Iraq. But the price spike was short lived as it became clear that disruption of Iraqi oil supply was unlikely because ISIS was active in the ‘oil-poor’ North and not the important oil hubs to the south of the country. So once again, a bearish tone affected market prices and prices retreated back to Q1 levels.

More drops were to follow in Q3 and, in truth, few market analysts predicted the kind of price drops that were witnessed at this time. Brent Crude, the worldwide benchmark for oil prices, fell by over $30 (from $115 per barrel) between July and October (an equivalent of over 7.5ppp) and, as we came to the end of 2014, a legitimate question was now “how much more is there to go?”

To answer this, we must look at the fundamentals of the oil markets. Global demand for oil is still growing, but it is not growing as fast as it was, and the overall global economic recovery is beginning to show stress fractures. Chinese growth is still robust at 7% but it is an economy that is slowing, plus there are concerns re-emerging that the Eurozone is heading back into recession.

More significant, however, than all of the above is the supply picture. Crude oil supply in the USA is booming, with production up by almost 25% in the last three years. This equates to about three million barrels of oil per day being taken out of the global demand pool, because the USA is no longer importing this product. In addition and although less spectacular, OPEC is also producing more oil to the tune of 1m barrels per day, meaning that world oil production is up by about 6-7% versus the previous three years. In theory, a well-supplied market against a backdrop of modest demand growth should mean lower prices for the foreseeable future.

But with oil there is always the possibility of a sting in the tail. Shale oil in the States is an expensive means of oil extraction and lower prices could force companies to stop production until they rise again. OPEC may also cut production quotas in response to falling prices as most of their members have become very accustomed to $100-plus per barrel incomes. And finally, the spectre of geo-political upheaval represents an ever present menace – the current ISIS aggression would only need to spread to the Shia-held oil fields of Southern Iraq for oil prices to rocket. Or indeed if Iran was to make a diplomatic u-turn and leave the nuclear negotiation table, then we could also see prices heading northwards. Finally, a particularly harsh winter could have a dramatic effect on oil prices, as a gas-starved Ukraine turns to oil to maintain the country’s power and heat.

In summary though, we do have a situation not experienced for several years in that lower oil prices may be more likely than higher prices in 2015. But then again the good times rarely last and it wouldn’t be the first (or the last) time that the ‘experts’ have got things badly wrong!

For more information, go to www.portland-fuel-price-protection.com

OIL MARKET REPORT
Portland Fuel Price Protection gives us the global view on oil

“Global demand for oil is still growing, but it is not growing as fast as it was, and the overall global economic recovery is beginning to show stress fractures”
Tobacco

The Point of Sale Display Ban

The Point of Sale Display ban comes into force for all remaining shops across the UK on 6 April 2015. All retail outlets selling tobacco need to be aware of this and take important steps to ensure their business is compliant with the legislation. Non-compliance is illegal and could result in a fine or imprisonment or both.

These regulations are contained within the Health Act 2009 for England, Wales and Northern Ireland, and within the Tobacco and Primary Medical Services (Scotland) Act 2010 in Scotland.

The information provided below outlines the key points of the regulation. However, it is your job to ensure your store is compliant.

The regulations are different for stores located in Scotland compared with the rest of the United Kingdom, so it is important that you follow the specific regulations for your store.

Displaying Your Tobacco and Tobacco-related Products

Once the new laws come into force you will not be able to display tobacco products nor tobacco-related products in public view unless:

- An adult customer asks to buy tobacco products
- An adult customer requests information on tobacco products

The products must only be displayed for as long as is required to give the adult customer the necessary information, and then the gantry must be closed again.

The regulations apply to all tobacco products – including cigarettes, cigars, and roll-your-own tobacco, as well as tobacco-related products including cigarette papers, filters, pipes and cigarette holders.

- Lighters, matches and e-cigarettes should not be covered by the gantry – you can continue to display these as you wish.

Displaying the Price of Your Tobacco Products

Whilst price displays are permitted, there are also restrictions on how you can display your prices. You can only have three types of price lists and labels, which must be in a specified font type and size.

1. Poster-style list
   This can be up to A3 in size, and permanently on display.

2. A picture list
   This list can include pictures of products up to 50 square cm in size, but must not be permanently on display. You can show this to any adult, over the age of 18, who asks for this information.

3. Price labels
   A price label is permitted for each product and can either be displayed on the shelf covered by the gantry, or on the front of the storage unit itself.

The following are permitted:

- For further information and support in ensuring your business is compliant, you can contact your local Trading Standards officer.
- You can find further information on complying with the legislation through our partners:
  - If your store is based in England or Wales: The Association of Convenience Stores – www.acs.org.uk
  - If your store is based in Scotland: Scottish Grocers’ Federation – www.scottishshop.org.uk

The size of the display which is permitted is different depending on whether your store is located in Scotland or the rest of the United Kingdom:

For retailers based in England, Wales and Northern Ireland, the display of tobacco products must not exceed 1.5 square metres.

For retailers based in Scotland, the display of tobacco products must not exceed 1000 square centimetres.
2015 PRA REGIONAL FORUMS AND OTHER EVENTS

- PRA FORUM Milton Keynes Stadium  Thursday February 26
- PRA FORUM Belfast, Stormont Hotel  Thursday March 5
- ROADSHOW Manchester  Thursday March 12
- PRA FORUM Plymouth, Future Inn  Thursday March 19
- FORECOURT SHOW, Birmingham NEC  Mon April 20 - Weds April 22
- PRA FORUM Bracknell, Hilton  Tuesday April 28
- ROADSHOW Scotland  Thursday May 14
- PRA FORUM North Yorkshire, Wetherby Racecourse  Wednesday May 20
- ACS CONFERENCE  Tues June 2 - Weds June 3
- C-STORE FORUM, Algarve  Mon June 8 - Tues June 9
- ROADSHOW Center  Wednesday September 9
- PRA FORUM Worcester, Sixways Stadium  Thursday September 17
- PRA FORUM Colchester, Weston Homes Stadium  Tuesday September 22
- ROADSHOW Northern Ireland  Thursday October 8
- PRA FORUM Swindon, Holiday Inn  Tuesday October 13
- PRA FORUM Falkirk, Falkirk Wheel  Wednesday October 28
- PRA FORUM St Helens, Langtree Park Stadium  Wednesday November 4
- ROADSHOW Wakefield  Thursday November 19
- PRA FORUM South Wales, Newport Hilton  Thursday November 26
- PRA FORUM Leicester, Space Centre  Thursday December 3

*The PRA will continue to support Retail’s Best in 2015.

