

Fuel Oil News

JUNE 2022

THE ISSUE OF SUPPLY SECURITY

COMMUNITY CONVERSATIONS

FULL EXPO REVIEW



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Welcome to another bumper issue!

After a busy few days in Liverpool, back at the end of April, I think the Fuel Oil News team were looking forward to a quieter couple of weeks to catch up with their work, their families and themselves. You weren't about to let that happen, were you?

As we looked back over our time at the superb UKIFDA EXPO 2022 it rapidly became obvious that only another super-sized issue would do justice to all that you shared with us there.

I hope that, within these pages, we manage to convey all that coming back together meant to our community – the buzz of meeting face to face, to seeing each other 'in 3D' for the first time in 3 years and the opportunity to meet those in the industry we hadn't yet.

There were celebrations of anniversaries and new companies, products and services and then there were the experiences, insights, challenges and successes that were shared in both the more formal setting of the conference and in the many informal catch-ups at stands, at coffee bikes, at the Reunion Dinner and at the social gatherings that continued into the night...

Back for the future was the EXPO

Margaret Major, Managing Editor

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theme, and there was no shortage of enthusiasm and innovation from all involved to support the sector transition.

The fuel distribution industry has a vital role in energy now as well as being essential to energy future, and EXPO was a chance to appreciate the investment being made by our community in delivering that.

Facing fears that oil was to have its peak back in the 70s/80s, Saudi Sheikh Yamani reportedly said: "The stone age didn't end because we ran out of stone."

And now we find ourselves in the 2020s, once again facing the question of peak oil demand, while the world's population and energy demand grow exponentially. It is a truth worth noting that the stone age didn't actually end at all.

We still use stone widely: we just use it more sparingly and more cleverly.

And so will it be with oil.

It was so good to see you!



Fuel Oil News

The independent voice for the fuel distribution, storage and marketing industry in the UK and Ireland.

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The industry's very own action man who never gives up



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On the cover

A Clugston tractor unit with a very special livery to mark the company's 100th year. We celebrate this impressive milestone on pages 16 & 17 as well as Highland Fuels' 65th on 12 & 13 and Standard Fuels' 10th on 28 & 29.

In this issue

We look at the important issue of safeguarding, with the future of the sector considered on page 6, succession planning for distributors discussed on pages 32 & 33 and insights into supply security on pages 40 & 41

Ministers move to quell Grangemouth fears after speculation over the refinery's future

As reports surfaced suggesting a potential restructuring of the Grangemouth plant, fears grew over the future of hundreds of jobs as well as energy resilience, with Scotland relying heavily on the refinery output for its energy needs. Around 70% of petrol and diesel requirements north of the border is supplied from Grangemouth, as well as the jet fuel for airports north of the border, meaning that any perceived threat of closure presents government with a significant challenge to ensure security of supply.

The facility was acquired by Ineos Group from BP in 2005 with PetroChina acquiring a 50% share from Ineos in 2011, primarily, it is understood, as a key funding source.

It seems that recent years have seen mounting losses stretching into the tens of millions, resulting in speculation that the Chinese state-owned backer may be looking to divest of its share and could be close to appointing restructuring advisers to review potential exit strategies.

With INEOS reportedly having no desire to buy back the PetroChina share, the scale of continuing losses may well result in a need for government support with fears that it could fall into administration if no buyer is found.

Focused on future-proofing

MSPs have been reassured that Ministers are focused on “future-proofing” Grangemouth, site of Scotland’s only oil refinery, amid the fears for the future of hundreds of jobs with trade union bosses seeking an urgent meeting with Scottish first minister Nicola Sturgeon.

Pat Rafferty, Scottish secretary of Unite, said the union has been informed that there is “no threat of sale or significant restructuring”. But he added: “We believe that, in light of the strategic national importance of the site to the UK’s energy needs, and in the context of reducing our exposure to Russia, it would be diligent to assess potential scenarios that involve changes to the Grangemouth oil refinery.”

Saying that it would not be appropriate to comment on “media speculation”, SNP environment minister Mairi McAllan did emphasise the huge importance of the site as a “major source of highly-skilled manufacturing jobs” when asked about the reports.

A just transition plan

The environment minister was quick to reassure that plans are already in place to future proof this important site pointing to the Grangemouth Future Industry Board, saying that the panel

“will initiate and lead on the design of a just transition plan for the Grangemouth industrial cluster in line with the principles of a just transition”.

She added: “This plan for the complex will be built collectively, it will be built in consultation with a wide range of invested stakeholders and that should include, of course, industry.

“Future-proofing this vital industrial hub and working in partnership with industry is our objective and will help to support a long-term, sustainable and vibrant future for Grangemouth, for all those who live and work there.”

In the recent Queen’s Speech, the government moved to adopt the draft Downstream Oil Resilience Bill, which grants the state the power to step in if there are signs that there could be disruption to fuel supplies.

Pat Rafferty added: “Any developments at Grangemouth would fall under the domain of these draft powers. The Scottish government also has a major role to play in these potential scenarios in relation to Grangemouth, which is why we have requested engagement with the first minister and the secretary of state for Scotland to discuss alternative scenarios, and what this could entail in terms of government support.”

Deal will see Humber refinery first to reduce CO2 emissions

The Phillips 66 Humber Refinery is on track to become the first refinery in the world to reduce its carbon dioxide emissions after agreeing a deal with Worley that will use Cansolv CO2 capture technology pioneered by Shell Catalysts & Technologies

The agreement is a significant boost for Humber Zero, a first-of-a-kind project that could provide a model to help decarbonise refineries and impact on the UK’s net zero target

The agreement will see the technology used in the capture of carbon produced in the refinery’s fluid catalytic cracking (FCC) process.

The Shell technology will capture at least 95% of the carbon dioxide in the FCC flue gas, compressing it before the gas is safely stored under the seabed in the North Sea.

Phillips 66 Limited will also work alongside engineering services firm Worley in the Front-End Loading 2 (FEL 2) stage of the design process to build a facility in which the carbon dioxide-

capture process will take place. The projected startup is expected in 2027.

Global potential

Humber Refinery general manager Darren Cunningham, the lead executive for Phillips 66 in the UK, described the project as “hugely significant” from a technology perspective.

“There are more than 300 FCCs in the world,” Cunningham said. “We would be developing technology that has the potential to decarbonise them.

“We are looking forward to working with the Shell team — which brings a huge amount of carbon-capture experience to the table — and, with Worley, delivering this important project to the region.”

Investing in future energy

Carbon capture is one of the pillars of Phillips 66’s Emerging Energy organisation and



reducing carbon dioxide emissions is part of the company’s vision for the refinery of the future.

Cunningham added: “Humber Refinery is tackling the dual challenge of providing the energy the world needs to power human progress while at the same time addressing climate change. We are providing a model for the energy transition.”

The Humber region produces 40% of the nation’s industrial carbon dioxide emissions, so Humber Zero will play a crucial role in the Government hitting its 2050 net-zero carbon emission target.

* Cansolv is a Shell group trademark.

Fuel Prices Online™ merges with The Oil Market Journal™

The two leading downstream oil price vendors in the UK and ROI, The Oil Market Journal (OMJ) and Rate Information Services which operates the 'Fuel Prices Online (FPO)' brand, have announced their merger. Both FPO and OMJ provide intraday and settlement oil price information to UK and Irish oil distributors, service stations and other large volume oil buyers.

Basil Shourou of Rate Information Services said: "Both FPO and OMJ have each been operating in the UK and Irish downstream oil industry for over 20 years and, while we have been competitors, there was always a high level of respect for each other. The merged business will bring great benefits to clients. It will result in more accurate and timely price assessments, unified blended product calculations and client access to a wider range of products and services."

Ian Moore of The Oil Market Journal added: "The combination of FPO and OMJ will provide UK and Ireland clients with an oil price vendor focused on the downstream sector, which continues to invest strongly in markets content and in a range of innovative pricing systems"

Access to a wider range of products

The combined business of Fuel Prices Online and The Oil Market Journal will be administered from the OMJ office in Enniskillen, Northern Ireland and will continue to provide reliable intraday oil prices, Platts closing settlement prices and a wide range of other oil price information, news and analysis.

FPO – OMJ clients will have access to the same oil prices and information in familiar report formats. After the integration of the two oil price systems clients will have the option to access additional content and will be supported by a larger team of support, oil market and technology professionals.

FPO – OMJ are S&P Global Platts licensed partners and Dow Jones Energy news partners.



Oilfast sponsors junior football club

Oilfast, the independent fuel supplier with depots in Scotland, Wales, Herefordshire, and Gloucestershire, is always keen to support the local community and is now the proud sponsor of the Crieff Juniors FC 2010s team. Established in 2000, Crieff Juniors FC gives the boys and girls of the Strathearn area a fantastic opportunity to develop their skills.

Jane Ewing, area director of Oilfast Crieff, spoke with Fuel Oil News about the new deal. "Our sponsorship with the Crieff Juniors FC 2010s team is an excellent opportunity for us to positively impact the communities where we live and operate and provide additional funding to help young players develop their skills," Jane explains. "Since 2000, CJFC has maintained strong links with local schools and amateur football teams, offering a full pathway for aspiring professional footballers – which we are excited to be a part of."

Supporting local communities is important to Oilfast, in that "providing a localised approach to our community-focused depots enables our team to build deep-rooted connections with the people and communities we serve."

Fuel Oil News wishes the best of luck to Crieff Juniors in their upcoming fixtures!

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Skills needed for stability now and for downstream future

WORKING WITH COGENT SKILLS, THE UK STRATEGIC BODY FOR SKILLS IN THE SCIENCE INDUSTRIES, TO ASSESS CURRENT WORKFORCE RECRUITMENT AND RETENTION AS WELL AS CONSIDER THE FUTURE NEEDS OF THE TRANSITIONING SECTOR, UKPIA HAS PUBLISHED A REVIEW OF FUTURE SKILLS NEEDS AS THE DOWNSTREAM FUELS SECTOR LOOKS TOWARDS NET ZERO.

Elizabeth de Jong, chief executive of UKPIA explains the importance of the review: “The unfolding crisis in Ukraine continues to cause disruption and uncertainty to energy markets around the world. The impact of which is already shaping the national conversation around energy supply, security, and dependency. Such events again highlight the continuing importance of hydrocarbons in our society and how crucial it is to maintain confidence and resilience in our prevailing energy systems as we move towards a greener future.”

Working for a secure present and a sustainable future

“The unwavering focus of employers remains on ensuring the UK’s extensive fuel supply network continues to operate while simultaneously building a stronger, more sustainable industry capable of delivering lasting growth and prosperity. This will only be possible if companies have access to the skills they need to deliver the transformative innovation required.

“This report makes a valuable contribution to our understanding of the sector’s skills issues and provides a timely opportunity to drive change and improve the outlook of both the existing and future workforce.”

“It is clear that the downstream sector will be challenged in the coming years,” Elizabeth continues. “While the industry has proven its enduring ability to respond to transformative changes, the need to secure the long-term availability of suitably skilled people is clear. These skills must come from both within the industry, through upskilling and retraining opportunities, and from outside, by transferring skills, knowledge, and fresh ideas into the sector.”

The review identifies four themes the sector needs to embrace to attract and retain the skills it requires:

- Develop and expand the role of apprentices including to upskill existing employees
- Address the perceptions of the industry for example by clarifying its essential role in



nation’s energy transition

- Understand, anticipate and respond to the current and potential skills gaps
- Promote the benefits of industrial clustering for skills development and attractive career pathways

Employees must be allowed to evolve

Elizabeth de Jong, chief executive of UKPIA said: “The focus of the sector remains ensuring that the UK’s fuel supply network continues to operate while we build a stronger, sustainable industry capable of building lasting growth and prosperity.

“This will only happen if employers have access to the skills they need as the sector evolves.

“This review provides a timely opportunity to drive change and improve the outlook of both the existing and future workforce and I look forward to working with government, Cogent and our members to deliver on the areas this report identifies are in need of action.”

Develop strategies or face skills shortages

The report provides the evidence that employers need to further develop their skills strategies. It focuses on skills that are essential to current and future industry roles.

The research shows that 62% of sector respondents predict it will become increasingly difficult to hire staff with the right skills, with just 15% of employees optimistic that finding the right staff will become easier in the future.

In addition, just 8% of employers felt

it would become ‘somewhat easy’ to retain staff in the future, with 54% thinking it will be ‘somewhat difficult’ and 8% ‘very difficult.’

Essential for stability of supply

Justine Fosh, CEO of Cogent Skills, said: “The ability of the downstream sector to attract, retain and develop the talent it needs is not only a fundamental requirement for the stable operation of the nation’s fuel supply network – it’s a prerequisite for delivering our net zero ambitions.

“This report highlights the need for collaborative skills action across the fuels sector, from expanding the use of apprenticeships at all levels to promoting the various attractive and rewarding career pathways available. I look forward to working with colleagues to develop the skills solutions that support continued industry investment and job growth.”

An opportunity to transform the sector

A net zero future represents significant change in the downstream sector and maintaining a secure fuel supply will be essential to deliver an orderly transition. The sector will need access to the skills required to minimise disruption as well as innovating to improve efficiency and reduce carbon emissions. This is also an opportunity to reposition the sector as forward-looking and to highlight how it is uniquely placed to deliver the nation’s clean energy transition.

In recognition that the sector will continue to play a pivotal part in the UK’s low-carbon energy future, companies must continue to be proactive in their approach and take a long-term view on skills. The report highlights the way the uncertainty around the future attractiveness of the sector in a world that is gradually shifting away from traditional energy sources is already impacting on the immediate availability of skilled workers amidst intense competition from other sectors.

It is essential that the sector to develop a comprehensive skills strategy to define and respond to key priorities.

The full report can be downloaded from www.ukpia.com/media-centre/publications/



Successful look to the future at industry EXPO 2022

Uniting the liquid fuel industry in person for the first time in three years, the UKIFDA EXPO 2022 and Future Fuels Conference at Liverpool Exhibition Centre was a huge success.

Sponsored by Phillips 66, EXPO 2022 welcomed back liquid fuel distributors, bio-energy companies, refineries, tank, pump and fuel-related organisations as well as commercial support services including software and insurance businesses.

Commenting on the event, UKIFDA CEO, Ken Cronin, said: "It was great seeing everyone together in one space once again. Our 'Back for the Future' theme was spot on for the occasion and we've had some fantastic feedback already."

He adds: "There is definitely still a place for live, in-person events like this, where industry colleagues and suppliers are able to share latest innovations and thought leadership – it felt there was a real groundswell of change, especially when it comes to driving the future of the liquid fuels industry forward."

Four successful forums

The exhibition had four forums with an exhibition, conference, app and dinner all contributing to the overall success.

The 'Exhibition' hosted a packed hall with some exhibitors reporting record numbers of visitors to stands with good quality leads to capitalise on.

Also well attended was the 'Future Fuels Conference', held in the EXPO Conference Theatre and sponsored by Crown Oil. A total of 18 industry-leading speakers took to the stage hosting a wide range of seminars across the two days. There was particular interest in the UKIFDA and OFTEC Demonstration Project roundtable discussion as well as how the future fuels landscape is shaping up, especially



in terms of government policy and pricing mechanisms."

The EXPO App delivered outstanding engagement with encouraging levels of activity across the community board, image sharing and messaging with many meet-ups arranged. The App will remain open for one month so everyone can continue to use it for networking and information purposes.

Well-received award dinner

One of the real highlights was the EXPO 2022 Reunion Dinner and Awards Ceremony, held on the Wednesday evening, which celebrated the industry's innovation and talent. Attendees were treated to a guest speaker for the night, the enlightening Conor O'Shea, who is currently the director of Performance Rugby for the RFU and who certainly got everyone thinking differently.

UKIFDA membership and events manager, Dawn Shakespeare, said: "Congratulations to all our 2022 Award winners and a huge thank you to all the delegates, exhibitors and speakers for making it such an informative few days.

"Thank you also to this year's overall event sponsor – P66, to Crown Oil for their sponsorship of the conference, to S & P Global Commodity Insights for sponsoring the reception and to Aon, for the dinner. Many thanks also to AMCS, Reynolds and Commercial Fuel Solutions for your sponsorship. We very much appreciate your support."

