TRANSPORT FOR THE NORTH

Understanding Freight and Logistics

A guide to consolidation centres for the public sector

2025

Contents

1.

What is consolidation and why it might be needed

Consolidation explained

Consolidation is a supply chain process whereby multiple goods shipments destined for the same or similar destinations are combined to improve efficiency. Although they are not appropriate in every situation, consolidation centres are one form of supply chain consolidation.

Why might it be needed in urban areas?

Urban centres typically house hundreds of businesses, retailers, restaurants, offices and residents all receiving multiple independent deliveries per day, often on vehicles not filled to their optimal capacity.

These vehicles contribute towards:

- Congestion and traffic, especially during peak hours.
- Parking issues when unloading.
- Air pollution through emissions, tyre and brake dust.
- Noise pollution.
- Safety concerns when interacting with pedestrians and cyclists, particularly on narrow roads not designed for larger vehicles.
- Worsening road conditions caused by regular heavy vehicle usage.

Typically, the main objective of consolidation is to reduce the number of delivery vehicles travelling to a site/ location within an area (typically a city centre) by ensuring that the vehicles are using their maximum carrying capacity e.g. one vehicle 100% full instead of four vehicles each 25% loaded.

The driving factors for implementing a consolidation solution could be:

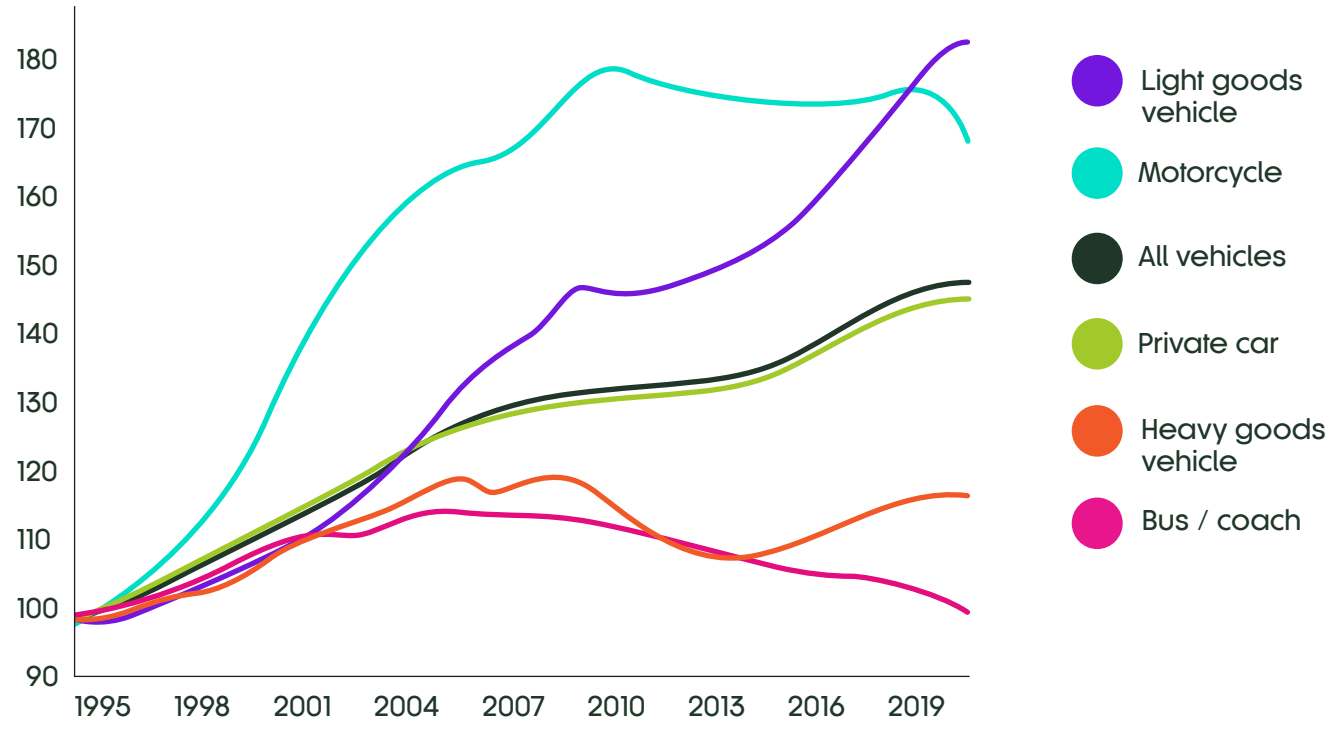
- Access restrictions, such as timed delivery windows, low emission zones, a planning restriction that limits the number of vehicles, where consolidation supports compliance and / or the management of deliveries.