Key: Black PRA Forum; Blue Thames Communications Roadshow; Green Other

PRA FORUM SPONSORS 2015
- Nigli powered by Vianet
- BP
- CBE
- Prestige & Co
- LCM Environmental
- Santander
- Shell
- Texaco
- Vianet Fuel Solutions
- Wayne CE
- Windersworth Sherwood
- RMI Insurance Services

PRA Forums – these free-to-attend events include an update on recent activities as well as presentations from leading lights within the sector covering important topics such as market trends, fuel management and information on biofuels. They also include informal networking opportunities – over coffee or lunch.

For more information, please email pra@rmi.co.uk or call 0207 580 9122

Roadshows – organised by Thames Communications, these free-to-attend events include presentations from PRA as well as an exhibition. The presentations typically start at 11am and run through to lunch while the exhibitions are open all day. Exhibitors include big names across the industry covering wet stock management, pumps, tanks and car washes.

For more information, please email thamesco@btconnect.com or call 01474 320472

In the current climate of ever increasing electricity and gas prices, and with no prospect of this trend changing here are six ways to potentially reduce your bills, brought to you by RMI Utilities.

1. Know your contracts

It is estimated that 98% of UK businesses do not know the renewal date for their energy contracts. If you are one of these businesses you must contact your supplier to find out the renewal date for each supply you have and the termination clauses that your supply entitles. Without this information you may find that you are locked in to a high variable rate or worse that you are rolled into high “out of contract” rates.

NB Every supplier has different termination requirements so do not assume that they are all the same.

2. Take your business to the whole of the markets

More businesses at renewal will look for the easiest route to renewal, staying with your existing supplier. Some may approach one of the other “big 6” suppliers as an alternative. Unlike the domestic market there are many other commercial energy providers, make sure you compare all to ensure you get the best deal for your supply type.

3. Manage your energy consumption

Suppliers are gradually rolling out smart meters to businesses which enable automated remote readings to be sent to the supplier. Rather than wait for these roll out you can get a meter from an independent supplier who can also provide you with reports showing when and how you use your energy. This information is invaluable in reducing energy waste in your business.

4. Create an energy saving culture

Not all of your staff will be as highly tuned to saving energy as you are. A culture should be created where staff become more aware of the consequences of not turning lights off or equipment off at the end of the day. Sustained effort in doing this can show a noticeable reduction in consumption and cost on your bills. Make sure that an incentive scheme can be put in place to help you achieve this. The savings will outweigh the cost.

5. Reduce your administration

For every site you have you will most probably have at least two energy suppliers. If more. For each supplier your contract dates may differ, as may your supplier and their requirements at renewal. If you own multiple sites the administration of your energy contracts can become a major time sink. Even though suppliers will not offer you one deal for all supplies (unless you have a very large number) you can still write a comprehensive contract for all the way through renewal can be handled at one point in the year if a much more efficient manner.

6. Don’t ignore the resources at your fingertips!

RMI Utilities was created to help RMI members to manage their energy suppliers and avoid unnecessary re-rollover of the whole market. For the right advice on Smart metering and management reporting, provide energy efficiency audits and direct help to reduce the administration burden on staff.

If you feel that we can help you to achieve peace of mind in an area that constantly frustrates and annoys you and your staff, please contact us and we will be happy to help.

Save time and cut energy costs with RMI Utilities, don’t just take our word for it.............
at the PRA we are keen to ensure that membership provides real, quantifiable value that outweighs the annual subscription fee, and that the benefits we offer are of interest across the spectrum of our membership. The key benefits are set out below but please bear in mind that we are always seeking to add more so keep a look out for new opportunities.

INFORMATION
With our “BigOil powered by Vianet” website, we provide market intelligence and fuel management information. We host a programme of regional Forums and Roadshows where we present topics of interest and value to the independent fuel retailing sector, which also provide access to face-to-face discussions with other independent fuel retailers. Details of these events can be found on our website rmif.co.uk/associations/pra. We also produce a regular E-newsletter covering industry issues, government policy, statistics, legislation and much more...

ADVICE
We can provide evaluation and advice on commercial offers for the supply of fuel, guidance on key relationship interaction, eg Trading Standards, equipment replacement and maintenance, health and safety regulations, crime and business protection, as well as expert opinion on the full range of issues that impact the fuel retailing industry today. We also offer:
► A members’ Helpline
► Access to an HR Tool kit
► Access to Legal Advice
► Access to Conciliation and Arbitration Advice
► Technical support.

SERVICES
We represent members’ interests to oil companies, Government, forecourt customers, the general public, and the media through representation and high-profile campaigning on an ever-changing range of subjects. We also work closely with HSE on risk assessment and controls, and with other Government bodies where legislation impacts on fuel retailing. Membership provides a range of benefits bespoke to our industry to reduce the cost of site operation and improve profitability including:
► BigOil powered by Vianet – Vianet says its new app – BigOil Essential – has been well received by BigOil users. The firm says it is the easiest way to keep up to date with the latest Platts prices and trends. It is free to download from the Apple App store or Android Play Store. But BigOil isn’t just about pricing information, many retailers are now using its host of fuel management services. Just recently, it introduced a new order management tool alongside the loss analysis asset management and margin tracker tools. This is helping retailers to drive up fuel margin and reduce operating costs.
► RMI Insurance Services – specialist forecourt insurance solutions for PRA members.
► RMI Utilities – designed to save members time and money on electricity and gas. The service is easy to use and handles all aspects of your renewal, sourcing prices, handling transfers and fully managing contract expiry dates.
► Electronic Payment Services – our partner is able to offer a range of services tailored to your needs at specially agreed prices.
► Telecommunications Services – our partner provides a complete telecoms service including high quality calls, line rental and broadband at rates considerably below BT’s.
► Cash-Banking Services – great cash-banking rates with a leading High Street name.
► Property Services – Christie & Co can provide you with all the information you need on buying and selling a service station, along with details of a large selection of petrol stations for sale across the UK.
► Legal Services – Winckworth Sherwood provides a range of legal services but, in particular, has a great track history helping forecourts with licensing issues.
In the following pages, you’ll find a summary of the data in the latest release of the Experian Catalist UK database. Its data reveals a significant slowdown in site closures – down to a less than 2% closure rate (less than 150) in 2013, with a similar number expected for 2014 when the full-year figures are in. It also reveals an increase in the number of dealer sites from 5,339 in 2013 to 5,378 in October 2014.

