

Transport Committee – 9 September 2015**Transcript of Agenda Item 6 – Light Commercial Traffic**

Valerie Shawcross CBE AM (Chair): Can I welcome Ian Wainwright, the Head of Freight and Fleet Programmes at Transport for London (TfL), and Christopher Snelling, who is the Head of Urban Logistics and Regional Policy at the Freight Transport Association (FTA)? We have had very useful evidence from the FTA in the past and your presence is much appreciated. Welcome to Jo Godsmark. It is Jo's first attendance at this Committee. Thank you very much. She is Chairman of the Chartered Institute of Logistics and Transport's Outsourcing and Procurement Forum. Three excellent experts have agreed to share their thoughts with us today.

The first thing is that I think we are all agreed that there has been an increase in van traffic in London and, compared to heavy goods vehicles (HGVs), van traffic has grown, recently, disproportionately again. It would be helpful for the record if each of you could perhaps just say something about that. Why do you think that this is happening and what are the main reasons?

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): Yes. From an FTA point of view, it has been much discussed over the years but it is in large part driven by business need and an increasing need for more time-sensitive deliveries both to ultimate customers and also to businesses as well, dealing more in the movement of small goods. That has seen a move towards making use of vans.

It is also worth remembering that half of vans are used primarily by tradespeople rather than for deliveries. Therefore, as you see economic growth and you see an increase in servicing and you see, particularly in a wealthy city like London, an increase in requirements from people for servicing and for services at their property or at their business, you see going with that a substantial increase in van traffic.

There are the long-term trends like the reduction in stock space in stores but also in offices and trying to make use of every square foot of retail. That is, again, a trend we would see particularly prevalent in London because of the cost of real estate. Certainly, people are wanting to make use of every inch that they can and therefore require more frequent and tailored deliveries.

There is perhaps an element as well with the HGV sector. It is quite well regulated. It is possible there is some movement of substitution and people making use of vans. It is hard to quantify exactly how big that is. We do not think it would be the major cause, but it is possible that it is an element.

The final one is some people wanting to move towards more environmentally friendly means of transport. The commercial options available for vans are much better than they are in the HGV market. Those wanting to go down to a zero-emission operation are probably looking more at making use of vans than they are at HGVs.

Valerie Shawcross CBE AM (Chair): There are good and bad reasons why this might be happening?

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): It is important to remember when we talk about the growth in vans that they are all doing something productive. I would see that, in a way, you start from the position that the growth in vans is good as a whole because it is a growth in the economy. It is a growth in social services that they are providing. It then consequentially comes with social issues in terms of emissions, safety and congestion that we have to manage, but I would urge against an

assumption that growth is bad. It is a reflection of economic prosperity, which is in itself a good thing. We just then have to manage the consequences as they come.

Jo Godsmark (Chartered Institute of Logistics and Transport): I am conscious that Christopher has made a lot of good points and I do not want to repeat them. Obviously, the growth of e-commerce is a big driver in this area and an increase in home deliveries.

In the Outsourcing and Procurement Forum, one of the things we do regularly is survey members about their outsourcing behaviours. Certainly we have seen over the last five years of our survey increasing outsourcing of transport in particular and shorter contracts in some areas. With that sometimes comes a lack of visibility of some of the subcontracting from that and maybe some of the journeys that were previously own-fleet and large delivery sizes, combined with a lot of the points Christopher has made, when they come into an urban environment, come into the van market.

People in our survey also respond to the fact that they are now increasingly collaborating with each other and moving to shared user service. Shared user service is one of the factors that cause people to outsource in that way to get those synergies and to respond to the environmental pressures. Generally, there is an increase in shared user. To what extent that means vans is coupled with the smaller drop sizes and the just-in-time deliveries probably more, but as it is outsourced we get less visibility of actually how that delivery is being carried out in some cases.

Valerie Shawcross CBE AM (Chair): That was very helpful.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): You are right. There is a growth in vans. That is very clear. The last Transport Strategy identified a predicted growth and I would suggest, based on what we are seeing currently, that growth is probably beyond that predicted growth.

A couple of reasons have already been mentioned. What we are trying to understand is the actual commodities that are being moved because the issue sometimes is, as Christopher [Snelling] said, dependent on operator licensing, dependent on driver availability and dependent on the speed and amount of goods being moved. Often, the vehicle is irrelevant. You can move a single parcel in an HGV as you can in a van or you could on a bike. The issue is what is moving, where it is moving and why it is moving. That is underlying issue that we are trying to get to the bottom of.

The other side of it is, because it is a commercial contract, the data on this is mind-numbingly impossible to find. If we get down to trying to find what the data is, you would say that about a third appear to be moving goods, about a third appear to be doing servicing activity of some sort - an engineer fixing something or a plumber - and maybe a third are in commuting mode. That sounds very worrying, but then you say that that is the trip purpose and the trip purpose, for example, for a Virgin or a BT engineer, may be actually taking their van, which they are legitimately allowed to park at home, and driving to the point of their first job and so it is regarded as a commute rather than anything else. The data is so poor that we are trying to get beneath that data.

We have done some initial surveys just of the central area to look at the side of a van and say, based on what it says, what is likely to be in it? We think that 40% of them are unbranded and so they could be anything. There is no fridge on top of them; there is no set of ladders; there is nothing that implies that it is doing one thing or another. That is just within the Congestion Charge Zone. It has taken us a little while to get through to how we actually do it, but next week we are doing the first set of surveys with the police and actually pulling some vans over to see what is in them and what they are doing and that type of stuff. We are looking to try to

improve the dataset. That is only a one-off. What we are going to try to do from that is determine the most sensible way of gathering this data because that becomes very expensive to find.

Valerie Shawcross CBE AM (Chair): It would be a really useful sampling, yes.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Yes. We are trying to get to increase that level of data. We are also looking at whether there is a way of potentially multi-sourcing that data without getting into commercial confidentiality, but it becomes very difficult to understand the purpose of a private trip. That is the problem.

Valerie Shawcross CBE AM (Chair): Yes. I take Christopher's [Snelling] point that economic growth is a good thing, but to what extent do you think the growth of van traffic is contributing to congestion? How much of a problem is it now?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): There are two rising modes of transport: cycling, which is good, and vans, which are debatable. Some of them might be good because they are doing things like they are increasing customer choice, increasing response times and all those things that we as individual consumers want. Those things, we would say as individuals, are positive.

However, because it is a commercial contract, it is being done in a way that is efficient for the buyer and the seller of the goods and services, not in a way that is efficient for the way that urban areas work. That is the sort of conundrum that we have: how do we fix that to start putting efficiency for the city back into that commercial contract? That then has a whole series of issues about how the industry prices delivery and servicing activity. How many times have we bought something and it says it has free delivery?

Caroline Pidgeon MBE AM (Deputy Chair): A lot.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Can anybody show me how you can deliver something for free? That is the issue that we have with some of this.

Valerie Shawcross CBE AM (Chair): That was very interesting.

Victoria Borwick AM MP: Good point.

Valerie Shawcross CBE AM (Chair): Given that we are still boxing a little bit in the dark about the purposes of many of these trips, a point was made there about how there are alternatives. To what extent do you think sometimes in London vans are used rather than, say, motorcycles or scooters because of safety concerns? Do you think that is a factor at all?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): I would say it is less about safety and more about, "I then have my spare parts in the back of the van", if I am a plumber or an engineer or a service engineer.

Valerie Shawcross CBE AM (Chair): Convenience and security.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Even if I do not need all of the widgets that I am carrying, if they are there, I do not have to come back for a second trip.

Valerie Shawcross CBE AM (Chair): They always seem to, anyway, don't they?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): If somebody comes to repair something, it is like, "I don't have that part", and you then have to take another day off work. If they have a van and they have everything, perfect.

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): There are some deliveries and some movements of freight that are suited to the scooter, motorcycle or bicycle movement, but they are a very small proportion of what we are talking about. Where you have heavy or even slightly bulky goods, vans are quite capable of carrying reasonably large loads. Also, they can be very efficient. If you have a vanload of goods that need a series of deliveries around central London, they will be the most appropriate way to get it around in a way that would not be operationally possible if you were trying to do it by moped. They have a role to play and are one of the solutions given that they can be more environmentally friendly and they can be more congestion friendly. Members are experimenting with doing more stuff with those kinds of modes, but it is a niche rather than an alternative to the van, I would say.

Valerie Shawcross CBE AM (Chair): OK. I just want to ask you a question that relates to an earlier scrutiny we have been doing on taxis and private hire. I really do not know what the answer to this one is. We know that there has been a big growth in minicabs in London. They are growing by about 1,000 a month at the moment. We have had complaints about minicabs blocking parking and residents' parking, etc. Has the growth in private hire vehicles affected the freight industry, do you think, in London in any way?

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): We may be a little freight-centric, but I would say that from our members' point of view they are all just cars to us. Whether it is a private motorist or a minicab or a black cab, there is a huge quantum of traffic on the roads, the roads are too 'busy' - in inverted commas - and so it is difficult to get around.

It leads into an interesting area about the best use of the roads and what we are keen for people to consider is not just counting the numbers of vehicle on the roads but actually trying to look at what those vehicles are achieving for London.

Valerie Shawcross CBE AM (Chair): Rationing based on a rational --

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): Yes. In the same way that you should not equate a bus with a car because a bus will be delivering 30 people to their destinations and a private car will be delivering one person and a private hire car, minicab or whatever, similarly, probably delivering one person. Is that the most efficient use of the roads? From our point of view, compared to a fully laden van or a fully laden HGV, it is probably not the most efficient use of the roads. There are tough questions to be asked there in terms of congestion.

