

Notes from Identify the opportunities for consolidation centres and courier services Meeting held on 18 July 2006

Notes taken by Kevin Ratnasingam

Venue: MVA London, Berners Street

MVA Reference No: C3489703

Present:	Ian Nichol	WLA (Chair)
	Udoka Madueke	TfL
	Anne Stevens	LB Ealing
	Gareth Davies	Wincanton
	Matthew Mace	CLP
	Steven Kelly	FTA
	Ian Lister	Wilson James
	John Ryder	BAA
	Kim Milnes	Park Royal
	Olivier Bastein	DHL Exel
	Gareth Smith	Wincanton
	Mike Slinn	MVA
	Kevin Ratnasingam	MVA

Apologies: Mike Browne UoW

Distribution: As above

Action

1 Purpose

- 1.1 This meeting was a brainstorming session to understand opportunities for consolidation centres (CC) in West London and to develop the WLFQP strategy for consolidation. The results from this meeting will provide a steer to the WLFQP in taking the West London consolidation agenda forward.
- 1.2 The London Freight Plan (LFP) identifies CCs as a key means of improving the efficiency of deliveries and in reducing the freight traffic. UM acknowledges that the funding of CCs is a severe constraint.

2 Sharing of Experience

- 2.1 The FTA intent to produce a policy statement on consolidation centres within the next 6 months. Transshipment and consolidation centres require clear definitions. A copy of the Bristol CC presentation will be made available to the WLFQP. CCs are not a statutory requirement at present and so industry participation in CC is mainly a business decision. SK
- 2.2 GD stated that the use of CC are to a large extent driven by authority/policy pressures such as in London. The benefits of CC are twofold, cost savings to operators and

Minutes

businesses and in reducing emissions and congestion. Wincanton have undertaken in-house studies of CC at SE/London using their experience of CCs in Germany.

- 2.3 KM reported that PRP are keen to promote CC within PR. This idea is being driven by the proposed LCC Western Extension which will place PR at a strategic location for this purpose. PR is well served by strategic routes at West London. Siting the CC at the peripheral area of PR will minimise the impacts of the generated freight traffic passing along local roads at PR.
- 2.4 CLP intend to address CCs in 07/08. MM cited an example CC site at Meadow Hall, Sheffield which is owned by British Land as good practice. In 05/06, Exel identified the need for a CC serving Regent St. The CC could be based at 4 possible locations, including at Park Royal. This use of a CC is part of the Business Improvement District (BID) initiatives for West End.
- 2.5 Wilson James (WJ) operates construction logistics CC. Since 2001 they have worked in partnership with BAA at the Hatton Cross retail CC (serving T1-T4) and more recently the construction logistics centre at T5. IL cautioned that the operation of construction and retail CC are different. Construction CC ensure materials/supplies arrive at and are removed from site as and when necessary. The former needs to be well integrated into the changing activities/programmes at construction sites whilst retail centres operate to fixed delivery schedules. Construction CC are also served by courier vans (up to 100 vans/day serve larger construction sites).
- 2.6 The Bermondsey CC site is self sufficient and developers who make use of this facility know the cost savings and operational benefits to them. This site was initiated for 4 projects and presently operates with planning consent. There is no origin-destination data available for this site. The construction CC would not be sustainable if it served 2 or less average sized construction sites at any one time.
- 2.7 The cost of using the construction CC is paid for by the developer although it is the trade contractors and delivery companies which benefit from its use.
- 2.8 JR explained that BAA CC was based primarily to serve the airport efficiently and to meet planning conditions and not because of the expected financial benefit of such services.
- 2.9 OB added that the Heathrow CC also reduced security checks and enabled reverse logistics i.e. removal of waste etc.
- 2.10 GS suggested that the WLFQP needs to produce a business case for CC to win industry and sector support for its use. Grants and the use of a carrot & stick approach may be a necessary mechanism to promote its use.