A barking mad dog walk

More than half of people diagnosed with pancreatic cancer die within 3 months. Although survival rates have improved enormously for most cancers, for pancreatic cancer this is, sadly, not the case.

Pancreatic Cancer UK is dedicated to tackling this injustice using every possible means and Jane Raphael, former editor of Fuel Oil News, recently took on her own challenge to raise funds for this important charity as well as to raise awareness of this killer disease.

Jane explained what motivated her to do her bit to help: "Last May my sister-in-law was diagnosed with Stage 4 pancreatic cancer and given just two years to live at the age of 57. Determined to put up a fight, Jenny has initiated a fundraising programme with Pancreatic Cancer UK to help find an earlier diagnosis for this very hard to treat cancer and has been an inspirational speaker at many events.

"Keen to help with the fundraising, my daughter Charlotte and I did a 7-mile dog walk in Tatton Park and I would like to thank the team at Fuel Oil News for their generous support. Any further donations to support the work of Pancreatic Cancer UK would be very much appreciated. They're supporting people with pancreatic cancer now, campaigning, and funding vital research to transform the future."

You can show your support for Jane's efforts and help the charity to make the breakthroughs that people with pancreatic cancer so desperately need, by contributing to Jane's fundraiser through her JustGiving page:

<https://www.justgiving.com/fundraising/jane-raphael1>

Congratulations Jane, from all at Fuel Oil News and we wish your fundraiser success.



Rising Certas star wins prestigious UKIFDA award

A young Certas Energy employee has been recognised as a rising star in the liquid fuels industry after clinching a prestigious national award.

Crowned as the winner of the UKIFDA Young Person of the Year Award at the association's EXPO 2022 Reunion Dinner and Awards Ceremony, Hannah Ward is customer service advisor for Certas Energy, the UK's largest fuels and lubricants distributor.

Those at the dinner, a celebration of the industry's top innovations and talent, enjoyed hearing from guest speaker Conor O'Shea, director of performance rugby for the RFU, who also presented Hannah, a former Certas Energy apprentice, with her award.

Going above and beyond

Manager Aileen Till, who nominated Hannah



Conor O'Shea presents Hannah with her award

for the award, commended her on the win: "The judges were looking for an individual who has made a positive impact in their organisation, for someone who always strives for excellence and exceeds expectations – and Hannah certainly fits the bill.

Hannah is steadfast in her commitment to our most vulnerable and elderly customers,

going above and beyond to ensure they receive their fuel, despite busy periods. She handles pressure like a true professional and we are thankful to have someone of her calibre and dedicated spirit on our team."

Certas Energy was commended in two other categories. The company's Holton Heath Depot and driver Krzysztof Malik came in as close runners up for the prestigious Depot of the Year award and Driver of the Year Award, respectively.

Niki Holt, head of commercial at Certas Energy, said: "We are extremely proud of all our talented and high performing colleagues, and especially those where their hard work and dedication is recognised by their peers, managers and the wider industry. On behalf of Certas Energy I'd like to congratulate all of this year's UKIFDA nominees and winners."

New website sees OilMaxx launch nationwide



OilMaxx, a new fuel distribution company trading out of Immingham and part of the Oilfast Group, which has depots nationwide, has launched a new website to support the business in delivering the best customer service.

The new website offers easy access to services and solutions including an online heating oil quote and ordering facility. It also provides dedicated content and resources to cover the needs of both domestic and commercial customers. A simplistic but familiar design, it has a layout to ensure seamless user navigation and provide customers with an excellent experience.

To reflect the approach of the friendly, locally-based OilMaxx teams, the new website aims to help domestic customers find the best solutions for heating oil, smart tanks and emergency kerosene as well as tanks & finance. It also offers budget payment planner & 'recommend a friend' services, allowing customers to split & save money on fuel bills.

Commercial customers in agriculture, construction, haulage, manufacturing and marine & offshore businesses will find industry-specific services and products as well as resourceful information on their expansive product range of high-performance bulk fuels, Green D+ HVO, lubricants, AdBlue®, and tanks & dispenser solutions to help keep businesses moving.

Service is key to success

Speaking about the new website, managing director of OilMaxx, Stephen Anderson, said: "Our excellent team worked around the clock to provide our customers with the best online service possible.

"We are sure that our customers will enjoy the final product with the seamless and informative experience we intended. As always, we believe that excellent service is essential to our success."

As part of the Oilfast group, OilMaxx is owned and managed by a team of experienced industry experts. The company supplies a diverse customer base, including rural households, small to large organisations, agriculture businesses, and family farms. In addition, they also service the marine & offshore industry whilst also providing a specialist team for lubricants to keep businesses moving. For more information, visit www.oilmaxx.co.uk.

Junior cricket league enjoys another year of Kettlewell support

Kettlewell Fuels is a huge part of the local community and has committed to be the main sponsor of the Nidderdale Junior Cricket League for yet another year, having first sponsored the junior league back in 2019.

The league, part of the larger Nidderdale and District Amateur Cricket League, comprises Nidderdale-based cricket clubs. This year, the number of clubs entering has risen from 23 to 27, with a total of 114 junior teams compared with 99 last year!

Commenting on this, Nidderdale and District Amateur Cricket League Chairman, Sir Thomas Ingilby, said: "It's such great news that junior cricket is growing in popularity across the district. Kettlewell Fuels has been a huge support over the last few years, and we're looking forward to working with them to push the boundaries of grassroots cricket even further this season."

Janet Kettlewell, CEO at Kettlewell Fuels said: "As cricketing enthusiasts ourselves, we are proud that Kettlewell Fuels' sponsorship contributes to the development of cricket across the district. It's so good to see the juniors taking part and building on the progress they have made in previous seasons and to welcome even more teams to the league this season, this is exactly what we were hoping would happen!"

If you are supporting your local community in some way, then do let Fuel Oil News know: claudia@fueloilnews.co.uk

MechTronic sees red in celebration of the 500th OptiMate in 5 years

While many like to celebrate successes by painting the town red, MechTronic chose a different way to mark a very special moment for the company with the creation of a unique red OptiMate system!

At the UKIFDA EXPO, MechTronic marked the incredible achievement of 500 sales of the popular metering system in five years by displaying a special red-finished unit. The company also confirmed more than 350 orders for OptiMate over the next 18 months.

Brad Wilkie, commercial director commented: "It was great being back at the show and seeing people again after the last two years. We have had remarkable success with OptiMate over the last five years and our fully automatic, electronic metering system continues to revolutionise the industry.

"To celebrate our 500th sale, we opted to mark the occasion with a one-off red metering head, and we are proud to feature this unique design on Joe Energy's tanker. This special red edition is the 3rd OptiMate system that Joe Energy has opted for their fleet.



Developed to benefit the customer

An electronic metering system that can offer metered hose, bulk, and fixed gravity deliveries via one metering control system, OptiMate is designed with the fuel operatives' needs in mind.

Brad commented: "Since OptiMate was launched, we have listened to our customers and brought new product developments to market. OptiMate sees continuous investment and design to ensure that it is futureproof."

XPO chosen for launch of OptiConnect

An exciting new product unveiled at the EXPO, OptiConnect is the result of a collaboration between MechTronic and ALMA to design a

new wireless remote control which supports and enables the complete management of the OptiMate delivery process.

This latest remote enables drivers to remain at the point of delivery and manage the delivery process in its entirety without needing to return to the vehicle. It shows in real time the delivery flow, compartment, current quantity, and preset volumes. Drivers are also able to perform product/compartment line changes and adjust preset deliveries as required.

OptiConnect is a lightweight handheld remote that can be fastened on the arm of the driver if required and is ATEX approved. The remote is also fully rechargeable in the truck cab, with a dedicated socket.

Barton Petroleum celebrates 50th anniversary with special edition tanker

Unveiled at this year's EXPO, Barton Petroleum has created something memorable and unforgettable to celebrate its 50th anniversary in 2022 – a replica of the Wellingborough-headquartered distributor's first ever tanker! Howard Marriott, group transport manager, shares how the plans for the very special anniversary tanker originally developed.

"The idea for this 50th Anniversary tanker being a replica of our 1st tanker from 1972 was the brainchild of Lawrence Burton who is a 3rd generation Burton working for the company. Lawrence is following in the footsteps of Donald Burton, his grandfather and founder of the company, and Richard Burton, his father, and current managing director."

Lawrence explains where the inspiration came from: "We are very proud to be celebrating 50 years in business and were looking for ways to mark the achievement. The miniature model of the original tanker sits on the shelf in front of me in the office, and I thought it would be cool to use the design for a special edition tanker."

"Originally, we only had a Corgi model

of this very 1st tanker – a Leyland Albion Clydesdale, reg. FOG 710L – to refer to, but some old photographs were recently found," Howard continues. "We then set about getting a new design to incorporate as much of the original livery as possible but at the same time we wanted a modern feel.

"The design was then sent to Cobo Tankers in Santander, Spain, to be applied before shipping the vehicle back just in time for the UKIFDA EXPO.

The talking point of the show

"We had an idea that this would be a popular talking point from the event, but we were



really taken aback by just how many positive comments we received both at the EXPO and, since then, from our colleagues in the industry. We are really pleased with this tanker, and I have lost count of the number of times I have been asked 'Is this now Barton's new design?'

Joby Clark, sales and project engineer at Cobo, said: "It's been a privilege to work on such a special tanker for Barton Petroleum, this was completed in secrecy with only a small number of Barton employees knowing about it, so it was great to see peoples' reactions at the show."

Howard was also keen to thank Cobo and P66 for their support: "A huge thanks must go to Joby Clark and all his wonderful team at Cobo Tankers for taking on this special commission and getting it ready in time for the EXPO, they have really pulled out all the stops and we are extremely grateful to them. Also, thank you to P66 whose colours normally adorn our tankers."

Fuel Oil News congratulates Barton Petroleum on 50 years and hopes the tanker brings much happiness and joy to the Barton team – it was fantastic to see it proudly on display and so admired at the UKIFDA EXPO.

EXPO sees Kettlewell Fuels receive coveted Fuel Oil News award

This year's event provided the perfect opportunity for Fuel Oil News to present the Tanker of the Year 2021 award to Janet and Trevor Kettlewell of Kettlewell Fuels who were thrilled to see their future-ready tanker win the title.

Janet Kettlewell commented: "The impact of climate change and the need for us all to be mindful of the environment is clear.

As well as fulfilling our customers' changing requirements, we are investing in transport solutions that will enable us to deliver traditional fuel types and new products such as biodiesel and HVO."

Latest build and metering technology

The award winning six-wheel tanker was built by Cobo Tankers & Services and Manuel Sanchez Suarez and Fernando Gomis Garcia of COBO also attended the presentation along with Brad Wilkie of MechTronic whose technology is used across the winning distributor's fleet.

Margaret Major, managing editor of Fuel Oil News, who presented the award commented: "It is always a challenge to select one from the numerous excellent entries we receive each year, but the winner was chosen for its innovation, design and drive towards greener fuel deliveries for Kettlewell. Our congratulations go to Janet and Trevor and all those involved in this build.



L-R Manuel Sanchez Suarez (Cobo), Margaret Major (Fuel Oil News), Janet Kettlewell (Kettlewell Fuels), Brad Wilkie (MechTronic), Trevor Kettlewell (Kettlewell Fuels), Fernando Gomis Garcia (Cobo)

If you have a tanker you would like to enter for the 2022 title please send details of the build and what it offers to your business, together with a photograph to claudia@fueloilnews.co.uk, and we could be adding your company's name to the 19 previous winners.

Entries are accepted until 31st December 2022 with the result announced February 2023

"The best EXPO I've attended in 25 years"

Now in its 42nd year, UKIFDA EXPO 2022 brought together more than 100 exhibitors and attracted a huge worldwide audience. At the event, held in Liverpool, leading industry figures and companies met to review new products and services from the supply chain, look at innovations, admire best practice and identify opportunities.

The show is regarded in the industry as the place to launch new products and services, meet clients and do business and Touchstar has been a regular exhibitor for several decades. Gordon Hyland, Touchstar's sales director for the fuel division, is a well-seasoned business traveller having worked in the airline industry as well as general & fuel logistics. So what prompted him to make such a strong declaration regarding EXPO 2022?

A particular buzz

"Our dominance of the domestic market has always been underpinned by attendance at UKIFDA, or FPS as was. It's an automatic 'tick in the box' when we look at our planned exhibition schedule and we relish the mix of business and social activity. However, there was a particular 'buzz' about this year's event.

"I think it was the enforced hiatus caused by the pandemic but there was genuine enthusiasm from both delegates and exhibitors alike. Everyone seemed so relieved to be able to attend a physical event and we had an incredibly busy time on our stand. We have



Gordon Hyland, Touchstar sales director, presents prize winner Rory Beath, Rix Petroleum, with his pen during a recent visit to the RIX Oakley depot in Telford.

introduced many new features into our flagship 'FuelStar' product, including our new Mapping Console, and it was a pleasure to be able to demonstrate the software in person.

"It was also gratifying to see several Touchstar clients feature in the awards including Dave Wilcox of WP who won the prestigious 'Driver of the Year'. Congratulations Dave!"

Pursuing progressive strategies

"Probably the most encouraging aspect of the event is that it's a genuine barometer of the current state of our sector. Stand visitors weren't coming to us for a general chat, they had 'live' projects they were keen to progress quickly. Against a seemingly relentless backdrop of negative economic news and commercial challenges, it's wonderful to see fuel distributors continuing to pursue progressive strategies and continue to invest in systems that offer a financial and operational payback.

"We can't wait for the next UKIFDA event but, in the interim, we'll continue to work hard to meet the technological needs of the industry."

During the event Touchstar ran a prize draw to win a Mont Blanc pen worth over £360. The lucky winner was Rory Beath, general manager RIX Petroleum (East Anglia & Mercia).

New UKIFDA President welcomed at industry event

The closing of the 2022 EXPO saw outgoing UKIFDA President, Janet Kettlewell of Kettlewell Fuels, handover to the new President, Rory Clarke, managing director of J.R. Rix & Sons Ltd.

The final day of the UKIFDA EXPO 2022 and Future Fuels Conference saw the trade association take the opportunity to thank outgoing President, Janet, and give a very warm welcome to new President, Rory Clarke.

Commenting on the handover, UKIFDA CEO Ken Cronin said: "I'd like to say a formal thank



you to Janet. I have enjoyed working with Janet immensely and UKIFDA has truly been lucky to have you as President these last two years!"

Ken adds:

"Welcome to Rory too, Rory is already

involved with UKIFDA and I know will be a great asset moving forward with his broad and cross sector experience."

Janet talks more about her tenure as president in the most challenging of circumstances on pages 34 & 35 of this issue and Rory is 'In Profile' on page 43.

Our best wishes to them both.

Fuel distribution excellence recognised at superb industry event

Having taken an enforced break, like so many valued activities, the leading industry event was back with a bang for 2022, with those involved regarding it as a resounding success. Bringing together the liquid fuel community in person for the first time in three years, the UKIFDA EXPO and Future Fuels Conference at Liverpool Exhibition Centre on 27 & 28 April delivered a packed exhibition hall and over 1,200 attendees.

The success wasn't limited to the daytime events either, with one of the real highlights being the Reunion Dinner and Awards Ceremony on the Wednesday evening. Guests were treated to a buzzing drinks reception, fantastic dinner and a very well-received guest speaker – Conor O'Shea, Director of Performance Rugby for the RFU.

An already celebratory atmosphere was further heightened as the winners of the 5 sought-after industry awards were unveiled and recognised for their innovation and talent.

The epitome of a driver



The UKIFDA Driver of the Year, sponsored by OAMPS, was awarded to David Willcox of the WP Group in recognition of his consistent demonstration of a willingness to go the extra mile to ensure that the business maintains high customer service standards.

WP Group was proud to highlight how David has supported a number of new drivers, helping them to settle in, and continues to be there for them with advice and encouragement. He has been described as the epitome of a driver – someone any transport company would want in their business.

The runners-up in the Driver of the Year award were Chris Donaldson from Oilfast and Krzysztof Malik from Certas Energy with both drivers congratulated for their own outstanding contributions.

Committed to decarbonisation

The Oilshield-sponsored, Green Award was won by Oil 4 Wales for their commitment to achieving a decarbonised future for the liquid



fuel distribution sector.