If you would like further information or an explanation, please contact Experian Catalist – contact details are provided at the end of this document.

All data in the following tables is based on ‘open’ sites (including sites under development and unsurveyed, but excluding non-retail sites).

### CERTAS ENERGY (FORMALLY GB OILS):

<table>
<thead>
<tr>
<th>Sub-brands/Subsidiaries</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>GULF</td>
<td>467</td>
</tr>
<tr>
<td>INCE</td>
<td>158</td>
</tr>
<tr>
<td>POWER</td>
<td>95</td>
</tr>
<tr>
<td>SCOTTISH FUELS</td>
<td>29</td>
</tr>
<tr>
<td>TOTAL</td>
<td>699</td>
</tr>
<tr>
<td>UK</td>
<td>60</td>
</tr>
<tr>
<td>OTHER BRANDS</td>
<td>82</td>
</tr>
<tr>
<td>TOTAL</td>
<td>999</td>
</tr>
</tbody>
</table>

### MARKET SHARE BY BRAND

Brands are listed in order of market share for motor fuel volume sales (see definition below).

<table>
<thead>
<tr>
<th>Brand</th>
<th>Number of open sites</th>
<th>Average MF volume per site (kl p/a)</th>
<th>Market share MF volume</th>
<th>Outlet share</th>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>TESCO</td>
<td>915</td>
<td>11,715</td>
<td>16.5</td>
<td>5.9</td>
<td>2.82</td>
</tr>
<tr>
<td>BP</td>
<td>1,163</td>
<td>4,295</td>
<td>143.9</td>
<td>13.65</td>
<td>1.02</td>
</tr>
<tr>
<td>SHELL</td>
<td>1,015</td>
<td>4,518</td>
<td>17.9</td>
<td>5.9</td>
<td>2.31</td>
</tr>
<tr>
<td>ESSO</td>
<td>1,099</td>
<td>3,599</td>
<td>10.8</td>
<td>11.7</td>
<td>0.95</td>
</tr>
<tr>
<td>SAINSBURYS</td>
<td>295</td>
<td>12,300</td>
<td>10.3</td>
<td>3.5</td>
<td>0.95</td>
</tr>
<tr>
<td>MORRISONS</td>
<td>336</td>
<td>10,752</td>
<td>10.6</td>
<td>3.9</td>
<td>0.60</td>
</tr>
<tr>
<td>ASDA</td>
<td>315</td>
<td>11,345</td>
<td>6.8</td>
<td>2.7</td>
<td>0.42</td>
</tr>
<tr>
<td>TEXACO</td>
<td>285</td>
<td>2,149</td>
<td>5.8</td>
<td>5.1</td>
<td>0.64</td>
</tr>
<tr>
<td>CERTAS ENERGY</td>
<td>599</td>
<td>1,350</td>
<td>11.6</td>
<td>3.3</td>
<td>0.33</td>
</tr>
<tr>
<td>MURCO</td>
<td>464</td>
<td>1,259</td>
<td>3.5</td>
<td>5.4</td>
<td>0.49</td>
</tr>
<tr>
<td>JET</td>
<td>397</td>
<td>1,154</td>
<td>2.6</td>
<td>3.2</td>
<td>0.56</td>
</tr>
<tr>
<td>UNBRANDED</td>
<td>744</td>
<td>745</td>
<td>1.5</td>
<td>8.4</td>
<td>0.18</td>
</tr>
<tr>
<td>MINOR BRAND</td>
<td>245</td>
<td>1,147</td>
<td>0.8</td>
<td>2.8</td>
<td>0.27</td>
</tr>
<tr>
<td>HARVEST ENERGY</td>
<td>116</td>
<td>2,344</td>
<td>0.7</td>
<td>1.4</td>
<td>0.58</td>
</tr>
<tr>
<td>MAXOL</td>
<td>109</td>
<td>1,495</td>
<td>0.4</td>
<td>1.8</td>
<td>0.96</td>
</tr>
<tr>
<td>FOOD STORE</td>
<td>45</td>
<td>1,824</td>
<td>0.4</td>
<td>0.54</td>
<td>0.45</td>
</tr>
<tr>
<td>TOTACE</td>
<td>65</td>
<td>754</td>
<td>0.4</td>
<td>0.19</td>
<td>0.37</td>
</tr>
<tr>
<td>GREENER</td>
<td>55</td>
<td>704</td>
<td>0.3</td>
<td>0.19</td>
<td>0.37</td>
</tr>
<tr>
<td>STAR</td>
<td>55</td>
<td>1,314</td>
<td>0.1</td>
<td>0.4</td>
<td>0.38</td>
</tr>
<tr>
<td>SOLO</td>
<td>49</td>
<td>877</td>
<td>0.3</td>
<td>0.6</td>
<td>0.31</td>
</tr>
<tr>
<td>THAMES</td>
<td>56</td>
<td>814</td>
<td>0.3</td>
<td>0.4</td>
<td>0.20</td>
</tr>
<tr>
<td>RIX</td>
<td>36</td>
<td>628</td>
<td>0.4</td>
<td>0.16</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,388</td>
<td>4,162</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### MARKET SHARE BY OWNERSHIP

The table below shows how the UK market is divided according to ownership.