Valerie Shawcross CBE AM (Chair): This road-user hierarchy is fine, except that there will be some vans doing something incredibly necessary and socially useful and others doing something less necessary and socially useful. That is one of the things that we would like to try to unpick a little bit during this meeting.

Roger Evans AM: I have a question for Ian about the information that TfL is gathering. Are you seeing the increase in light commercial traffic is having an impact on private car traffic? Whereas at one time to do the family shopping you would drive to the supermarket, pick up the shopping and drive back, now with more people ordering online the supermarket can put one van out on the road and deliver to several different customers. Therefore, potentially, there is a trade-off there. Is that something that you are looking at?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): It is certainly something that we are aware of the potential for. Some work was done a couple of years ago by the RAC or somebody, which looked at substitution. Bear in mind that the growth of internet shopping is really rapid and I would say the industry is not necessarily floundering but the industry is certainly struggling to understand where the trends are heading on some of this stuff. The work from the RAC implied that the internet shopping element was freeing up the car to do something else. In other words, because you did not have to go and spend two hours going to Tesco and parking up in the car park and wheeling the kids around, what you could do is get your internet shopping at a time that suited you better and use the car to take the kids to the park or do something else with the trip.

What we are clearly seeing in terms of car usage in central London is that there are fewer younger drivers getting a car licence and that type of stuff and so there is certainly a degree of substitution.

The issue is how many different delivery options there are. Whereas perhaps traditionally we would have bought all of our food through a supermarket - or in the last 20 years - now we are buying a lot of food through lots of convenience supermarkets on an almost daily basis and topping that up with yet another delivery of a takeaway. You can even get high-end restaurant meals delivered to you within a couple of hours now. With all of the different delivery options, it is a question of how many options you end up with rather than perhaps that one trip in a car to a big supermarket.

Roger Evans AM: I noticed you referred to central London in that answer and in fact a lot of the examples you gave are central London lifestyle options. Do you see the same effect in outer London? I would have thought, with out-of-town shopping, there is probably more of a possibility to reduce traffic in outer London than there is in the centre of town.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Yes, certainly. As you say, that central London lifestyle is what you find certainly around a number of the Tube stations and a number of the Underground stations. If you go out to the outer zone places like Balham or Wood Green or you go to the likes of Richmond or Uxbridge, what happens is there are a number of convenience stores on your route back from the Tube station or from the train station.

People's shopping habits are changing. Therefore, yes, some people will order and pick up bits and pieces and they will do their bulk order online once a week, twice a week or whatever. That is the other side. Whereas perhaps you used to take your car once a fortnight to the supermarket, now it is there at the click of a mouse and you can do it three or four times a week if you want to.

Murad Qureshi AM: Roger [Evans AM] in some ways has answered the first point I was going to make. It sounds to me very much like a central London phenomenon and certainly, from what I saw on Baker Street this morning and the numbers of white vans coming into London, that seems to confirm the picture.

Can I ask you for another observation? To what extent is the increase in freight movement of parcels and what-have-you a reflection of the privatisation of Royal Mail and competition in that sector? Is that a reflection of the increase in vehicles of this type on the streets?

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): You could say that some of the liberalisation of those services has opened up new markets to customers, who then want to take advantage of it and want to book in deliveries in a different way. They want to book them in at specific times. They expect same-day or next-day delivery. As that has become available, companies have stepped forward, companies have promoted that desire, people have picked up on it and so it exists. I would not say it was a

sort of institutional function of privatisation because you can deliver packages on a private basis and so that growth has been coming for quite a few years.

It is obviously a massive improvement in the service not just for individuals who like to have goods delivered at a time convenient for them but we are also talking about businesses, which are now able much more to guarantee, "Yes, I can order those parts at the right time and I know that my workshop will keep working because that part will arrive on time as a replacement". It helps keeps businesses functioning. Therefore, it is a hugely important thing across society. It is linked to that liberalisation to a degree, but its root is in a desire from businesses and people to have that service.

Murad Qureshi AM: I am not asking for a justification, but has there been an increase in movements on the roads as a result? Would you say that?

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): There has been a continuing trend over the last five or ten years and so I do not know that you would link it to one particular event.

Murad Qureshi AM: It is just that that market is also liquid. You see those companies that deliver the parcels coming in and out of the market as well. It is highly competitive.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Yes. With vans and cycles or even courier-type activity, there are very few barriers to entry. You can go and buy a van tomorrow and you can set yourself up as a courier company and so there is that side of it.

The other side is that, if you take the Royal Mail, its parcel bit was really in rapid decline but the internet has saved it, to an extent. With some of that, it is now getting huge growth, particularly in terms of people having to go to their local sorting office to collect the parcel that was a failed delivery during that day. It is some of that stuff as well.

Murad Qureshi AM: Just coming to that point, it is interesting. Not everyone is picking up deliveries at home. Actually, a lot of people are sending them to their workplaces, are they not? Is that what we have seen?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Yes.

Valerie Shawcross CBE AM (Chair): We have a section on that. Britain really has taken to internet shopping big time.

Murad Qureshi AM: I was more concerned about the movement to work rather than home.

Valerie Shawcross CBE AM (Chair): In fact, I experimented by ordering something and having it delivered here.

Murad Qureshi AM: I do it all the time. It is better. There is always someone here.

Valerie Shawcross CBE AM (Chair): Actually, they have a system.

Caroline Pidgeon MBE AM (Deputy Chair): They do.

Victoria Borwick AM MP: Some companies are now rejecting deliveries at work.

Valerie Shawcross CBE AM (Chair): Yes, Canary Wharf. That is in Caroline's section. That is a very interesting area because that is new growth.

Richard Tracey AM: Could we just have a bit of discussion about, first of all, the examples that were learned during the Olympics? We had a number of sessions with not only TfL but the FTA, the Road Haulage Association (RHA) and various bodies before the Olympics. We were very impressed with the whole management of traffic and transport during the Olympics.

How much in fact is TfL taking forward the lessons that were learned and the various models that were put in place for the 2012 Olympics?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): During the 2012 Olympics, we had a six-week window when we needed to get a change in the way that the delivery and servicing activity occurred. That was achieved through a lot of good work by the freight industry in terms of understanding the size and scale of the issue and also a lot of communication to businesses. As I said earlier, it is a customer-client-supplier relationship and, in a sense, the operator will do what the customer wants it to do. The critical thing was talking to businesses and talking to the operators.

For something like the Olympics, which is a one-off national event, it becomes very easy for everybody to say, "OK, we need to do something different", but we have kept the programme going since then. We do a lot of work engaging with the industry to make sure that we have done that. Really, the messages that we had during the Games - which were to reduce the number of trips, retime them, reroute them and revise the mode - are still the same four things that we are trying to do.

However, we recognise that revising the mode and reducing the number of trips is really about reducing the number of trips on the road network, particularly during peak periods, because the way that freight moves is it tends to be very focused on the daytime and it tends to be very focused on the early morning 7.00am to 11.00am slot. We have done a lot of work in terms of retiming, which I think is also one of the questions for later, and also some stuff about what sort of information the industry needs to consider some of these options and how we take the best practice that occurs currently and how we stimulate that best practice. It is things like the work we are doing with the Out-of-Hours Consortium, work that we are doing in talking to other cities about the way they work on things and the ideas they have, and various trials. If you take nearly all of the coffee shops - Starbucks, Nero, Pret a Manger - they get deliveries overnight or in the evening beforehand. How can we take those models and sell them to other people or encourage other people to pick them up?

Richard Tracey AM: How far is your side of it, Christopher? Are they accepting particularly the out-of-hours deliveries and that sort of thing? Is that a growth area?

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): It is a very promising area to explore. Members are very keen on it. We are active participants in the consortium that Ian [Wainwright] referred to.

There are a lot of barriers to it. Some of those are within the industry. When you have established practice, it is always difficult to get change. Some of the barriers are within local authorities and their acceptance either on an environmental health level or on a planning policy level of night-time deliveries. There are also issues about night-time movements and the London Lorry Control Scheme and concerns around that area.

However, there is a great interest in it because, as well as all the social ills that traffic during the day causes and congestion, emissions and safety, it is also hugely costly to businesses. If they can get night-time deliveries working, they can operate much more smoothly. It can be much more time-efficient and much more fuel-efficient. It is better use of resources all around. It cannot be done for everything because, ultimately, if you are one person operating a small coffee shop and you do not want to open up your place of work until 7.00am and you do not want your deliveries before 7.00am, there is nothing the freight operator can do individually to force you to change that habit. However, certainly with larger companies and some sectors, there is huge opportunity to be making more deliveries at night and it would be a much more efficient use of the roads if we could.

Richard Tracey AM: Jo, do you have any observations on this?

Jo Godsmark (Chartered Institute of Logistics and Transport): Yes. Clearly, we have a limited resource and, by using the night-time, we are filling in the gaps. I think we all support that.

There is a challenge when you are part of a shared user network and you are going into an area to do a multiple-drop delivery and then some of those customers would accept night deliveries and some would not. Therefore, there is a risk that you would go in at night and then come back in the day. Some of the success stories have been where people have been managing their own transport and they have that entire supply chain under their control. It is their staff who are doing the receiving as well as the delivery and, therefore, they can join that up. If you are working for the shipper but not the end customer, trying to do that negotiation on the customer opening up at night is a real challenge. That balance of using that scarce resource maybe is not always in the calculation for what this trip is actually costing.

