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Best Urban Freight Solutions

Summary

BESTUFS II UK national seminar

Urban Freight Transport: Implementing Good Practice

Monday 21 April 2008

University of Westminster, 35 Marylebone Road, London

Agenda

09:30	10:00	**Registration and coffee**
10:00	10:30	**Welcome and introduction to the BESTUFS project** Mike Browne, University of Westminster
10:30	11:00	**The Transport Green Paper - the Challenges for Freight** Duncan Buchanan, Head - Sustainable Distribution Branch, Dept. for Transport
11:00	11:30	**Coffee break**
11:30	12:00	**The London Construction Consolidation Centre** Gary Sullivan, Wilson James Ltd
12:00	12:30	**Servicing London's 24 hour Economy - the Role of Out-of-Hours Deliveries** Chris Douglas, TTR
12:30	13:45	**Lunch break**
13:45	14:15	**Freight Best Practice - Government Helping the Freight Industry to Help Itself** Jonathan James, Faber Maunsell
14:15	14:45	**The Freight Operator Recognition Scheme** Glen Davies, Transport for London Freight Unit
14:45	15:15	**Coffee break**
15:15	15:45	**Solving Urban Freight Issues in West London** Kevin Ratnasingam, MVA Consultancy
15:45	16:15	**The Role of Rail in Urban Freight Transport** Phil Mortimer, University of Newcastle
16:15	16:30	**Final discussion and closing remarks**

Summary of the seminar

Welcome and introduction to the BESTUFS project - Michael Browne, University of Westminster

Michael Browne started the seminar by welcoming all the delegates to the University of Westminster. He then introduced the BESTUFS project, explaining its objective to identify, describe and disseminate best practices and success criteria about urban freight transport solutions. As well as its objective to maintain and expand an open European network between urban freight experts, user groups/associations, ongoing projects, the relevant European Commission Directorates and representatives of national, regional and local transport administrations and transport operators.

Michael provided an overview of each of the BESTUFS work packages, outlining its major findings and results. He also summarised the major outputs that have been achieved in the project and how these can be accessed (workshops, conferences, best practice handbooks and searches, recommendations reports national seminars, round tables, work on urban freight data collection and modelling, and the quantification of urban freight transport effects).

He then discussed the BESTUFS Good Practice Guide on Urban Freight Transport that the university of Westminster had been closely involved in producing. The guide is aimed at all stakeholders in urban freight and contains information, data, case studies summarised knowledge, and best practice. It contains three parts: goods vehicles access and loading in urban areas, last mile solutions, and urban consolidation centres, and is available in 17 languages.

The Transport Green Paper - the Challenges for Freight - Duncan Buchanan, UK Department for Transport

Duncan Buchanan began by explaining the work of the UK Department for Transport (DfT) to achieve a transport system which balances the needs of the economy, the environment and society. DfT provides leadership across the transport sector (rather than operating transport services), working closely with regional and local authorities and private sector partners who deliver many of the services. He summarised the main conclusions of the Eddington and Stern reports (Eddington – well functioning transport is essential to continued economic growth; Stern – everyone will have to adapt to climate change).

The DfT published a response to these two reports called Towards A Sustainable Transport System (TASTS) in October 2007. This contains five policy goals: climate change; competitiveness and productivity; safety, security and health; quality of life; and equality of opportunity. The DfT is currently working on a Transport Green Paper which is expected to be published in Spring/Summer 2008. This will address all transport including freight; there is also likely to be a supplementary document about freight as the DfT Freight Team feel that this will allow them to elaborate in more depth on freight issues than the Green Paper will allow given its coverage. The Green Paper will explain the transport sector's role in addressing climate change while at the same time achieving economic growth. It will set out policy and investment plans for the next 5-10 years, as well as strategic plans for the next 10-20 years. The Green Paper will stimulate dialogue with stakeholders about the challenges and potential solutions. The Freight Supplementary will focus specifically on the needs of logistics. It will consider all modes and the entire supply chain journey – case studies of various products are being developed for inclusion to help illustrate the issues involved. Challenges facing the DfT and the freight sector include: achieving reduced carbon outputs from the forecast increase in freight traffic and predicted network congestion; ensuring that transport networks provide sufficient capacity for the efficient operation of freight services; ensuring appropriate and fair treatment of the impacts of freight and logistics operations on society (taking into account economic and environmental

