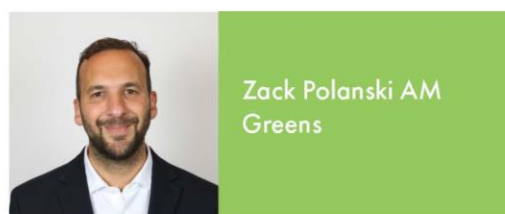
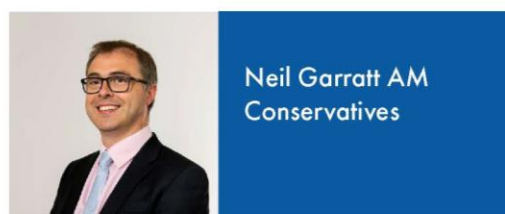




**Winning the Race to Net Zero for  
London's Businesses**  
Economy Committee

**LONDONASSEMBLY**

## Economy Committee



The Economy Committee scrutinises the work of the Mayor relating to economic development, wealth creation, social development, culture, sport and tourism in the capital. It also examines the Mayor's role as chair of the London Economic Action Partnership.

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## Foreword



### **Hina Bokhari AM** **Chair of the Economy Committee**

The race to net zero for London's businesses has started. Many traders and companies are keen to shift to greener deliveries and freight, and cargo bikes are fast becoming the exciting, revolutionary way we can do business in our city.

London is a bustling metropolis that relies on road freight. It is often congested and polluted. Many of the vehicles on our roads are diesel-powered, and they are worsening London's air quality and contributing to climate change.

Cargo bikes offer an excellent solution to the challenges posed by London's roads. They provide a cleaner and more efficient way for businesses to move goods around the city. Cargo bikes can be powered by electric motors, which are emission-free and produce no noise pollution, making them ideal for dense urban areas. They are also highly manoeuvrable and can easily navigate through narrow streets and traffic, allowing them to reach their destination quickly and efficiently.

Cargo bikes and e-cargo bikes can be the greener alternative to diesel vans, not only for deliveries, but also for tradespeople and small businesses that need to transport equipment, tools, and goods around the city.

This report highlights the many benefits of cargo bikes for businesses, including their versatility, reliability and affordability. It also explores some of the challenges that businesses may face when transitioning to cargo bikes; and provides recommendations for how the GLA, Transport for London (TfL), London boroughs, and business improvement districts (BIDs) can work in partnership, and help businesses to overcome these challenges in London.

London's streets have always been full of character, charm and adventure – so it is no surprise that there has already been a growth in the number of businesses using cargo bikes in recent years. As businesses continue to embrace a cheaper, greener and more efficient solution, I am confident that cargo bikes will no longer be a novelty but a common sight in London. Let's win the race with cargo bikes.



## Executive summary

In November 2022, the Economy Committee ran an investigation into decarbonising road freight in London, and the opportunities for businesses of cleaner, greener transport solutions.

At our meeting, panel members were strong proponents of cargo bikes in particular, and therefore cargo bikes formed the focus of our investigation into road freight alternatives.

This report focuses on the Committee's findings with regard to cargo bikes, exploring how businesses can be incentivised to make a shift away from diesel vans, and towards using cargo bikes for their deliveries and other jobs.

The Committee heard from panel members about the urgent need to decarbonise freight in London. The first chapter of this report sets out how the increased use of diesel vans has had a significant detrimental impact on carbon emissions, poor air quality and congestion in London.

The second chapter compares the opportunities and incentives, for businesses, of transitioning to cleaner and greener transport modes, including electric vans and cargo bikes.

The Committee recognises that businesses are much more likely to switch to cargo bikes if there is a cost-neutral solution. Subsidies, trials and scrappage schemes may be needed to enable the level and pace of transition to decarbonised vehicles that London needs. The third chapter sets out how government at all levels can support businesses with the upfront cost of cargo bikes and incentivise a long-term switch.

The Committee was concerned to hear from panel members that it can be difficult for cargo bike couriers to compete in price with van drivers in the gig economy; and that this has a knock-on impact on the ability of businesses to use cargo bike couriers. Just Economics and others have advocated a 'fair price' for deliveries, to ensure that dirtier and more carbon-intensive delivery modes are not incentivised over cleaner modes of delivery.

We heard that many businesses have been able to make a direct switch from vans to cargo bikes. Cargo bikes can navigate narrow streets easily, and use existing cycle infrastructure such as cycle lanes, making them ideal for deliveries in dense urban areas. However, a large-scale transition to cargo bikes will rely on appropriate infrastructure in the right places, including secure parking, storage and loading for cargo bikes, and networks of micro-consolidation centres where freight can be sorted and distributed. While storage hubs and micro-consolidation centres are being piloted, London needs more of this infrastructure to enable businesses to shift to cargo bikes on a large scale. These recommendations are set out in the fourth chapter.

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In March 2023, TfL published its Cargo Bike Action Plan, which has the aim of 'promoting and enabling the growth of cargo bikes to make them London's leading option for last-mile freight and servicing trips'.<sup>1</sup> The Committee welcomes the publication of this action plan and the commitments contained within it. The Committee believes that the Mayor and TfL can go further to support the growth of cargo bikes in London, as outlined in the recommendations in this report.

The Committee is grateful to panel members who attended the meeting on 30 November 2022, as well as to the organisations such as Fare City, the Clean Cities Campaign, Team London Bridge and Amazon, who have offered their experience and expertise during this investigation.

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<sup>1</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

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## Recommendations

### Recommendation 1

The Mayor should introduce a quality mark, awarded to London's businesses that use cargo bikes, in order to incentivise more businesses to take up cargo bikes.

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### Recommendation 2

The Mayor should continue to work with the Urban Transport Group to identify where new regulations may be needed to ensure the growth in cargo bike usage works for London. If the need for new regulations is identified, he should lobby the Government to introduce these regulations.

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### Recommendation 3

TfL should share with the Committee any analysis it has done on ensuring that there is uptake for purchasing cargo bikes as part of the scrappage scheme, from a wide variety of businesses. It should also consider increasing the funding for this to incentivise more businesses to switch to cargo bikes when the current funding runs out. TfL should inform the Committee of how it is raising awareness among different types of businesses to incentivise them to purchase a cargo bike using the scheme.

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### Recommendation 4

The Mayor should explore providing further funding to local authorities in London to support cargo bike-sharing schemes and provide training to local businesses, in order to help them integrate cargo bikes into their operations in a cost-effective way.

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### Recommendation 5

The Mayor should work with business improvement districts (BIDs) in London to carry out a lessons-learning exercise about how to encourage and facilitate the use of cargo bikes by businesses, and to understand whether demand for and feasibility of e-cargo bikes differs across the city.

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### Recommendation 6

The Mayor should explore providing funding through the Good Growth Fund to support Cleaner Air Markets in other parts of London, drawing on the pilot project carried out by Fare City.

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### Recommendation 7

The Committee supports the development of an industry-wide training and accreditation scheme that recognises cargo bike riders who have high professional standards; and encourages cargo bikes as an attractive option for businesses. TfL should outline how it intends to support the development of such a scheme.

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### Recommendation 8

The Committee welcomes the Government's E-Cargo Bike Grant Fund, which was administered by the Energy Saving Trust and provided funding for local authorities to procure e-cargo bikes for their areas in between 2019 and 2022. The Mayor should lobby the Government to introduce a further round of funding for local authorities to procure e-cargo bikes, to support the growth of e-cargo bikes in London.

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### Recommendation 9

The Mayor should lobby the Government to strengthen employment rights for delivery drivers for all modes of freight transport, and ensure that these rights are enforced.

