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16<sup>th</sup> January 2024

Dear Sirs

**Re: Hiring agency staff to cover industrial action consultation**

Fuels Industry UK represents the eight main oil refining and marketing companies operating in the UK. The Fuels Industry UK member companies – bp, Essar, Esso Petroleum, Petroineos, Phillips 66, Prax Refining, Shell and Valero – are together responsible for the sourcing and supply of product meeting over 85% of UK inland demand, accounting for a third of total primary UK energy<sup>1</sup>.

While supporting the rights of workers to take industrial action through the correct processes, Fuels Industry UK and its member companies would support the repeal of Regulation 7 of the conduct regulations as a means of potentially helping to ensure fuel supply chain resilience during industrial action.

It is likely that the impact of the repeal of Regulation 7 would be relatively small as noted in the impact assessment, however, the additional option to employers to hire agency staff to cover industrial action is likely to be useful in continuing essential operations during such action.

We would be happy to further discuss our response to the consultation questions as helpful.

Yours sincerely,



James Baker  
**Director of External Relations**

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<sup>1</sup> [DESNZ Digest of UK Energy Statistics 2023](#)

Responses to consultation questions:

1. Can you provide views and evidence on the effect that regulation 7 has on employment businesses, hirers, and agency workers? If so, please elaborate.

Fuels Industry UK views that additional means of employing staff (in this case agency workers) during industrial action could offer some benefit to employers in the downstream fuel supply chain to continue essential operations.

The downstream fuel sector has a wide range of roles across the supply chain which vary considerably in their specialism and skills requirements – as a result for many roles it is unlikely that hiring agency staff will be of significant, direct benefit to fuel supply, however, the repeal of Regulation 7 could offer two benefits for the sector:

- i) By offering a means to access suitably workers on a temporary basis who may have previously worked in the sector and therefore have the necessary skillset to continue operations directly.
- ii) By avoiding the need to move (non-striking) skilled personnel during industrial action, some operations may be able to continue with reduced impact, thereby better enabling operations to ensure fuel supply.

NB during the most significant industrial action it is likely that fuel supplies would still be disrupted despite the access to either group above.

An example of where essential operations could be continued by hiring agency workers, is where time limited / mandatory regulatory requirements needed to be delivered during a strike, where the compliance activity can go ahead if certain essential workers are still available. As noted above, it will not necessarily be the agency staff performing this function, but their use could avoid diversion of full time employees away from this essential work.

2. What impact do you think the repeal of regulation 7 would have on workers and the wider economy and society?

As the consultation notes, there is a balance to be struck between workers using their right to strike and ensuring the public is able to access essential services. While the downstream fuel sector is not captured by the Minimum Service Levels legislation<sup>2</sup> noted in the consultation, the importance of a resilient fuel supply chain is highlighted by other regulation such as the NSIA<sup>3</sup>- which identifies 17 sectors viewed as of critical importance to national security, whose mandatory notifiable acquisitions include

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<sup>2</sup> [Strikes \(Minimum Service Levels\) Act 2023](#), accessed 3/1/24

<sup>3</sup> Guidance: National Security and Investment Act: details of the 17 types of notifiable acquisitions, accessed 3/1/24

many operations in the downstream fuel sector. The impact assessment<sup>4</sup> related to the introduction of Core Fuels Resilience Measures introduced in the Energy Act 2023<sup>5</sup> also quantified the impact of disruptions to the fuels supply chain as ranging from £15m to £65m for a three day disruption (2021 values). As noted in Q1, while the repeal of regulation 7 will not remove the risks and impacts identified above, it could offer greater optionality to fuel suppliers when faced with potential disruption from strikes.

3. What are the sectors where repealing regulation 7 would be most applicable and do you think there are sectors it should not apply to? Please give reasons for your views.

As noted in Q2, we view that inclusion of the downstream fuel sector (and those hiring agencies used by the sector) is appropriate and helpful.

We do not have views about other sectors' applicability.

4. Do you have any views on the methodology used in the Impact Assessment provided alongside this consultation and does it represent all the likely costs and benefits?

We do not have new information or additional costs benefits to add, however, we would note that where regulatory compliance or fuel supplies can be ensured, these could be considered indirect benefits (or in the case of non-compliance, avoided costs from penalties)

5. Do you have any other comments not covered by or evidence not provided in your response to the questions above that we should consider?

We do not have anything further to add.

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<sup>4</sup> [Downstream Oil Supply Resilience Bill - Final Impact Assessment, 2020, p14](#), accessed 3/1/24

<sup>5</sup> [Energy Act 2023](#), Part 12 refers to Core Fuels Measures which took forward the Downstream Oil Supply Resilience Bill measures per footnote 4, accessed 3/1/24