Another thing that sometimes surprises me - and we have all seen as internet users and customers the free delivery; are we really bearing that cost - is that also a lot of shippers when they are selling to their customers do not always have what I would call cost-rated price card or a robust minimum order quantity and also really policing what they charge their customers for different drop sizes. If you do not have that, the customer who is space-constrained will very naturally order what suits them, whether that is the best thing not only for you as a company but also for the wider environment and community.

Richard Tracey AM: I must say that I live in Wandsworth and we have a good number of streets that have parking on both sides. It bugs me when a street is completely blocked for perhaps ten minutes by either a large van or indeed a building supplier. They seem to be particularly bad at this. They arrive in the midst of the day and then, as I say, block the road while they are offloading. These sorts of people ought to be able to operate in the hours that are not so congested, surely, would you not think?

Jo Godsmark (Chartered Institute of Logistics and Transport): I would say as long as someone is there to receive the goods and it also depends on what else they are doing. For instance, some of the courier companies have become technical couriers. They are not only delivering the goods; they are also doing technical swaps as well. Again, it might move that to more of a daytime activity. I agree that it should be and that that is what we all need, but those are the barriers.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): What we are beginning to find is that whilst with a lot of this stuff we would like the simple answer that is a generic answer, it becomes very, very specific to a local area or a local street.

In the work that we have done with the Out-of-Hours Consortium - which is with Camden, Kensington and Chelsea, Richmond, the FTA, the RHA, London Councils, the Noise Abatement Society, Sainsbury's and Tesco -

it is a lot of people but the issue there was to get all of those people in the room together to say, "What is the art of the possible with retiming?"

Sainsbury's and Tesco identified 25 stores across three boroughs. Given the level of detail, we have been able to retime three of those 25 stores through a whole series of just unpicking the levels of regulation, things like the route into the store through the London Lorry Control Scheme, any planning conditions, any noise abatement notices, potentially - dependent on the borough - whether they get involved with the view of the residents or whether they do not, and a whole series of different bits and pieces. On one of the sites, there was a planning condition from 1957 that applies to a school that is no longer there. How does anybody find out about this? In a sense, it is just, "We cannot because there is a planning condition", and you have to get that individual conversation flowing to find the individual solution. As you said, if you take something like a delivery to a small local neighbourhood store, is there somewhere that they can deliver at the right time of day in the right size vehicle? Has anybody really thought about that or is it just a question of, "I am part of a network and somebody is supplying me and they always turn up in an HGV and always block the bus route"?

Therefore, it is trying to get the awareness of delivery and servicing into planning conditions, into - potentially - tenancy agreements and into a whole series of things. There needs to be some questions asked that then say, "You work within that in a free and fair way". If a new building is being built, what size vehicle should be allowed there?

Richard Tracey AM: I was going to move on to your work with the boroughs. Clearly, you have been saying quite a lot there about that.

The other question, really, in regard to the boroughs is about what their priorities are. How are you being able to align their priorities with TfL's and London's priorities as a whole?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): At the risk of dominating, certainly within all the boroughs the key issues are about safety, particularly safety of large goods vehicles; they are about air quality; they are about local congestion issues; and they are particularly about the quality of the place and the economic benefits of having nice streets and nice town centres. I would say a lot of those are the same for us and a lot of the work that TfL is doing on particularly the street types approach is about how we recognise the functionality of a street dependent on the local conditions.

What is also true with the boroughs is that whilst a lot of them are trying to do something about freight, they often do not have the resourcing to be able to do it and it is also split across a number of departments. Sometimes it is about land use planning. Sometimes it is noise enforcement. It can be parking and traffic regulations. It can be the waste contracts. Those all have a freight element to them that we need to try to pull together.

Recently, London Councils' Transport and Environment Committee has agreed to set up a borough officer liaison group and we have the first meeting of that next month. What we are going to try to do is really talk to the boroughs about some of the work that is going on, some of the great work that the boroughs are doing individually - not just the retiming and the Out-of-Hours Consortium but also Camden is doing a lot of work on consolidation - and those sorts of things and really see how we share some of that best practice.

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): That is all very sound and very accurate, but the experience that members sometimes have on the ground is that there is sometimes not the joined-up thinking within councils that we might like. At the strategic level there is an understanding, but then within the officers you have a transport planning officer who is very good on wanting to make the

streets freer and safer and all of that, an environmental health officer whose priority is for residents' sleep not to be disturbed and a housing planning officer whose priority is to get more housing built, even if that means building it quite close to what is currently a freight depot and, once the housing gets built, we suddenly start getting lots of complaints. We have members who have had facilities closed down because they have been in existence for 50 years but new housing gets built next door and suddenly it is a noise problem. They are the ones who suffer from this. They are making encouraging moves in the right direction, but we would certainly like to see more joined-up thinking, particularly at the officer level within boroughs.

Richard Tracey AM: I think we would all welcome that.

Jo Godsmark (Chartered Institute of Logistics and Transport): I really repeat that point. Also, sometimes the joined-up thinking will conflict between what is happening in the borough and then some of the other London-wide initiatives and trying to make sense of that. As we talked about earlier, there is actually a purpose for the trip and a need for the trip. If we are not careful and we push down one area, we might take an HGV movement and put it into multiple van movements inadvertently because of another initiative that has been taken up. It is that joined-up approach.

The feedback is also that the information that was produced during the London Olympics was very useful and the layby information and the real-time information did make a big difference, while accepting that that is a hard act to follow.

Richard Tracey AM: All right. We have talked quite a bit about out-of-hours work and so on, but one major area - and you have touched on it vaguely - is the examples of other cities' work in the UK and, indeed, abroad, major cities like London in Europe and in North America. Can you tell us some more about what you have learned there and what we could apply in London?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Yes. Over the last five years, we have been involved in a few European projects looking at different methods and different city approaches.

What we have found is that very often we get an awful lot more benefit on just a one-to-one conversation with other cities. As a result, what we are finding is that the world is slightly coming to London, which is a bit scary because we are saying, "We do not know everything. We are still trying to find out what we are doing", and yet everybody is saying, "You are doing more than we are". We have certainly started some really good relationships with a number of the European cities: Stockholm, Gothenburg, Copenhagen, Paris, Brussels, Barcelona, Berlin and Madrid. We have named contacts. We can email people. We can find out what they are doing and how they are responding.

What we have also done is we have done some straightforward exchange stuff. Back in June, my equivalent from New York came over to find out what we are doing. I have a team of 30. She has a team of five. New York has the same population as London. They are really struggling, but they have a lot of work they have been doing on routing. We are sharing this best practice wherever possible. There is a number of initiatives that are taking place. There is a global initiative at the moment on retiming deliveries and one of my team is involved in monthly conference calls on that with New York, São Paulo, Stockholm and a few others. In a sense, what we are trying to do is to make sure that we do not miss anything that is out there, see how it is applied elsewhere and see what we can do.

The one example I would give is New York. New York, on retiming deliveries, has paid individual retailers to change their premises as a one-off payment so that they can receive deliveries out-of-hours. That is not

something that TfL has the funding for, but it is one of those things that says, "Why did they manage to do that? Why did they have to pay for it? Surely the retailer is making money from it". We are getting into the detail of that and the economics of that to ask if that is a repeatable model through a slightly different approach and to understand how those practices could apply in London.

Richard Tracey AM: It is very good to hear. We have some examples in our notes. Barcelona seems to be pretty forward-thinking, according to this.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Yes.

Richard Tracey AM: Indeed, San Francisco has dynamic parking charges. How does that work?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): San Francisco has a number of different bits and pieces. It also has an app where you can order a parcel and, if you move the location where you are, you can tell the parcel delivery company and they will redeliver it to you somewhere else. I would suggest that that probably increases van traffic rather than anything else. However, this is the point where different cities have different approaches that work.

Dynamic parking charges would just be a question of different times of day in different locations. What we are finding is that very often, if you take the way that freight accesses the kerbside and particularly vans access the kerbside, the way we work in the UK is that we have double yellow lines and single lines for parking, but it is the blips on the kerb that affect the loading. In most places you can load and offload most of the day, whereas in a lot of the places, if you go to Paris, there are only dedicated loading bays and you cannot park on general streets. Therefore, there tends to be a way in a lot of other cities where they really restrict the loading a lot more than we do, but then we have that ability which says that the van is there and in five minutes is gone. It is not parked there for half an hour as the driver wanders off to find the place that they are delivering to. There are pluses and minuses.

Jo Godsmark (Chartered Institute of Logistics and Transport): What I understand from San Francisco as well is that they did some research that showed a lot of traffic was caused by people driving around and around to find a parking spot because the pricing was not right and so the parking was too full. It is about also - and this is more, obviously, for domestic private vehicles - trying to get the pricing right so that there are spaces and people will not be driving around and around so much.

Richard Tracey AM: I see. I understand. How successful have the various consolidation centres been in alleviating some of these problems? Are there plans to establish more of them?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): The issue with consolidation centres is that, in a sense, you are taking something out of one vehicle and putting it into another vehicle, which means there is a human involved. All that does is increase the cost. There has to be some advantage somewhere in that supply chain that means, by taking it out of one vehicle and putting it into another one, it gives some benefit.

What we have found is that at places like Heathrow it has worked a real treat. It reduces the traffic that is going into the central terminal, it has a security aspect to it and it saves the high-end retailers that are at the airport having to hold stock. There is a win-win-win. The Houses of Parliament consolidates for security reasons. Regent Street consolidates a number of stores because, once again, it is less stockholding with really high rentals. The recent one is construction consolidation when the site is really constrained. Barts Hospital,

for example, is being built through a construction consolidation centre, not for the concrete and steel but for all the fit-out stuff.

