

How to Support a Micro Logistics Hub in your Borough: A Guide for Local Authorities

Your step-by-step timeline of the stakeholders, processes, complexities, considerations and opportunities for setting up a micro-logistics hub on underutilised land in your borough.



Impact
on **Urban
Health**



Why are Micro Hubs Important?

Logistics hubs have an important role to play in promoting healthy and efficient deliveries in London. They act as a crucial step for sorting deliveries, which can reduce the number of vehicle trips and congestion, to then enable deliveries to be made on electric vehicle, by bike or on foot. This reduces harmful exposure to toxic air pollutants that are bad for our health. Additionally, pollution from freight continues to challenge the health and economy of London's residents, businesses and visitors.



Freight vehicles make up 15% of London's total vehicle miles but emit one quarter of London's overall transport carbon emissions.



In London, 9,400 premature deaths are attributed to poor air quality and a cost of between £1.4 and £3.7 billion a year to the health service.



With continued changes to shopping behaviour that have been exacerbated by the pandemic, the number of parcels delivered in London is expected to double by 2030.



The percentage of retail sales online continues to increase, with 25% of total retail sales in 2023 taking place online. In 2013, this was just 10%.

Definitions

A Micro Logistics Hub (abbr: micro hub) is a small site that couriers use for their day-to-day deliveries as a place to receive, sort and then send deliveries to their destination by cargo bikes, walking porters or a small electric van.

A Zero Emission Courier / Operator is a company or employee of a company that transports goods on modes of transport that do not produce any tailpipe emissions. Examples include cargo bike couriers, walking porters and deliveries made by couriers with electric vans.

A Retrofit Partner is a specialist organisation that will turn an underutilised space in an area (e.g. a car park, service yard) into a suitable location for a micro-logistics hub. They may do this with activities such as installing power and secure fencing, and may even manage liaise with the landowner and/or leaseholder.

The Space Manager will be the managing agent of the newly converted site, and will act as the go-between and point of liaison between the landowner, leaseholder and zero emission courier / operator that will be operating and running deliveries from the site.

A Landowner is someone that owns land, usually large amounts of land. This could be a local authority, a strategic agency or a private landlord.

A Leaseholder is A leaseholder is someone who owns a property on a lease, typically for 99, 125 or 999 years. The length of the lease decreases year by year until it eventually runs out. A leaseholder is also called a tenant, but this should not be confused with short-term agreements.

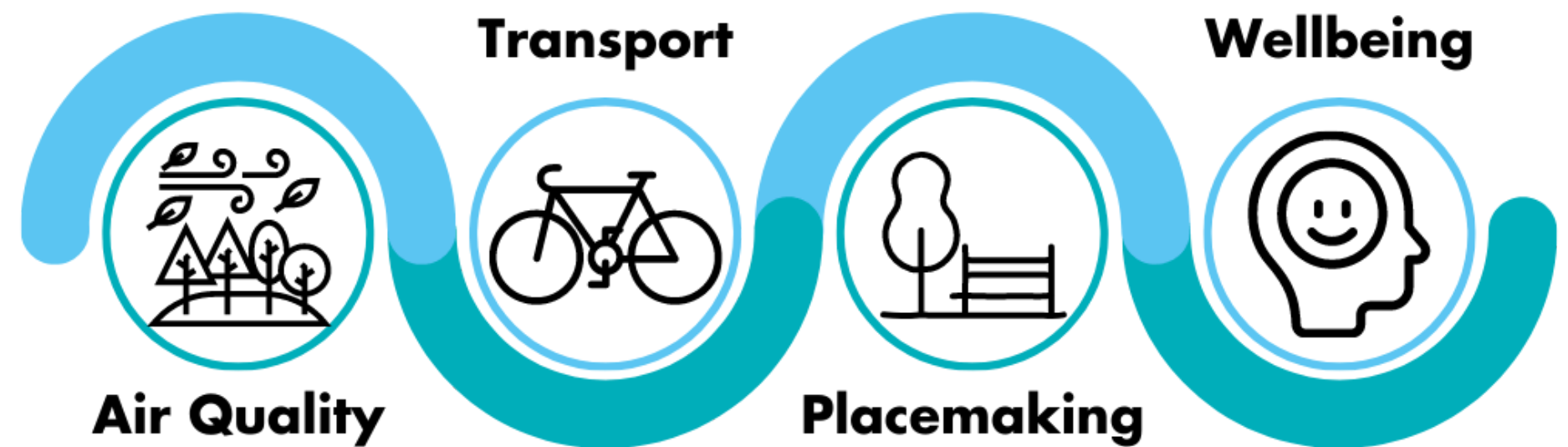
A Tenant is a person who occupies land or property rented from a landlord.