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Number of open sites</th>
<th>Average volume per site (kl p/a)</th>
<th>% Market share MF volume</th>
<th>% Outlet share</th>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPANY</td>
<td>1,848</td>
<td>7,810</td>
<td>23.8</td>
<td>21.3</td>
<td>1.12</td>
</tr>
<tr>
<td>DEALER</td>
<td>5,327</td>
<td>4,255</td>
<td>13.65</td>
<td>66.6</td>
<td>0.54</td>
</tr>
<tr>
<td>HYPERMARKET</td>
<td>1,982</td>
<td>4,305</td>
<td>13.65</td>
<td>16.6</td>
<td>0.29</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8,521</td>
<td>17,366</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### DEFINITIONS:

- **Company**: owned by the supplying oil company whose name appears on the brand sign.
- **Dealer**: independently owned but usually supplied under an agreement with an oil company whose name usually appears on the brand sign. Also includes branded sites with no company identification.
- **Hypermarket**: owned and operated by the multiple retailers (hypermarket group). Also includes sites that may be away from the main hypermarket store but are owned and branded by the hypermarket.

(Data released October 2014)
### MARKET DEVELOPMENT BY BRAND

The table compares the number of open and under development sites by brand, for the current release of data (Oct 2014) and the same period in 2013. It also shows the change in site numbers for each brand during those 12 months to give a clearer picture of which brands are expanding and which brands are reducing their site numbers.

<table>
<thead>
<tr>
<th>Brand</th>
<th>No. open sites 2013</th>
<th>No. open sites 2014</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASDA</td>
<td>226</td>
<td>296</td>
<td>70</td>
</tr>
<tr>
<td>BP</td>
<td>1,190</td>
<td>1,163</td>
<td>-27</td>
</tr>
<tr>
<td>CERTAS ENERGY†</td>
<td>1,019</td>
<td>999</td>
<td>-20</td>
</tr>
<tr>
<td>ESSE</td>
<td>995</td>
<td>1,009</td>
<td>14</td>
</tr>
<tr>
<td>FOODSTORE</td>
<td>25</td>
<td>45</td>
<td>20</td>
</tr>
<tr>
<td>CLEANER</td>
<td>65</td>
<td>65</td>
<td>0</td>
</tr>
<tr>
<td>HARVEST ENERGY</td>
<td>106</td>
<td>106</td>
<td>0</td>
</tr>
<tr>
<td>JET</td>
<td>312</td>
<td>313</td>
<td>1</td>
</tr>
<tr>
<td>MAHOL</td>
<td>19</td>
<td>13</td>
<td>-6</td>
</tr>
<tr>
<td>MINOR BRAND</td>
<td>371</td>
<td>244</td>
<td>-127</td>
</tr>
<tr>
<td>MORRISONS</td>
<td>421</td>
<td>392</td>
<td>-29</td>
</tr>
<tr>
<td>MURES</td>
<td>413</td>
<td>413</td>
<td>0</td>
</tr>
<tr>
<td>RIX</td>
<td>35</td>
<td>36</td>
<td>1</td>
</tr>
<tr>
<td>RONTEC††</td>
<td>12</td>
<td>0</td>
<td>-12</td>
</tr>
<tr>
<td>SAINBURYS</td>
<td>290</td>
<td>293</td>
<td>3</td>
</tr>
<tr>
<td>SHELL</td>
<td>1,064</td>
<td>1,019</td>
<td>-45</td>
</tr>
<tr>
<td>SOLO†††</td>
<td>0</td>
<td>40</td>
<td>-40</td>
</tr>
<tr>
<td>STAR†††</td>
<td>0</td>
<td>35</td>
<td>-35</td>
</tr>
<tr>
<td>TESCO</td>
<td>499</td>
<td>513</td>
<td>14</td>
</tr>
<tr>
<td>TEXACO</td>
<td>801</td>
<td>893</td>
<td>92</td>
</tr>
<tr>
<td>THAMES†††</td>
<td>0</td>
<td>35</td>
<td>-35</td>
</tr>
<tr>
<td>TOPAZ</td>
<td>51</td>
<td>51</td>
<td>0</td>
</tr>
<tr>
<td>UNBRANDED</td>
<td>693</td>
<td>724</td>
<td>31</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8,600</strong></td>
<td><strong>8,588</strong></td>
<td><strong>12</strong></td>
</tr>
</tbody>
</table>

**NOTE:**
- † Certas Energy - previously shown as GB Oils
- †† Rontec – now included in Minor Brand
- ††† Solo, Star, Thames – previously included in Minor Brand

© 2015, Experian Catalist. All rights reserved.
COMPARISON OF SHOP SALES IN RELATION TO SHOP AND FUEL SALES

The table gives average shop sales per annum and average shop size, and looks at the relationship between the two. It also shows average shop sales per annum per thousand litres of fuel sold, which gives an insight into the strength of the relationship between fuel and shop sales across the various brands.

<table>
<thead>
<tr>
<th>Brand</th>
<th>Average Shop Sales (£'000 p.a.)</th>
<th>Average Shop Size (sq m)</th>
<th>Average Shop Sales/Sq Met Shop Space</th>
<th>Average shop sales in £/1000 litres fuel sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASDA</td>
<td>445</td>
<td>50</td>
<td>8,889</td>
<td>39</td>
</tr>
<tr>
<td>BP</td>
<td>817</td>
<td>96</td>
<td>8,444</td>
<td>108</td>
</tr>
<tr>
<td>CERTAS ENERGY †</td>
<td>743</td>
<td>54</td>
<td>8,195</td>
<td>204</td>
</tr>
<tr>
<td>ESOL</td>
<td>915</td>
<td>91</td>
<td>10,182</td>
<td>239</td>
</tr>
<tr>
<td>FOOD STORE</td>
<td>551</td>
<td>79</td>
<td>7,109</td>
<td>313</td>
</tr>
<tr>
<td>GLENEAGLE</td>
<td>196</td>
<td>65</td>
<td>9,770</td>
<td>202</td>
</tr>
<tr>
<td>HARVEST ENERGY</td>
<td>508</td>
<td>54</td>
<td>2,168</td>
<td>216</td>
</tr>
<tr>
<td>JET</td>
<td>474</td>
<td>36</td>
<td>2,160</td>
<td>110</td>
</tr>
<tr>
<td>MAXOL</td>
<td>754</td>
<td>77</td>
<td>9,945</td>
<td>428</td>
</tr>
<tr>
<td>MINOR BRAND</td>
<td>556</td>
<td>55</td>
<td>6,724</td>
<td>202</td>
</tr>
<tr>
<td>MORRISONS</td>
<td>598</td>
<td>57</td>
<td>10,653</td>
<td>57</td>
</tr>
<tr>
<td>MURCO</td>
<td>982</td>
<td>52</td>
<td>7,192</td>
<td>202</td>
</tr>
<tr>
<td>RIX</td>
<td>345</td>
<td>49</td>
<td>2,015</td>
<td>133</td>
</tr>
<tr>
<td>SAUSERS</td>
<td>581</td>
<td>65</td>
<td>8,992</td>
<td>47</td>
</tr>
<tr>
<td>SHELL</td>
<td>527</td>
<td>67</td>
<td>8,645</td>
<td>194</td>
</tr>
<tr>
<td>SOLO</td>
<td>396</td>
<td>50</td>
<td>2,914</td>
<td>414</td>
</tr>
<tr>
<td>STAR</td>
<td>614</td>
<td>65</td>
<td>3,921</td>
<td>450</td>
</tr>
<tr>
<td>TEXCO</td>
<td>524</td>
<td>46</td>
<td>10,597</td>
<td>451</td>
</tr>
<tr>
<td>TEXCO</td>
<td>601</td>
<td>77</td>
<td>6,864</td>
<td>229</td>
</tr>
<tr>
<td>THAMES</td>
<td>160</td>
<td>34</td>
<td>4,690</td>
<td>123</td>
</tr>
<tr>
<td>TOPAZ</td>
<td>792</td>
<td>84</td>
<td>8,815</td>
<td>469</td>
</tr>
<tr>
<td>UNBRANDED</td>
<td>453</td>
<td>44</td>
<td>5,345</td>
<td>123</td>
</tr>
</tbody>
</table>