The other one that has been working recently is one that Camden has been involved in through the Mayor's Air Quality Fund and some European funding, which is Camden and two other boroughs. When Camden moved its offices, it ended up with one loading bay and it knew it was going to struggle to get everything into head office, but it has consolidated and saved money on the procurement process by getting the delivery to one point rather than each individual delivery company having to go to 40 or 50 different delivery points. It is saving money on that.

Therefore, there are different models but the model has to be about whether it provides either a cost benefit or a service benefit in that supply chain.

Jo Godsmark (Chartered Institute of Logistics and Transport): They are different models. It is all about what your target area is and whether you can do a critical mass of work in that target area to make it worthwhile.

If we go back to our night-time delivery discussion, we said that, actually, if you have a multi-drop and you take two of those out and put them at night, then you have a vehicle running at night and a vehicle running during the day. It is the same with a consolidation centre. If you cannot get a critical mass of work for that consolidation centre, the danger is that you will take out some of those drops. They will go to the consolidation centre and the vehicles are still going in for the rest of the work.

If you take something like Heathrow retail and Heathrow construction, it is a mandated service and the consolidation centre to be used. Therefore, you get all the deliveries flowing via that consolidation centre. That is appropriate for that environment, but not necessarily appropriate for all target areas.

If you take the example where you are taking it along the whole supply chain and the contracting body that puts in the consolidation centre - like the Camden model - is also receiving the goods rather than, again, having all those conversations with all the different businesses in that target area. As soon as you go out to a very wide group of companies within an area, then you would probably have to go down the mandating route.

It is that commercial trade-off again. Because not all the congestion and all the costs are really and truly in the calculation for an individual company, the individual company, if given a choice, will often choose not to use the consolidation centre.

Valerie Shawcross CBE AM (Chair): Was it Jo who mentioned the phrase 'technical swap'? I do not really know what that means. Do forgive me. Give me an example.

Jo Godsmark (Chartered Institute of Logistics and Transport): If you have a card payment [device] a lot of, say, supermarkets will do a swap for some technical part, a part of the till, a part of the payment [device]. They will just swap. If something is broken, they will swap it in.

Valerie Shawcross CBE AM (Chair): They are doing an installation?

Jo Godsmark (Chartered Institute of Logistics and Transport): You have taken some of the technical engineering support and you have made it into a swap that can be done by a logistics company instead.

Valerie Shawcross CBE AM (Chair): The van driver does a quick installation?

Jo Godsmark (Chartered Institute of Logistics and Transport): You have the parts and you have the swap, yes, and you have a quick response as well.

Valerie Shawcross CBE AM (Chair): Yes.

Victoria Borwick AM MP: It is a payment transaction?

Valerie Shawcross CBE AM (Chair): It is a bit of kit that is changed.

Jo Godsmark (Chartered Institute of Logistics and Transport): No, sorry, that was just an example. It is any piece of kit. It could be a lightbulb.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Effectively, if you assume that the guy who comes to deliver your new washing machine installs it for you, he is doing the technical bit of it as well. When you are dealing with some technology --

Valerie Shawcross CBE AM (Chair): In the old days, somebody would deliver it and then somebody else would turn up and install it.

Jo Godsmark (Chartered Institute of Logistics and Transport): Yes.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): A lot of the logistics companies are doing that technical element as well and they are skilling their drivers to do more.

Valerie Shawcross CBE AM (Chair): Yes, that is very good. We have come to the end of the questions we had prepared for this section. Are there any other thoughts and suggestions that you would like to make, particularly Jo and Christopher, who will be leaving us now, before you go? Are there any other things that you had wanted to convey to us?

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): Just wrapping it up, there are issues with the amount that vans are being used and it really comes back to how customers are wanting services. That is the primary driver for that and so it is going to come back to that question.

There were questions raised in here about click-and-collect and how that would resolve some of the issues. I just wanted to say that it does not automatically because, if people are using click-and-collect and they are asking for same-day delivery, it could be one van having to turn up to deliver one package to a click-and-collect site rather than to a home or an office. It just a substitution of journey rather than an elimination. Once you are into expecting same-day delivery or named-hour delivery, then it is that demand from businesses and consumers that will drive that. If you are looking at managing van traffic, that is the serious end of the equation we have to get into about what services are viable if that becomes an increasing problem.

Valerie Shawcross CBE AM (Chair): That is very, very helpful. That prompts quite a lot of thoughts about whether or not, socially, we could afford for people to have what they want when they want it. Maybe there is a cost to the community that needs to be made explicit by becoming a cost to the consumer.

Christopher Snelling (Head of Urban Logistics, Freight Transport Association): Yes, that is the point. Going back to what we were saying about out-of-hours deliveries, part of the reason it worked well during the Olympics was, because it was such a high-profile event, customers had it in mind and they thought about it

and said, “Yes, we will change”. What we tend to find – and it is an ongoing source of frustration and I think for TfL as well – is that the customers of freight do not tend to think about freight very much. Even if we are thinking about installing cycling infrastructure or something, TfL has had to work quite hard to get businesses on the street to think about how their deliveries will be made in future because, as far as they are concerned, “Somebody else does that. I just tell them when I want it and it turns up”. Integrating that thinking of how you run the business and how you have deliveries done is a challenging topic.

Valerie Shawcross CBE AM (Chair): That is very helpful.

Jo Godsmark (Chartered Institute of Logistics and Transport): Building on that, really, I would say that transport for many companies – not all but many – is sometimes seen as a less critical purchase even though it is actually going to their final customer. They do not have a lot of visibility, particularly when it is outsourced and not part of their supply chain with their own employees.

Then there is what we have talked about, this target area, where night-time deliveries, consolidation and different initiatives can come in and make sure that that thinking is joined-up so that we are not proliferating the journeys but actually removing a critical mass of them.

Valerie Shawcross CBE AM (Chair): OK. That is very helpful. Anybody else before we go? Can I thank Jo [Godsmark] and Christopher [Snelling] in particular for answering our questions and for starting to open this whole issue up for us? This is the first time there has been any public debate on the topic and so it was a very useful exploration.

If you have any other thoughts or any further information that you stumble across, please do drop us an email or write to us. We would be very pleased to hear from you. There were a few things that you said earlier on like how the regulatory pressures on HGVs may be causing fragmentation into smaller vans. That is obviously an issue of concern for us because HGVs might be environmentally efficient for freight but they are obviously a problem in terms of cycling and safety. There are some very critical issues. If you have any evidence or any data that you find, we would be very grateful for it.

We are grateful for your time today. Thank you very much. It was really great evidence and very useful. Thank you.

Second Panel

Valerie Shawcross CBE AM (Chair): Thank you very much for coming, everybody. I know one or two of you were sitting and watching that session. We are very interested to hear what you have to say about your own industries and we are grateful for the written evidence that many of you have already given. Thank you very much for your time today.

Do you want to go around and introduce yourselves?

Lali Virdee (Institute for Sustainability): Yes. I am Lali Virdee. I work for the Institute for Sustainability. We are a registered charity but our aim is to deliver some of the very difficult, far-reaching and new thinking to the community and see how we can encourage our cities to be more sustainable.

Valerie Shawcross CBE AM (Chair): Very good. You are right on the button.

Richard Crook (Fleet Director, DHL Express UK): I am Richard Crook. I am here representing the DHL Express division in the UK but I am also happy to discuss, where I can, the wider family of DHL in the UK as well.

Valerie Shawcross CBE AM (Chair): Thank you for coming.

Charlie Shiels (Executive Director, DPD Group UK Ltd): I am Charlie Shiels. I am the Executive Director of DPD UK, the UK division of La Poste, the French post office. We are the largest domestic parcel company in the UK. We will deliver about 200 million items this year, I reckon. I am representing DPD.

Valerie Shawcross CBE AM (Chair): Yes, very good. Thank you.

Kevin Greenaway (National Planning Manager – Logistics, Sainsbury's): Hi. I am Kevin Greenaway. I am the National Planning Manager and I look after transport projects, transport deliveries to stores, etc. I look after all that side of it, the actual primary rather than the online aspects, but I do have a little bit of insight into online as well.

Valerie Shawcross CBE AM (Chair): I am sure you do. Thank you for coming. Ian [Wainwright] we have already met.

Nicholas Dunn (Head of Transport UK, Tesco plc): Hi there. I am Nicholas Dunn, Head of Transport for Tesco. I look after the UK and I have nothing to do with the rest of the world at the moment. Thank you.

Victoria Borwick AM MP: Thank you very much indeed and thank you very much to you for coming a few moments early. We are conscious of the time today.

This is obviously a really important subject, particularly following on from what we have heard previously this morning. Perhaps the sorts of things we are talking about are obviously the sustainable delivery options: electric vehicles, cycles, any other options you think are realistically feasible. I know there is a broad range of topics here that my colleagues are going to pick up this morning over the questions and I am literally just starting off today.

Really, how far is sustainability a consideration? What are the options? What are the incentives? Who thinks it is important? Who does not? Who values it? Who does not? Do people value it or not really? Do the retail

companies value it or not really? I really would like just brief options. Who would like to start off or lead off on that?

Charlie Shiels (Executive Director, DPD Group UK Ltd): I suppose in answer to the last bit of your question and in answer to how much our customers value it when they buy our services, I do not think they value it as much as you would like them to. What they value mostly is the quality of the service we deliver and the price of the service that they have to pay us to deliver, whether in London or in any other part of the UK you live or I live. Very often, major tenders from major companies that want transportation services will mention it in the tender, but at the end of the day it always comes down to the quality of the service and the price of the service.

Victoria Borwick AM MP: Absolutely. Did you want to talk about some of the sustainability issues?

