



Minutes

Notes from 2nd WLFQP Consolidation Centre Steering Group Meeting held on 1 December 2006

Notes taken by Katie Hall

Venue: MVA London, Berners Street

MVA Reference No: C3489706

Present:	Ian Nichol	WLA (Chair)
	Ian Wainwright	TfL
	Adrian Boughtflower	TfL
	Julian Richardson	TfL
	Satbir Gill	LB Hounslow
	Helen Lane	LB Hillingdon
	Mohammed Khalif	LB Brent
	Alex Forrest	Central London Partnership
	Steven Kelly	FTA
	Gareth Davies	Wincanton
	John Rider	BAA
	Kim Milnes	Park Royal Partnership
	Martin Houghton	Park Royal Partnership
	Steven Anderson	PBA
	Mike Slinn	MVA Consultancy
	Kevin Ratnasingam	MVA Consultancy
	Katie Hall	MVA Consultancy
Apologies:	Matthew Mace	Central London Partnership
	Ian Lister	Wilson James/ Westfield
	Hanif Islam	LB Harrow
	Mike Browne	UoW
	Bjorn Volk	LB Hammersmith & Fulham
	Duncan Bower	Westfield
	Mark Welch	LB Barnet
	Olivier Bastein	DHL Exel
	Gareth Smith	Wincanton
	Chandra Ravel	LB Hillingdon
	Anne Stevens	LB Ealing
Distribution:	As above	

Action

1 Update on Progress following 1st Steering Group Meeting

WLFQP Actions

- 1.1 WLFQP have produced a note describing CCs and their benefits and illustrated with 3 case studies. This has been distributed to members who have provided initial feedback and is also available on the WLFQP website. The WLFQP have consulted all West London boroughs to identify the potential for CCs across West London. KR requested if attendees had any further comments on the note.
- 1.2 The following comments were made at the meeting:
 - SK suggests that the note needs to highlight the importance of removing night time curfews on loading/unloading and HGVs to allow convenient, constant access to a CC.
 - IN would like to see more details on CC site specification MVA
- 1.3 MVA to revise the note. MVA
- 1.4 The investigation into the feasibility of a CC to serve White City is still a work in progress. A meeting with Duncan Bower is being arranged. KR advises that retail consolidation is supported in principle by LB Hammersmith and Fulham.
- 1.5 The actions to consult WLFQP to gain feedback on opportunities and uses of CCs and producing a business case for West London consolidation opportunities have been put on hold.

TfL Actions

- 1.6 AB reported on the outputs from the Construction CC study. The Bermondsey construction consolidation centre has achieved the following after its first year of operation:
 - Original aim to reduce the number of construction deliveries trips by 40%, have achieved nearly 60% reduction
 - Original aim to reduce supplier's journey times by 30-60 minutes, have achieved an average saving of 2 hours
 - To date have achieved a 97% delivery reliability in terms of right place, right time, good condition of materials. The control project is averaging 25%
- 1.7 In a parallel scheme that is being run, they have achieved an 18-20% reduction in waste.
- 1.8 As a result of the reduced number of trips and journey times, there has been a 76% reduction in carbon output.
- 1.9 TfL are currently awaiting the final draft of the end of year report and will report to the Steering Group. IW

FTA Actions

- 1.10 The FTA are currently working to produce a policy document on consolidation centres

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which include case studies. Draft expected in Spring 2007.

- 1.11 SK notes that there is a particular question mark over the funding of such facilities
- 1.12 JR notes that lack of funding is one of the key reasons why CCs close but suggests lobbying the DfT for funds. No-one appears to be anti-CC but there is a need for them to be seen as 'profitable' and to monetarise the carbon emissions issue. IW notes that the DfT are very supportive of the Bristol CC.
- 1.13 IN agreed that the business model is very important and that a CC needs to be sustainable. There is a role for boroughs in kick-starting a business case but an ongoing subsidy for the funding of a CC is unlikely.