- Limited space for loading bays and goods processing at the destination site.
- Security requirements, for example an airport, bank or secure site, where consolidation can improve security for high-risk sites by eliminating any unknown, unsecure arrivals.

Figure 1 shows the consistent increase in light goods vehicle usage over the last 20 years, which is consistent with the increase in just-in-time and last mile deliveries as people have become accustomed to next day immediate deliveries.

The UK Domestic Road Freight Statistics from 2023 found that the average load factor, i.e. percentage fullness, of these smaller delivery vehicles was only 43% compared to 76% for the largest rigid HGVs, indicating in many cases the speed of delivery is taking precedent over efficient operations.[1]

Figure 1 Index of licensed vehicles by vehicle type (DFT Transport Statistics 2019)



[1] DfT Road Freight Statistics, https://www.gov.uk/government/statistical-data-sets/rfs01-goods-lifted-and-distance-hauled

2.

Types of consolidation

Consolidation can be broadly segregated into:

- Physical consolidation such as consolidation centres; and
- Operational consolidation measures, i.e. behavioural changes including procurement led solutions, click and collect at shops or upstream supply chain solutions.

2.1 Physical consolidation

Types of physical consolidation

Consolidation centres are a physical consolidation measure. At their simplest level, consolidation centres provide an area for rearranging and combining goods into fewer, more efficient deliveries at a strategic location separate from the final destination.

Physical consolidation: an area for rearranging and combining goods into fewer, more efficient deliveries at a strategic location separate from the intended destination.

Type

Consolidation centre

Example

Bristol City Centre (Page 30 case study).

Description

A consolidation centre is a logistics facility that is in relative proximity to the area it serves. Goods destined for the area are dropped off at the consolidation centre by vehicles from multiple suppliers. Goods are then sorted and consolidated onto fewer vehicles, which make the delivery to the final destination.

Benefits

- Urban consolidation centres have typically delivered a 60-80% reduction in vehicle numbers.
- Enables more appropriately sized vehicles utilising more sustainable fuel types to make the onward journey into the urban area.
- Value added services (see page 17).

Disadvantages

- Requires new or repurposing of existing infrastructure which can be costly.
- It can be difficult for a single consolidation centre to handle the diverse range of goods and materials that need to move in and out of the centre.
- The additional costs incurred to operate a consolidation centre.

Type

Micro-consolidation

Example

Amazon ‘micromobility hub’ in London, served by bikes and walkers.

Description

Micro-consolidation uses a relatively small space such as a car park in an urban centre to enable a sustainable last-mile delivery solution. It provides a space for deliveries to come into an urban area on large vehicles, and then be split into smaller consignments. The last mile can then be undertaken by smaller more sustainable modes such as e-bikes and push carts.

Benefits

- → During peak periods, pop-up consolidation centres can be used.
- → Being able to transition deliveries onto a fleet more suitable for urban surroundings, such as bikes.
- → Operator’s knowledge of local traffic conditions and routes can improve efficiency.

Disadvantages

- → Space in urban centres tends to be limited and has much higher associated costs.

Type

Locker boxes / parcel shops

Example

Amazon, InPost and other lockers are being installed throughout the UK.

Description

Locker boxes / parcel shops for customers to collect their items consolidates delivery points.

Benefits

- Allows flexible and secure pick up for customers.
- Higher footfall to pick up locations enhancing sales opportunities for local businesses.
- Reduces number of failed deliveries and number of drops a vehicle has to make.

Disadvantages

- Not all consumer collection trips will be carried out by environmentally friendly forms of transport.
- Can only accommodate small volumes.

Type

Construction consolidation

Example

London Construction Consolidation Centre (LCCC).

Description

A construction consolidation centre is a conveniently placed distribution facility that receives construction materials directly from the supply chain, stored and then transported to construction sites on fewer, consolidated, deliveries when required.

Benefits

- Reduces number of construction vehicles going into constrained sites in urban centres.
- Reduces waste by ensuring any over-ordered items are held at the consolidation centre and can be used elsewhere.
- Combines materials into work packages for delivery to the construction site or forward full deliveries in a controlled and planned manner.