Lali Virdee (Institute for Sustainability): Certainly. That is very correct. When you ask customers who are buying things whether they want things to be delivered more sustainably, a number of them will say yes. However, if you ask them to pay more, then they will probably say no. Much of that stuff has been shunted to the side slightly and there are ways around that in order to encourage people to use more sustainable modes of transport, to reconsider how consolidation centres work and other things as well. Those facilities are available.

Some of the projects that a number of us have worked on show that those things actually do work, not just in the short term but there is business viability. Quite often, when you are using more sustainable methods, there is not necessarily an increasing cost. That is very important because, with some of the Incoterms that people use when tenders are being put together, a slightly different way of doing the same thing can actually yield a much better mechanism and a more effective mechanism.

Victoria Borwick AM MP: On the logistics side, would any of your colleagues want to make any comment about that? Is it a consideration? Are the public interested? Who is interested? What are the incentives?

Richard Crook (Fleet Director, DHL Express UK): Yes. Certainly from a DHL point of view, we do look at it all the time and we will trial and test things. However, again, it is back down to that barrier to entry. There are electric vehicles out there.

Listening to a lot of the conversation this morning, it was about congestion in the City and so on. Frankly, we would end up putting more vehicles into the City if we went down a total environmental, electric-type route because the technology just is not good enough to put one electric van in as a substitute for a diesel.

Victoria Borwick AM MP: Absolutely.

Richard Crook (Fleet Director, DHL Express UK): There are weight issues. They are inherently heavier and you cannot put as much freight on them. They are generally a smaller vehicle as well and, again, you cannot put as much on them and so on. You are finding that you are having to double up. Certainly, with some of the cost models we have done, we are saying that to go down an environmental route, you are talking about at least two-and-a-half times the cost of a vehicle, plus two drivers --

Victoria Borwick AM MP: The congestion, therefore, is a problem.

Richard Crook (Fleet Director, DHL Express UK): It does not help congestion in the City. Even though there is a bit of benefit from a cheaper fuel to operate and maybe congestion charging and all of that, it does not actually outweigh the costs.

Victoria Borwick AM MP: Tesco logistics or Sainsbury's, what would you say?

Nicholas Dunn (Head of Transport UK, Tesco plc): Sustainability starts off with making the best use of the current technology. We do that through a number of means. We are working with our suppliers to standardise pallet heights so that vehicle load utilisation is maximised on goods in. We are working with our warehouses to ensure layouts maximise the filling of the units of dispatch that we use. Those units of dispatch are then maximised on vehicle fill by clever routine and scheduling packages and we are utilising software and adapting that software to give the best benefits for our fleet. We are working with the right size of equipment to maximise the number of drops that can be on the road at any one time, therefore minimising the total number of vehicles. Doing all of that and maximising what you have is the first step.

A bit like my colleagues have just described, we have worked with a number of manufacturers. What is the future? We have looked at compressed natural gas. We have looked at electric vehicles, etc. Without repeating, it is very hard to make it work and be sustainable at the moment.

Victoria Borwick AM MP: You are right on the technology issues.

Kevin Greenaway (National Planning Manager – Logistics, Sainsbury's): Yes, it is exactly the same things that Nicholas has just alluded to there for Tesco. All the retailers are pretty much in the same ballpark when it comes to exploiting the use of trains, double-deck trailers, etc.

We have invested quite significantly in a dual-fuel fleet and we probably have the biggest dual-fuel fleet in the country. Even that is quite a difficult scenario. It is now getting more expensive. The new Euro 6 engines are not available in dual-fuel models and so we cannot go down the new fleet option for those.

We have explored the use of the Thames out there. All of these things we have explored and all the retailers - Marks & Spencer, Tesco, us, Asda - have looked at varying options. It comes down to making the best use of what is available now. With the congestion side of things, we are working with the guys at TfL to try to exploit more night deliveries and Tesco and ourselves are involved in a consortium with TfL on that.

Therefore, realistically, we are trying everything we possibly can to make it better, but there is not anything absolutely brand-new out there that is available to change the world as we see it at this moment in time.

Victoria Borwick AM MP: Inevitably, next May we are going to have a new Mayor and it will be an opportunity for influencing on his or her policies.

Obviously, having come from a slight background connected with a failed electric van vehicle, I am well aware of the technology in the sense that it is not there yet, but I do urge you to continue to think about what a new Mayor could do to help. However, as you say, until we get the technology in the vehicle, it is pretty difficult to recommend an entirely electric route at the moment. That is probably quite sensible, but if you do have future policy options, I hope that you will continue to keep us up to speed.

You touched briefly on rail and also river. As I say, we are trying to move the meeting on. Are there plans to explore other rail consolidation centres, river ones, other passenger and freight transfer? Can we move on to that side of the debate as well? Who would like to lead on perhaps either rail or passenger/freight transport or out of hours? What are the options? Who would like to lead on that?

Nicholas Dunn (Head of Transport UK, Tesco plc): In terms of trains, we currently operate five trains. For example, our train from Daventry to Scotland takes 32 equivalent articulated vehicles off the road every day six days a week and so trains have proved very successful. However, trains only work where you have the volume and the distance to make the economics work at either end of loading and unloading.

That said, we are exploring two more trains, one coming down from the northeast where we have a non-food depot at Middlesbrough, which was designed to make use of deep-sea shipping. There have been some challenges with the depth of the port and the availability of those ships coming in to the northeast, but the depot for Tesco still exists and we are now exploring with a couple of the companies real options to trunk on the train rather than on the road. We currently use double-deckers and so the train has to work very hard economically to take double-deckers off the road to work for us, but we are exploring that.

We are also exploring a route from Daventry to the Reading area, where we also have a large distribution depot. We have recently launched two trains, one to Barking and Essex from the Daventry area and one down to just outside Cardiff, again, from the Daventry area.

Therefore, trains are very much part of my thinking and hopefully, as the routes and the options within rail grow, will prove to continue to be a great option for us.

Victoria Borwick AM MP: If I bring this back to London and TfL, once we get the Night Tube working, do you think Tube carriages could carry freight at night? How does TfL see itself in this ever-growing market on both Tubes and obviously Night Tubes?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): The issue for both the Tube and for mainline passenger trains is where we prioritise the people movement as opposed to where we prioritise the freight movement. It is getting that balance because the freight trains that Tesco referred to are, effectively, paths. There are paths within the rail network that allow them to do that.

The issue for us is that the majority of Tube stations are designed for people movement. They are designed to get people down underground and back up again. If you try to take stuff, you only have to see what happens at Victoria Station and all the tourists with their suitcases trying to go downstairs to come back up.

We have talked about the art of the possible. Could we do something with metro in the morning, in the early hours or something? The practicalities of that have to be really clear.

Victoria Borwick AM MP: That is further reason why everything should be disabled accessible, something that has been a great passion of this Committee for some time.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): There is certainly the accessibility of stations, but there have been suggestions of reopening the old Post Office Railway.

Tom Copley AM: Hooray!

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Once again, the issue with that is that a lot of that was bagged mail that went down a chute. How do you get the stuff back up? How do you get the volumes, the pallets and the roll-cages that modern distribution uses?

Kevin Greenaway (National Planning Manager – Logistics, Sainsbury's): There is the storage of them as well. Temperature control would need to be involved with all the retailers as well.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Certainly one of the things that we have to look at in future strategic directions is, in 20 or 30 years, should we be having an underground rail system that is enabled to get stuff right into the centre of London, maybe by train, directly from Daventry, for example? Are there options that say we should be doing something --

Victoria Borwick AM MP: If they are coming into Reading, surely they can use Crossrail. One of you also touched on the river. I think, Kevin, you did.

Kevin Greenaway (National Planning Manager – Logistics, Sainsbury's): Yes.

Victoria Borwick AM MP: Could you tell us a bit more about what you have been doing with rivers and canals. I am obviously bringing us to London for the moment because that is our purview.

Kevin Greenaway (National Planning Manager – Logistics, Sainsbury's): Yes. That was a very long time ago. It was actually when I came back from paternity leave and my son is nine in January. That shows how long ago that was.

It proved successful. It is effectively a proof of concept scenario where we used what was the Charlton depot, which has now become a convenience depot for us, to deliver into Wandsworth and to the store there. They were afternoon deliveries and that worked well. The problem with it is there is no infrastructure there. At either end, we had to mock something up. You could not do that on a daily basis. The cost of it was somewhere between five and eight times more expensive than road deliveries. Primarily, that was around the fact that there is no infrastructure at all.

Valerie Shawcross CBE AM (Chair): It is a tidal river.

Kevin Greenaway (National Planning Manager – Logistics, Sainsbury's): The tide would kill it for overnight deliveries because every day you are getting nearly an hour later. What could be a delivery at 1.00am on a Monday turns out to be 5.00am on a Friday and that does not work within the retail environment particularly well.

Victoria Borwick AM MP: A final question from me. How do you lot communicate with TfL? This is obviously really important. It is the first time we have examined it in this way. Obviously, there are lots of things that are in planning. How do you liaise? You talked about the future technology and the future strategy? How do you plan that together? Obviously, this is something that is going to, I am sure, come back in the future.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): During the Games we pulled together a thing called the Freight Forum, which was designed to try to make sure that we have a high level of dialogue with the large companies, large organisations, trade associations and business groups. What we try to do is get everybody in the room twice a year to talk about a range of different subjects so that there is an overview of that. We have relationships with all of the organisations to an extent, perhaps partly not as clearly with the Institute for Sustainability, which is probably an overall issue, but who knows?