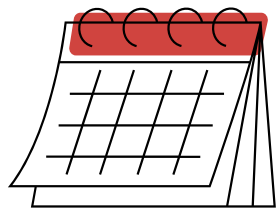
A Tenancy At Will is a tenancy that allows a tenant to occupy a property indefinitely and which either the landlord or tenant can terminate at any time.



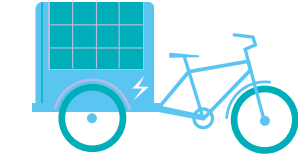
About Cross River Partnership

Cross River Partnership (CRP) is a partnership delivering environmental, economic and community-focused projects. We support public, private and voluntary organisations to address creatively challenges around Air Quality, Transport, Placemaking and Wellbeing.



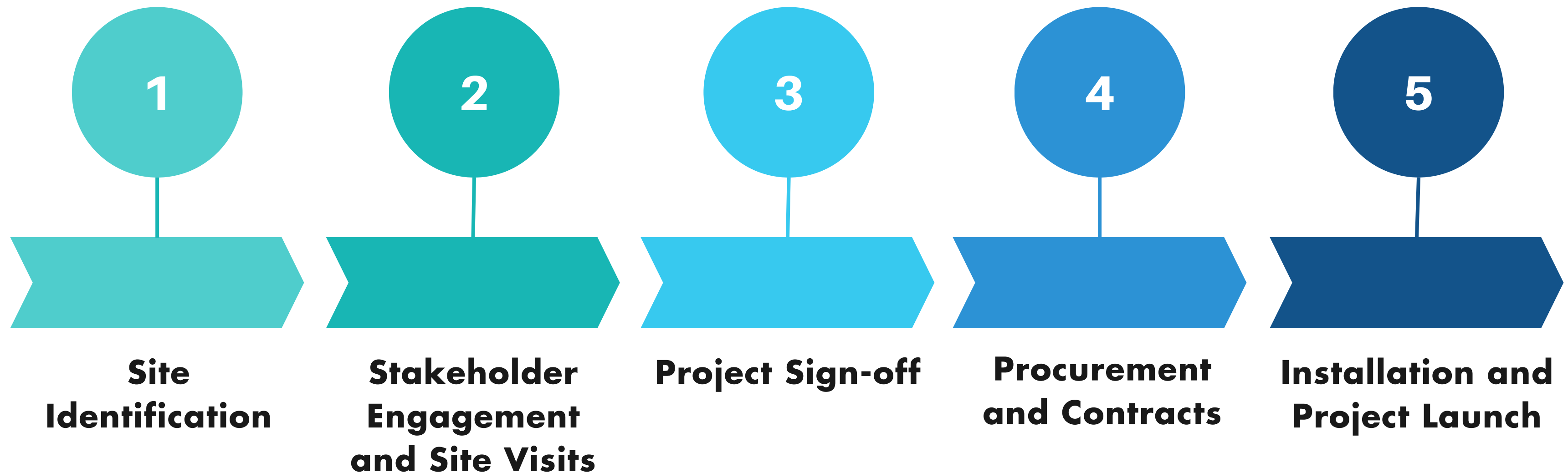


5 STEPS TO MICRO HUB SUCCESS

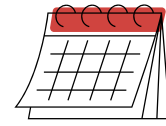


Through Clean Air Logistics for London and Clean Air Freight, CRP has learned a great deal about how to install a micro-logistics hub for a local area. Many local authorities are still understanding how they can enable, facilitate and support these projects, so CRP has created a simple, 5-step action plan for you to implement, with clear timelines, that you can use to deliver and support micro-hub projects in your borough.