Disadvantages

- Specific to individual construction projects and therefore not a long-term intervention in most cases.
- Potentially challenging to engage construction organisations and to get buy in if not something they have used before as it is seen as an additional cost.

2.2 Operational consolidation

Consolidation does not need to happen in a physical space. There are operational solutions that can either work as stand-alone initiatives or in conjunction with physical consolidation.

Procurement-led solutions

There are different procurement-led solutions which use consolidation 'best practice' to reduce vehicle trips. Collaboration between businesses either in the same premises or in close proximity to one another can generate financial and environmental benefits. Procurement-led solutions use the following approaches:

- **Collective procurement**
  A group of businesses who jointly purchase goods and services from a number of shared suppliers. For example, the order of stationery for one organisation is combined with those of other businesses so deliveries arrive together, on a single vehicle. A major benefit of collective procurement is that it increases buying power and can result in lower prices.

- **Nominated carriers**
  A delivery company is selected by the purchaser to deliver all their goods from suppliers, utilising the carrier's site to consolidate goods rather than establishing a separate physical consolidation centre. This solution is suitable for all types of organisations. Effectiveness is increased if businesses located in a specific area work together and agree to use the same nominated carrier for all their deliveries and collections. It eliminates the issue of a larger number of carriers duplicating each other's routes with partially filled trucks or vans.

- **Bunching orders.**
  A simple solution that does not involve a major change in the way goods are bought, is to agree with suppliers that regardless of the number of orders placed during a given time period, the supplier only makes the delivery on a given day or date. Individual orders are 'bunched' so they arrive together, on a single vehicle. It results in less delivery costs for the operator and where the minimum order value is increased, leads to less order processing costs for the customer.

Upstream supply chain

Upstream supply chain consolidation is when two companies (potentially competitors) agree to share transport resources to ensure optimum load capacity. This results in a reduction in vehicle trips, as well as financial savings and environmental benefits.

3.

Consolidation centres

On the next page, Figures 2 and 3 illustrate the difference between “direct to site” deliveries and those managed via a consolidation centre. In Figure 2, multiple suppliers are using multiple vehicles to deliver to many end users, generating many trips. In Figure 3, multiple suppliers will arrive with their partially loaded vehicle at the consolidation centre where the goods will be transferred into a smaller number of delivery.

