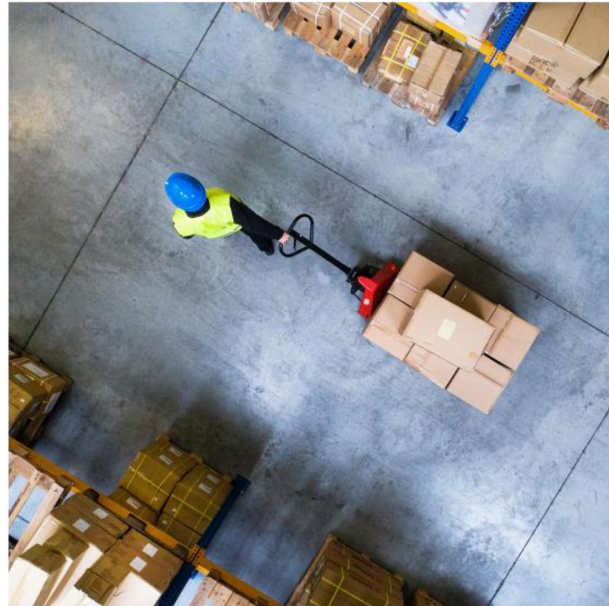


The Potential for Urban Logistics Hubs in Central London



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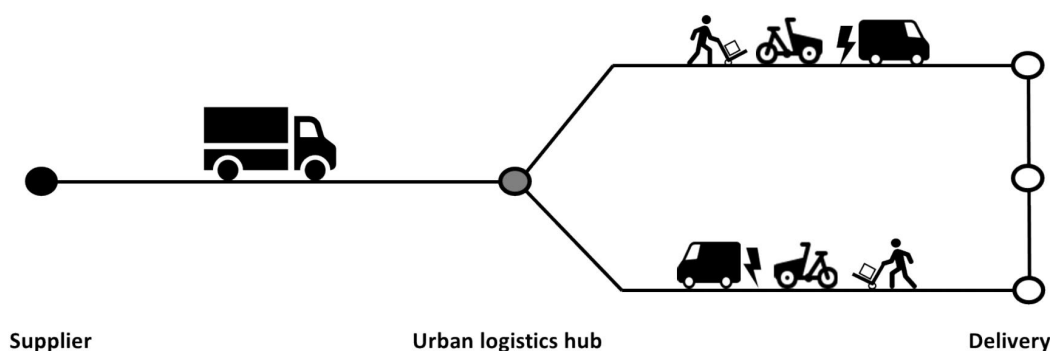
Executive summary

Overview

The Cross River Partnership, working on behalf of the Central London Sub Regional Transport Partnership (CLSRTP), commissioned Steer to identify potential sites for urban logistics hubs in central London and to develop an understanding of the market demand for such facilities.

This collaborative study has involved engagement with local authority officers, landowners, Business Improvement Districts (BIDs) and operators of urban logistics hubs. The information provided by these stakeholders has been fundamental to the development of the study's findings and recommendations.

'Urban logistics hubs' are distribution facilities located within an urban area to fulfil the 'last mile' of the supply chain. They range in size and nature of operations; from larger sites hosting a fleet of electric vans (which this report refers to as 'logistics hubs'), to small facilities served by cargo bikes (referred to as 'micro logistics hubs').



The central finding of this study is that urban logistics hubs have an important role to play in promoting clean and efficient freight activity in London. The use of such hubs directly supports the rationalisation of goods and the use of low and zero emission vehicles. In turn this supports in a reduction in the number of delivery vehicle trips, better management of congestion at peak times and a reduction in harmful emissions.

Different types of operators are actively looking for new urban logistics hub sites in central London; from national parcel carriers to small, just-in-time cargo bike couriers. Factors that emerged as critical to operators when considering sites included good access to the strategic road network, security, sufficient height clearance and cost. Operators are willing to consider a wide range of sites if conditions are right, such as car parks, railway arches or other 'spare' available space.

This study identified 29 such spaces that have potential for use as urban logistics hubs. Following the recommended next steps set out in the report will require co-ordinated action from Cross River Partnership, the boroughs, landowners, BIDs, operators, Transport for London (TfL) and the Greater London Authority (GLA). These actions are focused on bringing forward the identified sites with greatest potential into operation as quickly as possible. They will also look to ensure that demand can be more easily matched to supply (between owners and landowners, respectively) in future, which was identified as a key barrier.

The role and benefits of urban logistics hubs in central London

The use of urban logistics hubs allows goods to be sorted near to the end destination. This allows for deliveries going to the same area (e.g. the same postcode sector, street or even building) to be rationalised and moved on to low and zero emission vehicles, which supports:

- a reduction in total vehicle mileage;
- a reduction in 'empty running' distance/better utilisation of vehicles;
- a reduction in the number of delivery vehicles used; and
- a reduction in emissions.

Urban logistics hubs therefore have an important role to play in reducing and re-moding freight trips to make them cleaner and more efficient. The Mayor's Transport Strategy¹ and associated Freight and Servicing Action Plan² include several objectives on this theme.

In recognition of the role that urban logistics hubs can play in mitigating the impacts of freight and servicing activity within London, the draft new London Plan³ contains policies to support the protection of land for industrial and logistics purposes, particularly in central London. For example, Policy SD4 says that "Sufficient capacity for industry and logistics should be identified and protected, including last mile distribution, freight consolidation and other related service functions within or close to the CAZ [Central Activities Zone]."

What makes urban logistics hubs work?