Certainly we do that, but we also have one-on-one conversations. Tesco and Sainsbury's are both in the Out-of-Hours Consortium and we really have this where we are trying to engage with these organisations. DHL, for example, has developed an 18-ton delivery vehicle that is gas powered, has a safe high-vision cab and is quiet, which they are now using for overnight deliveries for one of the retailers in central London. We are

having these conversations about some of this stuff and about what works. Once again, that has taken DHL a lot of money. The work that Sainsbury's and Tesco have done with their overnight deliveries has also been labour intensive, a labour of love in many cases.

Kevin Greenaway (National Planning Manager – Logistics, Sainsbury's): I am not sure about the love!

Valerie Shawcross CBE AM (Chair): Sorry, Ian. Can you just say what the company is there? I just missed that.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): With DHL with the vehicles, yes.

Valerie Shawcross CBE AM (Chair): That is a very useful example.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): It is not the express side of it. It is more the bulk delivery into retailers, but it is working through the contacts that we have with DHL.

Richard Crook (Fleet Director, DHL Express UK): Again, that is more a proof-of-concept development rather than something that is financially sustainable to go and just shift your entire fleet to.

Valerie Shawcross CBE AM (Chair): You are doing a pilot study.

Richard Crook (Fleet Director, DHL Express UK): It is a huge investment. It is a step that as a group we took to just see whether it could actually practically work if you took, dare I say, the finances completely to one side and ignored them.

Lali Virdee (Institute for Sustainability): I would just like to reiterate what Ian [Wainwright] was saying. I have worked with Kevin [Greenaway] on a major freight logistics multimodal shift project and that was quite an interesting thing that we did. That was across the whole of Europe. DHL is operating the Camden consolidation centre, which is part of our Last Mile Logistics (LaMiLo) project. We have also done proof of concept trials with TNT and with Sainsbury's on Euston and other things. There is a lot of working together. As an organisation, we also get involved with new technologies. We have been looking at the Dearman engine - the new nitrogen-powered engine there - and other technologies.

Therefore, there is in the background a reasonable amount of discussion. We do work with TfL quite a bit. We have some direct contacts, as Ian [Wainwright] was mentioning earlier on, and we have named contacts back in there. Some of the other stuff that we have also done is with TfL Surface Transport as well. We probably are talking to each other and we are doing certain things.

The big problem is that creating this massive sea-change is going to be rather slow and these proof-of-concept types of scenario will begin to grow. As they grow more and more, the economics of them will become better. Some of the projects that we have running through LaMiLo are now commercially viable and they will continue to grow. That is where we need to start. We can slowly chip away at the regulatory issues and the legislative issues and then we also have a change-of-behaviour issue as well.

Victoria Borwick MP AM: That has been a really good introduction.

Valerie Shawcross CBE AM (Chair): Thank you very much for that. One of the things we are here to do in a way, Lali, is to open all that up to the public arena because it will help push things along, even in a regulatory framework.

Can I just go back quickly to an issue that we meant to find out more about that has not taken off? Obviously there was bit of a discussion there about quite heavy major freight. Our focus for this purpose is really the delivery to the small business and the small customer, the retail deliveries and the impact that is having on London at the moment.

We had some evidence in from an organisation that does cargo bike deliveries. Does anyone want to comment on whether or not the cargo bike could be a useful player in terms of retail-style or small business-style deliveries in London?

Lali Virdee (Institute for Sustainability): If I kick off, I think you are talking about Gnewt Cargo.

Valerie Shawcross CBE AM (Chair): Yes. Do you know them?

Lali Virdee (Institute for Sustainability): Yes. We worked indirectly with them. They were going to do some work with DHL on the Camden consolidation centre but it did not quite work out.

However, by way of analogy, one of the other pilots within the LaMiLo project is an organisation called the Green Link. They use cargo bikes in the centre of Paris. They deliver to three postcodes within Paris. They have a specially adapted electric-powered bicycle that has a cabin at the back. It is under the limit for being considered a motorised vehicle and so it does not have to comply with any of the other regular things. It does not get charged the Congestion Charge and it does not get parking fines. It still has to be insured and, therefore, those things are covered. It has a reasonable load capacity; 200 kilograms is what it can carry. It does three routes every single day for each one of the drivers. That has become quite successful within Paris. It has opened three consolidation centres based on that principle. We are running a special global positioning system (GPS) platform to optimise automatic GPS tracking of all of that stuff. The main people that use that service are TNT and DHL in Paris. It is extremely successful and extremely replicable. That is the thing with these: to show that it can be replicated. That particular organisation is now taking that and replicating it in Maastricht. It is looking to do some work in Antwerp. It has also been back in London and talking to some organisations within London to see whether they can replicate that and work with the likes of Gnewt to do that.

Gnewt has a very similar principle as well in that it wants to carry larger goods, more volume and more weight so that it can become economically viable. Each one of these vehicles delivers something in the region of 500 to 1,200 parcels per day. Volume-wise it is obviously nowhere near the things these big organisations have. Again, as a proof of trial and a proof of concept, it is now commercially viable. It has taken big trucks and vans – and indeed also electric vehicles – off roads and replaced them with these pedal-powered vehicles, which are absolutely fantastic and are working really well.

Valerie Shawcross CBE AM (Chair): It has a role to play.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): They certainly work in certain areas. Gnewt is around the city and particularly around some of the areas in the West End. Particularly when you consider West End places like Leicester Square and things where the roads are closed off, it is very useful to be able to access in different ways. It is about the right vehicle at the right time. There is no way – if you take your local Tesco or Sainsbury's convenience store – that four or five articulated lorries a

day are going to be replaced by cargo powered bikes. It is getting the right mix in place. It is having the facilities to enable the cargo bikes to be located somewhere, to take stuff out of a bigger vehicle and to put it into a smaller vehicle for some areas, whereas in other places it could be taking stuff out of the small vans and putting it into a bigger vehicle to be delivered in bulk to an area. It is getting that mix. They are an essential part of the mix, I would say, but as part of the whole and dependent on a whole series of different elements.

Valerie Shawcross CBE AM (Chair): That is very helpful.

Charlie Shiels (Executive Director, DPD Group UK Ltd): It is a fairly quiet day today for us. We are delivering probably 150,000 items inside the M25. We have eight depots based around London to service London's needs. On the busiest day of the year it will be double that amount, I would imagine, some 300,000.

If you are asking me to be honest, can I see me putting drivers on bikes delivering parcels to your houses in Walthamstow? No, I cannot, absolutely not. There is a place and a time and I can see it in certain locations, but the reality is there will be health and safety issues and there will be all sorts of issues to do with it. I am not being negative because we will do whatever we can.

The reality is that customers demand more and more every day. The fashion industry wants to offer customers as late as midnight a cut-off the night before for next-day delivery. The fashion people are competing against each other. We are getting parcels injected now until 1.00am in the morning for delivery in London by 10.00am the next morning. We run a very efficient and effective operation that makes sure we can do that, and a cost-effective element to be able to make a few pounds and to carry on employing people.

Valerie Shawcross CBE AM (Chair): You will not be using bikes. We get that message, Charlie. It is quite a volume.

Richard Tracey AM: Just briefly for the record really, Chair, in my role in promoting river transport; Kevin Greenaway mentioned the various attempts that we made from the Mayor's Office and from Sainsbury's to open up some sort route to Wandsworth. What we found is that of course the lack of wharves defeats this.

The other thing I should say is that the Port of London Authority is reporting considerable growth in river transport but it tends to be from construction projects. The Blackfriars Bridge used it a lot. Crossrail has. The Tideway Tunnel will, as will the Northern line extension into Nine Elms. All that use of river transport will, we hope, take a lot of lorries off the road.

Valerie Shawcross CBE AM (Chair): It has been heavy freight.

Kevin Greenaway (National Planning Manager - Logistics, Sainsbury's): If the infrastructure was there, I do think people could use it and use it successfully.

Valerie Shawcross CBE AM (Chair): Yes, that is very clearly noted.

Murad Qureshi AM: Similarly, as Chair of the London Waterways Commission, we have been advocating water freight for a very long time.

Switching from the rivers to the canals, you mentioned the problem about tides. At least you do not have that problem on the canals and in north London we do have a network. Do you see scope to use that at least?

Kevin Greenaway (National Planning Manager - Logistics, Sainsbury's): We did look at canals at the time. The Thames made sense because you could come from a depot around the Dartford-Charlton area into central London and have a whole set of stores that you could deliver fairly close to where you would get off the river. Those would be very specific routes. You have to be very lucky with your positioning of a depot and your positioning of a store. You have to have enough stores to make it viable. Also, canals are very slow.

Valerie Shawcross CBE AM (Chair): A four-mile-an-hour limit, yes.

Murad Qureshi AM: Ian, you made a comment about luggage. Is it time to consider movements of luggage as freight given that Gatwick is actually offering that service and copying what they do in Japan? That would take a lot of stress off the Tube system in places like Paddington, Earl's Court, Hammersmith.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): There has to be a business model in there somewhere, I would suggest. As you say, they do it in Japan in Tokyo. It is a service that I know is offered in Switzerland as well. There is something there to be said for it, but it is the guarantee.

Certainly Regent Street has considered doing it the other way. Rather than the shopper taking stuff out of the shop, it will get picked up and delivered to your hotel.

Caroline Pidgeon MBE AM (Deputy Chair): I want to look at a feature of e-commerce in click-and-collect. I am a big fan of all this online shopping, I have to say. It is fantastic.