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### Recommendation 10

The Committee supports the roll-out of cargo bike hangars and cargo bike parking by TfL and by local authorities across London. Local authorities should work with local businesses to accelerate this work and set targets for increasing cargo bike storage in their areas where needed. The Mayor should work with local authorities to support this aim.

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### Recommendation 11

TfL's Cycle freight toolkit is a positive step in providing support to businesses considering cargo bikes. In response to this report, TfL should provide the Committee with information on how it is raising awareness among, and encouraging, BIDs and local authorities in London to implement this guidance.

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### **Recommendation 12**

The GLA Group should identify opportunities across its estate where it could encourage procurement of goods and services from businesses using cargo bikes.

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### **Recommendation 13**

The Mayor should work with the industry to lobby government on updating standards for bike manufacturing, which will impact the loads that cargo bikes can carry and influence how road and cycle infrastructure needs to evolve.

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## Chapter one: Road freight and the 'race to net zero'

### Overview

Freight is critical to London's economy, particularly road freight, with 90 per cent (131 million tonnes) of all goods handled in London transported by road.<sup>2</sup> However, road freight both contributes to and is affected by congestion in the capital, which has a significant impact on London's businesses. The Mayor's 2019 Freight and Servicing Action Plan reports that freight distribution constitutes a third of London's morning traffic peak.<sup>3</sup> The movement of goods vehicles also impacts negatively on carbon emissions, air quality and road danger in London.

Vans, or light goods vehicles (LGVs), now make up 80 per cent of freight vehicles in London; heavy goods vehicles (HGVs), such as lorries, make up the other 20 per cent.<sup>4</sup> Van mileage growth has significantly outstripped HGV mileage growth in London in recent years. Between 2010 and 2019, the miles travelled by LGVs in London increased by 68 per cent, while miles travelled by HGVs decreased by 15 per cent.<sup>5</sup> At the Committee meeting on 30 November 2022, Dr Will Norman (London's Walking and Cycling Commissioner) said that in 2021 alone, the increase in light van use in the UK was about 22 per cent.<sup>6</sup> TfL expects continued growth of van miles in future years.<sup>7</sup>

Given these challenges of road freight, the Economy Committee carried out an investigation into alternative road freight options for London's businesses. The Committee acknowledges that many businesses will continue to rely on both LGVs and HGVs for financial and logistical reasons; and that options such as cargo bikes are not suitable for every type of delivery. However, for certain types of delivery, alternative options such as cargo bikes are increasingly becoming a viable option for businesses. These alternatives are set out in chapter two.

### Impact of congestion on London's businesses

At the meeting, we heard from Dr Will Norman about the significant negative impacts of congestion on London's businesses. Dr Norman referred to data from the satellite navigation companies TomTom and INRIX, which showed, in 2019, 'an average of 149 hours per year, per driver, being stuck in traffic'. Dr Norman stated: "That is six days and five hours of being stuck in traffic." GLA analysis of INRIX data found that congestion cost London's economy £5.1 billion in 2021, 'based on an estimate of the average value of earnings that drivers could be

<sup>2</sup> Mayor of London and TfL, [Freight and Servicing Action Plan](#), March 2019

<sup>3</sup> Mayor of London and TfL, [Freight and Servicing Action Plan](#), March 2019

<sup>4</sup> LGVs/vans are defined as commercial vehicles of no more than 3.5 tonnes, and HGVs as commercial vehicles of more than 3.5 tonnes. Mayor of London and TfL, [Freight and Servicing Action Plan](#), March 2019

<sup>5</sup> Centre for London, [Worth the Weight: Making London's deliveries greener and smarter](#), November 2021

<sup>6</sup> London Assembly Economy Committee, [Transcript of Agenda Item 5 – Winning the Race to Net Zero for London's Businesses](#), 30 November 2022

<sup>7</sup> Mayor of London and TfL, [Freight and Servicing Action Plan](#), March 2019

making, or the leisure time they could be enjoying, if they were not stuck in traffic'.<sup>8</sup> As set out in the Mayor's 2018 Economic Development Strategy, congestion costs money for businesses as workers spend time queuing in traffic and it is difficult to make deliveries on time.<sup>9</sup>

### **Environmental impact and road danger**

We also heard from panel members, including Dr Eva Neitzert (Director, Just Economics), about the negative impact that freight vehicles have on emissions, air quality, noise pollution, congestion and road danger in London.

Freight vehicles – both LGVs and HGVs – contribute proportionally more to emissions and poor air quality than other forms of road transport. In 2013, freight vehicles made up 17 per cent of total vehicle kilometres in London, but contributed almost a quarter of the total road-related carbon emissions; and around a third of the total road-related nitrogen oxides and particulate matter.<sup>10</sup>

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*"We know the issues that this [congestion] has on the environment. Over 4,000 people die prematurely from the air they breathe in the city. Over 25 per cent of our carbon emissions come from motor vehicle transport. What we need to do to make the city more effective and more prosperous is look at how we can get more efficiency on our roads. That is looking at the type of journeys undertaken. Are they appropriate for the vehicle that is being used? Factoring in distance and what you are carrying."*

### **Dr Will Norman, Walking and Cycling Commissioner for London TfL**

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The Mayor's Freight and Servicing Action Plan indicates that both HGVs and LGVs have been involved in fatal collisions in London, although HGVs are involved in the majority of these. In 2015-17, approximately 40 people were killed following collisions involving LGVs in London.<sup>11</sup>

### **Reasons for increase in van use in London**

The increase in van miles has been influenced by factors including increased demand for parcel deliveries; shifts in land use, with freight facilities being moved further out of the centre; and

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<sup>8</sup> Mayor of London, [Cost of congestion in capital revealed as car use remains high](#), 11 January 2022

<sup>9</sup> Mayor of London, [The Mayor's Economic Development Strategy for London](#), December 2018

<sup>10</sup> Mayor of London and TfL, [Freight and Servicing Action Plan](#), March 2019, p.32

<sup>11</sup> Mayor of London and TfL, [Freight and Servicing Action Plan](#), March 2019, p.30

active transport policies that limit the space for delivery vans to stop and unload.<sup>12</sup> Several panel members commented on the impact of the high cost of land in London, meaning that there is less space for warehouses, distribution centres and industrial land in the city.

The Mayor's 2019 Freight and Servicing Action Plan states that outer London has seen the most growth of van miles, and explains that this:

*"could reflect the shift of industrial land further out of London, with more vans coming from outside the Greater London boundary and therefore driving more kilometres within outer London to reach their destinations".<sup>13</sup>*

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*"A lot of people attribute that [growth in van use] to online shopping. Actually, the trend predates the increase in online shopping. I think some of the main drivers of this are around things like change in space in terms of construction, logistics, loss of industrial land space, and less space for servicing offices."*

**Dr Will Norman, Walking and Cycling Commissioner for London**  
**TfL**

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## The race to net zero and modal shift

The Government has committed to support the UK freight and servicing sector in its transition to net zero carbon by 2050. In order to achieve this, the Government's Future of Freight Strategy, published in June 2022, set out recommendations to promote a shift towards zero-emission HGVs and light commercial vehicles, including cargo bikes and electric vans.<sup>14</sup>

In the Mayor's 2018 Environment Strategy, he set out a commitment for London to be zero carbon by 2050.<sup>15</sup> The Mayor has since updated this ambition to 2030.<sup>16</sup>

The Mayor's 2019 Freight and Servicing Action Plan sets out several policies to make freight safer, cleaner and more efficient.<sup>17</sup> Policies include reducing freight movements through smarter delivery practices and better use of consolidated trips; and supporting the transition to low, ultra-low and zero-emission delivery vehicles such as electric vans and cargo bikes.