These 5 steps are:

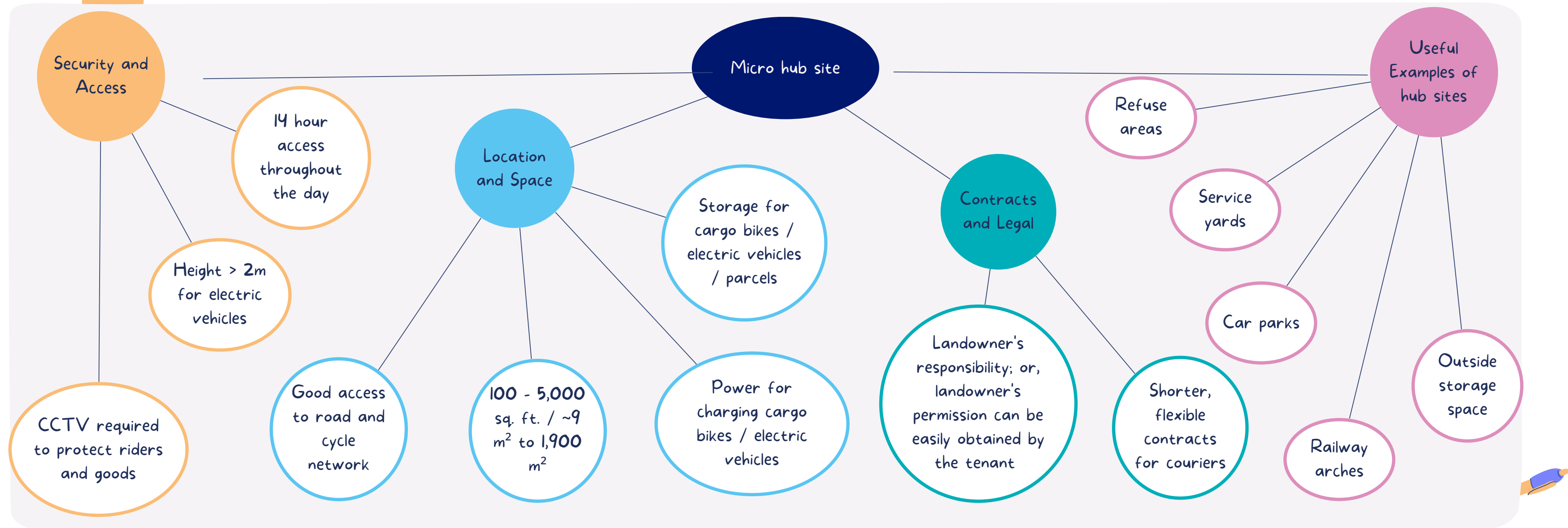


Step 1: Site Identification

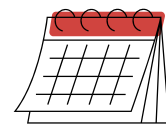


Estimated Time: 1 - 2 months

The first step will be to identify a site within your local authority.
The spider diagram shows what you may want to consider as a micro hub site.
For more detail, please see '[Do I have the right space for a Micro Logistics Hub?](#)'



Step 2: Stakeholder Engagement and Site Visits



Estimated Time: 2 - 3 months

Identify Initial External Project Partners

The first step will be to identify the initial project partners that you will need to work with externally. You will need to:

- Identify the landowner
- Understand the landowner / leaseholder relationship if needed and the matrix of leasing / landowners
- Identify organisations that can retrofit and / or manage a space

Run Tendering Process To Select Retrofit Partner

Run a tendering process or procurement process to select the retrofit partner – this contract could be for a number of years/value of a project, and potentially incorporate future sites in the borough. Doing this means you don't have to run the tendering process again in the future.

You will then need to:

- Select the retrofit/space manager organisation.
- Set them up on your local authority payment system as a new/existing supplier

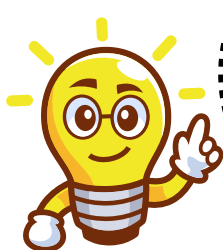
Secure Buy-In from Local Authority

Political and leadership buy-in can make things move quicker, so engage with councillors, heads of services and cabinet members to ask them to support the project.

It is also important to approach people within local authority in the relevant teams such as:

- Procurement
- Legal
- Property
- Environment
- Planning
- Transport/Highways
- Finance
- Identifying whether any of these are shared services or outsourced

Ensure there is a clear decision-making framework as to who signs the project off e.g. is it a councillor, head of service etc.