The judges for the award were impressed by the way Oil 4 Wales has sought to expand its distribution business into other areas including

looking at producing hydrogen through a network of community-based facilities in Wales with the possibility of also producing Hydrotreated Vegetable Oil (HVO).

Fuel Additive Science Technologies was also shortlisted for their excellence in this important area.

Making a difference now



The UKIFDA Innovation Award, sponsored by Fuel Oil News, was won by Eliminox whose innovative fuel conditioner was adjudged to deliver excellent results, contributing towards

an immediate reduction in the environmental impact of the sector.

The judges were impressed by the resultant reduction in greenhouse gases from polluting vehicles delivered by the conditioner with recent tests, in combination with HVO, delivering a 22% reduction in particulate matter.

With worthy appearances on the shortlist, MechTronic and FoxInsights were also highlighted for their own contributions to innovating the sector.

Setting the highest standard



There were huge congratulations for Barton Petroleum Leicester Depot as the winner of the UKIFDA Depot of the Year 2022, sponsored by Pen Underwriting, with the depot deemed

to be 'setting the highest standard'.

Decided by UKIFDA's Tony Brown who audits the depots, this award drives forward the standard of safety for distributor depots and is always a hard-fought award with the level of excellence achieved in depots across the industry.

Describing the competition as being 'even closer than normal', Tony said: "Barton Petroleum in Leicester is a testament to the culture and work ethic of an individual depot, being proactive with evidence throughout the audit process, setting the highest standard when it comes to Health and Safety, Operational Procedures, Environment and Transport along with continued improvements and action of any feedback given. Well done to all those involved at this depot."

Runners-up NWF Fuels – Lincolnshire Fuel Depot and Certas Energy – Holton Heath Depot can also hold their heads high having only just missed out to Barton's depot.

Acknowledging a true professional



An award introduced only last year, the UKIFDA Young Person of the Year award highlights the importance of the next generation of talent, hard work, commitment and fresh thinking

coming into the industry. This year's winner is Hannah Ward of Certas Energy who started as an apprentice and works in customer relations with her manager commenting: "Hannah has been dedicated in helping the most vulnerable and elderly customers.

"Often working outside of her working hours to ensure these customers receive their fuel and that customers receive their fuel despite busy periods. She is someone who remains calm and handles pressure like a true professional."

Warm congratulations were offered by those present to the runners up – Ben Ellins of Watson Fuels and Flynn Abbot of Allan Stobart Lubricants & Fuels.

UKIFDA Membership and Events Manager, Dawn Shakespeare, said: "Congratulations to all our 2022 Awards winners and sponsors. Thank you also to Aon, for the dinner. We very much appreciate your support."



In Conversation with Highland Fuels

Future focussed

2022 MARKS THE 65TH ANNIVERSARY OF HIGHLAND FUELS AND IS A YEAR THAT WILL SEE SOME EXCITING DEVELOPMENTS FOR THE COMPANY. MARGARET MAJOR, MANAGING EDITOR OF FUEL OIL NEWS, CAUGHT UP WITH **STEPHEN RHODES**, MANAGING DIRECTOR, AND **CATRIONA CLARK**, CORPORATE DEVELOPMENT MANAGER, TO HEAR THE LATEST FROM THIS SCOTTISH DISTRIBUTOR THAT IS ROOTED IN TRADITION AND PROUD OF ITS HERITAGE BUT STILL VERY KEENLY FUTURE FOCUSED.

Both Stephen and Catriona are relatively new to this long-established Scottish distributor and came on board to deliver the ambition of the business owner, George Shand, for the continued growth and development of Highland Fuels.

Stephen joined the business in October 2020, to strengthen the organisation further and Catriona joined in April 2021 to assist with strategic development.

Keen to deliver both medium and long-term growth, Stephen continually looks for opportunities to take the business forward.

An entrepreneurial streak

The company had its beginnings back in 1957. Hector McLennan was known as a gentleman farmer from the Black Isle but also had a strong entrepreneurial streak. The McLennan family already had a haulage business and farms and Hector added car dealerships and sports shops to the portfolio, but it was from

the haulage side that the fuel distributorship opportunity arose. Known originally as Special Traffics, the family-run fuel distributor began as an Esso distributor in Inverness in 1957 and a company name change saw the emergence of the more familiar Highland Fuels brand in 1960.

Initially an Esso distributor in the 60s in Inverness and Thurso, the company grew rapidly by acquisition, expanding to cover Elgin, Huntly and Aberdeen. Further acquisitions added Shetland and Orkney in the late 80s and the 90s saw Highland Fuels double in size with the acquisition of Oban-based Wilson Fuels adding Glasgow and Perthshire.

A business that has never stood still, Highland Fuels went from strength to strength adding a Campbelltown distributor before acquiring the Scapa Flow oil terminal, on Orkney, in 2003. This brought with it import capability for gasoil, kerosene and other retail

products and, with a filling station on the island since 1993, Highland Fuels is very much embedded in Orkney.

The way in which Stephen describes this involvement gives a glimpse of the balance maintained between the business success and the passion for the area and people it serves. "It's a beautiful location," he enthuses. "Overlooking the bay, it is built into the hillside but with all the tanks underground. Strange as it seems to say, the Scapa terminal is beautiful."

Hector remained the owner of the business, albeit it never actually working in it, until 1989, when it was sold to a Kent-based PLC and 2001 saw the now sole owner of this thriving business, George Shand, come into ownership as part of a management buyout.

Expansion on many fronts

A second retail site was added in Campbelltown in 2002 and, in 2004, The

Lubricant Company was formed as a subsidiary business after the acquisition of Glasgow-based SLS in 2003. Another runaway success, the lubricant company grew rapidly until it was sold in 2013 presenting an opportunity to continue the retail business growth. 2014 saw the significant acquisition of the Thames Group which brought with it 13 filling stations as well as the distribution business.

As Esso began to step away from kerosene and downstream distributors in the late 90s and retrenched to a retail brand, Phillips 66 began supplying on an uncontracted basis and this was the beginning of a slow supplier transition.

With the supply from Esso finishing in 2008, Phillips became by far the biggest supplier and, as Stephen says: "There was superb support from Phillips 66 so when they approached Highland Fuels in 2011 to become an authorised distributor for the Jet brand the decision was simple."

Operating a fleet of Jet-branded tankers and covering Inverness and the mainland highlands, Highland also supplies a number of independent retailers.

Exponential growth

The story of Highland Fuels has always been one of investment and growth and the entrepreneurial spirit that Hector brought from the start still runs through the company 65 years on. The geographical expansion has been vast and, with 11 depots in Inverness, Huntly, Montrose, Grangemouth, Clydebank, Lerwick in Shetland, Scapa in Orkney, Campbelltown, Oban, Ullapool and Stornoway, Highland Fuels also distributes into the north of England – the Borders and Carlisle.

It is not just the number of depots that has grown, and the business now has over 40 tankers, 15 retail sites and 220 colleagues in its team.

Despite this success, George remains growth-orientated and brought Stephen in as managing director in 2020 to continue to drive the business forward. Stephen is enthusiastic for the possibilities.

Further developments

Just a month into his new role Stephen got involved with his first major project – delivering a new fuel card facility. Development began in November 2020 with the card launched in May 2021.

"We have teamed up with UK Fuels and Key Fuels to offer our customers a better option for purchasing their fleet fuel," Stephen explains. "At the core of Highland Fuels is the



desire to bring our customers the most reliable, cost-effective fuel solutions."

And, as Catriona adds: "The Highland Fuels brand is well known and hugely trusted with good brand recognition, so it made total sense to have a range extension."

With the customer very much in mind, the last few months have been spent ensuring processes are as efficient as possible, digitising the process and ensuring as much automation as possible. Stephen also highlights excellent support from CDS throughout the process.

At the same time as preparing for the fuel card launch Stephen also kicked off a full brand strategy review.

"We wanted to modernise," he explains. "But by way of a refresh not a revolution. What I wanted to deliver was a communicable brand with consistency and simplicity that could be positioned alongside Jet as a global brand but still keep its own identity.

"The Highland Fuels brand is well known and highly valued by customers, so it was important to ensure it was not diluted or lost."

With its customers at the heart of all the company does, Highland Fuels took time to seek insight from a large number of them, both domestic and commercial.

"The response was excellent," reports Stephen. "Which gave us great feedback to work with.

"We also undertook a colleague survey which reinforced how blessed we are with both the rich experience and the pride our team have in the business."

"What came through loud and clear is the importance of our heritage. Our future focus is vital but it's also important to retain our legacy. As our customers said: 'Don't change too much – we like you as you are.'"

The positive feedback from customers was a real boost to all those involved in making the company a valued part of the communities it serves, even through the challenges of the last

couple of years.

"Throughout the company there's a high level of engagement, a positive culture and great performance," says Stephen. "If 2021 was a year for preparing then 2022 is the year for delivering, and there is investment in our team, trucks and infrastructure as we deliver the next phase and bring the brand to life."

Future ready

As life returns to a greater normality the company wants to be ready. The work done through 2021 has built good foundations for future developments.

As part of the rebrand, Highland Fuels has developed a logo and the first rebranded tanker rolled out onto the road at the end of February. The office has also been rebranded and a new website will launch in May but Stephen emphasises that it is not purely an aesthetic change.

"Looking ahead we know that the customer needs and products requirements will change, and that rate of change will accelerate as we seek solutions to the need to decarbonise. In the north of Scotland there are a lot of houses that will be very hard to convert to heat pumps so there is a lot of work going on with HVO and we are actively participating in the UKIFDA trials, bringing HVO in to our storage in Montrose and Aberdeen.

"Whatever the future needs of our customers, Highland Fuels wants to be there to meet those needs. We are known for our traditions of reliability, safety, excellent service, and for going above and beyond to help our customers. We are proud of our heritage but not constrained by it and excited to be future focussed.

As Stephen concludes: "It all began 65 years ago in 1957 and we still want to be supplying customers in 2057."

And, at Fuel Oil News, we look forward to covering the centenary!

The logo for Exolum, featuring the word "exolum" in a lowercase, sans-serif font. The "ex" is in blue, and "olum" is in green. The background is a bright blue sky with a sunburst effect in the top left corner and a large white daisy flower on the right side.

exolum

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Building a better future for the bulk liquids storage and logistics industry

Today, at Exolum we are building on 95 years of expertise to deliver innovative and viable solutions to the bulk liquid storage and logistics industry that meet the challenges of tomorrow, and meeting the varied needs of our many clients.

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Boost for HVO as biofuel compatible boiler wins best renewable energy product at SEAI Energy Show

Grant's HVO biofuel compatible Grant Vortex condensing boiler has been awarded 'Best Renewable Energy Product' at the SEAI Energy Show 2022. The Sustainable Energy Authority of Ireland (SEAI) awards recognise and reward excellence in all aspects of energy efficiency and renewable energy.

Renowned for highly efficient, innovative heating technologies and commitment to reducing carbon emissions, this award is the leading home heating solutions company's first major recognition for its HVO biofuel compatible Grant Vortex boiler.

The product was developed following an investment of over €250,000 in R&D which aimed to help existing rural and hard to heat homes reduce carbon emissions and helping to prevent homeowners from incurring the high cost and subsequent disruption to daily life of deep retrofitting.

Grant was also recognised for its innovation in The Irish Times Innovation Awards 2021, where the same product was a finalist in the sustainability category.

Leading the way on sustainable home-heating

Founder, Stephen Grant said: "We are delighted that our HVO biofuel compatible Grant Vortex boiler received Best Renewable Energy Product of the Show at the SEAI Energy Awards. Our breakthrough in the research and development of HVO-ready condensing boilers has led the way for us to transform largely into a renewable heating company and we

continue to lead the industry in designing and manufacturing heating technologies that offer a low carbon and sustainable home heating solution for homeowners throughout Ireland going forward into the future."

While HVO is a relatively new fuel to Ireland, in Europe and the UK it is used for marine and public transport and to power generators and over 100 oil-heated properties across the UK have now converted to the fossil-free kerosene alternative in demonstrations led by trade associations UKIFDA and OFTEC.

HVO currently available in the UK and Ireland is manufactured from 100% renewable and sustainable waste-derived raw materials and certified via the International Sustainability and Carbon Certification (ISCC) scheme.

"HVO WILL ENABLE HARD TO HEAT IRISH HOMES TO TRANSITION"

Meeting Ireland's carbon emissions target

Stephen continues: "Over 1 million liquid fueled homes on the island of Ireland could be decarbonised by installing an HVO biofuel compatible Grant Vortex boiler, especially those who are off the grid and that have poor thermal efficiency.

The cost of updating an existing boiler would be approximately €500 when matching



and changing to a new biofuel burner, however this could be substantially less if the boiler is already biofuel compatible."

Niall Fay, director of Grant said: "Using 100% HVO for heating will help meet Ireland's carbon emissions target and result in circa 87% immediate carbon reduction and using this or a percentage blend of HVO with kerosene, will enable rural and hard to heat Irish homes to transition to a renewable green alternative from 100% kerosene at an affordable cost and minimum disruption to their home lives.

In terms of renewable heating, using 100% HVO could provide a more sustainable way to heat existing homes than a heat pump."

Key role for biofuels

Grant is a member of OFTEC and David Blevings, Ireland manager, commented: "This is a very positive step and reinforces our belief that biofuels have a key role to play in reducing emissions in the home heat sector. We have continually advised Government that the introduction of a biofuel as a replacement for kerosene is a viable option and should be part of Ireland's future energy mix.

Replacing kerosene with HVO is a seamless transition for existing liquid fuel users and a simple option for Government to reduce carbon emissions in the off-grid sector.

If all the c.700 thousand oil fired homes moved to HVO tomorrow, the annual carbon emissions from the liquid fuel sector would drop from c.3.7 million tonnes to 488 thousand tonnes pa; those substantial savings are available today, not in ten years' time".



Ciaran Byrne, SEAI Director National Retrofit, Niall Fay, Director, Grant, Barry Gorman, National Renewables Sales Manager, Grant and Mona Duff, Senior Manager of the International WELL Building Institute.

In Conversation with Clugston celebrating 100 Years

CLUGSTON DISTRIBUTION SERVICES LTD IS A TRANSPORT SERVICE PROVIDER BASED IN SCUNTHORPE. OPERATING THROUGHOUT THE UK AND EUROPE, CLUGSTON PROVIDES GENERAL DISTRIBUTION (FULL AND PART LOADS) AND ROAD TANKER TRANSPORT SOLUTIONS TO THE BULK POWDER AND BULK FUEL SECTORS. CLAUDIA WEEKS, CONTENT CREATOR FOR FUEL OIL NEWS, MET WITH **ALISTAIR CLUGSTON**, CEO, FOR A CHAT ABOUT THE BUSINESS AND TO HEAR ABOUT FUTURE PLANS AS THEY REFLECT ON 100 YEARS IN TRANSPORT.

The history of Clugston

"My great-grandfather (JG Clugston) bought his first truck back in 1922," began Alistair. "We believe he was involved in the haulage business even before that, but we are celebrating the 100-year anniversary of the purchase of his first truck."

"JG Clugston Ltd began trading as a timber and builders' merchant in 1922 from its base at Carlton Street, Scunthorpe. The original business was mostly commercial, dealing with, and delivering, a range of goods in the construction industry.

"The first vehicle purchased by my great-grandfather was by a British manufacturer called Maudsley; this would have been a two-axle rigid flatbed and fitted with a petrol engine, solid tyres, and belt or chain-driven!"

"In 1937 the family business became involved in construction," Alistair continued. "During the second world war we were supplying aggregate for the Air Ministry."

A new central depot

Clugston Distribution Services opened its central transport depot on Brigg Road, Scunthorpe on the 28th November 1966 and it is still the headquarters for the company today.

Alistair explained: "Our main base is still in Scunthorpe, it is where we've always been and it is our home. We are still one of the largest employers in Scunthorpe, employing 180 people and with over 100 trucks.

"We have upgraded the workshops and the facilities at the Brigg Road site. The yard was 15 or 20 acres at one time and stored thousands of tonnes of steel. We have also operated bag-to-bulk operations from here, and it is where all our fleet is serviced and maintained.

It was designed originally for servicing tipper trucks – back in the 1960s when we had hundreds of them. We have since changed the design of the doors as tipper trucks are vastly different from what we use now."