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<sup>12</sup> Centre for London, [Worth the Weight: Making London's deliveries greener and smarter](#), November 2021; Possible, [The Promise of Low-Carbon Freight: Benefits of Cargo Bikes in London](#), August 2021; Government Office for Science, [Last mile urban freight in the UK: how and why is it changing?](#), February 2019

<sup>13</sup> Mayor of London and TfL, [Freight and Servicing Action Plan](#), March 2019

<sup>14</sup> Department for Transport, [Future of Freight](#), 2022

<sup>15</sup> Mayor of London, [Environment Strategy](#), May 2018

<sup>16</sup> Element Energy, [Pathways to Net Zero Carbon by 2030](#), January 2022

<sup>17</sup> Mayor of London and TfL, [Freight and Servicing Action Plan](#), March 2019

The Mayor's Action Plan also commits to promoting the use of water and rail freight. The Action Plan suggests that growth in these areas is likely to focus on heavy freight that is normally transported by HGVs rather than vans. The potential growth of rail freight is limited by the capacity of the network – both for carrying passengers, and for the large amount of rail freight that passes through London to other national destinations. The use of waterways also poses several barriers, including wharf availability. Given these challenges and limitations, the Economy Committee focused its investigation on decarbonising road freight rather than a modal shift to water and rail freight.

TfL published its Cargo Bike Action Plan in March 2023.<sup>18</sup> TfL estimates that cargo bikes could replace between 1 and 2 per cent of van kilometres across Greater London by 2025 and between 1 and 4 per cent of van kilometres by 2030. Central London is expected to see the highest growth and could replace up to 9 per cent of van kilometres by 2025 and 17 per cent of van kilometres by 2030.<sup>19</sup>

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<sup>18</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

<sup>19</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

## Chapter two: the right vehicle for the right journey

### Overview

At our meeting in November 2022, we heard from panel members that the decarbonising of van freight is a huge priority for London. Dr Eva Neitzert told us that both cargo bikes and electric vans are cleaner and quieter modes of transport for services and deliveries. Panel members were strong proponents of cargo bikes in particular, and therefore cargo bikes formed the focus of our investigation into road freight alternatives.

This chapter sets out the current use of cargo bikes and electric vans by businesses in London. It then sets out the benefits of cargo bikes, which were described by panel members. These include low running costs; lower emissions and environmental impact; and lower impact on congestion. We are aware that not all trips are suitable for cargo bikes; some opportunities and challenges, in terms of the type of load and trip for which cargo bikes can be used, are set out at the end of this chapter.

### Current use of electric vans and cargo bikes in London

The use of cargo bikes and electric vans is growing in London, among both large and small businesses delivering goods and services. Large companies and courier firms such as Amazon, DPD and FedEx have introduced electric vans, micro-electric vehicles and e-cargo bikes to their fleets.<sup>20</sup> There are also several smaller London-based courier firms that solely use electric vans and e-cargo bikes, such as Gnewt, Zedify and PedalMe. We heard from several of these providers in the investigation, and in January 2023 visited Amazon's micromobility hub.

### Types of electric vehicles in use in London

Cargo bikes can range from two- or three-wheeled bikes with trailers or storage boxes on the front or back, to four-wheeled, covered vehicles. A common model of electrically assisted cargo bike being used by some large delivery companies in London is the EAV 2Cubed, described by the British manufacturer EAV as 'bridging the gap between van and bike'.<sup>21</sup> We heard from panel members that the UK has seen a significant rise in the sales of cargo bikes. Dr Norman referred to a 37 per cent rise in sales of cargo bikes in the UK in 2021. However, Dr Norman described how this figure lags well behind some other European countries such as Germany, which has seen the largest sales of cargo bikes: in 2021 it sold 103,000, compared to 4,000 in the UK.

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<sup>20</sup> Current News, [DPD opens third all-electric 'micro depot', needs infrastructure upgrades to do more](#), 18 March 2019; FedEx Newsroom, [FedEx Express Continues Journey Towards Zero Emissions Delivery, as Edinburgh, Glasgow and Cambridge Become the Next UK Cities to Welcome E-cargo Bikes](#), 2 December 2021; The Guardian, [Amazon to up electric fleet by thousands across UK and continent](#), 10 October 2022.

<sup>21</sup> EAV, [eCargo](#)



There are two categories of electric van:

- battery electric vehicles: fully electric vans that have no combustion engine and are powered only by their batteries
- hybrid vehicles: a mix of electric power and internal combustion engine.

There is limited data on the use of electric vans in London specifically, and on how many miles are currently travelled by electric van compared to diesel vans. However, it was reported in October 2022 that electric vans made up 5.9 per cent of all new vans registered in the UK as a whole, up from 3.6 per cent in 2021.<sup>22</sup>

There are other forms of small electric vehicles emerging on the market that are neither e-cargo bikes nor electric vans. For example, Norwegian company Paxster manufactures four-wheeled, covered 'micro-electric vehicles', which are currently being used by DPD in London and were trialled by Royal Mail in 2021-22.<sup>23</sup> These vehicles do not fall within the legal definition of an electrically assisted pedal cycle (EAPC), and therefore cannot be used on cycle lanes.<sup>24</sup> They have a greater loading capacity than cargo bikes such as the EAV (the smallest Paxster vehicle can hold up to 240kg load, whereas the EAV 2Cubed holds up to 150kg load).<sup>25</sup> Figure 1 shows some different models of cargo bike and micro-electric vehicle.

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<sup>22</sup> Zap-Map, [Electric Car Sales: How many electric cars in the UK 2023?](#), October 2022

<sup>23</sup> Parcel and Postal Technology International, [Royal Mail trials Paxster and Ligier electric delivery vehicles](#), 20 September 2021

<sup>24</sup> BikeRadar, [Electric bikes and the law: everything you need to know about ebike regulations](#), 1 November 2022; Gov.uk, [Electric bikes: licensing, tax and insurance](#)

<sup>25</sup> EAV, [2Cubed User's Manual](#); Paxster, [Delivery](#)

**Figure 1: models of cargo bikes and micro-electric vehicles**



PedalMe and Ecofleet (left) are both using two-wheeled, front-loading electrically assisted cargo bikes.



Amazon (left) is using a four-wheeled covered vehicle: the 2Cubed cargo bike manufactured by EAV.



Royal Mail (left) is using the Paxster micro-electric vehicle. This is not a cargo bike as it does not meet the standards for an EAPC, such as the weight limit.

## Opportunities of cargo bikes

### Running costs and road-user charging

Our guests told us that electric vans and cargo bikes have significant practical and financial benefits for businesses. Dr Eva Neitzert described that both electric vans and cargo bikes have significantly lower running costs than petrol or diesel vans. The Committee also heard from panel member Oli Ivens (Head of Consulting, MP Smarter Travel) that ‘the economic argument for the switch to cargo bikes is the most powerful’ for businesses, especially SMEs. Cargo bikes allow businesses to travel within the Ultra Low Emission Zone (ULEZ), for a relatively low upfront cost, compared to other low-emission vehicles.

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*“We have probably spoken with over 2,500 businesses now about cargo bike adoption. Loads of them mentioned the ULEZ and cargo bikes are solving a problem for businesses there by being an immediate solution that is very, very low-cost for uptake. The most expensive cargo bike is £12,500. Compare that with the cheapest electric van, about £23,000 or £24,000. It is a much lower upfront cost for a vehicle that can still carry two square metres of goods. It is a massive advantage, giving those businesses a quick solution when those ULEZ charges are impacting their deliveries.”*

### **Oli Ivens, Head of Consulting MP Smarter Travel**

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In addition, panel members told us that repair and insurance for cargo bikes are cheaper for cargo bikes than for vans; and riders require no qualifications, unlike van drivers. However, training for cargo bike riders is available, and the Committee heard that it is essential for riders to receive proper training.<sup>26</sup> This is set out further in chapter three.