factors); ensuring that the options for changing freight working practices (such as night time deliveries) are understood together with their potential costs and benefits; achieving greater understanding of the role of vans and their contribution to DfT goals. The DfT is looking to improve its dialogue with freight stakeholders; it organised on event in February 2008 to discuss freight issues relating to freight transport and was very well attended. Some stakeholders will be invited to join a "Logistics Sounding Board" that DfT plans to establish.

The London Construction Consolidation Centre - Gary Sullivan, Wilson James Ltd.

Gary Sullivan discussed the lack of modern logistics practices in the construction industry. He explained that many construction companies are very good at building but are typically far less skilled in the transportation and storage of materials to/from and at construction sites. A typical large building project can involve 300-400 companies (40 specialist contractors, 100 subcontractors, and 200 suppliers). All of these companies will place orders for materials that result in deliveries. There is often little coordination of procurement practices on such sites, and very rarely any coordination of logistics practices. This results in many vehicles delivering to sites in an uncoordinated manner, and much stock being held at the site, even if it is not needed at that point. Only approximately 40% of deliveries to site arrive on-time, in-full. Approximately 30% of deliveries arrive 30 minutes to 2 hours late, and another 30% never arrive. In addition, many deliveries that had not been expected turn up without notice.

The holding of large quantities of materials on-site, the waste that occurs through damage or non-use of materials, and unreliable delivery practices and resulting productivity issues for site workers all have major effects on the construction project costs. Construction is responsible for 20% of all the waste generated in the UK. To give an example of the cost of construction material waste, at Unilever House in London approximately £1 million of materials were left on site at the end of the £110 million project. It cost £450, 000 to remove and dispose of these materials.

The London Construction Consolidation Centre (LCCC) was established in Bermondsey in 2005. It was a two-year pilot study involving an consolidation centre to serve four construction sites in the City of London. The UCC was a 5,000 sq. m. facility located approximately three miles south of the City of London. Site contractors placed a delivery order with the LCCC for the materials they required. This was assembled at the LCCC and delivered to the sites. The delivery from the LCCC to the construction sites consolidated numerous contractors' orders onto each vehicle. The LCCC was intended to reduce the number of deliveries going directly to the construction sites and thereby reducing traffic congestion and vehicle emissions. The LCCC project achieved the following results over its two-year life:

- 95% improvement in delivery performance
- 68% reduction in vehicles travelling to the site
- 25% reduction in injuries/accidents
- 15% reduction in materials wasted
- 47% increase in site productivity
- 75% reduction in goods vehicle CO_2 emissions

The LCCC helped to reduce the Unilever House construction by 11 weeks and to save £4.5 million on the project. The LCCC project has helped to provide transparent data concerning goods vehicle movements and waste levels on construction sites. It also helped staff morale and safety on-site (with the use of specialised material handlers), and to increase the likelihood of women and ethnic minorities becoming involved in the construction sector.

Gary discussed some of the barriers that need to be overcome if Consolidation Centres are to become more widely used in the construction industry. These include the issue of the allocation of the costs and benefits of such a centre (i.e. who pays and who benefits), the fact that the industry is very traditional and slow to change, and that the fragmented nature of the industry makes the necessary agreement between so many parties difficult to achieve.

The LCCC project has won three awards (from WRAP, Supply Chain Excellence Awards, and European Construction Awards). The LCCC in Bermondsey closed at the end of the project. However, Wilson James has since opened a new LCCC in Silvertown which is operating on a commercial basis.

