

LONDON ASSEMBLY

Valerie Shawcross CBE AM, Chair of the Transport Committee

Mike Brown
Commissioner
Transport for London
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London Assembly
City Hall
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Dear Mike,

London Assembly Transport Committee investigation into light commercial traffic

The London Assembly Transport Committee has recently been investigating the growth of light commercial traffic in the capital. Between 2012 and 2014, light commercial traffic is estimated to have increased by 13 per cent in London, while miles travelled by HGVs in the same period has remained the same. And the trend is forecast to continue. Our investigation was focussed on understanding some of the causes behind the increase, and to identify the steps TfL, local authorities and the transport and logistics industry could take to reduce the impact of the increase in light commercial traffic on congestion levels and the environment, while being careful not to harm economic growth. We focussed our research specifically on central London, as this is where the impact of the growth of light commercial traffic is most keenly felt.

As a Committee, we were also interested in understanding consumer habits and the extent to which people would be prepared to change the way they receive online deliveries to reduce the need for more vans on London's roads, and whether they would be willing to pay more for sustainable delivery modes.

Our research, which included a targeted call for evidence¹ as well a telephone poll and public survey, highlights a number of key issues (outlined below) where we believe significant progress can be made. Over the next Mayoral term, we would urge TfL to renew its focus on tackling road congestion in London, and make action in this area a priority for the next Mayor's Transport Strategy.

- **Re-timing deliveries**

Businesses should be encouraged to re-time deliveries during peak-times to reduce congestion. The Out of Hours Consortium, set up by TfL in 2013 to work with freight operators, retailers, trade associations and London boroughs, has successfully encouraged Tesco, Starbucks, Pret a Manager and Nero to move to overnight deliveries for some of their stores, within the context of the London Lorry Control Scheme. These lessons now need to be applied more widely, identifying the barriers some businesses face in changing delivery times. Local authorities have an important role to play in ensuring their planning policies are not preventing changes to delivery times, and their departments are working

¹ [Light commercial traffic summary of evidence](#)

together to deliver effective freight management policy. **More than a third of respondents to our survey said they would be in favour of more night-time deliveries.** However, it is a sensitive issue bringing with it the danger of exposing residential areas to noise.

- **Congestion charging**

A feasibility study could be carried out to assess whether changes to the congestion charge could help reduce light commercial traffic during peak times. While data is scarce, there is evidence more light commercial vehicles travel in central London during peak times, compared to HGVs. The study could also consider how an improved road charging system might “reward” more environmentally-friendly light commercial vehicles with lower tariffs. The Mayor has already indicated his desire to change the congestion charge to remove the exemption for private hire vehicles. Reducing the impact of light commercial traffic should also be considered as part of any changes to the scheme.

- **Consolidation centres**

Consolidation centres, both in outer and inner London, offer enormous opportunities to help reduce light commercial traffic. The London Borough of Camden used a consolidation centre, operated by DHL, to reduce delivery traffic to 300 council buildings in Camden, and partner boroughs, Enfield, Waltham Forest and Islington, by more than 40 per cent. Bond Street retailers have a shared consolidation centre. And in Brussels and Paris, urban consolidation centres were trialled, where goods from multiple shoppers and vendors were stored and delivered by third-party delivery firms using low-emission vehicles and, in some instances, electric cargo bikes. However, consolidation centres require significant investment to be established, and their success relies on strong coordination between local authorities, industry bodies and individual companies. Despite this, TfL should continue to work with Boroughs to identify how it can support the development of more consolidation centres in London.

- **Click & Collect**

Encouraging more people to use Click & Collect services could improve the efficiency of how goods are delivered across London. While more customers are starting to have their shopping delivered to shops and post offices, instead of their homes to avoid missing deliveries, collection lockers at railway stations are underused. A telephone poll, carried out on behalf of the Committee, found **only one in ten people had used a collection locker before. And while more than two-thirds of respondents to our survey said they would be willing to change the way they receive online deliveries, there was generally a lack of awareness about collection lockers.**