What do we think is the potential role of click-and-collect services in trying to reduce van traffic? How can these services be enhanced? We have done some survey work of Londoners. Within that, it seemed a lot of people were not using click-and-collect and did not follow it even though they may well do online shopping. Is that the way forward to reduce lots of these smaller delivery parcels to people's homes?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): It is one of those things again: as an internet shopper, which model do you want to follow? For some people, it suits their lifestyles. It is also - as I said earlier - the fact that the market is fragmented slightly. The impression we had was that a lot of the retailers were concerned they were losing the footfall into the store and therefore people were buying speculatively when they went into the store. There seemed to be a sea-change. I am sure colleagues to my left will correct me if I am wrong. When John Lewis announced after Christmas that it had 56% of its internet orders as click-and-collects to one of its stores, everybody went, "How the hell did it do that? Can we have some of that, please?" It drives that footfall back. There is an issue there for the retailers as individual retailers.

The other side of it is the various models that people have put in place and their interchangeability. As a consumer, if you buy something one day from John Lewis, the next day from Argos and the next day from somewhere else, can you actually go to one place - which happens to be your local place - or do they all run in different directions? The fact is that you have CollectPlus, Doodle and InPost; different ways of doing this stuff to what suits your lifestyle. That is why things like Amazon are interesting. On Amazon you can buy almost anything and then you have Amazon Prime that says, "We will deliver it to you in an hour or come and collect it from one of our locations". It is how much choice the consumer has and what model the retailers want to follow to get the customer loyalty and the customer footfall into their stores.

Caroline Pidgeon MBE AM (Deputy Chair): In terms of trying to reduce vehicles on the roads, something like click-and-collect, which I presume just gets put into the vehicle that is going to deliver to that store --

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Not often. They are often coming through different supply chains. It depends. If you take something like John Lewis, you can click-and-collect to a Waitrose store. The stuff that is going to a John Lewis would not be normally delivered to a Waitrose store and so it is another delivery to that Waitrose store.

Caroline Pidgeon MBE AM (Deputy Chair): OK. In my mind, I always thought that whatever you have ordered goes into the van that is going to that store.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): It certainly has potential. If you could say there are no van deliveries coming into people's offices in central London because they are being done through click-and-collect to where they live in the suburbs or outside of London, it would be a definite win. It is how to achieve that.

Caroline Pidgeon MBE AM (Deputy Chair): Actually, people get it delivered near to where they work, generally.

Kevin Greenaway (National Planning Manager - Logistics, Sainsbury's): Within our model at the moment, that volume - if it was a click-and-collect food order, for example - would be delivered into the store from the depot network. We are going in a similar way to Tesco and other people in terms of having online consolidation centres, very similar to the depot network. We will then deliver out from those to people's homes rather than from the store angle as we would currently for online. If it is a click-and-collect order, it will pretty much come straight into the store from the depot. You will not have a completely separate journey. It would come in with that main volume.

Ideally, you would want people to come into your store for click-and-collect because, as you say, you get that extra footfall. You would ordinarily have the click-and-collect at the back of the store because you want people to go past a number of shelves in the first place.

In terms of online and things like that, we would say that we would actually be saving carbon dioxide (CO₂) in terms of the online deliveries. The study that we have done with Imperial College would suggest that it has actually saved CO₂ because it has saved multiple journeys into the store from customers in their own cars when you are actually putting ten orders or so into one van. It is quite a saving. From a Sainsbury's perspective - in terms of the way we would report CO₂ - it will look worse for us because we then adopt that CO₂ instead of the customer and so we end up bringing that into our scope of reporting. We do think - and it has been studied with Imperial College - that it would save CO₂.

Caroline Pidgeon MBE AM (Deputy Chair): Focusing on click-and-collect, Nicholas, in terms of Tesco, you and Sainsbury's are pulling out of click-and-collect at transport hubs, which was tried in London. Asda was part of it as well. I certainly kept seeing an Asda van when I went up to Highgate outside the station. Is it just because people were driving there or is it that financially it was not working?

Nicholas Dunn (Head of Transport UK, Tesco plc): If I can just go back on the click-and-collect bit and then come back to your specific point, Tesco, like Sainsbury's, has a number of routes to market for click-and-collect. Click-and-collect has proved extremely popular with our customers, which has then seen growth in the London area of the dedicated click-and-collect hubs that deliver straight to the customer. The majority of grocery and food shopping still rides through the main network to the store and so we are not creating additional vehicles to the store.

In terms of online shopping for non-food items, the number one priority for lots of reasons, including sustainability, is to go through the Tesco network and not to create additional traffic. What we then do is work with our parcel firms – for example, Yodel and DPD – and we will consolidate many parcels for a store for different customers into the one larger master parcel. That therefore then reduces the number of trips that van has to make to a particular store.

In terms of trialling other methods of click-and-collect in areas away from the store, for example, we did trial lockers and we did extend the trial for a longer period. Unfortunately, that did not prove as popular with our customers and we were not able to sustain that. It is hard to describe all the reasons but my suspicion probably is we have such a good store network that it was just as easy for the customer to go to the store.

Caroline Pidgeon MBE AM (Deputy Chair): To pop in, yes. Did you get any feedback on it as your part of it, Ian?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): Being a landlord, we get the greatest commercial value from an individual retailer being at the site. The issue for the customers is that out of all of the passengers arriving at a Tube station, a percentage will normally shop at Sainsbury's and a percentage will normally shop at Tesco, Waitrose, Asda or wherever. Consequently, unless there is a multiple offering there to maximise the footfall, you are automatically segmenting part of your audience. Hopefully, the retailers assume, I expect, that that is part of the way, "We can get more business because we are here". It is also a matter of whether it fits in with people's normal patterns and the patterns they are used to.

Kevin Greenaway (National Planning Manager – Logistics, Sainsbury's): The convenience model for everyone – Tesco as well as us – is colossal in London. Ten years ago, it was 40% convenience and 60% supermarkets. It is completely the reverse of that now, almost exactly. Now you have more chance of walking down the street and there will be a Sainsbury's or a Tesco. You have less need for those kinds of things now and it is growing all the time.

Charlie Shiels (Executive Director, DPD Group UK Ltd): Click-and-collect is about choice for the consumer. It is one of a number of options. There is a hierarchical preference when people are getting a parcel at home. The number one preference is, "Get it to my house". Number two is, "Get it near my house", maybe delivered to a neighbour. 'Leave safe' is another very popular way. They tell us exactly where they want us to leave the parcel and then it is, "A store or a shop maybe nearby where I live". The least favoured option is at a depot somewhere 20 miles away. That aggravates people. When you get home at night and you get the card through your door that says, "We came and you were not in", you then want it to say, "It is with number 24", or, "It is with the store down the road", or, "It is in your greenhouse, which is what you asked me to do". You then think, "That is good. I am happy with that". That is the reality.

In answer to the question, I agree that logic tells you that if you are delivering to ten different places and you now deliver those ten items to one shop network in the centre of a village somewhere, then your mileage will reduce, your stops will reduce and your efficiency will increase. Click-and-collect has an important part to play, along with everything else, in the future. It is growing. Customers like it.

Caroline Pidgeon MBE AM (Deputy Chair): One of the issues is vehicles driving around, missed deliveries and all that, the frustration for the customer and the cost to you as an operator as well in having to store them somewhere. What are you doing to try to improve that logistically? That increases vehicle movements on the roads? I have seen some companies where you will get a text with a link and it says, "You are delivery number 54 today for this van".

Charlie Shiels (Executive Director, DPD Group UK Ltd): That is us, yes.

Caroline Pidgeon MBE AM (Deputy Chair): OK, "This is approximately what time we think we will be with you". I was loving it. I just kept looking all morning at where this van was, how much it was delivering and how fast. I knew what time it was going to arrive at my home, which meant I could pop out and know I was not going to get the card through the door. Are there more developments?

Charlie Shiels (Executive Director, DPD Group UK Ltd): None of you would want a failed delivery and you do not from a London point of view because it means an additional journey. We are obsessed with successful delivery. That is why we now interact with people. We have customers like Amazon, which gives us a lot of parcels every day and wants them delivered to you and me as consumers. Our commercial relationship is with Amazon but we want to interact with you as its customer and say, "Look, we are coming today. Are you in? We are going to be there about 3.00pm if you are going to be in. If you are not, tell us and we will come tomorrow, leave it with your neighbour, leave it safe for you or leave it in your shop network, whichever you prefer". That is what consumers want. They do not want to be frustrated when they have ordered goods to be delivered to their home. It has an important to play in the supply chain.

Caroline Pidgeon MBE AM (Deputy Chair): Do you think as more and more banks, for example, and places at Canary Wharf are banning staff from receiving non-work-related parcels - and I can understand why because I have seen the post room here, particularly running up to Christmas and the stuff they get in - is there therefore a greater role for collection lockers and the shop network, which is a great development as well?

Charlie Shiels (Executive Director, DPD Group UK Ltd): Yes. Again, we have seen that. Initially, delivery to work was encouraged. We have B-to-B deliveries, business to business, and we have B-to-C deliveries, business to consumer. For the consumer deliveries, lots were going to business addresses and you realised that of course they are ordering it to their workplace because they are not going to be in. Then, when you are delivering 300 packages in one go to a bank in London, they are saying, "Hang on a minute. We are becoming a delivery agent", and they have banned it.

You need to give the consumer choice because they are not going to be in. They either want it left with a neighbour or to be able to pick it up at a railway station at one of the establishments that are now up and running. It is all about giving them the choice. "If I cannot get it at work what can I do? I will get it to a shop (a) nearby the station where I live or (b) nearby my house so I can do it at one part of my journey home." That is only good for smaller packages. You do not want to see lots of parcels on the Tube and on the trains. You cannot be walking along with a fridge. It has to be very carefully thought through, of course.