**NOTE:**
† Certas Energy – previously shown as “GB Oils”

© 2015, Experian Catalist. All rights reserved.
### NUMBER OF SITES WITH A SHOP OR WASH BY BRAND

The table below shows the percentage of sites with a shop and car wash by brand.

<table>
<thead>
<tr>
<th>Brand</th>
<th>Number of Open Sites</th>
<th>% Sites with Shop</th>
<th>% Sites with Car Wash</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASDA</td>
<td>236</td>
<td>14</td>
<td>44</td>
</tr>
<tr>
<td>BP</td>
<td>1,163</td>
<td>100</td>
<td>59</td>
</tr>
<tr>
<td>CERTAS ENERGY†</td>
<td>999</td>
<td>74</td>
<td>32</td>
</tr>
<tr>
<td>ESSO</td>
<td>1,009</td>
<td>100</td>
<td>47</td>
</tr>
<tr>
<td>FOOD STORE</td>
<td>45</td>
<td>96</td>
<td>38</td>
</tr>
<tr>
<td>CLEANER</td>
<td>56</td>
<td>69</td>
<td>32</td>
</tr>
<tr>
<td>HARVEST ENERGY</td>
<td>106</td>
<td>97</td>
<td>49</td>
</tr>
<tr>
<td>JET</td>
<td>91</td>
<td>99</td>
<td>60</td>
</tr>
<tr>
<td>MAIORL</td>
<td>105</td>
<td>90</td>
<td>52</td>
</tr>
<tr>
<td>MINOR BRAND</td>
<td>243</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>MORRISONS</td>
<td>339</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>MURCO</td>
<td>465</td>
<td>95</td>
<td>35</td>
</tr>
<tr>
<td>RIX</td>
<td>56</td>
<td>44</td>
<td>11</td>
</tr>
<tr>
<td>SHERRIFFS</td>
<td>239</td>
<td>95</td>
<td>53</td>
</tr>
<tr>
<td>SHELL</td>
<td>1,019</td>
<td>100</td>
<td>36</td>
</tr>
<tr>
<td>JULU</td>
<td>49</td>
<td>94</td>
<td>19</td>
</tr>
<tr>
<td>STAR</td>
<td>96</td>
<td>100</td>
<td>31</td>
</tr>
<tr>
<td>TESCO</td>
<td>591</td>
<td>98</td>
<td>43</td>
</tr>
<tr>
<td>TEXACO</td>
<td>283</td>
<td>98</td>
<td>58</td>
</tr>
<tr>
<td>FARMES</td>
<td>36</td>
<td>95</td>
<td>58</td>
</tr>
<tr>
<td>TOPAZ</td>
<td>96</td>
<td>97</td>
<td>31</td>
</tr>
<tr>
<td>UNBRANDED</td>
<td>764</td>
<td>58</td>
<td>22</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8,588</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** Certas Energy – previously shown as “GB Oils”

### FURTHER INFORMATION

For further explanation of any of these figures or if you require any information, please contact:

**ARThUR RENSHAW**  
Major Account Manager, UK and Ireland  
Experian Catalist  
Tel: +44 (0) 7971 070 716  
Email: arthur.renshaw@catalist.com

**JAMES HAIGH**  
Business Consultant  
Experian Catalist  
Mob: +44 (0) 777 914 0937  
Email: james.haigh@catalist.com
While food to go is the largest shopper mission within forecourts – other than filling up with fuel – the biggest sales opportunity lies in maximising the top-up shop. And, according to him! CTP 2014 data, the symbol forecourts are the ones to watch here as they are ‘the benchmark of excellence’ when it comes to top-up shopping. That’s because they focus more on what shoppers want. As a result, symbol forecourts are attracting three times as many top-up shoppers as managed sites. Him!’s surveys have found that symbol forecourts have just 26% fuel-only customers plus they attract more shoppers who are buying two or more items.

There’s no doubt that symbol stores are on the rise. Savvy shoppers not only expect keen prices and decent promotions, they demand a modern shopping environment and therefore previously die-hard independent operators are choosing to partner up with symbol groups. Indeed, there has been a 14% rise in symbol forecourt numbers year-on-year, and him! predicts that by 2020 there will be more forecourts with a retail fascia above the shop than without.

Looking at forecourts generally, him! found that long opening hours was cited as the main reason people chose a particular forecourt store, followed by friendly and helpful staff, promotions and parking. Perhaps worryingly for the oil companies, 70% of shoppers were not influenced by the brand of fuel when choosing a forecourt.

And, unfortunately for forecourt retailers, poor perception on shop prices (i.e. that prices are too high) prevails, with consumers saying price was a big barrier to converting them from being fuel-only customers. Indeed, 48% of people surveyed said products were too expensive while 31% cited slow service as a reason not to shop in the store.