3 Issues for consideration

- 3.1 The LEZ implementation could provide an additional incentive for the use of CC particularly if the CC were sited at the boundaries of the LEZ. Non compliant vehicles could be used for goods transportation to the CC and compliant vehicles undertake deliveries/collections within the LEZ.

Minutes

3.2 The use of CC can impose additional costs and so if its use is promoted as a voluntary measure, then companies who don't use the CC have an unfair cost of transit advantage. Should CC be made compulsory, it should be included into existing policy and within planning conditions.

3.3 A key issue is how companies that pay for the use of the CC are able to benefit directly from its use. Many manufacturers of construction materials including British Gypsum include transport costs as part of the materials cost. There is no discounted cost if the materials are transported to a CC instead of directly to the construction site. In this case, the use of the CC can be an additional cost to the developer if transport charges are not negotiated downwards to reflect the reductions in delivery delays at site.

3.4 There are concerns that lease tenants are not keen to fund the CC through the BID process as the infrastructure improvements would only be of benefit whilst they are occupiers. When they leave the premises, it is the landlord and next tenant who benefit.

4 Opportunities for West London Consolidation Centre

4.1 TfL have commissioned a consultant to review construction CC across London and to produce indicators of benefits that CCs offer. UM to clarify if the study includes identifying possible CC sites at London. TfL would only support CC if a positive business case can be identified. UM

4.2 Operating the CC as a temporary site with a 3-4 year lease would be less capital intensive.

5 Construction Consolidation Centres

5.1 All agreed that a CC should desirably serve White City Phase 2. MVA to investigate whether this is a feasible opportunity. It could also serve Ealing and Southall town centres, the Wembley area and the construction of housing development at Uxbridge RAF site.

5.2 There is no optimum distance to locate the CC site but generally 30 mins travel time or closer if there is enroute congestion is practical. This improves the opportunity for freight vehicles to make multiple trips within a day.

5.3 IN instructed MVA to consult borough planners to identify existing and future planning consents and construction sites (for both development and infrastructure improvement) at West London in the short and medium term. This will enable the WLFQP to identify corridors for locating the Construction CC. MVA

6 Retail Consolidation Centres

6.1 MVA are to consult Borough planning officers to identify existing and future retail sites that could benefit from the CC. MVA

6.2 The WLFQP are to consult borough planning officers to introduce the benefits of CC. Further thought should be given on the CC funding mechanism through the Business

Minutes

Improvement District (BID) process as most businesses are leasing their present premises and may not be willing to contribute capital investment.

7 Waste Consolidation Centres

- 7.1 PRP intends to develop a waste processing plant in Park Royal which would convert waste into energy.

8 Courier Consolidation Centres

- 8.1 Knowledge of freight /courier movements in an area is required in order to determine the location corridors for the courier CC. UM suggested that the WLFQP consult Joe Dack for further information on the TfL commissioned study. MVA
- 8.2 GD suggested that the concept of nominated courier for a specific area may be feasible. This will require courier companies to work together to avoid simultaneous multiple deliveries being made. The consolidation centre operation would be improved if out of hours deliveries were permitted.

9 Conclusions

- 9.1 IN suggested that the WLFQP identify constraints on implementing night time deliveries and how this can take place considering the LLCS. There may be a need to review the LLCS in West London. The CLP are working with the ALG to review the LLCS in central London MVA
- 9.2 WLFQP are to produce a clear definition of CC and a brief document and presentation describing CC and their benefits, citing real examples. MVA will meet borough officers to raise awareness of CC and to identify existing and proposed sites which may benefit by consolidation (see Para 5.3 & 6.1) and to investigate how the use of CC can be included as a planning consent requirement. MVA
- 9.3 MVA are to produce an interview questionnaire to WLFQP members to obtain feedback on the opportunity and expected use of CC. MVA
- 9.4 IN thanked all present for their valuable time and commitment to help the WLFQP develop the consolidation initiative at West London.

kr