Caroline Pidgeon MBE AM (Deputy Chair): Ian, what is TfL doing to really promote this idea of collection lockers and other things that can help with this?

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): It is part of consolidation. We talked about consolidation centres earlier. It is the same principle of how you consolidate the trips that are occurring. Back to my original point earlier this morning, what is the commodity, what is the origin and what is the destination? What we are trying to do with this is get a feel of the flavour of the volumes and where the volumes are heading and also the types of commodities. What you are doing with fresh food has to be slightly different from what you may be doing with dry goods or a parcel that you ordered from Asus or something. Is there some form of bland collection point that is available at every Tube station or every railway station so that every commuter can collect their food and can do this or that?

It is trying to identify what the gap is and, in a sense, what TfL's role is. Do we promote individual types of activity? As a landlord, we have a very clear role in terms of maximising the commercial income. Where does our role fit in some of this when the market is still in this flux of where it is going? If we start trying to put in place 'the solution', what will happen is we will end up with lots of people pulling us in a number of different directions. We have to be very much aware of the debate and work out what the role is and look at how we can investigate certain different types of solution and keep in contact with all of the players and the market - CollectPlus, Doddle and all these other types of people - so that we understand those integrators, as it were, as well as the individual delivery agents or retailers that might be driving some of that activity.

Caroline Pidgeon MBE AM (Deputy Chair): Does anyone else have anything else? I have not spoken to Richard or Lali [Virdee]. Do you have anything to add on internet shopping and how we can reduce the vehicle movements without infringing on consumer choice, which has opened a whole world to many people?

Richard Crook (Fleet Director, DHL Express UK): That is the debate again: it is down to that critical mass. Obviously, from a DHL point of view, a lot of our packages, quite obviously, are international parcels. They are a different value again. There is different legislation and so on. It is not as easy to leave with a neighbour or leave in a safe place. We do some of that where it is viable for us to do it, but a lot of the time we need signatures and there are processes that have to be gone through for a parcel that either is going to find its way onto an aeroplane or has come off an aeroplane. There are all those challenges to get around as well, along with at the end of the day you have a customer - be it a business customer or private consumer - who has pressed the button to say, "At midday tomorrow I want my package from New York in my hand. This is the way I want to do it because that suits my lifestyle". That can be completely different to the other 100 customers just before them.

Charlie Shiels (Executive Director, DPD Group UK Ltd): Some of it is the e-commerce companies. All of us are getting better. At the point of purchase there is now a prompt, "Will you be in?" The information is better. "When will you be in? When do you want it? If you are not in Wednesday, do you want it Thursday?" That clearly also will reduce failed deliveries because none of us want failed deliveries. Failed deliveries cost us money. We want to go to the delivery point and deliver the goods. That is what we want to do.

Lali Virdee (Institute for Sustainability): Richard and Charlie are quite correct. Relinquishing responsibility by organised delivery companies has been much better now. A few years ago they would never have relinquished any responsibility. Over the last two to four years they have started to let go a little bit of that. Clearly there are certain places that you can go where people have taken complete decisions. If you go to Greenwich Millennium Village, you are not allowed to have any deliveries. Everything goes into one consolidation space where all the residents come and collect their parcels. There are no people driving around willy-nilly waiting for parcels. You know it is going to come to that place and you go and pick it up.

We have also had examples of where sub-consolidation has happened. There are three or four bad examples of this in Europe where they have failed because people just do not want to subscribe to yet another service where they go and join in as a safe place to have delivery and then get it redelivered to themselves.

As Ian [Wainwright] was saying, there is a multitude of different approaches. You have to look at the one that fits that particular scenario the best. In my experience, in the last two to four years organisations have started to relinquish some of that responsibility. As long as they can still track-and-trace where that thing is and it still talks back to their individual systems, they are happy to say, "OK, you can do a bit".

Victoria Borwick MP AM: How would you get a washing machine delivered and fitted if you could not have a van going around?

Lali Virdee (Institute for Sustainability): On that particular bit, I am talking about the smaller parcels.

Caroline Pidgeon MBE AM (Deputy Chair): You are talking about smaller stuff. Thank you.

Valerie Shawcross CBE AM (Chair): Thank you. That is very helpful.

Tom Copley AM: I want to turn to the issue of drones for delivery, which is something the Mayor has expressed support for. It captured his imagination in a way that only something outlandish possibly can. How outlandish are they? Are they a feasible alternative to current delivery options? I am interested to hear from the retailers first.

Kevin Greenaway (National Planning Manager - Logistics, Sainsbury's): I do not specifically know what size of drone he is thinking about. I cannot imagine that they are going to be a great deal of use for even a home delivery. They certainly will not be any use for delivering to stores. I struggle with the vision of multiple thousands of drones flying over London. You would not want to be a bird at that point in time. I cannot see it. It may work for very small, very expensive packages that need to go across London in a very, very time constrained manner. I do not see it working in any other way.

Tom Copley AM: It has only been trialled by Amazon, has it not, for delivering a DVD or something like that?

Kevin Greenaway (National Planning Manager - Logistics, Sainsbury's): It would have to be something more than a DVD because I would imagine it is going to be very expensive.

Tom Copley AM: Yes. Also, there are questions. Do you have to have a garden for it to land in? What if you are in the bottom flat? Do you have to be at home? Where is it going to be located?

Kevin Greenaway (National Planning Manager - Logistics, Sainsbury's): It still looks like you would have to be there. From everything I have seen, it looks like you would have to literally stand there and accept it off the drone for it to fly away. That does not get you away from the issue of still needing to be at home.

Tom Copley AM: Ian seems very keen.

Kevin Greenaway (National Planning Manager - Logistics, Sainsbury's): Ian wants a TfL drone.

Caroline Pidgeon MBE AM (Deputy Chair): They probably have one!

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): I will make no comment on that. Currently there are civil aviation rules that say that anybody flying a drone has to have sight of it for private reasons. Obviously there is a whole issue about military drones.

There are a number of issues. The question is the practicality of them. There are some options, potentially, for places like the Outback in Australia where you are trying to deliver a small thing to a far distance.

The other thing I would say as an individual is to look at when the stories about these things break in the media. The thing about Amazon and drones happened to drop down about the beginning of November last year. Am I being too cynical? The point is that it was in the build-up to Christmas. It is this speed of access to something. A lot of what the customer service offering is about is the speed of access. People will continue to

trial and people will continue to push what is technically possible but it is about giving consumer choice. It is consumer choice that is driving a lot of this activity.

Valerie Shawcross CBE AM (Chair): I am glad that you mentioned the Civil Aviation Authority guidance, Ian. This question went on before I read that. After I read it, I thought you could not possibly with these regulations anywhere in London because they are so safety and privacy focused that it would not be a workable option. It is interesting to know that.

Richard Crook (Fleet Director, DHL Express UK): We have put a helicopter on to get into certain parts of London more quickly, but it is all about speed for the customer. It is not, being brutally honest with you, about efficiencies for DHL and so on. It is very customer-specific driven and there is a cost to it.

Valerie Shawcross CBE AM (Chair): We have concerns about helicopters in London, particularly from a noise nuisance point of view. That is not necessarily something we would want to promote, particularly for people with riparian constituents, because helicopter noise is a significant issue for us.

Caroline Pidgeon MBE AM (Deputy Chair): Yes.

Ian Wainwright (Head of Freight and Fleet Programmes, Transport for London): A couple of thousand buzzing drones over your heads would equally --

Valerie Shawcross CBE AM (Chair): People doing shopping by helicopter would be worse than drones.

Thank you very much. I know you are incredibly busy people. I hope you have found it interesting to be here and to help open this issue up a bit to the public gaze. It is very much appreciated. If there is anything else you like to say urgently now or would like to offer to write in and give us a bit more evidence, please do so. We will be aiming to produce a report that explores some of this work and in particular take a look at the validity of what TfL is doing. Indeed, TfL seems to be doing more than we had been aware of. We are quite pleased with that. It is really great to talk to people who actually do the jobs and make London work and so it is much appreciated.

Any last comments from any of you?

Richard Crook (Fleet Director, DHL Express UK): If we just nip back to the start when we talked about electric vehicles and weight, for me - from a payload point of view - one of things that would really open up some of the doors to reducing the numbers of vehicles is around that threshold of what a van is allowed to ultimately weigh. Three-and-a-half tons is the payload capacity of a van, whether it is electric or diesel. That is quite old in terms of its understanding. It is all about the safety of vehicles 50 years ago versus the safety of vehicles now. I know it is a massive topic to get around, but if we could get that weight threshold lifted to maybe even just four tons we could actually put more parcels on --

Valerie Shawcross CBE AM (Chair): Just for electric?

Richard Crook (Fleet Director, DHL Express UK): On a diesel even, dare I say. It would give us the legal ability to put more parcels on the vehicle so that we could expand the catchment area.

Valerie Shawcross CBE AM (Chair): That is very helpful, Richard.

Richard Crook (Fleet Director, DHL Express UK): It is a huge topic to get into in terms of how you would legislate for that.

Valerie Shawcross CBE AM (Chair): If you have time to write to us about some of the technical issues there, it would be very well received. We will be producing a report on this. Anything like that we will be expressing in the report and so thank you very much for that.

Caroline Pidgeon MBE AM (Deputy Chair): It was very useful.

Valerie Shawcross CBE AM (Chair): Of course, our stuff does get read by national people. Evidence suggests that we do influence the agenda and so that would be fantastically helpful. Thank you.

Richard Crook (Fleet Director, DHL Express UK): I will do that.

Valerie Shawcross CBE AM (Chair): Thank you, all of you, for your time today. It is very much appreciated. Very good. Thank you.