Servicing London's 24 hour Economy: the Role of Out-of-Hours Deliveries - Chris Douglas, TTR

Chris Douglas discussed the work that TTR carried out into out-of-hours deliveries on behalf of the Central London Freight Quality Partnership (CLFQP). He started by explaining that cities such as London are 24-hour cities requiring large quantities of goods, parcel and courier deliveries. This raises the question as to why so much of this freight activity has to take place only during working hours. Many sites are limited in the hours at which they can receive goods deliveries, usually in order to reduce the noise disturbance caused by activities at the site. This can be due to planning conditions placed on a particular site when it was first given planning permission, to Environmental Health restrictions imposed on a site after it started operating to prevent noise, to overactive enforcement of delivery bays outside working hours, or to voluntary time restrictions imposed by the operator. In addition, the London Lorry Control Scheme can also discourage deliveries from taking place outside working hours as a result of the additional mileage it can result in.

Chris considered the definition of ‘out-of-hours deliveries’. He pointed out that the concept has been an aspirational sustainable distribution initiative for a long time, and does already take place on a relatively frequent basis. However, the term ’night deliveries’ is often used interchangeably with ‘out-of-hours deliveries’. Chris argued that ’night deliveries’ is a misleading term, as it implies that deliveries take place at night, whereas many such deliveries take place at the beginning or end of the working day.

The out-of-hours deliveries project for the CLFQP involved the following tasks:

- Level of existing use, awareness and potential interest in uptake
- Define the ‘market’ of interested sectors
- Determine key drivers for operational change
- Determine potential barriers
- Identify locations where out-of-hours deliveries would be suitable
- Make recommendations to implement trials and future work

The study showed that the eight boroughs that comprise the CLFQP decide on their own delivery time restrictions. Even within a single borough, sites in the same street can have differences in terms of whether or not they are subject to delivery time restrictions, the times at which these restrictions are in force, and the nature of this restriction (either planning condition or Environmental Health restriction).

Many different types of organisations were surveyed during the project including suppliers, freight transport operators, retailers and hospitality and catering firms. The survey results indicated that what is thought of as out-of-hours varies between respondents. For instance, for retailers out-of-hours tended to be thought of as after 17:00, whereas for hospitality and catering firms it was often considered as in the daytime.

The survey results suggest that larger retailers would like some relaxation of the current delivery time restrictions they are subject to. This view was less common among smaller retailers (often due to the issue of needing someone on site to receive the delivery and the costs associated with this).

Consultation work with both public and private sector organisations identified benefits that could result from out-of-hours deliveries. These included economic benefits (reduction in fuel consumption, improved productivity, reduction in time spent on roads, more predictable journey times, shelves filled before customers are in the stores), social benefits (road safety, improved amenity, less congestion in and around stores at peaks), and environmental benefits (reduction in congestion, vehicle emissions and CO_2, and improved environmental performance of the transport network).

The study also identified barriers to the greater use of out-of-hours deliveries. These included: legal barriers (planning conditions, Noise Abatement notices, parking enforcement, and the London Lorry Control Scheme), logistics barriers (inevitable noise due to loading and unloading, chilled vehicles have to maintain temperatures, and pedestrian activity in some areas), and staff barriers (cost of having staff available to receive deliveries, and security concerns about unattended deliveries).

The Study Action Plan generated as part of the project suggests the need: for boroughs to review delivery time restrictions they have imposed on sites, for companies keen on increasing out-of-hours deliveries to explore noise abatement technology for vehicles and premises and staff training, to potentially integrate noise within the Low Emission Zone scheme. The project suggested a series of pilots, covering different locations (and approaches) should be undertaken, together with the development of a 'portfolio' of case studies to illustrate best practice.

Freight Best Practice: Government Helping the Freight Industry to Help Itself - Jonathan James, Faber Maunsell

Jonathan James The presentation described the content and dissemination process of the Freight Best Practice programme with its aim to encourage road freight operators to reduce their CO_2 emissions through efficient operations. Companies that participate in the Freight Best Practice programme not only reduce their impact on the environment but can also achieve substantial financial cost savings, resulting in improved profitability, as well as gaining an enhanced position in the marketplace through the company's efforts to improve its Corporate Social Responsibility.

However, some operators seem to believe that carbon emissions and their costs face in opposite directions. The Freight Best Practice programme team is looking for ways to change this perception. They find that emphasising the expected cost savings can be as, if not more important, than the expected environment outcomes when encouraging companies to operate more efficiently and reduce CO_2 emissions.