Him! advises that forecourts need to develop their offer so that price is no longer the only consideration. It recommends a focus on long-term value propositions which will drive both loyalty and footfall consistently to the forecourt store for more than just a fuel-only shop.

There’s also an opportunity to increase spend per customer by driving impulse purchases. Retailers could do this by interrupting customers on their way around the store/to the till and also by encouraging them to trade up by stocking more premium or healthy lines.

The four most important factors that a forecourt store needs to deliver are: speed of service, staff friendliness, ease of shop and product availability. Interestingly, quality of fresh food and community involvement are less important to shoppers in forecourts compared to those in standalone convenience stores.

Him! concludes that forecourts must focus on price perception, but also on the emotional and functional elements of customer service, if they are to compete with standalone symbol stores.

13% of people shopping in a forecourt store don’t have a car – fuel-only visits have dropped from 52% in 2011, to 37% in 2014

TYPICAL FORECOURT SHOPPERS:
- 58% are male
- 56% are within the ABC1 demographic
- 64% work full time
- visit 2.3 times a week
- spend 4.4 minutes in store
- buy 2.2 items
- spend £5.13 per trip (excluding fuel)
- 30% are buying fuel
- 27% are on a food-to-go mission
- 19% are on a newsagent mission
- 12% are on a top-up shop mission

Him! concludes that forecourts must focus on price perception, but also on the emotional and functional elements of customer service, if they are to compete with standalone symbol stores.
Servicing the Forecourt

From re-brands to site maintenance, CFG has the expertise you need

Maybe your site needs a total re-image or just a canopy repair, whichever it is, CFG will be pleased to quote and carry out works – in a professional manner with the addition of a personal service.

The directors of CFG Nationwide Site Services Ltd, Bernard and Judith Wright, have the advantage of direct experience running a petrol forecourt, having done so for nearly two decades before their creation of CFG as it is today. This invaluable experience gives them the knowledge and full understanding of the many problems that can arise when operating a petrol forecourt business.

All of their knowledge and experience has helped to create CFG (originally Court Farm Garage) into the business as it is today. With the added support of their son Mark, his wife Alison, daughter Verity and the commitment of their staff, some of whom have been with the company for over 20 years.

Initially, CFG refurbished and recycled petrol pump panels for pump manufacturers, giving a quality service exchange replacement panel that was almost as good as the original product. Customers were so pleased with the results that it allowed the company to grow and move from its original premises to its very own factory. The firm then expanded into various aspects of site refurbishment. This brought many engineering requirements to be carried out, and they now feel qualified to say “We are an engineering company which manufactures and installs signage to petrol forecourts throughout the UK – currently sourcing, manufacturing and installing new images for major oil companies. CFG therefore stands out from other ‘signage’ companies who generally do not have the ability to overcome engineering problems that regularly occur on-site. The majority of oil companies have closed their engineering departments making it necessary for those skills to be sought elsewhere. This is where CFG has gained, and it is now accredited to major oil companies and supermarkets.

Due to the increased height of many lorries using the forecourts, some petrol stations are either losing business or having increased insurance claims as their canopies are too low and are subsequently being hit.

CFG has techniques that, in most instances, enable a canopy to be “lifted” at a fraction of the cost of a replacement canopy. There are occasions when the site operator wants a new canopy built to their own specification or perhaps an extension/reduction to the existing one. Again CFG can assist in this, manufacturing and building at its factory, followed by delivery and installation on site. These works are often combined with a new image being installed, giving the site a complete makeover.

Obviously accidents occur on petrol forecourts, often involving a lorry hitting the canopy or a car colliding with a pump. Because of its experience in this field, CFG is well placed to carry out accident damage repairs.

It need not stop there as CFG will also deal with the insurance company on the site operator’s behalf, negotiate with the Loss Adjusters and bring the repair to a conclusion, dealing with the insurance company direct throughout the claim.

This work includes all areas of damage from re-manufacturing new and obsolete canopy fascias, canopy structures, shop buildings, fuel dispensers, PID price signs including surrounding walls, in fact there is no damage on the forecourt that CFG cannot handle.

There is generally no charge for this service, the incentive for CFG is that they get to carry out the work. Maintenance and repair is also an important part of CFG’s service. One of the major problems is water penetrating the canopy structure. At the operator’s request a survey is carried out to assess the cause. This is often found to be rotted gutters, damaged or holed top sheeting, blocked down pipes or a combination of all three. All of which can be repaired/replaced by CFG.

“We understand the issues surrounding the operation of a busy forecourt because they are much the same as they were 20 years ago. We can offer sound advice when there is a query or problem on site, the decision to remedy it is then left to the owner/operator,” says Bernard.
900,000 REASONS
TO BE PART OF BOSS

BOSS Executive Director Kevin Eastwood explains why you need to sign up

About 900,000 times a year drivers either drive away from service stations without paying or draw fuel and then claim that they have no means to pay. It’s a problem that costs each forecourt retailer on average £3,000 every year.

Quite apart from these losses, dealing with forecourt crime represents a huge workload for service station owners/operators, the police and the judicial system.

BOSS is a ‘not for profit’ organisation that supports UK service stations by helping reduce crime and related costs to members. We work closely with retailers, police and kindred elements of the criminal justice system, as well as liaise with similar organisations and debt collection agencies.

Most service stations have taken their security seriously, borne out by the fact that robberies are at their lowest level for several years. Many service stations are open 24/7 and opportunities for burglary are reduced. Nevertheless, BOSS offers advice and guidance on how to avoid such crime, aiming to drive standards higher and thwart criminality.

From a police perspective, the overwhelming majority of service station crimes are often individually of low value and, although they do have a significant role to play, there is no doubt that the primary responsibility for crime reduction lies with the fuel retailer.

Here is where the BOSS Payment Watch and Forecourt Watch schemes have helped to provide a robust and simple process to prevent and tackle forecourt crime. We’ve found that by forming stronger relationships between fuel retailers, police and other agencies, incidents of forecourt crime can be reduced significantly and where crime does occur, we’ve worked with the authorities to put offenders before the courts.

We’ve used technology to become more proactive in targeting serial offenders under the Payment Watch scheme and thousands of incident reports from BOSS members are routinely analysed. By identifying repeat offenders, who often operate across police boundaries, we prepare and submit evidential packages to the police so they can investigate effectively, with minimal resource implications and a better chance of a positive outcome.