At the Committee meeting, Aaron Fleming-Saheed, Electrician and Owner of Cycle Sparks, explained that the cargo bike's simplicity and the fact that it does not rely on petrol makes it a 'robust form of transport' and resilient from fuel crises: "Energy costs have gone up, but you are charging up a battery compared to charging up a tank, it is a minimal cost compared to that." Research from Just Economics estimates that the economic costs of fuel per delivery is 15.04p for a diesel van compared to 6.59p for an electric van and 1.65p for an e-cargo bike.<sup>27</sup>

### **The environmental benefits and costs of electric vans and cargo bikes**

We heard from panel members that cargo bikes and electric vans produce zero emissions during operation. Dr Eva Neitzert explained that Just Economics had modelled the environmental costs of cargo bikes, compared with diesel and electric vans:

*“When we looked particularly at the environmental costs, there is a vast difference there ... with diesel vans being 67 times more damaging on an environmental basis than e-cargo bikes. What we see is that electric vans are substantially better than diesel vans on the environmental front. They are about one-third less damaging than a diesel van delivery, per mile.”*

We heard from panel members that the use of cargo bikes can also offer reputational benefits for businesses, particularly for those where sustainability is key to their branding. Dr Will

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<sup>26</sup> Transport for Quality of Life, [Potential for e-cargo bikes to reduce congestion and pollution from vans in cities](#), July 2019

<sup>27</sup> Just Economics, [Delivering Value](#), November 2022, p.24

Norman described the novelty of cargo bikes as presenting a good marketing opportunity for the business:

*“What it is doing is, when there is high-quality ridership, where these bikes are good quality, which most of them are, that presents that image: this is responsible, this is a good thing to be doing, this is good for our environment and this is good for our city.”*

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*“If I call someone up, or I go visit a business, and it is the marketing manager, I am going to be pushing all these points about how obvious and tangible it is, how eye-catching it is, how great it is to have livery and logo plastered across the side of a cargo bike versus a van.”*

**Oli Ivens, Head of Consulting  
MP Smarter Travel**

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### Congestion, road safety and health of drivers

Panel members including Dr Eva Neitzert told us that cargo bikes can be a more practical, efficient and safer choice for businesses than diesel or electric vans. For example, she said, cargo bikes are not impacted by delays caused by congestion, and are not involved in traffic fatalities, in the way that vans are.

Chris Dixon, Co-Founder of PedalMe, described how cargo bikes can be more efficient: “One of the beauties of this is being able to get virtually door to door, where we are not encumbered by the problem of not having access to loading bays.”

Various trials on cargo bikes have shown that they perform services on average 1.6 times faster than vans, given the much lower time spent navigating congestion and the speed of unloading and delivering goods (although this difference is likely to be smaller in parts of London where there is less congestion).<sup>28</sup> A 2019 report by Transport for Quality of Life stated, in relation to London-based case studies:

*“When comparing like-for-like journeys, the e-cargo bike regularly came out as faster and more economical, especially during peak rush hour, partly because it could take advantage of routes where general motor traffic was restricted.”<sup>29</sup>*

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<sup>28</sup> Possible, [The Promise of Low-Carbon Freight: Benefits of Cargo Bikes in London](#), August 2021; Transport for Quality of Life, [Potential for e-cargo bikes to reduce congestion and pollution from vans in cities](#), July 2019

<sup>29</sup> Transport for Quality of Life, [Potential for e-cargo bikes to reduce congestion and pollution from vans in cities](#), July 2019

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*“When I did work out of a van or a car, I hated driving in London. It was just a really stressful experience, I did not enjoy it. Being on a bike, you get to where you need to be when you want to be, essentially. You are not really hindered by it.”*

**Aaron Fleming-Saheed, Electrician and Business Owner**  
**The Cycling Sparks**

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The size and weight of cargo bikes offer other benefits. At the Committee meeting, Dr Eva Neitzert flagged that a largescale switch to cargo bikes from vans should result in a decrease in road maintenance costs, because of how much lighter cargo bikes are than vans:

*“We talk a lot about the investment that is required, cycling infrastructure and the money that needs to go into that. Something that we need to be very aware of is that we also pay a lot to maintain our roading infrastructure. The damage to roading is largely a product of how heavy the vehicles are that are travelling along them. If we are able to achieve a sizeable switch to cargo bikes and we start to displace vans off roads, we will be doing less damage to the roads because there will be less weight travelling over them.”*

We also heard that the use of cargo bikes can promote a healthier lifestyle for riders, who are likely to get more exercise and fresh air than those who drive vans. This can have a positive impact on their physical and mental health, leading to improved job satisfaction and productivity.

It is also important that regulation keeps pace with the development of new types of vehicles on the roads. Dr Will Norman told the Committee:

*“There has been an advance in technology but some of the regulations and some of the ability to make sure that all of this stuff works for our city in the best way possible for everybody is slightly lagging in some of these spaces.”*

Dr Norman told the Committee that the Mayor is currently working as part of the Urban Transport Group (an alliance of major cities across the UK) with the Department for Transport to assess where new regulations may be needed for different types of vehicles, including cargo bikes.

## Costing the environmental and social impact of road freight

A quantitative comparison between different modes was carried out by the consultancy Just Economics. Its report compared the environmental, social and economic costs of e-cargo bikes against diesel vans and electric vans. The costs it took into account included:

- **environmental costs:** climate change, air pollution, noise pollution, water pollution
- **social costs:** accidents, infrastructure, congestion, health of drivers
- **economic costs:** employment, purchase, fuel, tax and insurance, parking and storage, servicing and MOT, congestion charge.

The report concluded:

*“On a per-mile basis, social and environmental costs associated with diesel vans (65p/mile) are **eight times higher** [our emphasis] than those associated with e-cargo bikes (8p/mile).”*

The Just Economics report also looked at what it termed the ‘hidden costs’ associated with electric vans and e-cargo bikes. ‘Hidden costs’ are social, environmental and economic costs that are not necessarily incorporated into the price of a delivery, such as air pollution.

The report stated, “Hidden costs associated with electric vans are **7 times higher** [our emphasis] than e-cargo bikes.”<sup>30</sup>

## Switchable trips

There is potential for cycle freight to substitute for a diverse range of servicing and deliveries. Panel members described that many kinds of trips are ‘switchable’ from van to cycle freight.

These include:

- ‘last mile deliveries’ (the final stage of the delivery process, the delivery of goods to the customer or stock to the retailer) in dense urban centres
- local goods deliveries by small companies such as florists and grocers
- express courier, such as blood samples between hospital sites
- service vehicles such as plumbers and electricians
- waste and recycling vehicles.

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<sup>30</sup> Just Economics, [Delivering Value](#), November 2022



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*“Nobody is saying every journey. You cannot carry all the cement, girders and everything that is needed to a major building site by cargo bike or even a small van. It is finding the right vehicle and the right type of journey for the right need, and clearly the benefits of that will be on congestion, the economy, the environment, and people's health.”*

### **Dr Will Norman, Walking and Cycling Commissioner for London TfL**

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At the Committee meeting, Chris Dixon described the kinds of items that can be carried on cargo bikes, stating that the main limitations are about the width of the load:

*“We have had a cement mixer on the front of our bike, we have had a fridge/freezer on the front of one of our bikes, we have towed a bigger fridge/freezer using a trailer and one of our bikes, and we do house moves by bike. There really are not many limitations to what you can move. It is a question more of technique than it is of capacity on the vehicle.”*

TfL itself has trialled using cargo bikes instead of LGVs to bring materials to and from construction sites. It is developing a guidance document to help contractors considering using cargo bikes in their construction logistics.<sup>31</sup> Using cargo bikes to move heavy or large loads does require appropriate training for the riders, which is explored in the following chapter.