In 2012, Clugston ventured into the bulk fuel distribution sector, and successfully succeeded in penetrating a challenging market with Clugston Distribution Services now one of the largest independent fuel hauliers in the UK.

"I was not actually with the company in 2012," Alistair clarified. After the demise of the Clugston Group in 2019, the logistics sector, which was part of the group, continued trading. This was sold to a consortium, and I was invited to join and was appointed CEO for Clugston Distribution Services."

Where everybody knows the name

Customers are the lifeblood of every business, and we asked Alistair how his business has grown, both in terms of customers and geography, and why they choose Clugston Distribution Services as their supplier.

"Customers hear about us because our name has been out there for 100 years, and people know it. Clugston is an unusual name, very well recognised – it is memorable!

"In the Scunthorpe area, we are one of the largest employers, so the name is recognisable and people are loyal to the Clugston name.

"Our fleet manager has worked for the company for 31 years, his father for 39 years and now our fleet manager's son is also working with us on a commercial vehicle apprenticeship scheme making this the third generation.

"It is said: 'If you break them in half, they will bleed Clugston!' Our employees are very loyal, committed, and passionate people – it is very humbling for me and my family.

"The wider community is also supportive. We have depots around the UK and are becoming more widely known. We are engaged in other areas of transportation such as bulk food products and industrial powders, wide loads and modular buildings and the transportation of steel - long products which we have been transporting for over 70 years."

Green plans

Alongside caring for its employees, customers and community, caring for the environment is also one of Clugston's core values and they are committed to minimising the adverse environmental effects of their activities.

Alistair talked through the actions they are currently taking to reduce their environmental impact: "We have solar panels on our workshop roof. We are also planning new buildings in the yard and will make sure that they are as green as possible.

"All our fleet are Euro 6 trucks which are the most low-carbon vehicles we can use and, in years to come, our fleet will have to move to electric or hydrogen powered trucks. This will be the next step, but we anticipate it is still at least 2 to 3 years away. Most of our travel is long distance, and the technology at this time





will not allow us to travel the distances required efficiently.

“Certainly, when that technology is there, we will make the switch and move to an electric or hydrogen fleet.

The future for the supply of diesel, kerosene, and gas oil

With the transition to future fuels, Alistair shared his thoughts on likely changes in demand for diesel, kerosene, and gas oil: “I think it depends on how fast the hydrogen and battery-powered technologies progress – that to me is the real key. Clearly, we do anticipate a decline in demand for diesel, kerosene, and gas oil but not for about 4 or 5 years – I think demand will be consistent until then.

“We know that we need to be looking for alternatives in the fuel market that we operate in as we will not be able to grow anymore in that sector, but we will look at other types of distribution. I had a Chamber breakfast with the Governor of the Bank of England last week, and had the opportunity to meet with Andrew Bailey directly, and discussing some of the long-term plans from the government was incredibly useful.”

Challenges or opportunities?

Alistair considers the future challenges the business is likely to face.

“The move to low-carbon and non-combustion engines will be the biggest challenge,” he shares. “But, with big challenges comes opportunity.

“From the maintenance point of view, it is more dangerous to work on a battery-powered vehicle than a combustion vehicle so there are huge challenges there.

“We will have to do some enormous upgrades to our workshops to improve the facilities for dealing with electricity and all our staff will have to go through completely new training. We are already in a market where there is a short supply of technicians and qualified mechanics so it is going to put greater strain on business.”

Asked what keeps him awake at night Alistair replied: “We work around the clock; we deliver all through the day and night. Some sectors of our businesses operate almost 365 days a year. You are always concerned for your driver’s welfare. There is so much compliance, so much paperwork, so many boxes to tick, it is a never-ending job to make sure compliance is adhered to but it is essential to maintain those high standards.”

Plans, expansion, and the next generation

“I’m always looking for opportunities to grow the business,” Alistair enthused. “In June last year, I acquired a logistics company in Hull, which focused on wide loads and transporting modular buildings.

“I am always looking at other opportunities because, when I took over Clugston Distribution, it had not been in profit for 30 years and I am delighted to say that we are now returning to strong profits.

It was not an easy time to turn a company

around as Alistair explains: “I think when I joined, in January in 2020, I had six weeks in the business and then covid hit. It was a particularly challenging time for someone that had limited transport experience. I had just familiarised myself with who everyone was, and then we had to send 85% of people home due to the pandemic.

“One of the sectors continued to operate throughout this period and this was our bulk flour fleet. This was incredibly busy as, obviously, everyone still had to eat. Unfortunately, the fuel fleet was stationary as no one was on the roads, so that was a big problem for us especially as I had just bought a million pounds worth of brand-new tankers. When I joined, we had 62 trucks and we now have over 100, so we’ve increased the size of the fleet, mainly in the steel sector.

“I’m always looking at other avenues that are specialised as I want to be involved more in work that involves specialised equipment.

“The future vision for the company is to grow in different areas, new markets. I want all our staff to continue to be well trained with the best technology available to us. I am looking forward to the future.”

Clugston - a new generation

With many family-run businesses in the industry we asked Alistair if Clugston has someone in the next generation that would be keen to take over the running of the company.

“We do indeed,” Alistair answered proudly. “My son Alexander was born in April 2022! I do not know whether Alexander will want to run Clugston Distribution Services in 20 or 30 years’ time, as it is a long way down the line, but it is certainly a possibility.



“One of my new-born son’s first gifts was a t-shirt and a mug with tankers on it from Feldbinder!”

Fuel Oil News congratulates Alistair on the wonderful addition to the Clugston family and wishes the team at Clugston a very happy 100th anniversary. We look forward to interviewing Alexander in 20 years’ time!

A DAY IN THE LIFE...

Darren Priddey

OUR NEW FEATURE WHERE PEOPLE FROM MANY DIFFERENT ROLES IN THIS INDUSTRY TAKE YOU THROUGH A TYPICAL DAY IN THEIR WORKING LIFE.

THIS MONTH, WE SPEAKS WITH DARREN PRIDDEY, NATIONAL SALES MANAGER AT FUELSOFT, TO DISCOVER HOW DARREN SPENDS A TYPICAL DAY.



MY ALARM GOES OFF AT...

6.20am every morning!

THE FIRST THING I DO IS...

Walk our Labrador Lilly. I live in a little village close to the canal so I take her on the same route every morning.

I PREPARE FOR THE DAY AHEAD BY...

Having a To Do list! I do it for both home and work and always make sure I write a list of key actions for the day ahead. There are some great tools out there like Trello but paper and pen work fine for me.

I CAN'T LEAVE THE HOUSE WITHOUT...

Giving the kids a kiss and a hug. I get in trouble if I go to work without it!

MY TYPICAL DAY...

Every day is very different at Fuelsoft. With implementations, development projects and our customer support and training every day can look very different. This is something that I really enjoy and it keeps me on my toes.

I try to be structured and I like to have a routine. I am usually at the office by 8am so that I can be clear on my priorities for the day ahead before 9am hits. Fuelsoft is now providing a hybrid working model to its staff which has been really well received by everyone. It gives the staff

some flexibility whilst ensuring that collaborative time in the office still occurs. Although with that being said, when I am not at our customers, I prefer to work in the office, I find that way of working best suits me.

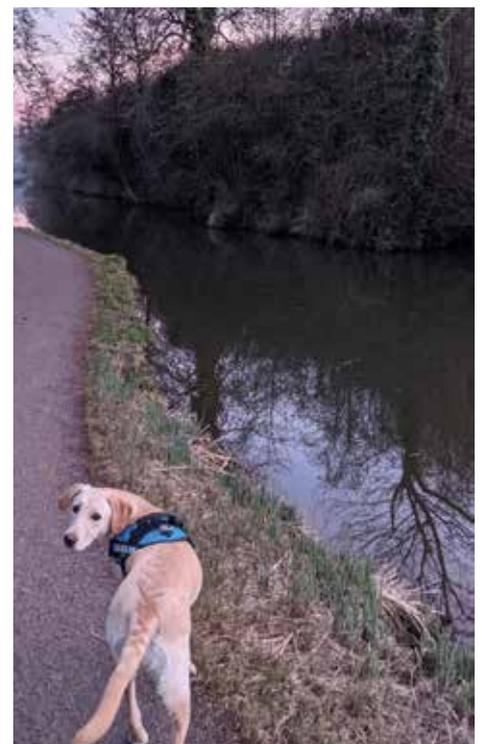
The main part of my role is to ensure that our implementation, QA, and customer success teams have everything that they need to do their roles successfully. We have a fantastic, growing team that I love working with on a daily basis. They are committed to ensuring our existing customers understand what Fuelsoft is capable of whilst ensuring our new customers are onboarded on to our software successfully.

As national sales manager, I do not wish to be faceless and like to ensure that I can visit and communicate with our existing and potential customers as frequently as possible. The pandemic has made that difficult over the last 2 years however I am now able to get on road more and look forward to seeing more of our customers over the coming weeks and months.

I have been working at Fuelsoft for 5 years now so I am still a relative 'newbie' to the fuel industry. I thoroughly enjoy working in this sector and I find it a friendly welcoming industry that it is a pleasure to be a part of. I look forward to continuing to be a part of it and helping Fuelsoft continue to grow as a business.

MY MOST MEMORABLE WORK MOMENT...

Probably the UKIFDA EXPO in Liverpool. It was great to put some faces to names and brilliant to be with people from the industry.



THE WORST PART OF MY JOB...

Is probably the car journeys. We have customers all over the country. I love visiting and seeing them but sat in traffic on M6 sometimes isn't the most exciting – I run out of podcasts.

THE BEST PART OF MY JOB...

Visiting our customers. With the pandemic this has been difficult but I'm really looking forward to being able to do this a lot more in the coming months..

I RELAX AFTER WORK BY...

Spending time with the kids, reading a good book and usually watching cricket. IPL is on constantly at the moment!

MY FAVOURITE MEAL IS (Breakfast, lunch, or evening meal) ...

My wife makes a beautiful vegetable lasagne for dinner so it would definitely be that!

ON MY BEDSIDE TABLE IS...

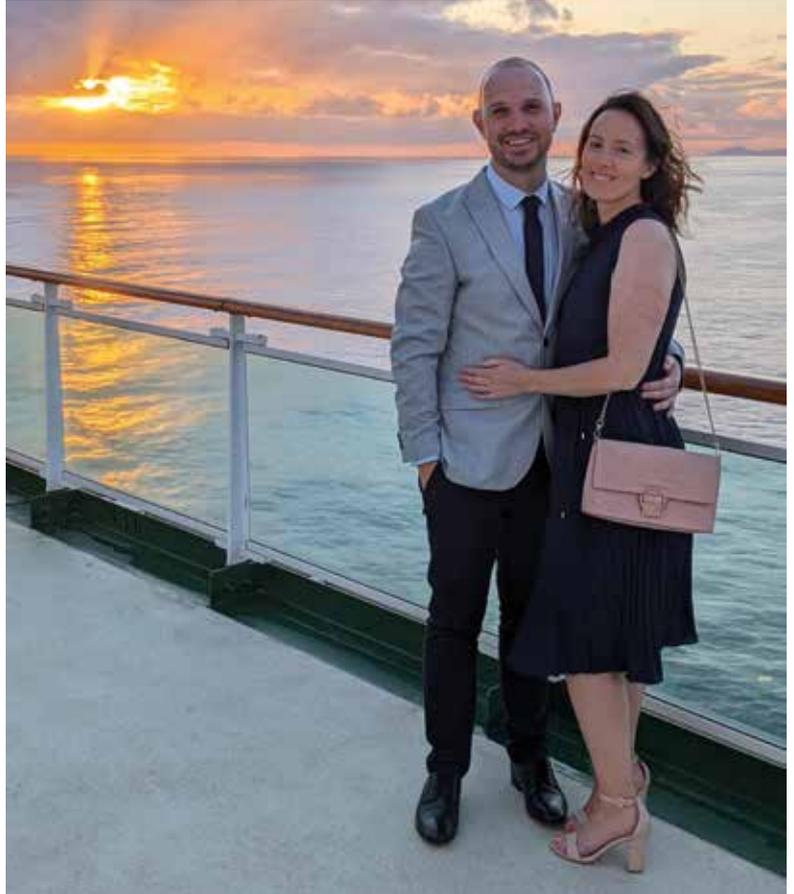
Phone charger, photo of me and my wife and a book. At the moment, I'm reading Alan Partridge's autobiography.

THE LAST THING I DO EACH DAY IS...

Usually watch something on Netflix or read a bit of my book.

I'M NORMALLY IN BED BY...

10pm.



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On EXPO 2022

WHEN ASKED "HOW WAS IT FOR YOU?" OUR COMMUNITY OF DISTRIBUTORS SAID...

It was good to see some old friends and meet new people. Thank you, Dawn and team, for a brilliant EXPO!

I thought it was fantastic to get back to a bit of normality with so many tankers at the show and lots of stands.

We all really enjoyed it.

It was great to catch up with people after so long. There was a nice buzz to it, probably a lot of relief at getting back to normal.

We enjoyed our 1st exhibition and felt it was worth attending

Was great to get back there, look forward to doing it again in the not too distant future

It was so good to see the industry back together and looking to the future thanks to UKIFDA

The value of seeing people face to face is immense

It was actually the best EXPO I've attended in 25 years!

Worthwhile and interesting

Gala dinner was pretty good too!

There are big challenges but diversity of thinking, innovation and working together will overcome these

HOW DOES THIS RELATE TO YOUR OWN EXPERIENCE OF THE INDUSTRY EXPO?
LET US HAVE YOUR OWN FEEDBACK AS WELL AS ANY NEWS YOU HAVE TO SHARE – CONTACT MARGARET@FUELOILNEWS.CO.UK

OUR THANKS TO ALL OF THOSE FROM OUR COMMUNITY WHO RESPONDED WITH THEIR FEEDBACK

The after after party

The After After Party was hosted by Fuel Oil News and Portland at Motel Bar, Liverpool during this year's UKIFDA EXPO. We hope you enjoy these memories of a fantastic night when the industry community fully embraced the opportunity to be back together.

Look out for more memories of the evening in our next issue and let us know if you'd like a copy of your photo: margaret@fueloilnews.co.uk

Thanks for making it the memorable event it was.



Claudia Weeks of Fuel Oil News with Neil Ryding of Certas



Alex Wolfe of Certas, Alison Maguire of Crown Oil, Nick Smith of Fuel Oil News and Sam Johns of Aggreko



Andrew and David Mould of Estuary Oils



Julia Birkin of Northern Oil, Nick Heath of Compass Fuel Oils and Brian Beech of Northern Oil



Chloe Crofts of ExSwift Fuels, Dixie Patel of Prax and Alex Wolfe of Certas



Nathan Brown of Attis CS



Lucy Alderton of Phillips 66 with James Spencer of Portland



Andy Ruffle-ward of Prax with Joe McGregor and Jamie Bunce of BP

Back with a bang

THE LEADING INDUSTRY EVENT RETURNED TO A PHYSICAL FORMAT AFTER AN ENFORCED 3-YEAR BREAK, AND WAS BACK WITH A BANG FOR 2022, WITH THOSE INVOLVED REGARDING IT AS A RESOUNDING SUCCESS. BRINGING THE LIQUID FUEL COMMUNITY BACK TOGETHER IN PERSON, THE UKIFDA EXPO AND FUTURE FUELS CONFERENCE AT LIVERPOOL EXHIBITION CENTRE DELIVERED A PACKED EXHIBITION HALL AND OVER 1,200 ATTENDEES.

We spoke with some of the exhibitors and attendees to hear more about their experiences of this vital industry event.

A chance to meet in person

For many of those we spoke with, the most important aspect of the annual event is the opportunity to meet so many customers, clients and contacts in one place over just a couple of days as well as establishing new contacts. Something which, without the industry coming together, would only be achievable at a great deal of cost in terms of time, money and travel.

Darren Priddey of Fuelsoft was one who stressed the importance of this: "For us, the key was having the opportunity to see a large number of our customers after a difficult couple of years.

"Being able to catch up and show them the new functionality that we have been working hard on was great.

"It was also great to see some new faces and have the chance to demonstrate how we feel Fuelsoft can help their business."