Figure 2 Operation without a consolidation centre

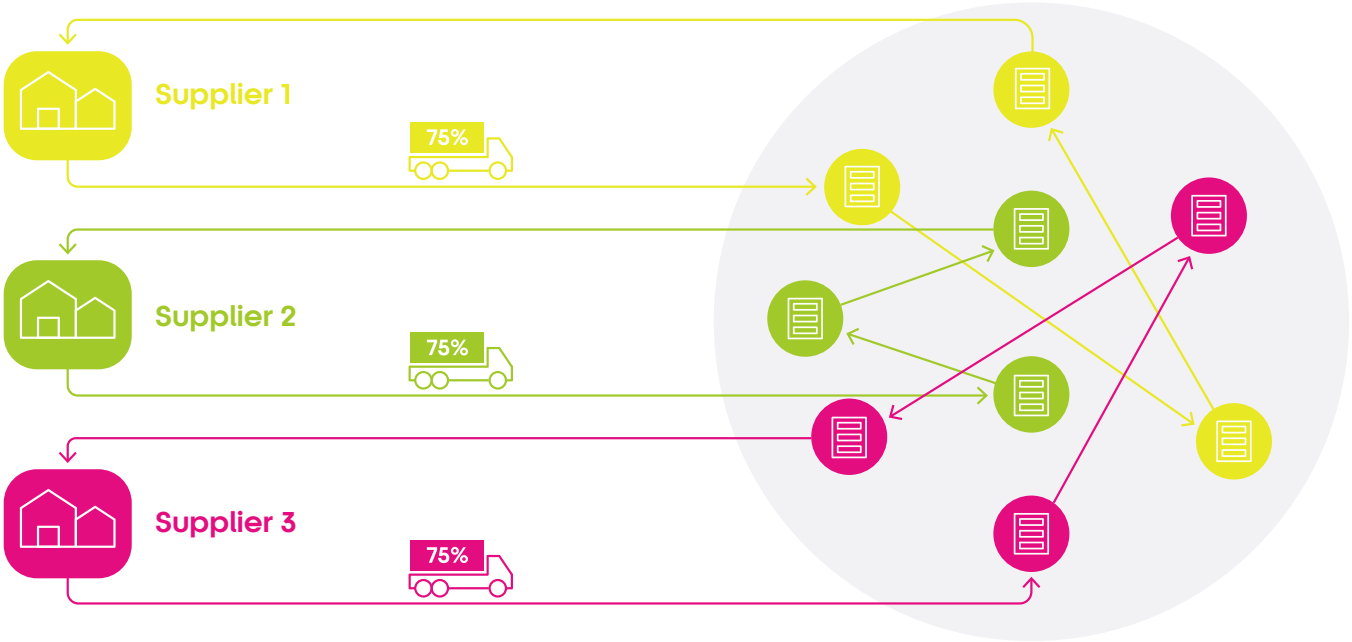
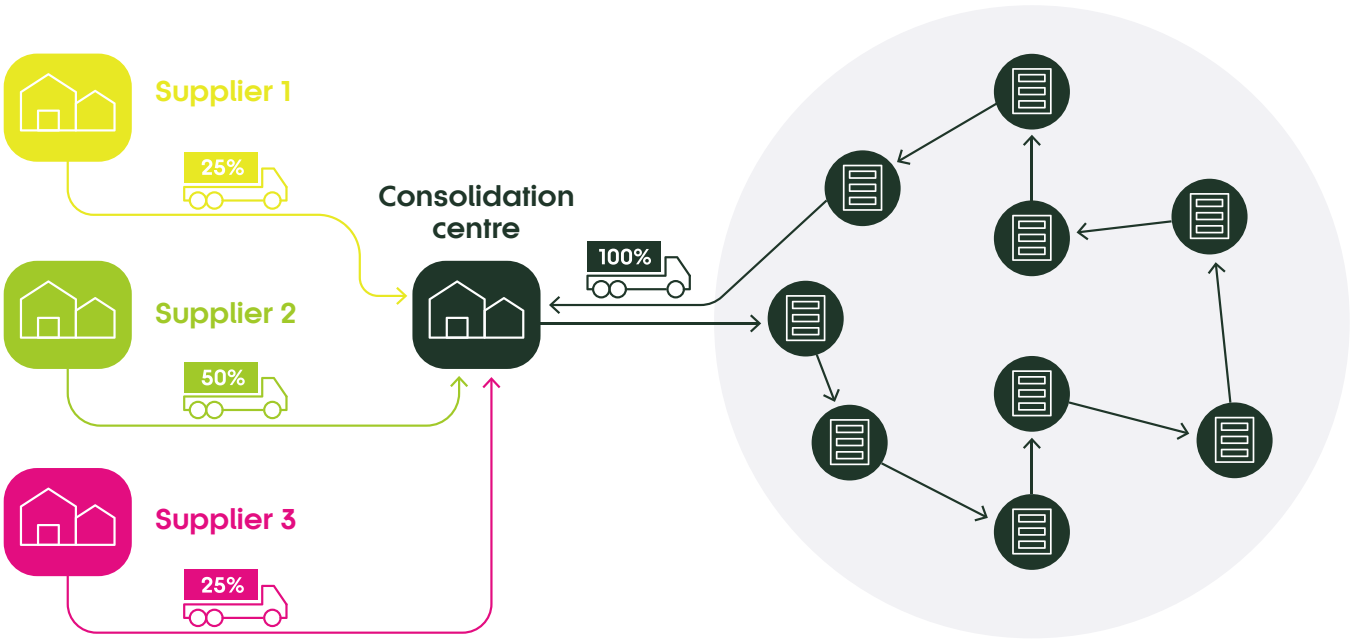
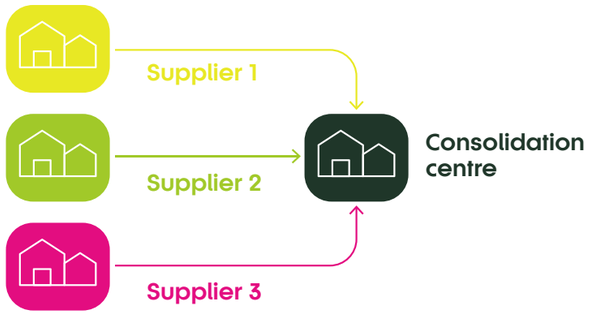


Figure 3 Operation with a consolidation centre



Typical consolidation centre layout



3.1 Benefits and drivers

In the right set of circumstances, the use of consolidation centres can have a considerable impact to the operational efficiency of the supply chain:

- Reducing the number of delivery vehicles by improving the loading of the vehicle, i.e. if vehicles are sent full, fewer vehicles are required to move the same volume of goods.
- Planning and sorting loads with minimal end destinations reduces the time drivers spend unloading and rearranging the vehicle, reducing the number of driver hours required.
- Scheduling deliveries and minimising unplanned deliveries allows peak times to be avoided reducing journey times.