Growing awareness of environmental and climate change issues is confirmed by their increasing presence in TV ads, social conversations and daily newspapers. Change in organisations' responsibility towards the environment is happening but high quality information is needed to ensure excellent change management. It is also important to awaken people's environmental awareness in order to ensure the topic is given serious consideration. Providing information and communicating it clearly is essential in help companies accept that Freight Best Practice is worth becoming involved in.

The Freight Best Practice programme is divided into several topic areas to help operators improve their efficiency. These include: saving fuel, developing skills, equipment and systems, operational efficiency, and

performance management. A Transport Operators Pack is available to transport companies; this includes everyday support material for transport professionals.

Several examples of how Freight Best Practice programme can help operators become more efficient were presented, including implementing truck engine anti-idling or using demountable bodies for deliveries. One of the future tools available to transport operators via Freight Best Practice will be online benchmarking which will enable road freight operators to provide electronically information about their operations to create a benchmarking service, whereby they can compare their performance with the industry norm. It is also believed that this will create an opportunity for future research using real-life data.

The Freight Operator Recognition Scheme - Glen Davies, Transport for London Freight Unit

Glen Davies explained that Transport for London (TfL) has developed a vision of safety, reliability and efficiency, which will contribute to sustainability and quality of life in London. There are several ways in which freight, crucial to the capital's economy, could play a vital role in the process. The aim, presented in the London Freight Plan, is to create a 'win-win-win' scenario where freight operators, their customers and London as a whole are beneficiaries.

In order to support the freight industry to become safer, more efficient and more environmentally friendly, the Freight Operator Recognition Scheme (FORS) was established. FORS is free, voluntary and open to any organisation operating vans or lorries within London. It aims to bring together the best practices of operators to achieve coherency as well as providing a quality and performance benchmark for the industry. It also offers a range of exclusive benefits for members, for example Penalty Charge Notice (PCN) assistance.

TfL in operating FORS in partnership with a wide range of organisations including the Metropolitan Police, boroughs, unions, high street banks and other companies interested in the scheme. A dedicated Metropolitan Police Service Commercial Vehicle Education Unit has been established which will assess companies' eligibility for FORS membership and, if the criteria are not met, they will provide an action plan and advice.

There are 44 pioneer freight companies of various sizes that have been parts of FORS since its inception and they have already seen benefits from the programme. It will be formally launched in April 2009.

Solving Urban Freight Issues in West London - Kevin Ratnasingam, MVA

Kevin Ratnasingam explained that west London is an important part of the capital with population of over 1.5 million and several major town centres. The freight agenda for the area has been delivered through the West London Freight Quality Partnership (WLFQP). The WLFQP was launched in 2003. It was the first FQP in London as has approximately 80 members including the six West London boroughs (Harrow, Brent, Hillingdon, Ealing, Hounslow and Hammersmith & Fulham), TfL, the Metropolitan Police, freight organisations, business groups and businesses that are based and operate in West London. The partners work together to discuss and to address freight issues facing West London.

Kevin brought in the practical dimension from his involvement with FQPs in London where spatial and operational constraints need to be addressed as part of the wider solution. When working on local freight schemes it is important to realise that what matters to the industry is understanding how issues and problems affects their operations. There has traditionally been a mismatch between local authorities and commercial organisations with respect to freight transport operations. However both the public and private sectors have essentially the same goal for freight transport – to improve the competitiveness of businesses,

and maximise their efficiency. But prior to the launch of FQPs the bridge between public and private sector partners was missing and this is the role played by the WLFQP. Building up a good working relationship between the public and private sectors in the WLFQP has been achieved through initiatives including Borough Freight Seminars and Industry Forums which have been organised to help understand what problems industry faces and to work together on potential solutions. Prejudices often exist that have to be identified and then overcome. One of these prejudices has tended to be a belief that goods vehicles were a problem - causing congestion, and goods vehicle drivers not complying with regulations, etc. However a WLFQP study found that 97% of traffic in town centres consists of passenger cars.