TfL has a role to play in influencing consumer habits by promoting the use of collection lockers at transport hubs. However, it is important solutions are designed to discourage additional car journeys being made to collect items. This was an issue raised in relation to Tesco and Sainsbury’s decision not to continue with a pilot of Click & Collect at tube stations. If TfL is to realise its ambition of having a Click & Collect service at every car park – as outlined in its Car Park Strategy – it should ensure the service is not creating additional congestion. TfL should also work with businesses to encourage more people to use collection lockers instead of getting deliveries sent to their place of work. The decision by banks in Canary Wharf to ban staff from receiving non-work related deliveries is a

model that could be examined. The move has led to a rise in collection points in Canary Wharf. **However, our survey identified an almost equal split between those in favour of the ban and those against.**

- **Sustainable delivery**

There is the potential for more sustainable delivery modes to be used in London. There are already a number of examples of sustainable transport modes being used for delivery in London. Gnewt, a delivery company, operates a fleet of more than 100 electric zero-emission vehicles, including cargo-cycles and minivans, in central London. And UPS said it is working towards the goal of running an all-electric fleet in London. The introduction of the Ultra-Low Emission Zone in London in 2020 is likely to put more pressure on delivery companies to upgrade to low-emission vehicles. The roll-out of more sustainable delivery modes would also be popular. **Almost half of all respondents to our survey said the sustainability of the transport mode being used to deliver their goods mattered “a lot”, and more than a third said it mattered “to some extent.”** However, the growth in electric vehicles is dependent on supporting infrastructure such as charging points. UPS said it was able to operate 28 electric vehicles after significant investment in new electricity sub-stations. But current electricity sub-stations are close to capacity. Without significant investment in London’s electrical infrastructure, the transition to electric vehicles will be slow. TfL and partners should lobby government to provide funding assistance to boost sub-station capacity in London.

- **Cycles and motorcycles**

Cycles and motorcycles could be used instead of light commercial vehicles in some cases. Many large international logistics operators are trialling or have started to implement cargo bike delivery solutions in cities both in the UK and Europe. As well as the environmental benefits, the main advantage to using cargo bikes for deliveries in central London is access to restricted areas (e.g. West End), and while there are some limitations in terms of range and load, there is clearly an opportunity for cargo bikes to be used more frequently in the last mile of the delivery chain. Motorcycles are also a viable alternative to light commercial vehicles. Motorcycle experts have suggested tradespeople could be encouraged to use motorcycles to attend jobs rather than using light commercial vehicles. This may not be appropriate in some cases, but where relatively small amounts of equipment are required it could reduce light commercial vehicle usage. However, safety concerns may prevent organisations from making this change, as cyclists and motorcyclists are both relatively vulnerable to injury in traffic collisions.

- **Rail and water**

Rail and water could be used instead of London’s roads for parts of the delivery chain. For example, Sainsbury’s has experimented with an overnight freight train delivery of goods from the Midlands to Euston station. This project, funded by the EU LaMilo programme, is one example of how rail can be used in the supply chain more effectively. Rail has also been shown to have lower costs than HGVs, which could make rail-connected consolidation centres more effective. In addition, combining passenger and freight transport is a possible option. Amazon currently uses the New York subway to distribute packages within the city, and has recently installed collection lockers in two London Underground stations.

TfL should also look at opportunities to increase freight delivery on rivers and canals. For example, the Freight Group of the London Waterways Commission has developed an initiative for a regular freight service, initially on the Paddington Arm of the Regents Canal, with a small number of pick-up/drop off points acting as minor consolidation centres. It could also look at schemes similar to that run in the city of Utrecht, which operates a zero emission electric boat, known as the 'beer boat', to make daily deliveries to more than 60 catering businesses located along the canal network. Funding for the boat came from the city's air quality improvement budget. While there are capacity and geographical barriers to this modal shift, London's rivers and canals are clearly underused resources that could help.

We hope TfL will find the issues identified in our investigation of interest. The Committee will continue to monitor changes in light commercial traffic in the capital, and we look forward to future discussions with the new Mayor and TfL about a new Transport Strategy, where we hope some of these issues will be addressed. We look forward to receiving your response shortly.

Yours sincerely,

A handwritten signature in black ink that reads "Valerie Shawcross". The signature is written in a cursive, flowing style.

Valerie Shawcross CBE AM
Chair of the Transport Committee