There are already several examples of successful urban logistics hubs in central London (Chapter 3). For example, Ecofleet operates a last mile delivery and consolidation service using cargo bikes from a micro-logistics hub in south London and DPD provides parcel distribution services from a logistics hub in Westminster, utilising a fleet of 10 electric vans and eight micro-vehicles.

Some of the common success factors and barriers to implementing successful and sustainable urban logistics hubs are shown below.

Success factors for urban logistics hubs:		Barriers to successful urban logistics hubs:	
✓	Achieving a viable volume of deliveries	✗	Finding suitable space in the right location
✓	Suitable local policy and regulatory context	✗	Limitations of low emission vehicles
✓	Appropriate type of end user	✗	High cost of land and/or leases in London
✓	Understanding the motivation for end users		
✓	Provision of public funding/support		
✓	Professionalism of the operator		
✓	Promotion/marketing of the facility		

¹ Available at: <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

² Available at: <http://content.tfl.gov.uk/freight-servicing-action-plan.pdf>

³ Available at: https://www.london.gov.uk/sites/default/files/draft_london_plan_-_showing_minor_suggested_changes_july_2018.pdf

Demand for urban logistics hub space in central London

A key finding from conversations with various operators was that there is very strong desire to find new sites for urban logistics hubs, and operators are willing to consider a variety of different types of site as long as costs are not prohibitive.

The below 'model' specifications provide a summary of ideal site requirements specified by urban logistics hub operators participating in this study.

Table 1: Summary model specification for a logistics hub













		
Location	Space	Access
Needs to be proximate to TLRN to enable efficient vehicle access. Want to avoid local one-way systems if possible.	Floor space of at least 280m ² (3,000ft ²) but ideally 465-930m ² (5,000-10,000ft ²) As much headroom as possible.	Minimum height of 3 metres but >4m could be needed. Standard hours are usually 08:00-18:00.
		
Lease/contractual	Security	Other
Longer lease period of 5+ years preferred but is highly dependent on client contracts.	CCTV system needs to be in place to protect assets, goods and staff. Individual secure spaces are needed if operators are to co-locate with others.	Electric vehicle charging points may be needed, depending on the vehicles in use and the nature of operation.

Table 2: Summary model specification for a micro-logistics hub

		
Location	Space	Access
Needs to be proximate to TLRN to enable efficient vehicle access. Want to avoid local one-way systems if possible. Focussed within central London.	Floor space between 90-185m ² (1,000-2,000ft ²) is ideal. Railway arches and under-utilised car parks most suitable, but other spaces can be considered.	Height access requirement typically >3 metres but >2 can be workable. Access likely to be needed over a 14-hour period starting from 06:00.
		
Lease/contractual	Security	Other
Shorter leases with high levels of flexibility preferred. Break clause preferred if possible.	CCTV system needs to be in place to protect assets, goods and staff. Individual secure spaces are needed if operators are to co-locate with others.	Electric vehicle charging points may be needed, depending on the vehicles in use and the nature of operation.

The potential space available for urban logistics hubs in central London

Engagement with boroughs, landowners, businesses and BIDs identified 29 sites in central London that have potential to be used as urban logistics hubs. Discussions with operators about the type of space needed informed a suitability assessment for each site and subsequent ranking based on overall suitability for use as an urban logistics hub.

Most of the 29 sites identified were car parks (23), though the list also includes a railway arch, an industrial estate, garages and a basement. Appendix C provides further detail on 11 of the most promising sites. This sample was selected to demonstrate variety across site types, different London boroughs and potential types of operation. The sites are:

1. **Galleywall Trading Estate**, LB Southwark – industrial unit
2. **Westminster Q-Park**, Westminster – underground car park
3. **Marble Arch Q-Park**, Westminster – underground car park
4. **St. John's Wood Q-Park**, Westminster – underground car park
5. **37 Kings Road**, Kensington and Chelsea – underground car park and servicing area
6. **Cavalry Square Gardens**, Kensington and Chelsea – underused garages
7. **Ryan Court Car Parking**, LB Lambeth – underused garages
8. **Tower Bridge Q-Park**, LB Southwark – multi-storey car park
9. **Blue Anchor Lane Railway Arches**, LB Southwark – railway arches
10. **Canterbury Crescent Car Park**, LB Lambeth – surface car park
11. **London Wall Car Park**, City of London – underground car park

The locations of these potential sites are shown in Figure 1 below, along with the central London locations of the case studies outlined in Chapter 3.

Next steps

This study has found that there is strong demand for space for urban logistics operations in central London and benefits to making use of under-utilised space for this purpose. However, the difficulty of finding suitable sites was evident in the development of this study and remains a challenge for operators. But while landowners can find it difficult to identify available sites, operators might not have made it clear what they are looking for. It is hoped that this study can help to bridge this gap and make a positive contribution to addressing this fundamental challenge.

The recommended next steps are focused on actions that need to be taken to bring more urban logistics hubs into operation in the immediate term and those that will allow potential sites to be identified and brought into operation more quickly and easily in future. This study recommends that:

1. Stakeholders should collaborate to identify the next steps for bringing the highest ranked sites into operation as urban logistics hubs.
2. A centralised list of suitable sites for use as urban logistics hubs should be maintained.
3. A process for identifying more sites in the future should be developed.
4. Opportunities to provide funding support to smaller/micro-logistics operators with the substantial costs of buying/leasing space in central London continue to be pursued.

Figure 1: Existing urban logistics hubs and identified sites for potential future sites for urban logistics hubs in central London