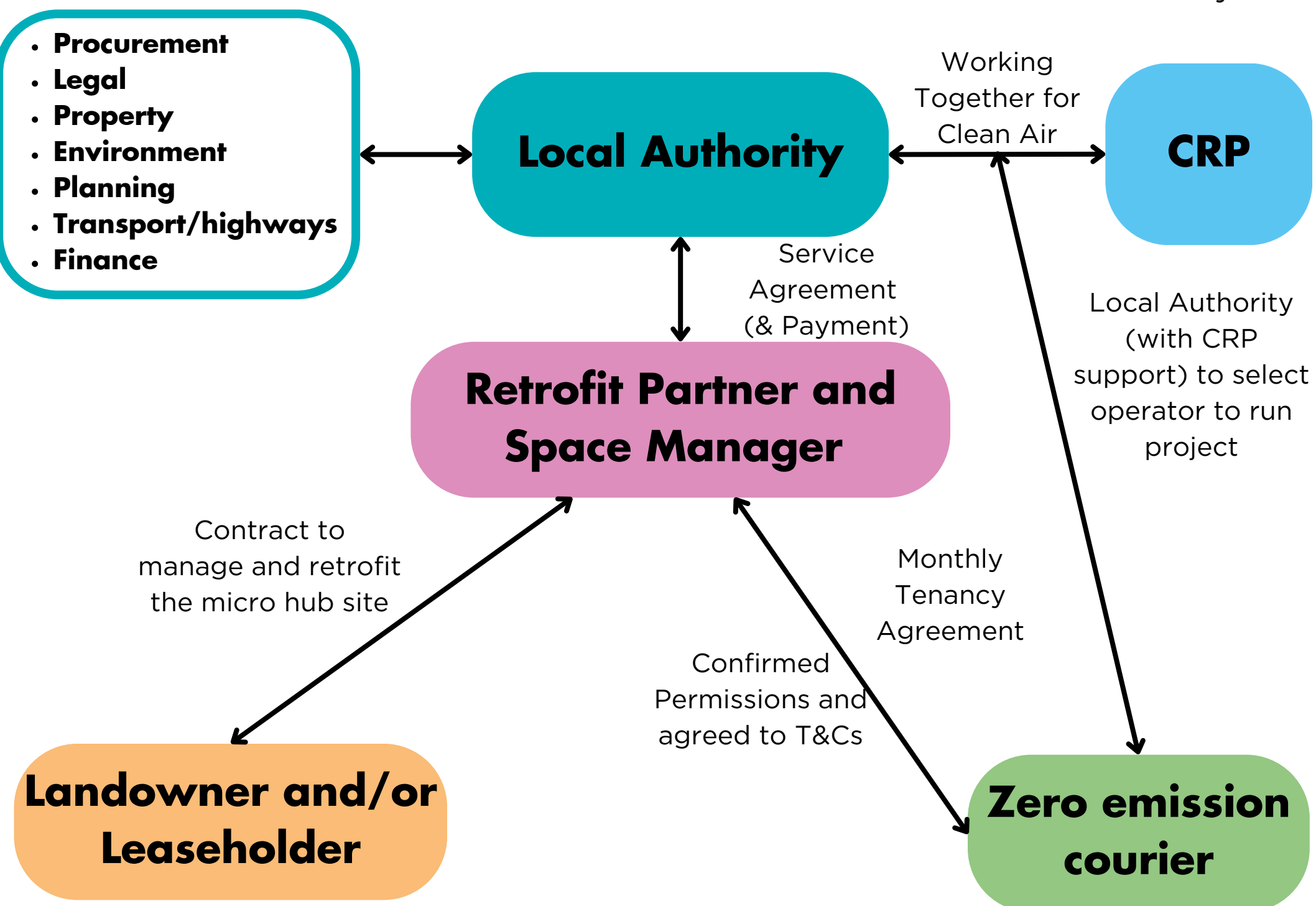


TIP: Create a project stakeholder diagram because it's a visual tool that helps all project partners in conversations to understand the project, and yourself!

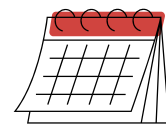
Step 2: Example Project Partners & Stakeholders



These are the key stakeholders that may be involved in the micro hub process. You may have more or less, but these are some that are likely to crop up.