Introducing a consolidation centre can improve the public realm experience through:

- Reducing traffic congestion in urban areas.
- Minimising noise and air pollution in urban or adjacent residential areas.
- Reducing the infrastructure required at the end destination, maximising the use of valuable space.
- Potential improvements to security practices through offsite screening of goods.

It is important to understand the site-specific drivers of consolidation to justify their use. Key drivers include:

- Limited storage at user's premises.
- The need to reduce service vehicle trips to allow allocation of space for other functions.
- Enhance security via pre-delivery screening.
- Environmental goals.

Table 1 Environmental benefits

Benefit area	Description
Carbon dioxide emissions reduction	Reduced CO2 emissions by having fewer vehicles, which contribute to climate change. Consolidation centres can also facilitate the use of electric vehicles, reducing carbon emissions further by providing charging facilities and using dedicated electric vehicles for the last mile deliveries between the consolidation centre and the final destination.
Nitrogen oxides (NOx) reduction	Reduced NOx which can exacerbate the symptoms of those already suffering from lung or heart conditions.
Particulates (PM10 & PM2.5) reduction	Reduced particulate matter and fine particulate matter produced by goods vehicles which can have serious impacts on health, especially for vulnerable groups of people such as the young, elderly and those with respiratory problems.
Noise pollution reduction	Reduced road traffic has a direct impact on sleep, stress and it can also be the cause of more serious health conditions.

Table 2 Societal benefits

Benefit area	Description/Outcome
Security	Consolidation centres can provide an extra layer of security and assurance for high-security end users, using screening apparatus to inspect goods offsite before sending them to their destination.
Safety	Historically, HGVs have been disproportionately involved in more fatal collisions with vulnerable road users than other motor vehicles. Reducing HGV trips to an area, such as a busy town or city centre could have a positive effect on safety.

Table 3 Economic benefits

Benefit area	Description/Outcome
Better utilisation of premises space	Consolidating deliveries allows users to store goods off site and means that their footprint can be smaller. On larger developments, there will also be considerable reductions in the number of loading bays needed and the associated maneuvering and offloading space. As a result, space can be optimised in a more cost-effective way.
Better utilisation of logistics resources	With increasing demands on the logistics sector, against a backdrop of an ageing workforce and increasing driver salaries, it is essential that resources in the sector do more with less. Consolidation centres dispatch vehicles with more freight onboard, meaning that fewer drivers are needed. There are also potential savings for users who receive prepared deliveries at a time that suits them, freeing staff to deal with customers.
Congestion	Delivery vehicles contribute to congestion which can lead to stalled growth and productivity.

3.2 Value added services

Consolidation centres often offer value added services which can allow users to focus their staff on other tasks. In some cases, it can also allow a business to reduce the space allocated to deal with deliveries on their site.

Security screening

Description

Goods/materials delivered to the consolidation centre are security screened through X-ray scanners to check for potential threats. Vehicles from the consolidation centre can be security sealed prior to departure and the security seal number communicated to the user prior to arrival.

Benefit to user

Screening off-site removes the need for screening equipment at the user's site and the personnel required to conduct that activity. Can be of value to a delivery point with security concern, e.g. an airport.

Pre-sorting / labelling

Description

A consolidation centre can pre-sort the items to the user's requirements and assemble loads by delivery point. This can include creating labels and QR codes to add to pallets, cages, tote boxes etc.

Benefit to user

If a user has multiple internal delivery points such as different buildings on a campus or different departments in a single building, then receiving items pre-sorted greatly speeds the internal distribution process.

De-trashing

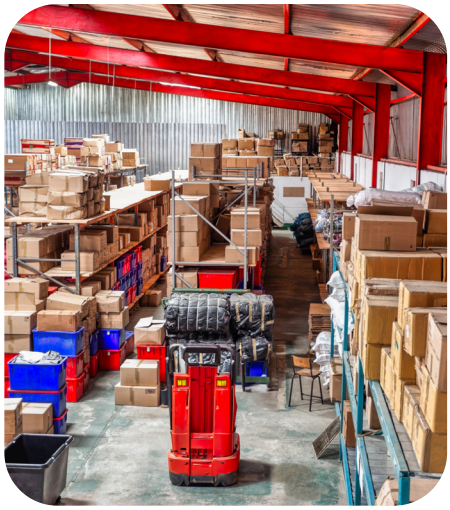
Description

The removal of additional / unnecessary packaging. This can include unboxing garments and hanging them on garment rails ready to be rolled into retail stores.