2 Meetings with West London Borough Officers

Retail

- 2.1 KR provides an overview of the outcome of the discussions with borough officers. All 6 West London boroughs support the principle of consolidation centres serving West London and expressed support for the following sites:
 - Southall
 - Wembley (inc. Regeneration Area)
 - Uxbridge
 - Hounslow
- 2.2 IW notes that the Morrisons supermarket in Hounslow had a night time curfew imposed and this would need to be considered were this site to be converted to a CC. Further investigations will be required. MVA
- 2.3 SM asked how we can ensure that a CC is used for a particular location. IW points out that the Bristol centre serves the outlets of 3 retailers who have other outlets aside from Broadmead. KR confirms that a CC does not have to serve just one site/town centre but could serve a wider conurbation to gain benefits from economies of scale. IN agreed that it would not be possible to contain a CC within a borough.
- 2.4 SA points out the need to find out where the main traffic flows into an area are coming from so that a CC can be located to meet the needs of these incoming deliveries and not add a lot of extra mileage to their journeys.
- 2.5 KM mentioned the possibility of having a retail CC located at Park Royal which could serve White City and central London.
- 2.6 IW said that the Bristol CC does not deal with chilled food because of the health and safety issues legislative requirements for the storage and transport of chilled goods. JR confirmed that Heathrow does handle chilled food. The CC has to match the needs of the locations/ sites it will serve.
- 2.7 IN suggests the key issue for retail CC is acquiring clients to use the centre. There could be expense involved in getting retailers on board and also different issues to

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consider depending on whether the CC is provided for small independent retailers or larger chain stores.

- 2.8 There is concern that small independent retailers will not sign up to a scheme due to the costs involved. KR suggested that stricter parking enforcement and loading controls would be the only way to get a CC to work in an area with a lot of small independent retailers such as Southall.
- 2.9 IW suggests that the alternative is that the landlord makes it a condition of delivery as BAA have done. It is recognised that BAA is a special case where such conditions are included in the lease agreement. AB notes that similar conditions need to be included at planning permission stage.
- 2.10 IN suggested that an S106 template for CC provision would be useful to assist MVA boroughs. MVA to investigate nationwide examples of best practice.
- 2.11 The WLFQP would also need to address the difficulty of integrating a CC with an already complex supply chain of larger retailers (particularly supermarkets).

Construction

- 2.12 KR gave a brief summary of the sites identified where development is likely to occur in the near future as a result of the discussion with borough officers.
- 2.13 IN asked for a more comprehensive note to be produced giving details of the client, schedule of construction, size and location of developments to enable potential CC sites to be identified. MVA
- 2.14 AB has noted the problem of finding a cost model for the Construction CC, mainly due to the fragmented nature of the construction industry and the lack of transparency regarding costs.
- 2.15 IN suggested that looking at S106 agreements could help to find a suitable commercial model.
- 2.16 AB suggested consolidation in the construction industry is also hindered by their failure to understand their supply chain and the fact that no one is willing to accept risk.
- 2.17 AB also notes the significant problem of materials being left on construction sites and then being lost or stolen. This is a particular problem at the fit-out stages. There is potential for a CC to reduce such loss, because materials would not be on site as long before being fitted.
- 2.18 It is important to establish who should be targeted in order to set up a CC. Should it be the client, developers, architect, or boroughs or all of them? AB advises that the WLFQP will need to identify the drivers for change. MVA

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2.19 Boroughs are also large property owners and are involved in the maintenance and construction of properties. AB suggests that they should consider using CCs for the (re)development of their properties. KR to follow-up with boroughs for their property development/ maintenance contacts. MVA

2.20 The construction industry supply chain is not as complicated as the retail industry. Need to work out who sees the benefits of a CC.

3 Central London Partnership progress with Consolidation Centres

3.1 AF gave an overview of the progress CLP are making with regard to CCs. He stated that they were exploring CCs as part of their FQP.