Step 2: Stakeholder Engagement and Site Visits



Estimated Time: 2-3 months

Conduct Site Visit

Understand Costs

Consider Monitoring?

Whilst identifying the right stakeholders, you should arrange and conduct a site visit of the space. Take pictures and videos to show people within your local authority about the potential space. The site visit should consider:

- The site and space itself
- Access
- Streets around the area
- Understand local business/resident make up
- Kerbside
- Loading/unloading
- Time restrictions

The retrofit organisation should be able to support with the identification of suitable locations

Obtain an official quote from retrofit organisations to understand the costs for retrofitting the space to the required standards.



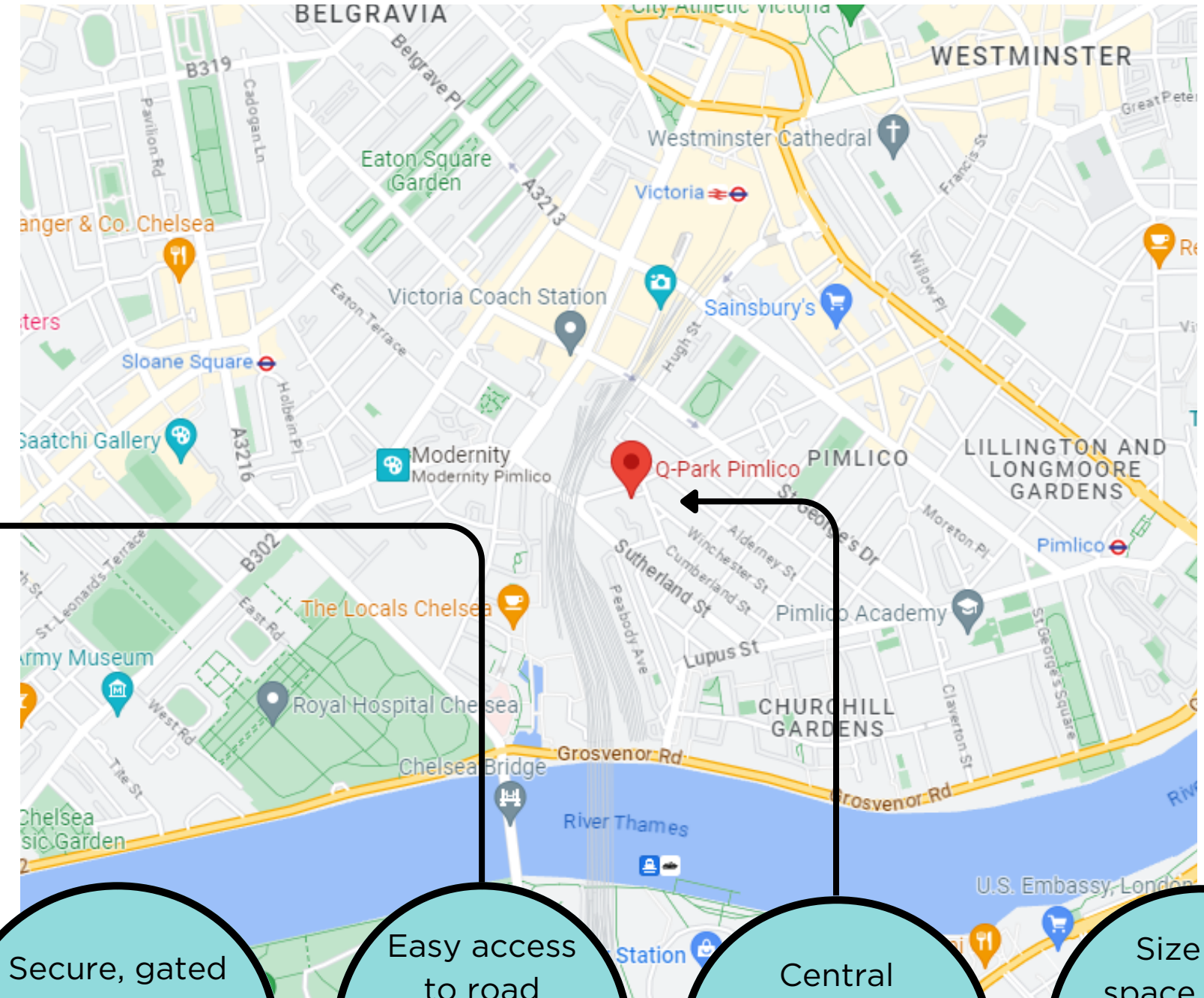
Now may be a good time to start thinking about whether monitoring or surveying would be useful for your scheme. This could include:

- Traffic monitoring
- Air quality monitoring
- Noise monitoring
- Resident feedback surveys
- Business feedback surveys

It would help to be clear about the purpose of doing the monitoring / surveying the scheme. The following questions may help with this:

- Why you are doing this?
- What success would look like for this project?
- Do you need to establish baseline data?
- Do you need to install any monitoring devices or conduct any surveys before?

Step 2: Example Site Location in Q-Park Pimlico



Secure, gated and covered area in the car park

Easy access to road network and ground floor entry

Central location for deliveries in Westminster

Size and space meets specifications for cargo bikes

Step 2: Example Site Scoping in South London

Industrial sites and car parks can be great locations for micro logistics hubs as they often have underutilised land with excellent connections to local road, rail and cycling infrastructure. These spaces may also be further away from residential areas, where footfall and pedestrian traffic may be lower.

If a micro logistics hub would need to be based nearer residential areas, there are certain conditions and requirements that could be placed on couriers to avoid disruption to local residents, such as timed hours of operations or noise thresholds.

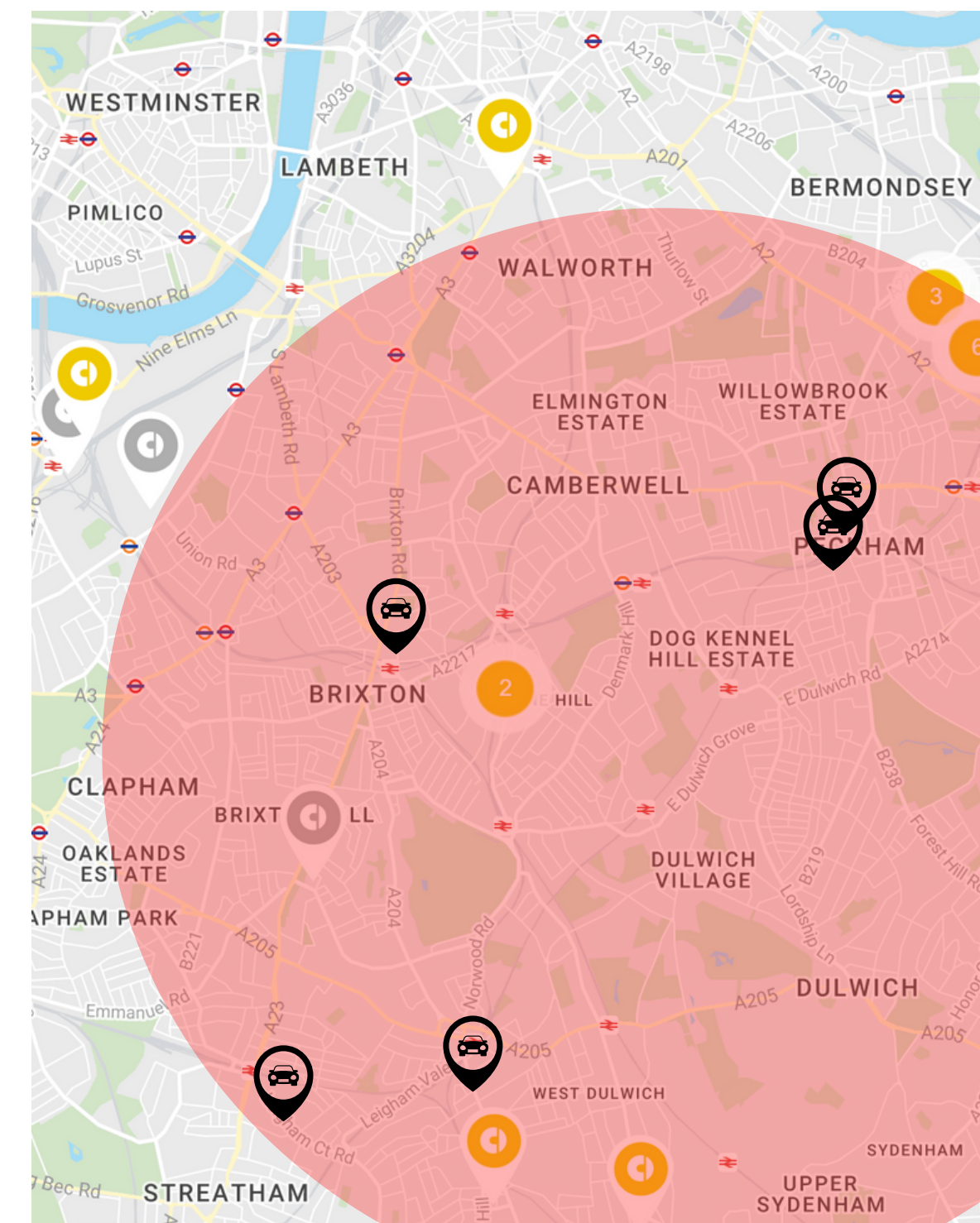
An example of a scoping exercise has been completed on the map to the right across Lambeth and Southwark, with industrial sites and car parks mapped in a broad geographic area where a micro logistics hub could be facilitated.