Given the many benefits of cargo bikes for London's businesses that have been discussed in this chapter, the Mayor and TfL should prioritise ways to increase their uptake. One of these ways could be to introduce a 'quality mark', awarded to London's businesses that use cargo bikes. As discussed at the Committee meeting on 30 November 2022, this has the potential to raise the profile of these businesses and make them more attractive to customers, and therefore to increase the uptake of cargo bikes. It could work in a similar way to other accreditation schemes, such as the Mayor's Good Work Standard, that aim to incentivise good working practices. Further ways that the Mayor and TfL can incentivise businesses to use cargo bikes are discussed in the following chapters.

### **Recommendation 1**

The Mayor should introduce a quality mark, awarded to London's businesses that use cargo bikes, in order to incentivise more businesses to take up cargo bikes.

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<sup>31</sup> Mayor's Question Time, [Communications Strategy on Cargo Bikes](#), 25 March 2022

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## **Recommendation 2**

The Mayor should continue to work with the Urban Transport Group to identify where new regulations may be needed to ensure the growth in cargo bike usage works for London. If the need for new regulations is identified, he should lobby the Government to introduce these regulations.

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## Chapter three: Financial and employment challenges

### Overview

While cargo bikes carry lower upfront costs and running costs than both fuel vans and electric vans, panel members said that businesses are much more able to switch to cargo bikes if there is a cost-neutral solution. The Committee heard from panel members that subsidies, trials and scrappage schemes can support businesses with the upfront cost of cargo bikes, and incentivise a long-term switch. Cargo bikes will not work for all businesses or types of delivery, although Chris Dixon told the Committee, "There really are not many limitations to what you can move."

### Subsidies and scrappage schemes

According to Just Economics, the cost of the vehicle per delivery is 23.43p for a diesel van, 29.58p for an electric van, and 3.39p for a cargo bike.<sup>32</sup> However, businesses can face difficulties in changing their supply and delivery practices, and the upfront cost of an e-cargo bike can be a significant outlay for small businesses.

At the Committee meeting, Dr Eva Neitzert and Oli Ivens described how the cost of e-cargo bikes in the UK has gone up hugely in the last two to three years, with the cost of some bikes increasing in price by 40 per cent. Subsidies such as the national eCargo Bike Grant Fund, provided by the Department for Transport and run by the Energy Saving Trust, meant that some small businesses and sole traders were able to introduce e-cargo bikes where they may not have been able to before.<sup>33</sup> However, this scheme closed in February 2022.

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*"I started on a pushbike and the initial outlay for an e-cargo was quite hefty. Some work needs to be done there if you want businesses to take that up. They need help with that because it is a big ask to say, 'Just buy this, it will be fine.' It is difficult to get other trades to transition into this ... I put my own money in, and I bought five bikes, but I could not have done it without the Energy Saving Trust grant. That was a big help. Now that is not there, it is really difficult to encourage new businesses to even try it."*

### Aaron Fleming-Saheed, Electrician and Business Owner The Cycling Sparks

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The Committee heard from panel members that the use of cargo bikes in London, while growing, is not yet at the levels where subsidies are not needed.

<sup>32</sup> Just Economics, [Delivering Value](#), November 2022, p.24

<sup>33</sup> Energy Saving Trust, [eCargo Bike Grant Fund](#)

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*“We all know how urgent it is that we tackle the air-quality problem in London, that we tackle the challenges of climate change, and without subsidies in the short term we simply will not see switches happening fast enough.”*

**Dr Eva Neitzert, Director  
Just Economics**

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TfL runs a scrappage scheme to enable Londoners to replace polluting vehicles with cleaner vehicles. The £100 million scrappage scheme ‘will support Londoners on certain low income or disability benefits, and eligible micro businesses (up to 10 employees), sole traders and charities with a registered address in London’.<sup>34</sup> The scheme is available to eligible applicants with vehicles that do not meet the ULEZ emissions standard. While earlier versions of this scheme did not include the possibility of purchasing cargo bikes, at the Committee meeting in November 2022, Dr Will Norman noted that the updated scrappage scheme would include:

*“discounts available for cargo bikes, both for the people eligible for trading in cars and trading in businesses but also for people who live in those areas who are not necessarily eligible for the scrappage scheme”.*<sup>35</sup>

TfL’s website provides details on the ULEZ scrappage scheme, including on the discounts available for cargo bikes and e-cargo bikes.<sup>36</sup> The London-based think tank Fare City, which describes itself as promoting more accessible, equitable and sustainable city transport, has noted that, while it supports the ULEZ scrappage scheme, ‘many of the businesses that could benefit from this transition, such as market traders, are not being sufficiently incentivised to make the switch’.<sup>37</sup> Dr Eva Neitzert told the Committee that the ULEZ scrappage scheme provided ‘an opportunity to promote awareness of cargo bikes as something that those grants could be used towards’ but said she did think that this was ‘on most people’s radars yet’.

The Committee supports the update to TfL’s scrappage scheme, which enables Londoners to replace polluting vehicles with cleaner vehicles, including cargo bikes. However, it is vital that TfL is proactive in informing businesses of these opportunities, otherwise there is a risk that they will not be aware of the discounts available for purchasing cargo bikes.

The Committee also heard that the Department for Transport previously ran a scheme, managed by the Energy Saving Trust, which provided funds for e-cargo bikes. The E-Cargo Bike Grant Fund awarded funding to 18 local authorities in 2019-20, and 14 local authorities in

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<sup>34</sup> TfL, [Scrappage schemes](#)

<sup>35</sup> TfL, [Scrappage schemes](#)

<sup>36</sup> TfL, [ULEZ support offers: scrappage scheme](#)

<sup>37</sup> Fare City, [Pioneering a Future Model for Public Markets](#), January 2023

2021-22, to procure e-cargo bikes for their local areas.<sup>38</sup> These included the London boroughs of Brent, Hackney, Richmond, Waltham Forest and Wandsworth.<sup>39</sup> The first tranche of funding provided 273 e-cargo bikes across the country while the second tranche provided 224.<sup>40</sup> Oli Ivens told the Committee that this funding was 'absolutely fantastic' and that further funding would be welcome.

## Trials

As well as government grants, there have also been grants and trials for businesses to use cargo bikes from local authorities, charities and BIDs. For instance, the Cargo Bike Share scheme is open to residents and businesses in Tower Hamlets, Islington and Hackney, and is funded by the Mayor of London. The Mayor has said that TfL is 'currently undertaking research to ascertain the most effective and efficient way for other boroughs to similarly implement schemes and will include the lessons learnt from Hackney's scheme' and that 'this research will help to inform future advice and guidance to boroughs'.<sup>41</sup>

The Committee supports such schemes delivered by local authorities, although it acknowledges that local authorities have seen their funding reduced in recent years.<sup>42</sup> The Mayor should explore providing further funding to local authorities in London to support cargo bike-sharing schemes and provide training to local businesses, in order to help them integrate cargo bikes into their operations in a cost-effective way.