Solutions for existing freight problems in West London must meet with the approval of both industry and local authorities. Available options are often constrained by other competing needs and existing regulations. For example, efforts to improve deliveries are made more complex by parking regulations. However, despite the challenging nature of resolving freight problems, implementation of various improvements in West London urban centres has been successful and further enhancements are planned for 2008.

It is important to understand why illegal deliveries happen. Should goods vehicles be penalised for stopping on a double yellow line and making deliveries when no unloading facility is available? Cooperation between local authorities and industry is essential to addressing and resolving an issue such as this. Solutions are difficult but it does not mean that they do not exist. At the same time businesses have to understand that local authorities will consider a range of possible solutions but existing constraints and demands from other road users make it difficult to implement all of them.

Delivery and Servicing Plans (DSPs) for town centres in West and North West London are currently being developed and it is expected that they will bring efficient, sustainable and environmentally-friendly delivery practices. In his experience businesses were prepared to commit to playing their part to reduce the wider impacts of deliveries to their premises within a give and take framework. There are already some retail businesses with preliminary DSPs in West London and there are also plans to improve freight transport operations on industrial estates in the future.

When freight issues are addressed in the WLFQP, members take joint responsibility and commitment in discussing the problem and potential solutions, recognising that working in partnership is necessary for delivering successful freight transport schemes.

The Role of Rail in Urban Freight Transport - Phil Mortimer, University of Newcastle

Phil Mortimer explained that the use of rail freight today seems to be detached from commercial activity. Rail freight operations are invisible to many people, who see only trucks making the final leg of the trip. Share of rail operations within urban freight has been declining for some time. Road transport seems to have more favourable characteristics compared to rail, which has lost many important facilities and is faced with various limitations making it less appropriate for urban freight operations. Road transport, on the other hand, is equipped with better technology, accessibility and door-to-door capability.

Even though the urban logistics market is dominated by road, rail is still used to make delivers into cities via inter-modal terminals. The decline of rail freight however presents constraints for any future growth of rail in the urban market. Other disadvantages associated with rail freight operations include security issues and multiple handling costs, which make the entire operation more expensive.

While there is a case for more frequent and intensively utilised trains, the rehabilitation of existing rail infrastructure for modern logistics facilities (terminals and depots) has been compromised by cost reduction programmes, land sales and the withdrawal of network services.

Viability of light rail options for urban freight operations was also discussed and Phil provided examples from various European cities:

- Vienna - the existing city tramway network is used for internal movement of tramway infrastructure materials on a constrained basis. However commercial requirements and integration with city retail logistics needs are not adequately recognised.
- Amsterdam - converted passenger trams are to be used in congested city areas. The operation will replace truck deliveries and the ultimate fleet of 50 trams is expected to replace about 50% of the trucks in the urban zone. The freight trams will follow passenger trams without compromising flow patterns. The service is aimed at smaller retail stores and boutiques as big stores require full trailer load services and therefore the scheme is not attractive to them. This is more optimistic scenario than Vienna operation and initial commercial trials in Amsterdam are scheduled for 2008.

Other European cities where trams are used for freight movements include Dresden, Zurich and Brussels while interest in the Amsterdam model has been expressed by different cities including Tokyo, San Francisco and other Dutch cities.

An important constraint that has to be considered when introducing tram freight operations is potential conflict between passenger priorities and freight movements. The issue is even more intensified when use of underground for moving freight is considered. Therefore the likelihood of wide scale application of light rail for urban freight operations is limited. It will require a massive shift in expectations and possible dilution of service levels while environmental gains are expected to be also limited.

There is no one unique panacea for rail freight but there are a number of steps that could be taken. To regain its lost share in the urban freight market, re-positioning of products and services is needed to match road-based logistics activities within cities and become competitive. Technology, asset management, scheduling and managerial approaches also have to be aligned to the specific requirements of urban logistics.

Discussions during the seminar

Discussions took place between speakers and delegates throughout the seminar. The following issues were discussed during the day:

- The importance of national government investment decisions on urban freight transport considerations.
- The difficulties of resolving the differing views of various stakeholder groups and how to avoid the watering down of original ideas and policy intentions.
- The extent to which a major supply chain player is needed to help make the Consolidation Centre concept work.
- How urban planning authorities can help promote and encourage the use of Construction Consolidation Centres.
- The extent to which the size of a construction site affects the savings that can be achieved through the use of a Construction Consolidation Centre.
- How projects and programmes involved in noise abatement technology for vehicles and buildings (such as the PIEK programme in the Netherlands) and the Noise Abatement Society's Silent Approach) can help make out-of-hours deliveries quieter.