Finally putting faces to names was an important aspect for Joby Clark of Cobo Tankers & Services too: "It was great to be able to put faces to names for those that are new in the industry. As everyone would agree it was fantastic to get everyone back together again and actually meet up in person, it really felt like old times."

The physical nature of the event as well as the networking opportunities that affords were regarded as its biggest assets by Fox Insights as Sylvia Kerscher enthused: "The best thing was to be able to showcase who we are, demonstrate what we do and meet industry partners face to face and understand what they offer, too."

All under one roof

The sheer range and number of exhibitors was the best aspect of the event for Mark Nolan of Nolan Oils: "I always take some staff with me and after the first day we get together to discuss which stands to visit on the next day. So, having so many exhibitors to meet under one roof is the best thing about the show.

"To visit exhibitors individually would take months. All done in two days! What's not to like?"

The chance to meet so many in one place was also a highlight for Gwyn Lewis of Eliminox: "The diverse range of exhibitors and visitors from across Europe. A great opportunity to further our industry knowledge and increase awareness of ElimINOX Eco™.

Meeting industry needs

Exhibitors and attendees have many and



varied reasons for attending the event but all those we spoke with felt their ambitions for being there had been met.

Jo Dobbs of Refuels shared how the company was keen to "promote the services of Refuels and to catch up with people and the industry" and was delighted by the outcome and the atmosphere: "It was great to see and hear that the industry is still ambitious and looking forward to the future and future fuels."

Mark Nolan also found what he was looking for in Liverpool: "I am always looking for ways to improve the company especially with new technology," he explained.

"I wanted to check out new developments in accounts packages and ancillary equipment such as meters and new software." And Mark was impressed with the variety of exhibitors: "So many tankers and stands made the show such a great success in our opinion."





More than worth the investment

The challenge to be there was greater for overseas exhibitors, such as Fox Insights, but, as Sylvia confirms, even with the added obstacles to overcome, the EXPO still delivered plenty to make the effort worthwhile. “Due to Brexit preparing the event wasn’t always easy. For example, we had to produce a new booth setup specifically for UKIFDA EXPO,” Sylvia explains. “But it was definitely all worth it.”

“We finally got to meet the industry in person after two years of COVID, got new partners onboard, had lots of inspiring chats that gave us good insights into the UK market and helped us to reflect on ourselves and to keep learning – and that’s what we’re all about; to keep driving innovation that improves our customers lives.

“All in all, the tradeshow kept our expectations and we all left very happy with lots of homework to do – in a positive way.”

Benefiting from the break

When considering the value of the outcome for Cobo Tankers and Services Joby Clark felt that the enforced break may have actually been a benefit: “From a Cobo point of view the gap in the shows has almost done us a favour. At the last EXPO in 2019 we had our base of semi-trailer customers and had just started to breach into the rigid tanker market with a little interest from various parties.

“Displaying this year, we have had our fifth and sixth orders from some customers and have 100 to build this year. People that had toyed with the idea of placing an order were able to see the confidence in the product and also hear honest feedback from our existing customers on partnering together with Cobo.

“On Wednesday we were able to secure



our first order from a new customer who came to see tankers in the flesh and later on we were able confirm orders from Oilfast of 2 rigid for later this year, another 12 for next year as well as another 10 semi-trailers for this year for Tanker Consulting Services.

“Thursday put the cherry on the cake with 19 more for New Era next year so all in all a very successful couple of days.”

The importance of knowledge sharing

Eliminox had a very special reason to look back on the event with satisfaction as Gwyn Lewis explained: “Of course this year was extra special for us as we won the prestigious UKIFDA Innovation Award sponsored by Fuel Oil News.

“Our objectives in attending were to continue to increase awareness of our company, our brand and our now award-winning product! With all the key industry people either exhibiting or visiting we also wanted to network and meet new customers.”

It certainly didn’t disappoint as Gwyn confirms: “It was fantastic on many levels. The stands were great, the visitors and exhibitors were from diverse backgrounds, the speakers interesting and informative and we spoke with many interesting people from across the whole industry.

For Kiran Shaw of IFC Inflow, the networking and conference aspects of the event offered an important opportunity to share insight and information: “It was great to attend the UKIFDA EXPO. We enjoyed seeing many of our customers and suppliers and catching up on all the latest developments and hearing about the direction the industry is moving in.”

Sylvia Kerscher agreed: “Obviously, we wanted to increase our profile within the UK industry and gain leads for potential partnerships. But as well as finding new partners we wanted to increase our industry knowledge by understanding their challenges that are specific to the UK market.

“Both worked out well!”

Can’t wait for the next one!

Jo Dobbs summarised the event with heartfelt enthusiasm: “It was one of the best EXPOs for a long time – positive vibes all-round!”

Jo wasn’t alone in mentioning the excellent atmosphere at this year’s event with Darren Priddey naming it as his highlight: “The atmosphere! It felt different to other EXPOs, whether that is because of the time since the last EXPO or not I don’t know, but it felt like there was a real buzz about this EXPO which was great to be a part of.”

Darren confirmed that Fuelsoft also considered the event a huge success and well worth the team being there and was surprised by just how busy it was for them: “It was busy! Whether it was with existing customers, new faces or meeting with our product partners, the 2 days went incredibly quickly.

“We can’t wait for the next one. The UKIFDA dinner on the evening was also a lovely event to be a part of. A really good way to celebrate those people in the industry that make it such a fantastic industry to be a part of.”

And, casting his mind back over the UKIFDA EXPO 2022, Mark Nolan’s words echoed the feelings of many: “A great event, so good to see it so well attended. Good to see familiar faces again after the long break.”

EXPO REVIEW



Dixie Patel and Rebecca Cavanagh of Prax



Michael Higginbottom, Ryan Westenhover and George Mears of Hands Free Group



Richard Wallace of Craggs with Nick Smith of Fuel Oil News



Mike Johnson and Rhia McCue of Portland



Margaret Major of Fuel Oil News with Nick Hulland of Aon



Sam Johns of Aggreko with Alison Maguire of Crown Oil



Mark Nolan of Nolan Oils with Howard Illingworth of Northern Energy



Andrew & Lisa Welch of Sodbury Fuels with Olga Nolan of Nolan Oils



Stephen Rhodes of Highland Fuels pictured with Rebecca Cavanagh (L) and Dixie Patel (R) of Prax

On EXPO 2022

WHEN ASKED "HOW WAS IT FOR YOU?" OUR COMMUNITY OF DISTRIBUTORS SAID...

A great show. So good to catch up with everyone

**Loved being back meeting up with everyone. Great job UKIFDA.
Massive thanks to Ken, Dawn and the rest of the team. So much work
goes into making this show a success!**

**We really enjoyed the show and was nice and busy especially on the
first day**

So great to catch up with so many people after so long

It really felt like old times

All in all a very successful couple of days

It was a lovely event and we were very busy!

Fabulous venue, excellent facilities, great city

Well done to all involved

A brilliant EXPO

**Thought the show was one of the best for a long time. Very positive
for us and people just seemed to happy to be there**

**A fantastic event, enjoyed by everyone, full credit to the UKIFDA Team
especially Dawn Shakespeare and Ken Cronin**

HOW DOES THIS RELATE TO YOUR OWN EXPERIENCE OF THE INDUSTRY EXPO?

LET US HAVE YOUR OWN FEEDBACK AS WELL AS ANY NEWS YOU HAVE TO SHARE – CONTACT MARGARET@FUELOILNEWS.CO.UK

OUR THANKS TO ALL OF THOSE FROM OUR COMMUNITY WHO SHARED THEIR FEEDBACK

Crown Oil – delivering carbon neutrality as it celebrates 75 years

FUEL OIL NEWS CONGRATULATES BURY-HEADQUARTERED CROWN OIL ON ITS 75TH YEAR IN BUSINESS, AND SPEAKS WITH THIS FUEL SUPPLIER, WHICH IS LEADING THE WAY IN THE SECTOR TRANSITION, ABOUT A RECENT LANDMARK ACHIEVEMENT IN ITS EFFORTS FOR A GREENER FUTURE AS WELL AS ANNIVERSARY CELEBRATIONS.

Crown Oil Group is a company proud of its past and passionate about its future and, as it marks its diamond jubilee, has proudly announced its achievement of carbon neutral status, and believes it is the first fuel company in the UK to reach this significant milestone. With the group also on the road to net zero direct emissions by 2030 or sooner, Claudia Weeks, our content editor, found out more.

When did you first decide to focus on becoming carbon neutral?

“Becoming a carbon neutral business was a steppingstone towards our ultimate goal of becoming net zero. While we work towards achieving this, managing director Matthew Greensmith, wants to ensure the business is still doing all it can to actively reduce carbon emissions.

“This led him to setting the initial target for the Group to be certified carbon neutral. With the group delighted to have recently received confirmation that it has achieved the status as it marks 75 years in business, we will now use this as a springboard to continue working towards our long-term goal of net zero direct emissions (scope 1 and 2) by 2030, but ideally sooner.

“This next target will mean reducing emissions as much as possible through measures such as using solar energy and purchasing electricity from other renewable sources.”

Internationally recognised framework ensures transparent validation

“With some scepticism surrounding carbon neutral status it was important to us to ensure transparency and continual improvement, so we partnered with the North West team of ClearLead Consulting to validate our carbon neutral achievement and commitments within the internationally recognised PAS 2060 framework in order to obtain certification to the PAS 2060 standard for carbon neutrality.”

The PAS 2060 standard specifies a four-stage process to demonstrate carbon neutrality which involves:

- Assessment of GHG emissions based on accurate measurement data



- Reduction of emissions through a target-driven carbon management plan
- Offsetting of excess emissions, often by purchasing carbon credits
- Documentation and verification through qualifying explanatory statements and public disclosure.

“We feel that aligning with this standard will hold our business to account and prove to our customers and stakeholders that we are following a robust carbon reduction and avoidance strategy to achieve our long-term goal.”

What led to the initial decision to work towards net zero?

“Climate change is a serious issue that’s affecting each and every one of us. To limit the rise in the average global temperature to 1.5°C, the UK government has set a goal of net zero carbon emissions by 2050. Businesses have a responsibility to do their bit to help reduce the effects of climate change.

“Times are changing for the oil industry and we’re proud to be on the leading edge of the green revolution. Businesses have a responsibility to act now, and, at Crown Oil, we take this responsibility seriously.

“As a fuel supplier, we acknowledge that our operations influence the local, regional, and global environment. That’s why we’ve put sustainability at the core of our business and are going above and beyond to find ways to reduce that impact. We understand that real lasting change requires action rather than just words, and we’re changing the way we fuel our future.

“Our constant push for innovative and sustainable solutions led us to take a risk in 2019 and import HVO fuel into the UK market,

providing our customers with a direct alternative that reduces net greenhouse gas emissions whilst requiring minimal capital expenditure to adopt.

• We have a duty to our customers

As a fuel supplier, our operations have a direct influence on our planet, so we are actively implementing ways to reduce not just our own carbon footprint, but our customers’ footprint too.

• We care about improving local air quality

Greater Manchester is planning to get to net zero by 2038. As a local family-run business, we are passionate about fuelling positive change within our local communities.

• Doing good and doing well go hand in hand

We’re making big changes to not only improve our reputation, but because it’s the right thing to do for our planet and for future generations.

What steps have you taken to reach this point?

“Other than a lot of background work to obtain accurate emissions data for our operations we have already started to invest in significant improvements and have a number of initiatives in place to ensure continual reductions in emissions.”

2018 – We invested heavily in HVO to help businesses meet increasing emission reduction targets

2020 – We won the Fuel Oil News Tanker of the Year Award for our brand new, first of its kind, HVO tanker

2021 – We became the first UK fuel supplier to switch our entire road fleet to HVO and won the UKIFDA Green Award for 2021. We started work with an external consultancy to conduct a Carbon Reduction Strategy and we began to

work towards the achievement of the PAS 2060 Carbon Neutral certification

2022 – We were certified carbon neutral in May 2022 and, as we work towards our next target of net zero, we have plans for: Solar panel installation at Birmingham depot, office lighting upgraded to LED bulbs throughout and heat recovery ventilation system installation at main office buildings

Through 2022/23 solar panels will be installed at all Bury-based offices / manufacturing sites.

2023 – Our office buildings will be powered by renewable energy. The oil-fired central heating will be converted from kerosene to electric with upgrades to insulation and draught proofing.

2028 – We will be upgrading fuel system pumps to the most energy efficient.

2029 – By this time our total van fleet will be upgraded to electric. Some vans may be upgraded sooner as leases come to an end.

2030 – The Crown Group will have net zero direct emissions (and hopefully much sooner than 2030)

How have your plans been received both by staff and by customers?

“To help to drive the business forward towards net zero we have launched a dedicated Sustainable Project Team which is committed to encouraging staff buy-in. We will be implementing regular training sessions and incentives to encourage staff commitment to adopting sustainable practices.

“Overall, however, staff know that companies need to be doing all they can to reduce emissions and protect the environment, so they are already committed to assisting us and promoting our sustainability journey to customers.”

What remains to be changed to reach net zero direct emissions?

“Over the coming years we imagine that there will be a number of challenges which, through our carbon reduction and avoidance strategy, we will be ready and prepared to deal with.

“One of the areas we are going to be reliant on for the foreseeable future, however, is the grid for our additional electricity supply. Until this is fully net zero, we will need to offset these emissions. In addition to our plans for solar installation we have been researching the development of other renewable technologies such as harnessing wind power.

“With rapid development in this area we are hoping that, over the coming years, this will become suitable for our sites so we can further reduce our reliance on the grid.”



the way. An area we have found challenging is finding the way to become self-sufficient for energy at our leased sites and we are working with our landlords at these facilities to see how we can work with them to address this issue.”

What have been the implications for the business in terms of financial or time investment?

“We estimate that, this year alone, we will be investing between £750,000 – £1,000,000 to achieve these goals, and between 2021 – 2025 we will have invested approx. £3 million + to assist in this journey.

“The company has set up a sustainability team which meets monthly to discuss where our plans are up to and whether they are on schedule. Sustainability is also now included in the company charity committee meetings where the possibility of partnering with charitable organisations to offer staff to assist with tree planting or peat bog restoration projects in the local area is being considered.”

What would you share with others in our industry who want to go down this route?

“Becoming a carbon neutral company aligned to the PAS2060 standard will show how committed any company is to the decarbonisation of its operations supported by the neutralisation of the remaining impact through the support of verified environmental projects in the UK and around the globe.

“It also ensures businesses are accountable for the claims they make and promote continual emissions reductions to support the achievement of becoming net zero.”

Our congratulations to Crown Oil Group on two milestone achievements. We will continue to follow the journey to a greener future with huge interest.

We hope the insight shared above is helpful to those in our distributor community also working towards a greener future and would love to hear from you on your own journey so far and your own plans for the future.

Please contact claudia@andpublishing.co.uk

Which have been the hardest areas to address?

“Obtaining accurate scope 3 emissions data has been challenging and to ensure our data is accurate we have enlisted the help of the North-West based consultants from Clearlead Consulting. They have the expertise in this area and are able to verify any claims we make.

“Having the knowledge and skillset of this consultancy to hand gives us the confidence to robustly stand by our figures and be confident we are providing customers and suppliers with accurate data.”

Where did you find quick wins on the way?

“We are passionate about leading by example. In 2020, we switched our entire delivery fleet over to HVO, making us the first supplier in the country to carry out fuel deliveries on a 100% renewable diesel.

“HVO is a direct alternative to fossil diesel and can be used without capital expenditure for changes to infrastructure. By simply swapping fossil diesel for the advanced renewable fuel, we predict a saving of 3080 tonnes of net CO2 every year (20/21 baseline).”

Have there been any really tough challenges to overcome?

“At the moment we are still in the early stages of our carbon neutral and net zero journey. The difficulties we have currently had have been around obtaining data and modifying our internal systems to ensure that carbon reporting is embedded in every process, from the purchasing of stationary for the offices to the amount of energy our satellite depots are using.