In addition, some BIDs in London have run trials to promote cargo bikes. For instance, Bikes for Business was developed by Team London Bridge, the local BID, to promote cargo bikes as a mainstream solution for business deliveries and freight. The Bikes for Business project provides subsidies to local businesses, which include up to £1,000 towards purchasing a cargo bike, and 50 per cent off the cost of using a cargo bike operator for pickups and/or deliveries over a two-month period (maximum subsidy of £345).<sup>43</sup>

At the meeting, the Committee heard from guests including Oli Ivens about the importance of understanding and accommodating for the needs of businesses, in the transition to cargo bikes. Oli Ivens, who works with Team London Bridge on the Bikes for Business project, stated:

*"We tend to see that a two-month trial is the most effective for the stickiest switch. It has been the best amount of time for a business to really integrate cargo bikes into their day-to-day operations."*

<sup>38</sup> Energy Saving Trust, [eCargo Bike Grant Fund 2021 awarded to 14 local authorities](#), 15 February 2022

<sup>39</sup> Energy Saving Trust, [eCargo Bike Grant Fund awarded to local authorities and businesses](#), 20 May 2020; Energy Saving Trust, [eCargo Bike Grant Fund 2021 awarded to 14 local authorities](#), 15 February 2022

<sup>40</sup> Energy Saving Trust, [eCargo Bike Grant Fund awarded to local authorities and businesses](#), 20 May 2020; Energy Saving Trust, [eCargo Bike Grant Fund 2021 awarded to 14 local authorities](#), 15 February 2022

<sup>41</sup> Mayor's Question Time, [Cargo Bike Sharing Scheme \(1\)](#), 9 March 2022

<sup>42</sup> London Councils, [A decade of austerity](#)

<sup>43</sup> Team London Bridge, [Bikes for Business](#)

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*“We can put a number to how long it takes for us to convince a business to make the switch [to cargo bikes] and it is an average of 70 days of following up, in-person visits, phone calls, emails, and that time that is needed to both educate and then instigate behaviour change. It is a fascinating process. Obviously, there is a huge area either side of that 70 days. Some businesses will make the decision in three days and we have had some people come back six months later wanting to adopt a bike.”*

### **Oli Ivens, Head of Consulting MP Smarter Travel**

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Another example of a cargo bike scheme offering this close engagement and support to businesses was Fare City's Cleaner Air Markets pilot project. Fare City described this as a long-term, targeted scheme, running for a year, that involved Fare City and PedalMe building up relationships with traders; understanding their specific business needs and exact trip patterns; and identifying ways in which electric vehicles and cargo bikes could meet these needs.<sup>44</sup>

In their evaluation of the pilot project, Fare City noted that 80 per cent of participating market traders said they were likely, or very likely, to choose a zero-tailpipe-emission vehicle in the near future; and that, as a result of the project, one trader bought their own cargo bike.<sup>45</sup>

### **A 'fair price' for deliveries and employment conditions**

At the meeting, the Committee heard that lower pay in the gig economy means that diesel van deliveries can be more competitive on price than a cargo bike courier.

This price differential depends on how a business operates its cargo bikes. Different operating models for commercial cargo bike use include where:

- the bikes are owned and operated by the business itself
- the bikes are owned and operated by a third-party firm that supports the business with its deliveries
- the bikes are owned by a third-party firm and hired by businesses on a one-off basis.

According to analysis by Just Economics for the Bikes for Business project, which was shared with the Committee, businesses that replaced their existing petrol or diesel vehicles with their own cargo bikes benefitted from:

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<sup>44</sup> Fare City, [Pioneering a Future Model for Public Markets](#), January 2023

<sup>45</sup> Fare City, [Pioneering a Future Model for Public Markets](#), January 2023



*“direct cost-savings because of lower upfront purchase price, savings on fuel and fewer parking tickets as well as indirect savings due to faster and more efficient deliveries (bikes can get around the congested roads faster)”.*<sup>46</sup>

However, the analysis also showed that, for businesses that did not purchase their own cargo bike, once the subsidy or trial stopped there was a high drop-off rate. Just Economics reported:

*“Whilst user satisfaction with e-cargo bikes was very high, like-for-like cost of deliveries was significantly higher by e-cargo bike courier than van courier (up to a third more expensive in some cases). A significant proportion of businesses were not in a position to absorb these costs and returned to van couriers after the e-cargo bike trial period and subsidy ended.”*

Just Economics' analysis reports that cargo bike riders employed by London courier companies are more likely to be on payroll and paid at least the London Living Wage, contrasted with many van deliveries which are made on an independent contractor/gig economy model. According to Just Economics, even for larger courier companies that operate different modes (including vans and cargo bikes), it is often only the cargo bike riders that are on the payroll. At the meeting, Dr Eva Neitzert explained:

*“When we explored [with these companies] ... why they have this discrepancy and why they had their cargo bike riders on the payroll, they said it was about retention most of the time. It takes them a while to train up their riders and when they have them they want them to stay. With the van drivers, it is a dime a dozen. If someone leaves they can find another person the next day and they have not made that investment in training.”*

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*“Cargo bike delivery companies should be able to have that natural cost advantage because of the cheaper running costs and the cheaper upfront purchase price, but that is totally eroded by the gig economy model. Basically, diesel van couriers are not buying the van that the driver is in, they are not paying for the fuel, they are not paying for the maintenance, they are not paying for the parking fines; that is all passed on to the driver, who is being paid on a per-piece basis.”*

**Dr Eva Neitzert, Director  
Just Economics**

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<sup>46</sup> Just Economics, learnings from the Bikes for Business programme in Southwark, June 2022; shared with the Committee

Just Economics advocates for stronger employment protection laws and a minimum 'fair price' for deliveries for each mode – diesel van, electric van and e-cargo bike. This fair price is defined as "the minimum price an average delivery would need to cost if companies were bearing full economic costs rather than passing these on to drivers/riders".<sup>47</sup>

Dr Eva Neitzert argued at the Committee meeting that fairer pricing for deliveries should also take into account the environmental and social benefits of decarbonised freight, and that a timely and widescale transition to cargo bikes cannot happen unless the cost differential is addressed.

Research by the University of Westminster details the needs of cargo bike riders, and how employment practices and conditions need to change to ensure that they are fair, secure and inclusive. The research found:

*"The precarious working conditions some cargo bike riders face, and the financial and operational challenges encountered by company managers and founders ... hinder the potential of this critically important sector in London and beyond."*<sup>48</sup>

## **Safety and training for cargo bike riders**

At the meeting, the Committee heard from panel members about the importance of providing training and safe environments for cargo bike riders. The Committee welcomes TfL's commitment in its Cargo Bike Action Plan to "update and publish revised cargo bike safety guidance for operators and riders that provide advice on safety and operating practices for both riders and operators".<sup>49</sup>

An increase in the number of businesses using cargo bikes will require an increase in the availability of training for cargo bike riders and the businesses that use them. At the meeting, Dr Will Norman described optional training standards that exist, such as the City and Guilds Level 2 e-cargo bike professional standard.<sup>50</sup> Dr Norman described trials that TfL has carried out with different operators. For instance, a trial between TfL and the tool-hire company HSS involved the development of an accreditation course with rider training, health and safety information, and bike mechanics.

It is vital that training courses address the various skills needs of cargo bike riders. As well as having the technical skills to ride cargo bikes carrying heavy loads, riders need to ride safely and make a positive contribution to London's roads. If more businesses in London are to adopt cargo bikes, they need to be confident that riders have high professional standards that help promote a positive image for the business. TfL's Cargo Bike Action Plan states, "Training is important for ensuring rider safety, with factors such as heavy loads impacting the way bikes

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<sup>47</sup> Just Economics, [Delivering Value](#), November 2022

<sup>48</sup> University of Westminster, Active Travel Academy and MP Smarter Travel, [Delivering Good work: Labour, employment and wellbeing in London's cargo bike sector](#), January 2023

<sup>49</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

<sup>50</sup> Bikeworks, [City and Guild Level 2 FAQs](#)

behave.”<sup>51</sup> However, the Action Plan also notes, “The level of training varies from operator to operator.”<sup>52</sup>

The Committee supports the development of an industry-wide training and accreditation scheme, which recognises the training and health and safety requirements that are needed to keep riders safe. This accreditation scheme could also provide accredited businesses with a competitive advantage, and make businesses more attractive to customers.