3.2 CLP are speaking with Crown Estates would own most of Regent Street and seem keen to establish a CC to serve this area. They are discussing the possibility of locating the CC either at a site near Camden/Kings Cross or the possibility of sharing one with White City.

3.3 CCs can be marketed to retailers in terms of the saving that they can make with regard to storage space and how this can be converted into retail space to increase revenue. GD states that Wincanton have operated on this principle for Harvey Nichols in central London with a CC located at Greenford.

3.4 The possibility of a CC for Soho is also being discussed as is the possibility of using electric vehicles to serve this area from the CC. The problem so far has been in identifying a suitable location for a CC, particularly considering the high cost of land in this area.

4 Waste Consolidation

4.1 AB states that the Mayor has now moved away from the idea of waste consolidation and is in favour of containing waste within London at several hundred small waste transfer centres.

4.2 Whilst the concept of waste CCs may be parked, thought should still be given as to how waste can fit into the CC model, particularly in terms of how waste can be removed from the target site back to the CC for recycling/reuse.

4.3 GD states that many retailers outside the food industry don't effectively manage their waste and that actually a lot of money can be made from recycling material. For example cardboard can fetch £60 per tonne and plastic £250/300 per tonne. Segregation of waste is central to effective recycling.

4.4 AB points out that removing waste from a target location back to a CC also reduces empty running. However, special licenses are required to transport waste and there are many issues to consider.

5 Courier Consolidation

5.1 KR reported that boroughs have no views on the potential for courier CCs. SA spoke about the home delivery proposal by H&F but this was not taken forward due to the

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lack of support from courier companies.

- 5.2 Construction sites sometimes receive 100 courier deliveries a day and these items can easily be consolidated at a CC for delivery to the site.
- 5.3 IN suggests that in the context of couriers it would be better to focus on less time-sensitive deliveries such as water and office supplies. He is not suggesting that it be ruled out in the long term, but that there are other things that should be focussed on at the moment.

6 General Issues

- 6.1 SG wants to know what contribute TfL would make to the set-up and operate of CCs.
- 6.2 JR also pointed out the differences in investment in retail (long term) and construction (finite) CCs.
- 6.3 GD suggests that retail and construction consolidation can occur at the same centre if goods are properly segregated. For example B&Q and the large CC at Leamington.
- 6.4 IN says that one of the key issues is how you operationalise the model of a CC.
- 6.5 KM states that either the public sector initiate it and then force others to comply through S106 agreements and planning conditions or private companies have to be convinced that it is a profitable enterprise.
- 6.6 HL suggests the possibility of using road user charges/ road tax to fund CCs seeing as the majority of freight is carried by road.
- 6.7 IW mentioned current TfL investigations into a home delivery type service whereby shoppers can come to a town centre via public transport and then arrange for anything they buy to be delivered to their home. This is being investigated through the Travel Demand Management project in Sutton town centre.

7 AOB

- 7.1 Ian Lister has left Wilson James for Westfield. AB to provide new contact details AB
- 7.2 Professor Mike Bell and Mike Slinn will be speaking at the LB Hounslow Freight Seminar on Tuesday 5 December. Full details on the WLFQP website. All are invited.

8 Next Steps

- 8.1 WLFQP to produce list of construction sites providing details on location, size and timescale of development to be distributed to WLFQP members MVA
- 8.2 WLFQP to follow up with Housing Associations and ALMOs in West London to discuss the potential for construction CCs MVA
- 8.3 Planning and regulation – must ensure that CCs are included in the GLA Opportunity Planning Framework for North and South Heathrow and LDFs. IN/ IW/ KM

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- 8.4 WLFQP to investigate examples of S106 good practice in relation to CCs nationwide, with a view to establishing an appropriate statement to be included in S106 agreements/ LDFs. MVA
- 8.5 WLFQP to update CC note to take account of the need to lift night time curfews on HGVs and clearly set out the value chain for different parties MVA
- 8.6 WLFQP to continue dialogue with Westfield regarding White City MVA
- 8.7 Next meeting to be arranged for 3 months time MVA

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