“We do, however, understand that there will more than likely be a number of hurdles along

Living the dream Standard Fuel Oils celebrates 10th anniversary

WHEN WE FEATURED THE THOUGHTS OF STANDARD FUEL OILS IN OUR INDUSTRY FOCUS ON THE BUSINESS OF FUEL DISTRIBUTION – APRIL ISSUE FON – WE PROMISED TO FIND OUT MORE ABOUT THIS DISTRIBUTOR AS THEY CELEBRATE A SPECIAL ANNIVERSARY. LIZ BOARDMAN SPEAKS WITH **NICK GOODWIN**, COMPANY DIRECTOR AND ONE OF STANDARD FUEL OILS' FOUNDERS, AS HE LOOKS BACK ON TEN YEARS IN THE INDUSTRY.

It is incredible to think that 10 years have passed since we ran a feature about your opening. Please talk us through the development of the business from those hopeful beginnings through to the current day.

We started off in 2010 with a small team of four and two vehicles. Over the years we have gradually expanded the team and the fleet and now have nearly 40 employees and supply just under 200 million litres of fuel annually from our two depots.

In 2021 we rebranded to reflect the company's success and continued growth. Fuel should be simple, so the brand needed to reflect that, starting with a top-to-bottom redesign of the company's website, logo and graphics. The new brand assets include a simplified, two-colour logo, along with a new website and tankers livery designs that utilise simple, bold graphics in order to get information to customers as quickly and efficiently as possible.

We added the new Manchester depot in December 2019. Operating out of a major UK city like Manchester means that we can reach more customers.

What have been the main company milestones of growth and change during that time?

In 2019 we were named in the top 1000 Companies to Inspire Britain. The report is an annual celebration of Britain's fastest growing and most dynamic small and medium-sized businesses and it felt like a huge landmark for us to be included in that inspirational list.

The team of four that began the business brought plenty of industry experience but what has been the best bit of advice you have even been given in this industry?

Starting out, I was told that customer satisfaction is key, and as a business we have



stuck to this advice rigidly over the years. Our ethos has been built on customer care, credibility and industry knowledge and that's what has kept the business running seamlessly for over 10 years. I firmly believe that it will allow us to continue to grow and expand in the coming years.

When you started up you had quite a lot of commercial and agricultural customers, but you believed that establishing a domestic customer base was going to take longer. How did that go and how does your business divide up between domestic, commercial and agricultural now?

Commercial fuel is still a huge part of our business, and we also support vital businesses such as the emergency services, local councils, and the NHS.

Based in Liverpool, near to the docks, we supply a significant amount of fuel to the marine sector and, as such, have been able to build strategic partnerships with traders, agents, physical suppliers and vessel owners right across the country. We're also surrounded by rich agricultural land and continue to support the multitude of local growers and farmers who require gas oil, on a daily basis.

The domestic market is always changing

with fresh technologies and new ways to order so we've now implemented new digital marketing strategies to allow domestic customers to place fuel orders much more efficiently.

You began with two second-hand tankers and a dream of buying a new one. I'm guessing you achieved that dream – what are you running now?

We certainly did and have increased our fleet tenfold in as many years, which feels amazing. It pays to dream big. We started out with just two second-hand tankers – an eight and a six-wheeler – yet now, as we celebrate our 10-year anniversary, we have an incredible fleet of 22 bought-as-new trucks with four more on order.

When you began there was a management team of three with a couple of drivers. Are the original members still part of the business and how many people are involved with Standard now?

One of our key focuses is to look after our employees and we're extremely proud that the original staff are still a vital part of the business. We now have several departments in the business including sales, finance and marketing and over 38 employees.

You won your first customers by simply driving around and knocking on doors. How do new customers hear about you now and how much has the business grown in terms of customers and areas. Do you see much opportunity to grow further, and do you have any plans to diversify?

We have a strong sales team in the office that works closely with our existing customers and brings in new customers. We also have a sales team that works out of the office, on the road, meeting new and potential customers. This has allowed us to reach different areas across the UK and expand out from our base in the North West.

You chose the name 'Standard' because you wanted to be known as a business with standards of quality and reliability. What do you believe you are known for now?

Reliability and pricing. We've worked hard over the last 10 years to build a business that customers can rely on in terms of price and crucially, service.

Do you currently offer any alternative fuels, and do you intend to add any?

There's a huge opportunity this year to



grow into renewable fuels. We now offer HVO to our customers, which is a cleaner and greener renewable fuel. Through our trade body, UKIFDA, we can offset our carbon footprint, as can our customers.

What do you think makes your customers choose you as their supplier?

Our key focuses are our customers and the communities in which we operate. From the very start, we believed in keeping and maintaining a high level of customer service and this is still the case today. We create strong relationships with our customers and have an excellent team that can help them with any of their needs.

Over the next few years, what do you see as major challenges to the industry and what are the positives?

The biggest challenge has been the reassessment of rebated fuels. With very few exceptions, users of red diesel will have to switch to road diesel, PrimeHeat35 or HVO. We had a lot of customers that needed to make that switch and the biggest challenges for them were ensuring that tanks were run down in time for the change and that there were only nominal amounts of product left in their tanks and equipment. As the Government continues to push towards net zero, we need to be prepared for more changes like this in the future.

Looking to the future what is the vision for the company?

We have been looking to expand and open a third depot in the Yorkshire area. The ever-growing fleet of company-owned trucks are out making deliveries every day and opening up another depot, will allow us to reach new customers and expand further afield.

We congratulate Nick and the team at Standard Fuel Oils on all they have achieved in their first 10 years and look forward to reporting the opening of their new depot.

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Red diesel: What do the new rules mean for distributors?

IN OUR CONTINUING SERIES OF ARTICLES COVERING THE IMPLICATIONS OF THE RED DIESEL REBATE CHANGES, WE NOW CONSIDER THE IMPACT ON FUEL STORAGE FACILITIES OF THE RESULTANT DECREASED REQUIREMENT FOR RED DIESEL AND INCREASED DEMAND FOR WHITE.

On April 1 2022, the Government changed the rules on who is eligible to use red diesel – with the aim of taxing most users of diesel more appropriately given the harmful emissions they produce.

Various sectors lost their entitlement: construction, plant hire, road maintenance, haulage and logistics, manufacturing, mining and quarrying, and commercial and backup power generation.

If you're a distributor supplying any of these industries, you're no doubt aware of the change in legislation. But have you fully considered what it will mean for your facilities and processes?

With fewer operations using red diesel, you're going to need to store more white diesel to meet demand, and you're going to have to be very careful not to contaminate any of your customers' white diesel tanks with red dye.

Russell Rhodes, BDM Scotland & Northern England, Adler and Allan, discusses the implications and options available to your operation.

Option 1: Don't change anything

You can decide to keep your depot as it is – but do consider that you will need to engage with your RDCO to alter your delivery schedule, so you can refill your white diesel stocks more regularly as demand increases.

Also be aware that white diesel is considerably more valuable (especially now)

and is vulnerable to theft. You should consider additional security measures, such as CCTV monitoring, as well as spill response cover given that theft often also results in damage, careless handling, and spills.

Option 2: Repurpose some tanks from red to white diesel

To meet the change in demand, this is a sensible strategy, but you will need to ensure the tanks are fully cleaned prior to the grade change, as you cannot risk putting traces of red dye into a customer's white diesel tanks.

You should engage with an environmental services partner to ensure your tanks are cleaned with 100% compliance and minimum disruption to your operations.

Option 3: Consolidate your red and white diesel in separate depots

To make operations more clear-cut, you might decide to separate your red and white diesel storage to entirely different depots, for a more focused distribution strategy and less risk of any cross-contamination.

A specialist environmental services provider can undertake the fuel uplift and transfer, cleaning and buyback in preparation.

Option 4: Increase your overall tank capacity

Another strategy is to increase your overall tank storage to accommodate the greater

demand for white diesel.

Consult an expert in fuel infrastructure to advise on the new tank supply, undertake safe and compliant installation, and provide long-term maintenance.

Option 5: Install an injection system

One final option is to switch entirely to storing white diesel but install an injection system to convert white to red diesel on demand, claiming back the tax.

This would require a specialist to install a fuel injection system and process at your depot.

Finding the right option for you

Whichever strategy you decide fits your operations; you'll need to act swiftly. An upfront investment will ensure you keep up with the changing fuel demands of customers, avoid contaminating any white diesel stocks, and have adequate security measures in place.

ABOUT THE AUTHOR: Russell Rhodes is business development manager, Scotland & Northern England, for Adler and Allan – a company with expertise in fuel handling and tank storage as well as the relevant legislation.



Safeguard the future with effective succession planning

AS THE WORLD CONTINUES TO EVOLVE, THE FUEL DISTRIBUTION INDUSTRY NEEDS TO STEER ITSELF TOWARDS NEW PRODUCTS, METHODS AND TECHNOLOGY TO ENSURE CUSTOMER AND WIDER STAKEHOLDER EXPECTATIONS CAN STILL BE MET IN A RAPIDLY CHANGING ENVIRONMENT.

A rapidly changing market is not for the faint hearted and, for some, it is considered too big a mountain to climb, whilst others relish the idea of embracing change, meeting the challenge and tackling it head on. Here we speak to Ollie Newbold and Will Abbot, both of whom are partners from the specialist accountancy and advisory firm Randall and Payne as we consider the issue of succession planning in the sector and explore the various options.

Planning ahead to maximise value

‘After working with a client for many years in the oil distribution sector, the shareholders decided that the time had come to explore all their options for succession planning. We continue to take the same approach with any client seeking to plan an exit. When approached by businesses we look at all options available to them including Management Buy Out (MBO), Employee Ownership Trusts (EOT), a trade exit and, potentially, handing down to the next generation.’

Telling us more about his experience of succession planning within the industry, Ollie notes that the first top tip he would have for anyone considering an exit would be: “Ensure you set out a clear succession plan well in advance.”

“By thinking about your succession plan 3-5 years in advance, an effective exit strategy can be prepared and adapted. This is particularly important as it allows business owners to understand the current value, allowing you to compare this to your personal requirements. It also allows you time to establish areas that are eroding business value and areas which are improving it, thus providing clarity over how to maximise business value in readiness for exit.”

“Notably there are some key areas specific to the industry that can be addressed during this planning period. Essentially, the shareholders then have peace of mind that the business is well placed when the time comes for an exit”.

Considering the head and the heart

As noted in previous Fuel Oil News articles, part of the industry charm is that many oil

distributors are family-owned and run. These businesses have been nurtured over the years through generations and have required time, energy and investment. Ollie notes that when he discusses exit with business owners, it is important to ascertain what factors meets the vendor objectives.

Ollie recalls: “When advising the Darch family on the sale of their family business it was important to all members involved that the business was not commoditised, and that the legacy of the business would continue under new ownership. We appreciate that there is great deal of history and emotion attached to these businesses. We therefore accept that a decision to commence a plan to exit can take some time to make.”

Whilst much of the emphasis of this article is around exit planning for a trade sale, there are other options open to those planning for the future also considered.

Management buyout (MBO)

Some companies enjoy a long-standing relationship with their employees, many of whom have steadily climbed up the employment ladder into management positions. Ollie has advised on a number of MBOs and observes: “MBOs allow a strong second-tier management team to combine resources to purchase shares from the business owner.

“This gives them the opportunity to develop the business using the skills, experience and knowledge that they have gained in their employment. It is important to note that an MBO does require significant levels of funding, however, there are different sources of finance that can be utilised to facilitate the transaction”.

Employee Ownership Trust (EOT)

Many readers will be familiar with the well-known high street brand, John Lewis, which is owned by its employees and is a standard bearer for companies which are owned in this way. The Employee Ownership Trust model allows the employees, as a body, to hold the shares of the business in trust, as well as having direct input on how the company is run.

The model encourages greater commitment and engagement from staff, as well as business resilience, whilst stimulating profitability and productivity. As Ollie notes: “Up to now this is a less commonly used method of exit, although it is starting to become more popular with a recent example being the sale of Richer Sounds.

“It can be equally as effective as more traditional strategies, when used in the right environment, and there are tax benefits for both the seller and the employees. These transactions are generally more effective in companies with a very strong team-based culture.”

Passing the business to the next generation

Family business succession is the process of transitioning ownership of a business to the next generation of family members. In order for this to happen, there are a number of technical processes which need to be undertaken.

Will remarks: “The first piece of advice we would give would be to ensure there is a very clear vision of how the business would be owned and managed in the future.”

Whilst a trade sale might need to be planned 3-5 years in advance, family succession planning is likely to have a longer time scale. It can be viewed as a more straightforward option but family succession has all the same challenges as any other form of exit with the added layer of the complexity of family relationships.

The ‘IIGE’ approach – Improve. Invest. Grow. Exit.

Succession planning requires time and commitment. Where it is done well, it can often, in the early phase, identify unrealised opportunities which have the potential to build further value in the business.

By using this knowledge to build a strategic plan, business owners can analyse the business, as it is today, in order to create a formal plan for tomorrow. Explaining the IIGE approach Will comments: “Our approach involves breaking the exit strategy in to four steps: Improving profit and cash generation; Investing this cash appropriately to drive Growth; timing the Exit to take best advantage of the resultant increases in value.

Improve: Improvement comes from within and must be regularly monitored with actions taken in order to deliver results as Will explains: “It is important to note that improvement is not just based around finances, there are other interpretations which are equally as important

such as managing efficiencies as well as strategic planning to maximise resources.

“By reviewing a breadth of issues, business owners can identify ways to optimise business performance and subsequently drive growth and profit.”

“Frequently, when reviewing this point in the succession plan, we are able to gain an understanding of how the business works and, through our experience, often provide advice on issues that have previously been overlooked.”

Invest: What do I invest in and how do I do it? Once areas of improvement have been determined, a clear strategy can be defined which will help identify the areas of the business that would potentially benefit from investment. This may be a combination of human and capital investment.

A case in point

Applying investment in the correct areas should then act as a catalyst for growth in business value. An example of this was when Ollie worked with Hobbs Bros. Limited and led strategic discussions around the need to invest in their depot to allow the business to move to the next level and prepare for exit. This culminated in financing and building a £3 million, state-of-the-art, purpose-built facility in Gloucester, allowing the company to increase oil reserves and serve a much wider client base. This helped them to expand the business and complete a successful sale to an ideal buyer in Ford Fuels Limited – a South West firm built on the same family foundations as Hobbs Bros. Ltd.

Ollie comments: “Our work with Hobbs Bros. Ltd, clearly demonstrated how succession planning and expert advice in business investment is so important, prior to exit, in order for vendors to achieve a fair price upon sale.”

Growth: Improvement and investment will become the driving force behind organic growth however, there are other options business owners can explore when reviewing their succession plan.

“We have worked alongside business owners who are looking to acquire an additional business as part of their own succession plan,” Ollie explains. “Through the acquisition of the right business as part of the plan, business owners can create a larger, more diverse company with greater synergies which will, in turn, create a stronger business for a successor or when preparing for a business sale.”

Exit: An exit from a business is a complex and detailed process that most business owners will

only do once in their lifetime, and it is important that it not only achieves the best future for the business, but also ensures that the owner is ready for life after exit.

Being prepared for exit is not just about knowing when the business is at its maximum potential sale value or understanding that the time is right to hand over the reins, but it is also important to ensure you are ready too as Ollie comments: “Business owners become inextricably linked to their business and being the leader can form part of their own identity. So, when planning to exit, don’t just consider futureproofing the identity of the business after you have left and safeguarding the brand and the employees, you must also prepare yourself for the lifestyle adjustment.”

Facing a choice

For oil distributors the current marketplace is one of rapid change. Given that a large number of oil distribution businesses are small or medium-sized, the additional, impending changes in the industry may be daunting, such as:

- adopting new fuel types e.g., HVO and other future fuels
- new legislative regimes e.g., red diesel, coal usage
- adopting new technology e.g., adapting software and websites to the changing needs of consumers

Fundamentally, despite the changes that are afoot, established and reliable oil distributors have a fantastic asset that must be protected. In order to do so, there is a choice to make:

“Do we relish the opportunity that this changing marketplace provides us, or do we recognise that we are not prepared to invest hard earned reserves in new skills and technology?”

Whichever route is chosen will be the right choice for the individual distributor, however, both require careful planning in order to maximise the opportunity.

Relishing the challenge of change

If you relish the challenge of the changing market, perhaps you need to consider:

- How do we become a frontrunner in this changing marketplace?
- Who would be our target customer in this instance?
- How do we use the strength and credibility of our existing brand to best effect?
- How do we demonstrate our commitment to the adoption of future fuels?
- How and when do we upskill our team for these changes?