Almost 200 cases have come to court recently using evidence presented by BOSS with an ongoing number continuously being processed. For example, John Craig Hanson appeared at Basildon Magistrates’ Courts in September 2014 and was found guilty of 40 cases of stealing fuel. He has to perform 240 hours of community service and be supervised by a probation officer for 12 months as well as compensate for what he stole.

Richard Epton also received a Community Order at Peterborough Magistrates in October and, in a first result of its kind for a BOSS case, Stuart Manning received a ‘Tag’ and a curfew order in Surrey, together with costs of £600.

And it’s not only at Magistrates’ Courts, the BOSS crime assessor had to attend Cambridge Crown court, together with retailers in the case against Emma Bennett, who also received a Community Order for 18 months.

BOSS reports often link into other offending and other forms of enforcement. Recent evidence submitted regarding multiple offending has helped anti-terrorist prosecutions and also illegal immigration.

The fuel retail industry has taken considerable strides forward to tackle forecourt crime but it is only with the help and support of retailers, the police and other partners that we can succeed in the fight, accepting that recent austerity measures bring immense pressure on police resources. It is important that retailers play their part and maximise opportunities within systems and procedures to minimise opportunities for criminals.

Since BOSS established Payment Watch more than £1.5m has been recovered for retailers. If you’re experiencing losses from ‘no means of payment’ incidents then why not sign up and join BOSS and get some of it back and increase the number of forecourts where offenders will be detected.

BOSS Executive Director Kevin Eastwood
**OIL PRICES TUMBLE**

Chris Judge, Vice President Crude and Products at Argus Media, looks at why oil prices have fallen so dramatically

Crude oil prices crashed by more than $40/barrel in the last six months of 2014, as a global supply glut and internecine fighting within Opec outweighed the frightening geopolitical landscape in the Middle East.

North Sea crude oil dived from $110/barrel at the start of the year to $63.5/barrel in mid December after Saudi Arabia flexed its muscles at the November Opec meeting. The Kingdom is clearly happy with lower prices as long as it can maintain market share in the face of increasing shale oil supply from the US of more than 1m b/d in the last three years.

Saudi Arabia swatted away protests from other hawkish Opec members, who were in favour of production cuts. There was more misery in the UK refining sector as Murco’s Milford Haven refinery was closed down after a rescue plan from US entrepreneur Gary Klesch fell apart in early November. It is the second major UK refinery to close in three years, after the speedy and sudden closure of the Coryton refinery in Essex in 2012. The UK now has just six refineries in operation – down from 16 in 1979.

The writing has long been on the wall for the bloated and inefficient refining sector, but the closure was a stark reminder that European transport policy makers have miscalculated and are pushing diesel use over gasoline through tax incentives.

The refining margin to produce diesel has been very steady between $15-20/barrel in the last two years, but gasoline yields have fallen below $5/barrel through the winter when export markets to the US dried up. These levels are simply uneconomic for refiners, who are just adding to a global gasoline glut. The ill-advised dieselisation of Europe’s car fleet has left the UK increasingly reliant on imports from foreign refiners, particularly in Russia, even as they are closing their own refineries – a cruel irony for Murco’s former staff at Milford Haven.

It would take something fairly spectacular to send oil prices back up again to anything like the $100/barrel mark that was so stable throughout 2013. Opec’s own researchers see supply outstripping demand by 2m b/d in the first half of 2015. The lower prices will slow the growth of US shale oil on the market, and will provide a much-needed shot in the arm for the enfeebled Eurozone economies. Some reduction in Russian output will also tighten markets, but it will take time for them to rebalance.

UK motorists will find some welcome relief with cheaper prices at the pump for diesel and gasoline, although the price difference between the two will depend on the severity of the winter. Diesel supply is affected by increasing demand for heating oil and kerosene, but gasoline demand typically falls away during the winter months. It is also difficult to imagine the government increasing fuel duties during an election year. Unfortunately, it is also improbable to imagine that any government will have the foresight to start to address the long-term problems brought about by Europe’s reliance on diesel, when it is swimming in gasoline.

---

*Argus wholesale gasoline & diesel prices*

**Argus downstream**

Argus provides UK companies with direct access to wholesale fuels market information. This enables our clients to respond quickly to price developments and compete more effectively. You can access Argus data and insight through the web, PDF reports, direct data feeds or your mobile device.

To find out more, email info@argusmedia.com
A massive redevelopment project resulted in a major prize for Portsbridge Service Station, as it was named Forecourt Trader of the Year 2014. “When Merrill Boulton, the editor of Forecourt Trader, announced Portsbridge was Forecourt of the Year everything around us erupted,” recalls Mike Garner, from the site’s owners, the Garner Group. “Our table at the Awards’ dinner was adjacent to Jet’s and everybody was standing up and cheering – to be honest, things then happened in a blur but it was an amazing feeling.

“We’re a small family business in an industry with some very large players who develop fantastic sites, but the judges had chosen us. It was a truly memorable event for the business, which justified all the planning and hard work, creating the new Portsbridge. We were, and continue to be, extremely proud.”

The redevelopment of the site in Cosham, Portsmouth began in the summer of 2013, when doors closed on the old forecourt and shop. Work did not begin until that autumn and the new, modern Jet-branded site, complete with the latest Nisa-branded convenience store, re-opened in April 2014.

But the story of Portsbridge Service Station – and its owners The Garner Group – goes way back to the 1960s, when Maurice Garner bought his first site near Portsmouth. Fast forward to today and, with brothers Mike and Tim Garner, and financial director Dave Auger, at the helm, the Group has four sites in total: three Jet and one Shell.

To begin with Portsbridge was a traditional garage with workshops, a small shop and some cars for sale. It was developed, little by little, over the years but got to the stage where fuel volumes had dropped and a big decision had to be made – sell it and make money from the land, or do a full-scale development including a bigger, more modern convenience store. “The site wasn’t modern; it wasn’t keeping up with the times in terms of the convenience offer, so we had the choice – close it or reinvest,” explains Tim.