### **Making cargo bike deliveries cost-effective**

We heard at the meeting that cargo bikes are more likely to be cost-effective for businesses that own and operate their own bikes. However, for businesses that use cargo bike courier companies instead, the way deliveries are structured and clustered, and the terms of the hire, can reduce the cost of delivery. For instance, if a cargo bike rider is hired by the hour rather than by the cost ‘per drop’ (per item that is delivered), this can be more cost-effective where there are several parcels to be delivered in a small geographic area. One way this can be achieved are if businesses in a local area are able to consolidate suppliers and deliveries.

In addition, some types of goods, such as high-value or perishable goods, may require speedy and precise delivery and the benefits that cargo bikes offer may merit the higher cost.

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*“Where speed is a factor, that carries a premium. We are faster from point to point and we can normally, in the centre of the city, guarantee a much more accurate time point to pick up and a much more accurate time point to drop off. When you have perishable goods – hot food, for example – we are absolutely cost-effective in that because we can beat congestion, and our clients on that basis are very happy to pay for that because it must be picked up then and it must be dropped off there within that window.”*

**Chris Dixon, Co-Founder  
Pedal Me**

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### **Recommendation 3**

TfL should share with the Committee any analysis it has done on ensuring that there is uptake for purchasing cargo bikes as part of the scrappage scheme, from a wide variety of businesses. It should also consider increasing the funding for this to incentivise more businesses to switch to cargo bikes when the current funding runs out. TfL should inform the Committee of how it is

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<sup>51</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

<sup>52</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

raising awareness among different types of businesses to incentivise them to purchase a cargo bike using the scheme.

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#### **Recommendation 4**

The Mayor should explore providing further funding to local authorities in London to support cargo bike-sharing schemes and provide training to local businesses, in order to help them integrate cargo bikes into their operations in a cost-effective way.

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#### **Recommendation 5**

The Mayor should work with business improvement districts (BIDs) in London to carry out a lessons-learning exercise about how to encourage and facilitate the use of cargo bikes by businesses, and to understand whether demand for and feasibility of e-cargo bikes differs across the city.

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#### **Recommendation 6**

The Mayor should explore providing funding through the Good Growth Fund to support Cleaner Air Markets in other parts of London, drawing on the pilot project carried out by Fare City.

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#### **Recommendation 7**

The Committee supports the development of an industry-wide training and accreditation scheme that recognises cargo bike riders who have high professional standards; and encourages cargo bikes as an attractive option for businesses. TfL should outline how it intends to support the development of such a scheme.

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#### **Recommendation 8**

The Committee welcomes the Government's E-Cargo Bike Grant Fund, which was administered by the Energy Saving Trust and provided funding for local authorities to procure e-cargo bikes for their areas in between 2019 and 2022. The Mayor should lobby the Government to introduce a further round of funding for local authorities to procure e-cargo bikes, to support the growth of e-cargo bikes in London.

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#### **Recommendation 9**

The Mayor should lobby the Government to strengthen employment rights for delivery drivers for all modes of freight transport, and ensure that these rights are enforced.

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## Chapter four: Infrastructure needs for cargo bikes

### Overview

We heard from panel members that many businesses have been able to make a direct switch from vans to cargo bikes. Cargo bikes can navigate narrow streets, park easily and use existing cycle infrastructure, such as cycle lanes, making them ideal for deliveries in dense urban areas. However, we also heard that a large-scale transition to cargo bikes will rely on appropriate infrastructure in the right places, including:

- dedicated, secure parking and storage
- access to loading bays
- micro-consolidation centres where freight can be sorted and distributed.

### Safe storage and loading bays

The Committee heard from guests at the meeting that a key concern for businesses using cargo bikes is safe storage when the bike is not being used.

Guests described that while a diesel van is more likely to be driven home and stored at the driver's property, this is not necessarily possible for the cargo bike rider, depending on the distance they are travelling home. There may also not be safe places to store the bike near the rider's home, or near job sites when workers need to store their bike and its contents safely while carrying out a job. Aaron Fleming-Saheed stated, "As a smaller business, the concern about theft is massive. Leaving it out on the street at night is a concern."

Oli Ivens explained that, in helping smaller businesses buy their own cargo bike, he helps the business find the right model that has sufficient loading capacity, but may have smaller surface area overall or can collapse down for easier storage.

TfL has approved funding for two cargo bike cycle hangars in Waltham Forest for local businesses. TfL is also trialling a new type of free on-street cycle parking for larger cycles, including adapted cycles and cargo bikes.<sup>53</sup> In its Cargo Bike Action Plan, TfL states that it 'will continue to work with boroughs and developers to identify opportunities for short stay parking facilities for bikes'.<sup>54</sup>

Depending on the type of business and what kind of service it is providing, cargo bikes may also need access to underground loading bays in buildings. Chris Dixon told the Committee, "Across many estates cargo bikes are simply banned from loading bays because they are bicycles."

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<sup>53</sup> Mayor's Question Time, [Future Cargo Bike Storage Plans](#), 14 March 2022

<sup>54</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

We note in this context that we have seen effective repurposing of underground loading bays, such as Amazon's micromobility hub.

### **Micro-consolidation centres**

Businesses using cargo bikes for deliveries may require urban micro-consolidation hubs to efficiently manage and organise their deliveries. These hubs act as central points for the consolidation of deliveries from multiple businesses in a particular area, reducing the number of individual deliveries and improving delivery efficiency. By using these hubs, cargo bike riders can collect multiple orders from one location, reducing the number of trips required and saving time and resources.

Micro-consolidation hubs can provide a secure location for cargo bike parking and storage, reducing the risk of theft and damage to the bikes. They can also provide facilities for charging and maintenance, ensuring that the bikes are always in good working condition, and essential rest-stop facilities for riders. However, there is currently limited land for micro-consolidation hubs. Dr Will Norman said that, while dense parts of London present good opportunities for cargo bikes, the land in these areas is also more expensive, so it can be even more difficult to find space for microhubs. This increase in land value has itself led to the rise in van miles in London, because as industrial land for consolidation and distribution centres has moved further out of London, vans are making longer journeys from distribution centres.

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*“One of the reasons that London lags behind its European counterparts is that land and storage space is at an absolute premium ... When you talk to some of the big companies like UPS who want to invest more in a cargo bike fleet, the thing that puts them off is the cost of space in inner London, which you do not need for the van operations but you do to run a really efficient cargo bike courier logistics operation.”*

**Dr Eva Neitzert, Director  
Just Economics**

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The Committee heard from panel members about opportunities for repurposing car-based infrastructure such as multistorey car parks and underground car parks. Dr Will Norman noted that he wishes to see the GLA and TfL looking at how to identify their own land opportunities, to repurpose land for micro-consolidation centres. Dr Norman also referred to a micro-consolidation hub in Archway town centre, funded by the TfL Healthy Streets for Business Fund.