Ready for a different future

If you are not ready or prepared to adopt the level of changes that will inevitably be required in the coming years, perhaps you need to think about:

- Is now the time to consider an exit to crystallise the value of the asset we have nurtured?
- Should we understand the value of the business now so we can establish whether there is a value gap to address?
- How can we maximise value in a relatively short time frame?
- Have we got some legacy issues we need to consider dealing with such as environmental issues at depots?
- Have we got a strong second-tier management team that a buyer can rely on? If not, what can we do now to address this?
- Are there other regulatory issues that need to be dealt with or that we can use to build confidence with a buyer such as Operator’s Compliance Risk Score, DGSA reports and Vehicle maintenance reports?

Standing out from the crowd

In summary, there are a number of ways in which an exit can be achieved, however, there is certainly no shortage of cash rich potential buyers that are hungry for acquisition opportunities. The expectation from these buyers is that, with the changing marketplace, there may well be a number of opportunities available to them in the coming years.

Given that expectation, it is even more important that a business is in great shape financially, operationally, commercially and from a legislative perspective in order to maximise sales proceeds by being the standout opportunity.

OLLIE NEWBOLD, Corporate Finance Partner, works with ambitious businesses and their owners, handling company acquisitions and sales, financing, due diligence and valuations.



WILL ABBOTT, Business Advisory Partner, helps business people achieve success by bringing clarity to their strategy and to solve business problems so that they can be the best they can be.





Janet Kettlewell: A unique tenure

INAUGURATED AS PRESIDENT OF UKIFDA ON THE 24TH JUNE 2020, JANET KETTLEWELL HEADED THE ASSOCIATION'S MANAGEMENT COMMITTEE AND WORKED CLOSELY WITH KEN CRONIN, CEO.

Running her own family fuel distribution business, Kettlewell Fuels, Janet was a UKIFDA management committee member for 5 years before taking on the role of president and is also UKIFDA representative for Yorkshire and the North-East of England. Janet has seen the association transform over the last few years into a modern, innovative, and highly ambitious organisation.

When she took on the role, Janet set out clear ambitions for her presidency: "I aim to continue the sterling work of past presidents on raising standards in the industry and making further significant progress on how the industry meets the decarbonisation targets set by the governments of the UK and Ireland.

"As the market continues to develop and change, as we enter a new era of liquid fuels, we will embrace all the challenges that lie ahead for our sector with enthusiasm and passion, and I am absolutely sure that UKIFDA and its members will continue to thrive."

After an enforced break, the industry came together at the UKIFDA EXPO in Liverpool in April for the first physical event in 3 years at which it was time for Janet to step down as

president and to hand over that responsibility to Rory Clarke, MD at J.R. Rix & Sons Ltd.

Claudia Weeks, content editor, spoke with Janet at the EXPO to review her time as president and to find out what happens next.

A time of challenge and change

"I'm very much a people person. It's been really lovely seeing people coming together during these challenging times," Janet began, when asked what she has enjoyed about her time as president. "The whole community has come together, and Ken has certainly been a key part in that.

"The particular challenges over the last two years such as covid, the clean bill strategy and now, the Ukraine crisis, have brought everyone together. The UKIFDA team has been amazing; it's a small team and the committee is made up of volunteers, but they all work hard and have given up their time happily and bring so much value to the industry.

"A key point to remember is that the primary role of the association is to be the members' champion and not just a networking organisation – UKIFDA takes the current market

issues and delivers them back to the members with solutions to help members find their pathway as well as giving constructive support and guidance.

"There are also more members stepping forward to help. Ken has been great at putting together different working groups on different topics, which we all benefit from. UKIFDA is very democratic – it doesn't matter if you're a big, small, or medium sized company – the opportunities are the same for everyone."

The biggest challenges

"The biggest challenge at the start of my role was when Guy Pulham, former CEO UKIFDA, said he wasn't going to renew his contract. That meant finding the right person to be the new CEO – a challenge made more difficult as it all happened during covid. We had to conduct interviews virtually, interviewing and appointing Ken virtually. It was only some months later that we eventually got to meet him.

"It's bizarre to think that interviewing for a role which is so important, as the CEO of UKIFDA, was all done through a screen. Obviously, covid provided many challenges and now we also have the Ukraine crisis and the cost-of-living crisis. On the plus side, there has been plenty to get stuck into, to learn and share ideas and to deal with challenges head on.

Favourite Moment

"It's a tricky one – I've been involved with UKIFDA for a long time. There has been so much organic growth and development. It would be hard to pinpoint an exact moment that was my favourite!

"My initial inauguration was a definite

highlight. I received a lot of positive support, which made the start of my presidency so much easier.

“During my presidency, I’d say meeting and appointing Ken. He’s playing a vital role and has formed a good relationship with Government that is critical to our success – even receiving direct communication from Rishi Sunak, which has enabled UKIFDA to make future plans.

“I’ve also had the opportunity to get involved across a number of UKIFDA committees and working groups – it’s always productive to look beyond your world and work collaboratively. It’s been a great way to get to know more people in the industry too.

“Being part of this ‘rejuvenated’ UKIFDA and the future fuels project has been so rewarding. To see an industry moving forward when there are so many challenges we are facing. We fully take on board our responsibility to play our part in a cleaner future and want to embrace that. The industry is prepared and ready to pivot for the future.”

The UKIFDA EXPO

“The EXPO was a huge success and thoroughly enjoyed by all,” Janet enthused. “I would like to say a huge thank you to Dawn Shakespeare,



UKIFDA membership and events manager, for her part in organising the whole event. There has been so much good engagement.

“We have an amazing industry and lovely people that work within it. It’s been so nice seeing everybody and bringing people together, learning from the exhibitors and conference speakers, discovering what’s new in businesses, and just seeing people so enthusiastic about being back together.

“It’s the critical factors of the sector that are bringing people together – it has harmonised people and it’s been great to see people in 3D finally!”

Any advice for the incoming president?

As mentioned above, taking over the role as president at UKIFDA from Janet is Rory Clarke, and Janet was full of praise for her successor: “Rory – be yourself!”

“He’s an amazing individual with masses of experience. Rory has been a huge help and support to me, and he will do a wonderful job. I simply don’t need to give advice to Rory Clarke, there’s nothing I can teach him!”

Future plans

Fuel Oil News wanted to know what the future holds for Janet Kettlewell and asked “What next?”

Janet laughed and said that her immediate plans were to “go home and rest!” but that after that it would be back to work with gusto.

“I will be carrying on with our family distribution business, Kettlewell Fuels that I run jointly with my husband, Trevor. I always strive to be the best I can possibly be and look forward to continuing the hard work with the wonderful Kettlewell team.

Fuel Oil News wishes Janet the very best for her future endeavours and looks forward to continuing to support Rory, Ken, Dawn and the whole team at UKIFDA.

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Energy transition: A new golden age for nuclear in Britain?

AS WE CONTINUE TO CONSIDER WHICH FUELS MAY CONTRIBUTE TO FUTURE ENERGY NEEDS, WE SPEAK WITH **PAUL VERRILL**, DIRECTOR OF ENAPPSYS, TO REVIEW THE CURRENT STATE OF THE BRITISH NUCLEAR ENERGY INDUSTRY AND CONSIDER THE POTENTIAL FOR NUCLEAR ENERGY TO PLAY A PART IN THE TRANSITION TO NET ZERO.

Recently the UK Prime Minister Boris Johnson boldly stated that the government plan is to “build a nuclear reactor every year rather than once every decade”. This comes at a time when France is having major difficulties with its nuclear fleet, with half of its 64GW installed capacity of “always on” nuclear notably shut down due to routine maintenance or defects. Furthermore, Germany will shutter its last three nuclear plants by December, while Belgium, Switzerland and Spain all have their own phase-outs planned.

Could a new nuclear reactor each year be the solution GB needs to alleviate its energy-related woes, harking back to the days of the French large-scale nuclear buildout of the 1980s, in which 44 nuclear plants began commercial operation in a single decade? Or has the golden age of nuclear been and gone? After all, the last time France put a new reactor live was over 20 years ago.

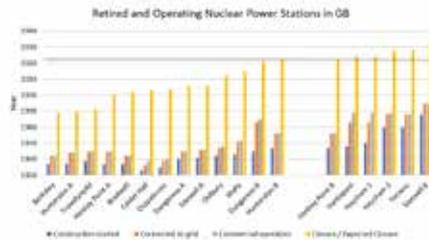
The days of nuclear past

Looking back, GB hasn't had the best track record with its own nuclear plans, with some plants closing earlier than expected. Hunterston B closed in January due to cracks in the reactor's graphite core, with Dungeness decommissioned in 2021 due to corrosion in the pipework. Moreover, there has been a lack of replacement plants coming online to replace the aging fleet as the units slowly die off one by one: the youngest plant, Sizewell B, began commercial operation in 1995.

Nuclear future

Future projects have also been seemingly plagued with setbacks and issues. Hinkley Point C was initially expected to begin generation in 2023, now tentatively scheduled for 2026. Sizewell C was expected to start construction last year, but as of 2022, construction has not yet started – and is expected to take between 9 and 12 years.

Additionally, Scotland wants out. The Scottish government opposes new nuclear power plants on environmental, safety and cost grounds.



But, despite its shortcomings, there are undeniable benefits to nuclear.

Looking at the positives

France's nuclear generation allows the country to benefit (most of the time) from low market prices relative to the rest of Europe, and France regularly exports to surrounding countries. In 2019, the average emission factor of electricity generation was 35g of CO₂ per kWh – 11 times less than the 387g of CO₂ per kWh in Germany. Household consumers in France pay on average 40% less per kWh than their neighbours.

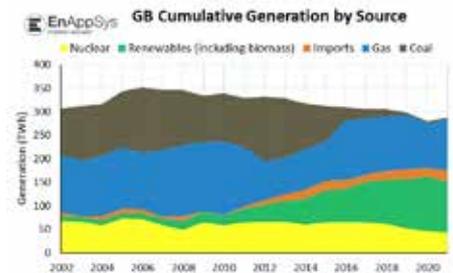
France is also leading the way in the electrification of sectors such as heating, which, by and large, helps to reduce carbon emissions. Furthermore, in February, French President Emmanuel Macron also promised a nuclear “renaissance”, stating “the time is right” and announcing 6 new reactors, with an additional 8 to be considered.

The advent of small modular reactors (SMRs) has potential to shift the landscape too, with the UK government betting heavily on Rolls Royce to provide these, with approval expected by 2024. Other nuclear technologies such as Advanced Modular Reactors (AMRs), while yet unproven, feature prominently in government roadmaps.

Energy security through diversity

The UK government's plan for net zero by 2050 also relies on nuclear power as a key component, with one of the future energy scenarios from National Grid ESO estimating over 17GW of nuclear by 2050, more than double the ~8GW today.

At its best, nuclear is a low-carbon, cheap source of energy that can lower the cost of



electricity for consumers and industry, provide energy security and fuel diversity, and reduce dependence on gas and oil from Russia.

But, while the cost of renewables is rapidly coming down in recent years, nuclear is one of the few technologies that sees costs continue to increase. In the era of many crises – the cost-of-living crisis, Ukraine crisis, COVID and Brexit – can taxpayers really afford to pay their share towards dozens of new nuclear projects without seeing a return on investment for over a decade? Or perhaps large-scale nuclear build-out will serve the country well in the long-term?

The subject of nuclear power has always been a very wide-reaching, interconnected and controversial topic but, with the official decision on Sizewell C due later this month, the future of GB energy industry is at a critical stage. Whilst the current government has stated its bold plan, the timetable to implement nuclear projects means that consensus across subsequent governments will be needed to “build a nuclear reactor every year rather than once every decade”.

PAUL VERRILL is a director of EnAppSys and is a chartered engineer who has held senior posts in asset management and development with Enron and, more recently, px limited (a manager of energy assets). Having started in asset management, for the last 15 years Paul's roles have been predominantly in business and commercial management, utilising a deep sector experience and knowledge to build value.





PORTLAND MARKET REPORT

MAY
IN VIEW

THE MAJOR QUESTION – TO GREEN OR NOT TO GREEN?

The death knell of the oil majors has been sounded many times. In the 70s it was feared that Exxon, Shell, BP et al would be eclipsed by OPEC (Organisation of Oil Exporting Countries). Then the 90s brought 'Peak Oil' and the exhaustion of oil stocks. Since 2000, focus has switched to the incompatibility of oil exploration with pressing environmental needs, whilst 2020 brought Covid and oil prices plunging into negative territory. Yet the majors have always survived and, invariably, bounce back to post enormous profits and generate the kind of debates we are having today in the UK, which is whether extra-ordinary (windfall) taxes should be levied to punish them for being so successful.

The post-pandemic / pre-renewable major oil companies of 2022 are at a crossroads that represent two very different routes to the future and highlight the difference between North American and European outlooks. The first route is to stick with – and possibly increase – oil and gas exploration.

“ENERGY IS RARELY AS BINARY AS HAVING ABSOLUTE WINNERS AND LOSERS.”

It looks likely that this path will largely be followed by the American majors (Exxon, Chevron), faced with significant shareholder scepticism as to the merits of 'going green' as well as having, traditionally, been the most efficient operators in the exploration sector. In their mindset, the Russian invasion of Ukraine has highlighted the fact that oil and gas still dominate the global economy and, moreover, it has sent western governments into apoplexy over boosting domestic oil and gas production (in an attempt to avoid dependence on imports from unfriendly nations). These US companies are also making the accurate calculation that, whilst transport looks likely to decarbonise (thus reducing oil demand), that still leaves up to 50% of oil demand wrapped up in everything

from concrete to contact lenses and clothes that have colour. In these sectors, demand for oil will stay robust and consistent.

Taking a very different approach are the European oil majors (BP, Shell, Total, ENI) who have to deal with a very different public and a more environmentally conscious shareholder base. These companies are now falling over themselves to show their alignment with the decarbonisation project and both BP and Shell have announced their intention to achieve 'net zero' by 2050. There has been a slew of acquisitions of everything from wind and solar companies through to battery manufacture and roadside electrical charging. The CEO of BP has even called on the UK Government to speed up the proposed 2030 ban on petrol and diesel cars – an inconceivable standpoint prior to 2020.

There is no legal mandate for the Euro oil companies to follow this 'progressive' path and the danger is that shareholders may conclude that going green will not generate sufficient returns. Traditionally oil majors have generated between 15-20% returns in upstream investments (oil and gas exploration), whereas, to date, large scale renewable projects are only generating around 5-10%. Most, if not all shareholders, are keen on immediate profits and dividends and this 'profitability gap' may drive mercenary investors back to the more traditional modus operandi of the US industry (which they understand) and leave the European majors lacking sufficient funding for the huge capital investments required for renewable energy projects.

Two factors do support the 'European' approach though and the first is that historical returns of 15-20% do not guarantee the same level of profit in the future. In fact, traditional energy projects seem unlikely to perform at these high levels in the face of tightened regulation and increased competition from ubiquitous renewable energy plays. The second, more cynical, reality is that the European oil companies are clearly hedging their bets in the short-term. No-one is shutting down, or even reducing, hydrocarbon production, so revenues from oil and gas will continue for at least another 10 years. The logic here is that only the handsome returns

from traditional energy projects can generate the kind of revenues required for massive re-investment in renewable energy. And it will help pacify nervous investors to boot!

Which approach will win the day then? The truth is that energy is rarely as binary as having absolute winners and losers and both pathways represent a gamble of sorts. If decarbonisation turns out to be a triumph of wishful thinking over reality, then the European oil majors will be guilty of disposing of their 'crown jewels' (oil exploration) unnecessarily.

“OIL MAY BE IN DECLINE, BUT IT IS NOT DISAPPEARING.”

At the same time, if the growth opportunities of decarbonisation turn out to be material, then the 'old-school' fossil fuel companies will be seen as outdated and sitting on a whole load of assets (oil reserves) that nobody wants in a cleaner and greener world. One thing is for sure though, and that is that oil may be in decline, but it is not disappearing – so the dire predictions for the future of the oil majors are as misplaced today as they always have been. And the invasion of Ukraine has only strengthened the hand of the oilcos because, for all the current courtship of the likes of Saudi Arabia and Qatar, governments around the world (even the Chinese) would still far rather deal with independent oil majors than the state oil companies.