Car Parks

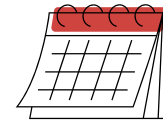
Choumert Grove car park SE15 4RB
 Peckham Town Centre car park SE15 5HQ
 Popes Road, Brixton, SW9 8PQ
 Leigham Court Road, Streatham, SW16 2PJ
 Norwood - Waylett Place - SE27 9AE

Industrial Sites

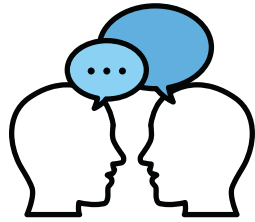
Stone Trading Estate Herne Hill, SE24 0JF
 Newington Industrial Estate Newington, SE17 3AZ
 Somers Place industrial estate Brixton, SW2 2AL
 Barratt Industrial Estate West Norwood, SE27 0DJ
 Hamilton Road industrial estate West Norwood, SE27 9SF



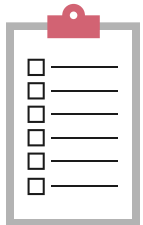
Step 3: Project Sign-off



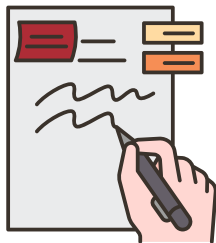
Estimated Time: 1 month



The retrofit partner will need to formally approach the landowner with a project proposal for all stakeholders. You will then need to receive verbal sign off from the landowner to initiate terms and tenancy agreements



Begin drawing up a list of zero emission couriers or operators to deliver the project and consider the evaluation criteria



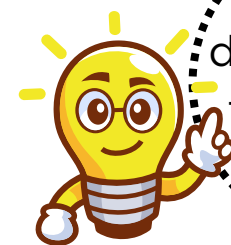
Write a project brief and present your project for internal sign off from a head of service/councillor/cabinet member. An example of a project brief is included here.



Be clear on your evaluation criteria, project legacy, funding sources and requirements, management roles and responsibilities, living wage accreditation (LLW), and financial health of organisation. Clearly state that you need to see balance sheets, accounts, etc. and how the project links to corporate, air quality and transport strategy goals, and highlight the need to share project data. Share this with your internal project team (procurement, legal, property, environment, planning, transport/highways, finance) and also the retrofit partner.

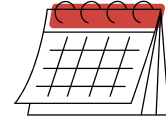


Receive internal sign off!



TIP: Be very clear on confidentiality – can this work be shared publicly before launch or does this need to remain internal? Ensure you check with all project stakeholders, including the person that signs off the project, and talk to the local authority communications team to agree an approach.

Step 4: Procurement and Contracts



Estimated Time: 2 - 3 months



Request for Proposals from Operators

Open the tendering process for the project to select an operator. Give clear deadlines for proposal submissions and operator selection, and agree with the procurement team on the project value and approach for invitations to tender.

Contracts

Arrange open days! Show the space where operators can see the site for themselves and local area. This helps them to envisage the project and brings it to life.

Create a clear evaluation template and provide feedback to operators that do submit a tender – they could work on things in your borough in the future so stakeholder management is very important at this point.