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*“We definitely do not have enough space for consolidation and delivery centres. I do not think that the GLA and TfL would be able to cover that lack in a million years. It is a long-term planning challenge that we have had for London over decades.”*

**Dr Will Norman, Walking and Cycling Commissioner for London  
TfL**

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Amazon shared with the Committee its views on the importance of local authorities working together with businesses to enable micro-consolidation hubs:

*“They can support the logistics sector by working with businesses to review what assets cities and towns have, where these spaces can be unlocked, and working together to ensure the right land use and energy planning policies are in place to facilitate new charging infrastructure. Local authorities have great influence as landowners and planning authorities to both bring forward space and enable the transition of spaces to support micromobility operations. This will hasten and ease the path to electrification and micromobility deployment.”*

The Mayor's 2019 Freight and Servicing Action Plan sets out plans for a network of micro-consolidation centres in key locations in London. TfL's Cycle freight toolkit sets out how businesses and local authorities can encourage the use of cargo bikes, including repurposing land and ensuring loading bays are appropriate for cargo bikes. In its Cargo Bike Action Plan, TfL states that it will “continue to work with the GLA and boroughs to develop a process that identifies, prioritises and evaluates opportunities to use land for micro-mobility hubs and last-mile freight”.<sup>55</sup>

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<sup>55</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

## Electric vehicle hubs in London

In 2018 DPD opened an electric depot in central London on TfL land, incorporating electric lorries, vans, EAV e-cargo bikes and Paxster micro-electric vehicles. DPD now has three all-electric depots in London and has plans to expand this number to eight.<sup>56</sup>

In July 2022, Amazon announced that it is opening a 'micromobility' hub in Hackney to support the use of EAV e-cargo bikes for deliveries, alongside its other electric vehicles.<sup>57</sup> Members of the Economy Committee visited the micromobility hub in January 2023.

## Procurement

Dr Will Norman told the Committee that the Mayor launched his Responsible Procurement Implementation Plan for the GLA Group in September 2022. The Implementation Plan sets out the actions that the GLA is taking in relation to its procurement activity. It is based on a set of five 'responsible procurement policy themes', one of which is 'improving environmental sustainability'. The Implementation Plan does not directly refer to cargo bikes, but the GLA Group could identify opportunities to encourage procurement of goods and services from businesses using cargo bikes. TfL's Cargo Bike Action Plan includes a commitment to 'use procurement as a policy lever for suppliers to support sustainable last-mile deliveries and cargo bikes'.<sup>58</sup>

## Recommendation 10

The Committee supports the roll-out of cargo bike hangars and cargo bike parking by TfL and by local authorities across London. Local authorities should work with local businesses to accelerate this work and set targets for increasing cargo bike storage in their areas where needed. The Mayor should work with local authorities to support this aim.

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## Recommendation 11

TfL's Cycle freight toolkit is a positive step in providing support to businesses considering cargo bikes. In response to this report, TfL should provide the Committee with information on how it is raising awareness among, and encouraging, BIDs and local authorities in London to implement this guidance.

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<sup>56</sup> DPD, [Our vision for a cleaner environment: the DPD Smart Urban Delivery Strategy 2019-2021](#)

<sup>57</sup> *The Guardian*, [Amazon: e-cargo bikes to replace thousands of van deliveries in London](#), 4 July 2022

<sup>58</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023



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## Recommendation 12

The GLA Group should identify opportunities across its estate where it could encourage procurement of goods and services from businesses using cargo bikes.

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## Conclusion: The future of cargo bikes

The issue of congestion and unsustainable freight in London is a significant concern that demands immediate attention.

The Committee concludes from our investigation that bikes offer an excellent alternative to diesel vans in the right situation, given their social, environmental and economic benefits. However, we also heard from panel members that to make a long-term shift to cargo bikes, businesses need financial incentives and support to invest in this sustainable mode of transport. There also needs to be training and accreditation schemes to promote safe and inclusive work environments for cargo bike riders. Additionally, the development of storage facilities, loading bays and micro-consolidation centres is necessary to make cargo bikes a practical and viable solution for more businesses.

We believe the benefits that cargo bikes offer to businesses and to London's environment make them an investment worth pursuing.

While the GLA, BIDs and London boroughs can do a lot to drive the growth of the cargo bike market, there are several changes that need to happen at a national level. These include working with industry on updated standards for bike manufacturing – this will influence the kinds of loads that cargo bikes can carry, and the speeds they travel at. Updated standards will also influence how road and cycle infrastructure needs to evolve, to accommodate these vehicles. As a starting point, the Committee welcomes the commitment in TfL's Cargo Bike Action Plan to 'develop a London safety standard for cargo bikes that adopts best practice'.<sup>59</sup> The Action Plan also commits to 'work with government and industry to establish minimum and best practice safety standards'.<sup>60</sup>

The Committee also supports London Fire Brigade's #ChargeSafe campaign, to help people safely use e-bikes and e-scooters and inform people about the dangers of charging, storing and modifying the vehicles and their batteries.<sup>61</sup> London Fire Brigade has said, "This follows an increasing rise in the number of extremely serious fires involving lithium batteries which are commonly used with these modes of transport."<sup>62</sup>

The Committee also heard that improved infrastructure is essential for the growth of cargo bikes. Aaron Fleming Saheed noted that the shortage of river crossings east of Tower Bridge acts as an obstacle to accessing certain parts of the city by bike. Dr Will Norman told the Committee, "Fundamentally, one of the biggest challenges here is the lack of a safe cycle

<sup>59</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

<sup>60</sup> Mayor of London and TfL, [Cargo bike action plan](#), March 2023

<sup>61</sup> London Fire Brigade, [Mother pleads for Londoners to #ChargeSafe following daughter's death in e-bike fire](#), 28 March 2023

<sup>62</sup> London Fire Brigade, [Mother pleads for Londoners to #ChargeSafe following daughter's death in e-bike fire](#), 28 March 2023

network, which should be and will continue to be our priority across London." Improved cycle infrastructure will benefit other groups such as families or some disabled people who use a tricycle or other adapted cycle, as well as businesses using cargo bikes.

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*"We mentioned standardisation of cargo bikes, which is something I believe is coming. Having absolute certainty on the standards of bike manufacturing would help some of those larger fleet operators to adopt cargo bikes at scale, to give them that confidence that this is going to be a longstanding mode of transport, especially with the larger cargo bikes and some of the four-wheel models that are coming in that are pushing the boundaries of cargo bikes. If we had absolute certainty on what was a cargo bike and what was not, I think we would see much quicker adoption from those organisations."*

**Oli Ivens, Head of Consulting  
MP Smarter Travel**

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In terms of other changes that need to happen at industry level, the Committee has heard that businesses owning cargo bikes face disproportionate insurance costs. Panel members told the Committee that, as the cargo bike industry is still emerging and there is not yet enough evidence on risks, insurance companies are 'not willing to take any risk' with regard to road safety and theft risk.

The Committee will watch these changes in industry with interest, and encourages the GLA and TfL to take part in future government consultations on standards.

**Recommendation 13**

The Mayor should work with the industry to lobby government on updating standards for bike manufacturing, which will impact the loads that cargo bikes can carry and influence how road and cycle infrastructure needs to evolve.

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## Committee activity

The Economy Committee held a meeting, 'Winning the race to net zero for London's businesses', on 30 November 2022 with the following invited guests:

- Dr Will Norman, Walking and Cycling Commissioner for London
- Chris Dixon, Co-Founder, PedalMe
- Aaron Fleming-Saheed, Electrician and Business Owner, Cycle Sparks
- Oli Ivens, Head of Consulting, MP Smarter Travel
- Dr Eva Neitzert, Director, Just Economics

On 30 January 2023, the Economy Committee carried out a visit to an Amazon micromobility hub in central London.

## Other formats and languages

If you, or someone you know needs this report in large print or braille, or a copy of the summary and main findings in another language, then please call us on: 020 7983 4100 or email [assembly.translations@london.gov.uk](mailto:assembly.translations@london.gov.uk)

### Chinese

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### Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

### Greek

*Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.*

### Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

### Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਅਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

### Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

### Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

### Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

### Arabic

الوصول على ملخص لهذا المستند بلغة،  
فارجاء الاتصال برقم الهاتف أو الاتصال على  
العنوان البريدي العادي أو عنوان البريد  
الإلكتروني أعلاه.

### Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઇ-મેઇલ સરનામા પર અમારો સંપર્ક કરો.

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