The latter ultimately act with political – rather than commercial – interests at heart.

For more pricing information, see page 42

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Security of oil supply

WHEN ASKED TO NAME THE BIGGEST CONCERNS THAT COME WITH OPERATING IN THE FUEL DISTRIBUTION SECTOR, THE NUMBER ONE ISSUE ALWAYS HIGHLIGHTED BY OUR COMMUNITY IS THE IMPORTANCE OF CONFIDENCE IN SUPPLY SECURITY. RECENT GLOBAL EVENTS HAVE ONLY SERVED TO HIGHLIGHT THE IMPACT OF SUPPLY SHORTAGES AND WE NOW TAKE A FRESH LOOK AT THIS PERENNIAL INDUSTRY TOPIC.

A wake-up call

The invasion of Ukraine by Russia galvanised the developed countries, through the auspices of the IEA, into concerted action to safeguard oil supplies; this response was prompted by recognition of Russia's role in the petroleum industry as the world's second-largest crude oil producer and largest exporter of refined oil products.

Closer to home, Russia supplies about 30% of Europe's oil requirements; for the UK it accounted for around 10% of total crude oil imports and around 18% of diesel requirements.

In March of this year, IEA countries agreed to release 62.7 million barrels from emergency oil stocks, to be available over 6 months and, on 1st April, a further 120 million barrels – the largest stock draw in the organisation's history, with the UK's contribution being 4.4 million barrels.

At the same time, on 31st March, the USA announced a 180 million barrel drawdown over 6 months from its Strategic Petroleum Reserve, of which about 60 million barrels will be its contribution to the wider IEA initiative. These actions seek to both bring a measure of stability to oil markets and serve notice of intent to prepare for the consequences of possible disruptions to Russian supplies.

From this macro perspective we will now take a closer look at the UK and how it is fixed in terms of vulnerabilities to supply continuity and security and measures to try to safeguard and protect these.

Supply/Demand balances & compulsory holdings

We will start by looking at two key features of the architecture around supply security; firstly, **products' balances**, which will show the measure of dependency on non-indigenous

sourcing.

As with the other large European oil markets, France and Germany, the UK is, and has been for a long time, in structural deficit on the main middle distillates grades and in surplus on motor spirit.

By and large, this is a consequence of refinery investment decisions in the 1970s and 1980s, which focused on upgrading facilities (such as FCCs) to produce more petrol rather than diesel or Jet A1, both of which have experienced significant demand growth in the current millennium.

The table below illustrates the point, taking the last pre-covid year, 2019.

This shows that import dependency for diesel represents around 55% of inland demand and, for Jet A1, just over 75%. About 35% of diesel imports were sourced from Russia, while Saudi Arabia and then Kuwait, were the main sources of Jet A1 imports.

The deficit position on both grades has been growing steadily during the current millennium, with the pattern not changing significantly in the past two (post-covid) years.

Crude oil supply and demand is more or less in balance with exports and imports being of similar magnitude. The main sources of imports are Norway and the USA.

Under current **compulsory oil stocking arrangements** in the UK, refiners & ex-refiners are obliged to hold 67.5 days of

inland consumption and with importers and wholesalers obliged to hold 58 days.

Additional provisions, introduced in 2012, require that, for motor spirit, diesel/gasoil and jet kerosene, at least 22.5 days of the total obligation must be carried as finished products. For the balance of the obligation for these grades (45 days for refiners and 35.5 days for importers) and, for the full obligation (67.5 days & 58 days respectively) for fuel oil and regular kerosene, this can be met by a category termed 'Any Oil' (which, effectively, encompasses the full refined products slate, as well as crude oil, feed stocks and NGLs).

Assessment of risks and mitigation measures

In 2013, consulting firm, Purvin & Gertz, was commissioned by the Government to conduct a review into the supply capability of indigenous UK refineries in the face of concerns around rising import dependency for middle distillates grades as well as more specific regional supply issues.

The review concluded that in the 4 geographic supply envelopes assessed:

- The South was in deficit on all product grades, so regarded as neither robust nor resilient
- The Central area was in surplus on all grades except diesel – but readily accessible, via pipelines, to existing refineries, so deemed to be both robust and resilient



Refined product balances for the main grades				
(Million MT)				
	Motor Spirit	Diesel	Gasoil	Jet A1
Refinery Production	16.5	13.3	7.2	5.2
Inland Demand	11.7	23.8	5.1	12.3
Imports	2.9	13.2	1.8	9.5
Exports	9.4	1.6	2.7	1.4

Source: Dukes



- Scotland was similar to the Central area in being viewed as robust, but not resilient due to insufficient terminal capacity to compensate for loss of Grangemouth refinery supply
- Northern Ireland was (and is) entirely import dependent.

A review by DECC (now BEIS) followed in 2014, which concluded that resilience and security of supply were best supported by 'retaining a mix of domestic refining and imported product' and that this 'is consistent with the government's energy security of supply strategy which recognises the benefits of supply diversity'.

Among other things, it recommended the establishment of a Midstream Oil Task Force as a joint government/industry group to 'look at how best to support refinery and midstream businesses in the wake of a reduction in the size of the refining sector and provide a strategic and collaborative way for government and industry to work together and to deliver the actions from the review'.

This body complements the work of the established Downstream Oil Industry Forum (DOIF), set up at the start of the current millennium.

The Downstream Oil Resilience Bill

In 2017, BEIS instigated a consultation among interested parties on measures that should

be introduced to enhance oil supply resilience by seeking greater regulatory oversight of the ownership and operation of key fuel supply assets. Following a gap of 4 years, this process resulted in the presentation to Parliament, in June 2021, of The Downstream Oil Resilience Draft Bill. The purpose of the draft Bill is to (1) to address threats to security of fuel supply by providing the Government with the measures to build resilience in the downstream oil sector, and (2) to help protect fuel supply resilience when required and prevent supply disruptions from occurring in the first place.

The key measures to achieve these 'outcomes' will be as follows:

- Enabling the Government to direct companies to take necessary action to ensure resilience and security of fuel supply, if necessary.
- Ensuring that new owners of critical fuel infrastructure are both financially sound and operationally capable.
- Enabling the Government to provide financial assistance to build resilience and ensure security of supply if necessary.
- Creating a number of new civil and criminal penalties under which a company and its officers may be liable for failing to comply with a direction, making false statements and failing to provide required information.
- Allowing the Government to collect information from the sector to understand the impact of potential or active disruptive events

The resulting consultation (now closed) viewed the UK petroleum products market as a mature one, facing both changing patterns of demand and high levels of global competition which, in turn, has apparently created:

- fragmenting supply chains; with major oil companies, which used to run vertically-integrated well-to-pump operations, divesting themselves of categories of assets or outsourcing some operations.
- relatively high utilisation rates and closures of spare or uneconomic capacity. For example, there are, currently, six UK oil refineries (down from a high of 19 in 1975) and the number of filling stations has declined from around 18,000 sites in 1990 to 8,400 now.

Managed efficiently, flexibly and effectively

The consultation also found that, despite these developments, the sector seems to be managed efficiently, flexibly and effectively in ensuring continuity of fuel supply but accidents, severe weather, malicious threats, industrial action and financial failure present significant supply chain disruption risks. The effects of Brexit and Covid-19 represent



additional uncertainties.

The proposed legislation marks a significant departure from the government's existing powers to monitor and control fuel supplies, which are limited, as per the 1976 Energy Act, to instances where there is an 'actual or threatened emergency' to supplies, and limited powers to intervene in mergers, on grounds of national security, under the Enterprise Act 2002.

However, it states that the new powers would be used only as a 'back-stop' to protect fuel supply resilience 'when required'. No new requirements are sought to control operator crude or fuel inventory levels. The timetable for passage of the proposed legislation is not yet clear; suffice it to say that once approval has been granted, including any changes which may be made, the Bill will come into force on a date the Secretary of State will set by regulation.

Measures to safeguard the security and continuity of oil supply were already 'in train' from the middle of last year and the need for such provisions has been greatly sharpened by the unfolding events in Ukraine. They equally have an important role to play in ensuring an orderly transition away from dependency on oil by the implicit acceptance that it will continue to be a key source of energy, especially for the transport sector, for several years.

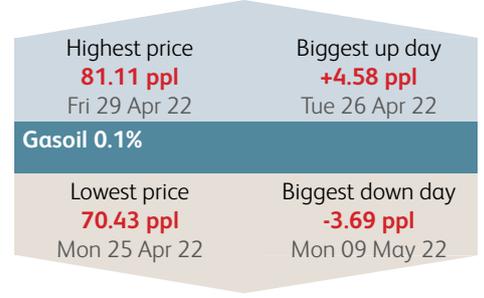
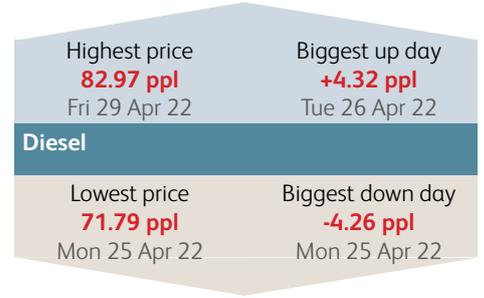
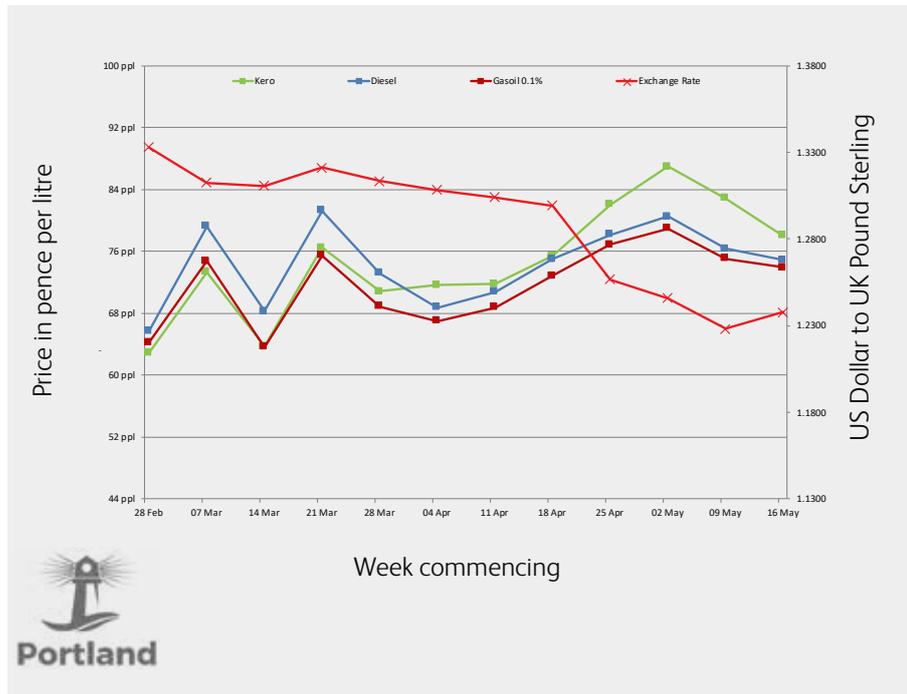
ROD PROWSE, worked for 30 years across the full spectrum of the downstream oil sector, in both the UK and USA, which has included leadership positions in both retail and wholesale fuels businesses. Rod draws on his extensive knowledge of this global industry to bring us 'Industry Insights'.



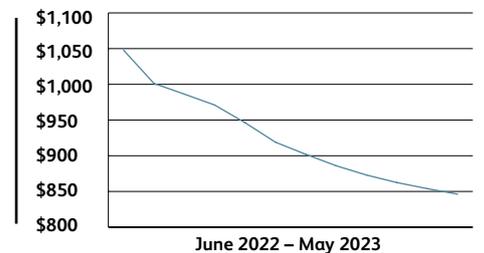
Wholesale Price Movements: 19th April 2022 – 18th May 2022

	Kerosene	Diesel	Gasoil 0.1%
Average price	81.27	76.95	75.55
Average daily change	9.73	9.22	8.95
Current duty	0.00	52.95	10.18
Total	81.27	129.90	85.73

All prices in pence per litre



Gasoil forward price
in US\$ per tonne



The Fuel Oil News Price Totem

	Trade average buying prices			Average selling prices		
	Kerosene	Gasoil	ULSD	Kerosene	Gasoil	ULSD
Scotland	90.60	93.16	137.46	103.29	99.54	142.84
North East	89.55	91.79	136.54	107.36	97.78	140.50
North West	91.12	94.39	138.93	103.26	99.91	142.46
Midlands	89.62	92.32	137.00	101.64	98.20	141.30
South East	89.72	92.28	136.98	114.51	102.53	140.71
South West	90.07	92.12	136.82	106.01	98.00	140.23
Northern Ireland	90.18	93.49	n/a	101.94	100.65	n/a
Republic of Ireland	103.94	98.92	138.40	113.62	104.77	142.78
Portland	87.93	89.84	133.69			

The price totem figures are indicative figures compiled from the Portland base rate using calculated regional variances.

Buying prices are ex-rack. Selling prices are for 1000 litres of kero, 2500 litres of gas oil and 5000 litres of ULSD (Derv in ROI). Prices in ROI are in €.

Wholesale prices are supplied by Portland Analytics Ltd, dedicated providers of fuel price information from refinery to pump.

For more information and access to prices, visit www.portlandpricing.co.uk

WELCOME TO JUNE'S EDITION OF OUR SPECIAL MONTHLY FEATURE WHICH GIVES YOU THE OPPORTUNITY TO 'MEET' AN INDUSTRY FIGURE AND, HOPEFULLY, TO DISCOVER ANOTHER SIDE TO THEM BEYOND THE WELL-KNOWN FACTS.

THIS MONTH WE GET TO KNOW **RORY CLARKE**, MANAGING DIRECTOR OF J.R. RIX & SONS LTD AND INCOMING PRESIDENT OF UKIFDA

"WORK WITH THE BEST PEOPLE YOU CAN FIND."

RORY CLARKE

Give your career history in 25 words or fewer

Started training as an accountant. Joined the army. Followed by credit and management roles picking up an MBA along the way.

Describe yourself in 3 words

Sporty, competitive and short.

What were your childhood / early ambitions?

To learn to fly – but still on the to do list.

Describe your dream job (if you weren't doing this?)

Running an outdoor pursuits centre.

What's the best business advice you've ever received?

Don't accept poor standards.

Share your top tips for business success

Embrace change. Work with the best people you can find. Never stop learning. Never be afraid to challenge. Don't underestimate the power of a healthy culture. Be decisive.

What's your most recent business achievement of note?

Being part of the team that has brought us through COVID.

Tell us your greatest fear

Losing our computers to a cyber-attack.

Which is most important – ambition or talent?

Ambition. Without it, talent is wasted.

What's the best thing about your job?

Every day is different.

Which is the quality that you most admire?

Positivity.

What are you most likely to say?

Tell me about it.

What are you least likely to say?

You're fired! – HR won't allow it.

Describe your perfect day

Coffee. 500-foot rock climb (somewhere warm). Sea swim. Beer. Dinner in a top restaurant with a stunning view and a decent bottle of red wine.

Do you have a favourite sports team?

England Rugby (and Spurs)

What's the biggest challenge of our time?

Right now, avoiding a third world war and if we manage that climate change.

Cheese or chocolate?

Cheese.

Share your greatest personal achievement

My commissioning at Sandhurst.

What's your pet hate or biggest irritant?

People who give up without trying.

If you were on 'Mastermind' what would your specialist subject be?

Military equipment.

If you were elected to government what would be the first law you'd press for?

Fewer MPs.

If your 20-year-old self saw you now what would they think?

You're still alive!

What is number 1 on your bucket list?

Climb Kilimanjaro. Not a rock climb but it goes through 5 climate zones and is a good physical challenge.

What 3 things would you take to a desert island?

My Kindle (with about 100 unread books on it), scuba diving gear and a BBQ.

Tell us something about you that people would be very surprised by

I was one of the Joker's henchmen in the movie Batman.

Who would you most like to ask these questions of?

Vladimir Putin.



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