Begin Legal
Tenancy
Process

Select the operator to run the project from the space.

The selected operator and retrofit partner will now need to discuss requirements for the space.

Step 4: Procurement and Contracts

Estimated Time: 2 - 3 months

Request for
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Contracts

Whilst opening the tendering process, you may be able to begin the contract with the retrofit partner and space manager.

Agree on whether a funding agreement, service agreement or commercial agreement is the best approach for the contract between the council and retrofit / space management organisation. This will be based on timescales, internal buy-in and project legacy.

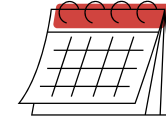
Ensure to include clear behaviour guidelines throughout the tendering process and in the contracts, particularly around hours of operation, noise and rider codes of conduct.

Agree the contract length and award the contract to the retrofit partner and space manager.

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Step 4: Procurement and Contracts



Estimated Time: 2 - 3 months

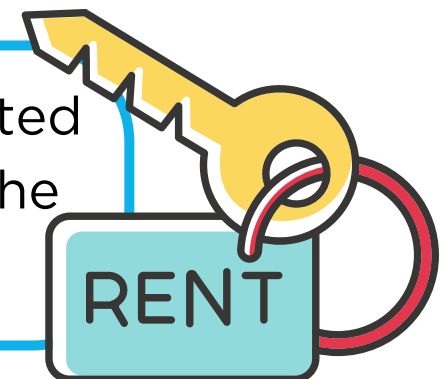
Begin Legal Tenancy Process

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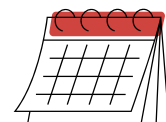
Once the operator has been selected, you may now begin the legal tenancy process for the operator at the micro hub. This may take time so begin as soon as possible. This must include the same behaviour guidelines as included in the contracts between the retrofit partner/space manager and local authority (e.g. hours of operation, noise, rider codes of conduct.

Tenancy at Will” is often the quickest way to implement these projects and allows a project to be trialled for 6 months. Formal tenancy and legal changes can commence after this trial period.

The Tenancy at Will is likely to be for the retrofit/space management organisation, the selected operator and landowner, but it is good to keep involved in the process even if you are not the landowner.



Step 4: Procurement and Contracts



Estimated Time: 2 - 3 months

RFP

This page shows how all the steps fit together. This can be a page to print out and refer back to, and shows what parts may be able to start independently of one another, and where certain parts rely on others

CONTRACT

Signature

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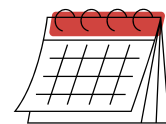
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RENT

Step 5: Installation and Project Launch



Estimated Time: 2-3 months

Once agreements have been signed:

Pay the Retrofit Partner for the retrofit works at the micro hub site, and pay for and install any monitoring equipment to evaluate the project.



The Retrofit Partner will need to commence work by installing infrastructure such as power, fencing, welfare facilities or any other requirements for the project. Provide support where it may be needed.



The Zero Emission Courier will now engage with local businesses about the project.



Create a communications plan and press release to showcase your amazing project! Get feedback from all stakeholders involved in the project. This will influence how the project will be shown on social media, websites and other communications.



Kick off the project!

Create a fun and engaging project launch event. Invite Councillors, heads of service, communications teams, and key stakeholders who have been involved in the project.

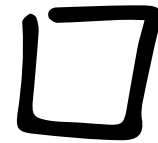


MICRO HUB SUCCESS!

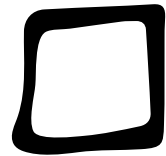
Now that you have a micro-logistics hub project that is the talk of the town, it is important to regularly understand how it is going and how you can make it successful in the long-term. Creating a legacy is really important and projects can be continually fine-tuned to make them even better!

Below is a selection of key tasks that you can do to understand it's success.

Ongoing Tasks: To do list



Ensure payments are made monthly to the space manager



Organise regular check-ins and updates with the operator



Continue to evaluate scheme success using data fed by the operator and feedback to the operator and colleagues



Devise a clear legacy plan for the scheme - will the operator stay?



Contact Us

If you have any questions about this guidance document or any ways that CRP can support you with your micro hub projects, please do reach out to:

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Ross Phillips (Sustainable Transport Project Manager, CRP): rossphillips@crossriverpartnership.org



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