Luckily for those living in and around Cosham, the Garners chose the latter option. With limited space on their existing site, they had to acquire a bit more land to house the bigger shop, but they’d done their homework and knew the shop would work. Planning permission had already been granted and they were set to go.

CHOOSING NISA

They chose to partner with Nisa because, at the time, the group had just launched a new concept and Portsbridge would have the first new-look store on a forecourt.

Beforehand, Tim and Dave spent a great deal of time considering who
They were enthusiastic from the moment we approached them,” says Tim, “and were very keen to be involved in the redevelopment project. Although we didn’t know it initially, they were getting ready to launch the new image and Portsbridge has proved to be a great showcase. Nisa’s shop team was very involved in the layout and design of the new store which works really well, both from an operating and customer perspective.”

The 2,200sq ft store stocks some 3,000 lines with a focus on snacking and food to go. Tim says they realise they’re never going to be a massive food-to-go destination but they cater for customers via a simple hot/cold unit, a Rollover hot dog offer and a Costa Coffee machine.

There is the new grey/orange Nisa imagery throughout the store. And there are plenty of chillers and freezers to cope with demand from the local residents as well as students at the nearby college. The store also has an off licence, which Tim says has been extremely successful. The store opens from 6am to 11pm Monday to Saturday and 7am to 10pm on Sunday, and the off licence is open all that time too.

One of the reasons the Garners chose Nisa was for its promotions. They are sent 60-70 promotions every three weeks, and they pick the ones they want to do. They also like the fact that Nisa supports local communities via its ‘Making a Difference Locally’ initiative, through which the Garners support three local charities.

It’s all gone down very well with the customers, some of whom will spend up to £30 at a time in the shop alone.

**STICKING WITH JET**

Outside things are going well too. The Garners didn’t consider Nisa’s fuel offer, sticking with Jet partly because of the family’s longstanding relationship with the fuel brand but also because they say jet is such a good company to work with.

The forecourt has three pumps, each with media screens featuring the latest Nisa promotions. Plus there is red diesel for the local builders, sailors and users of heavy machinery. There’s also a jet wash, supplied by a borehole, which in addition supplies the staff and customer toilets. In other nods to the environment, there are photovoltaic panels on the roof and energy-efficient lighting.

Of course, Portsbridge wasn’t the Garners first development – they’d handled six previously – and it probably won’t be their last.

“This is our seventh development,” says Tim. “We’ve sold some, closed them when the supermarkets came in; and we’ve built flats on some sites, but forecourts are our main business. We’re always looking for opportunities – sites coming up for sale – but they’ve got to be right and have the room to expand.”

So, watch this space, as they say!
With so many forecourt operators having embraced convenience retailing, it’s worth taking a look at the sector as a whole.

The third edition of ACS’s Local Shop Report reveals a sector in growth. There are now 90,257 convenience stores in the mainland UK, making up a sector that is worth £37.4bn, up 5.2% on 2013 figures.

The great thing about the report is that it’s not just about the shoppers and the products; instead it includes information on the owners and their staff. So ACS reveals that local shops are a vital source of employment – nationally, the convenience store sector provides jobs for more than 386,000 people. And local shop owners are some of the hardest working people in the UK – 23% of them work more than 70 hours per week on average, and 20% take no holiday at all throughout the year.

Looking at the employment stats in more details, ACS found that because jobs in the convenience sector are local and flexible, they attract a wide variety of people: 63% of staff are women; 20% are aged between 18 and 24; 9% are aged over 60; 63% of employees work less than 30 hours a week; and 17% are engaged in full- or part-time study. What is more, they are a loyal bunch with over 77,000 employees having worked in their store for more than 10 years.

The vast majority (77%) of the shops are run by independents, with more than two-thirds of these retailers owning the premises rather than renting.

ACS describes the independent c-store sector as ‘increasingly entrepreneurial’, as more than 75% of owners are the first generation of their family to own or run a business in the UK. Among this group, 31% are women; 11% are under 30 years old; 8% have been in their business for over 40 years; and 40% of businesses are owned by family partnerships.

When it comes to ethnicity, there are significant variations between regions; in London 82% of independent retailers are Asian, whereas this number is only 17% in the South West.

It all makes fascinating reading but the report is much more than an ‘interesting read’. ACS chief executive James Lowman, explains: “It is an incredibly valuable tool in engaging with government. ACS has sent the findings of the report and specific data on each constituency to all MPs to ensure these important decision makers have a much fuller understanding of the local shop sector.”

Local convenience stores now feature a variety of services for consumers. Popular ones such as mobile phone top-ups are offered by 83% of shops, and the lottery by 75%, but there’s much more out there to tempt customers in and keep them coming back. Nineteen per cent of stores offer hot food-to-go, for example, and 27% have a coffee machine.

Stores are diversifying to include more technology to improve the customer experience. As a result, 10% of stores have digital advertising screens; 23% have a website; 17% offer contactless payment; 8% offer in-store wi-fi; and 2% have digital shelf-edge labels.

Meanwhile, with online shopping so prevalent, more and more local stores (3% at present) are offering a parcel drop-off/collect service and some retailers have been quick to embrace the fast-growing Click & Collect phenomenon.

PETROL FORECOURT STORES ACCOUNT FOR 17% OF ALL C-STores

BOOM TIME FOR CONVENIENCE

Local convenience stores now feature a variety of services for consumers. Popular ones such as mobile phone top-ups are offered by 83% of shops, and the lottery by 75%, but there’s much more out there to tempt customers in and keep them coming back. Nineteen per cent of stores offer hot food-to-go, for example, and 27% have a coffee machine.

Stores are diversifying to include more technology to improve the customer experience. As a result, 10% of stores have digital advertising screens; 23% have a website; 17% offer contactless payment; 8% offer in-store wi-fi; and 2% have digital shelf-edge labels.

Meanwhile, with online shopping so prevalent, more and more local stores (3% at present) are offering a parcel drop-off/collect service and some retailers have been quick to embrace the fast-growing Click & Collect phenomenon.
On the journey together

Join JET on our award winning journey...

We believe we offer the best possible proposition for dealers based on security and quality of supply, value for money, unrivalled service, reliability and support for your business. We'd love to have a conversation about how we could help your business thrive now and into the future.

Call us on 01926 404 333, what we offer might surprise you.

facebook JourneywithJET, twitter @JETPetrol