- The extent to which out-of-hours delivery trials have been delayed by the views and actions of planning authorities and investment decisions by companies.
- The issues related to competition and confidentiality within the Freight Best Practice programme and how they are being resolved.
- The online benchmarking of company CO_2 savings.
- The recognition of FORS by insurance companies.
- The extent to which plans for improving operations within industrial estates in West London will be similar or different to the work already carried out in Park Royal.
- Whether tram use is likely to ever be viable for delivery operations in London and other urban areas in the UK.

Summary of speakers

Michael Browne is the Head of the Freight and Logistics Unit in the University of Westminster, and is a partner in the BESTUFS project.

Duncan Buchanan is the Head of the Sustainable Distribution Branch in the UK Department for Transport.

Glen Davies is the Freight Development Manager in the Transport for London Freight Unit.

Chris Douglas is Senior Associate at TTR (Transport and Travel Research Ltd), medium-sized consultancy company specialising in the field of transport policy research.

Jonathan James is Regional Director and Head of Freight Studies at Faber Maunsell. Faber Maunsell manages the Freight Best Practice Programme to promote operational efficiency within freight operations in England on behalf of the UK Department for Transport.

Phil Mortimer is a Research Associate in the Newcastle Centre for Railway Research (NewRail) at the University of Newcastle. NewRail are BESTUFS project partners.

Kevin Ratnasingam is Principal Consultant at MVA Consultancy which provides advice on transport and other policy areas, to central, regional and local government, agencies, developers, operators and financiers.

Gary Sullivan is co-founder and Director of Wilson James Ltd, which provides a range of support services to industry including construction logistics, material consolidation, and logistics consultancy.

Participant list

Last name	First name	Organisation
Allen	Julian	University of Westminster
Anderson	Stephen	Peter Brett Associates
Bellia	Tony	Skills for Logistics
Browne	Mike	University of Westminster
Buchanan	Duncan	Dept. for Transport
Chalker	Donald	Central London Freight Quality Partnership
Cignola	Francesca	London Borough of Bromley
Davies	Glen	Transport for London
Deal	Nick	Road Haulage Association
Dempsey	Bob	Wilson James Ltd
Douglas	Chris	TTR
Drury	Jolyon	Surge Logistics Consultants
Foster	Ian	DHL Exel Supply Chain
Halsted	Liz	London Borough of Camden
Hills	Victoria	Greater London Authority
Islam	Dewan	Newcastle University
James	Jonathan	Faber Maunsell
Kimberley	Angela	The People Development Team
Lendak	Andrea	IBI Group UK
Lucking	Alan	London Borough of Bromley
McLeod	Fraser	University of Southampton
McTigue	Karen	Newcastle University
Martynstev	Dmitry	Arup
Mortimer	Phil	Newcastle University
Palmer	Andrew	Cranfield University & Preston Solutions
Pancha	Tina	London Borough of Camden
Paterson	Catherine	London Borough of Lewisham
Piotrowska	Marzena	University of Westminster
Ratnasingam	Kevin	MVA Consultancy
Richardson	Tom	Arup
Richardson	Julian	Clipper Logistics

Robinson	Katharine	EBM Consulting
Seymour	Shona	Strathclyde Partnership for Transport
Sprunt	David	Norfolk County Council
Steele	Stephen	Transport for London
Stevens	Anne	London Borough of Ealing
Sullivan	Gary	Wilson James Ltd
Talberg	Freddie	P.I.E. Enterprises
Turner	Roy	London Borough of Camden
Vithani	Nimish	Transport for London
Wainwright	Ian	Transport for London
Ward	Jerry	John Lewis Central Transport
Woodburn	Allan	University of Westminster
Woodward	Simon	Christian Salvesen/DHL
Zunder	Tom	Newcastle University