Benefit to user

Eliminates waste generation at the user's site.

Reverse logistics



Description

Consolidation centres can offer reverse logistics. Moving goods from users back to manufacturers, such as faulty goods and returns.

Benefit to user

Removing the administration costs and reducing the number of collections from their premises.

Waste consolidation

Description

Waste consolidation by loading waste back onto the outbound vehicle after it has made an inbound delivery, reducing the number of empty vehicles leaving site and requirements for refuse vehicles to come to site.

Benefit to user

It contributes to sustainability performance and cost-based efficiencies. The solution requires the carrier and originating hub to have the appropriate waste transfer licenses, transport credentials and handling skills to implement this.

Short-term storage

Description

Consolidation centres can offer space in their facility for users to store goods over a short period of time, until there is room on their premises to accept delivery of stock.

Benefit to user

This allows users to take advantage of bulk buying discounts when space is limited and can provide supply chain resilience where items are either critical, have a long lead time or where storage space at the destination is limited.

3.3 Potential users of consolidation centres

Urban consolidation

An urban consolidation centre is a dedicated facility serving a specific area, typically a city centre, individual large building or a shopping hub. The consolidation centre will be responsible for receiving the goods for several occupiers from multiple suppliers and consolidating them into a full load which can then be transported in vehicles more appropriate for the urban environment that they are intended to serve. Depending on the spread of occupiers and the setup of the area, this may require single or multiple stops. For large scale buildings or shopping centres, the consolidated delivery could be taken to a singular servicing area and received by a facilities management team for onward delivery to individual occupiers.

Airports

Consolidation centres are an increasingly common tool in the control and management of airport deliveries, and many are already successfully operating across the UK, including:

- Manchester Airport.
- Heathrow Airport.
- Birmingham Airport.

Airport consolidation centres streamline the flow of goods to, and occasionally waste from, the airport. Their successful implementation can enhance the efficiency of airport operations as well as reduce the vehicle emissions around the immediate vicinity of the airport. Airport consolidation centres handle retail goods such as duty-free products and clothing, food and beverage supplies for airport restaurants and shops, operational supplies such as those used for maintenance or cleaning and passenger services such as inflight catering.

Case Study

Regent Street, London – operated by GXO

2007 - 2024

The Regent Street Consolidation Centre, operated by GXO in partnership with The Crown Estate, was located in Enfield, just outside London's congestion charge zone. This facility served over 20 retailers, consolidating their deliveries to minimize traffic movements, reduce emissions, and improve air quality in central London

Initial studies into deliveries to Regent Street found that retail deliveries were uncontrolled, causing unnecessary congestion during peak periods and road blockages.

Delivery vehicles made up approximately 35% of all peak hour traffic.

The consolidation centre combined multiple deliveries into fewer trips with reductions in vehicle numbers of 70-80%, which helped reduce congestion and support sustainability goals. The initiative also included the use of electric vehicles to ensure zero-emission deliveries.

Case Study

Heathrow Consolidation Centre (HCC) – operated by Bradford Swissport Ltd

2001 - Present

The HCC was established as part of the planning permissions for Terminal 5 with a primary purpose to reduce the traffic impact in the residential area surrounding the airport. Since its implementation the HCC has become an essential component in the successful operation of the whole airport. The purpose now is to allow the airport to manage the screening requirements of the 2500 consignments received and required to be delivered to the terminals every day.

The HCC receives all retail, food, beverage and supporting products destined for the terminals. All deliveries are security screened, processed and held until required at the terminal. This ensures deliveries arrive at the space-constrained terminals pre-sorted at a time preferred by the vendor.

Universities & hospitals

Universities often have complex procurement and logistics requirements, including the regular delivery of office goods, laboratory supplies and food all ordered by separate teams using different systems and suppliers. Similarly, hospitals have extremely high throughput with large quantities of consumables received daily, often independently procured by departments.

Both universities and hospitals often comprise clusters of buildings, each receiving their own separate deliveries of often very similar products. A coordinated and consolidated approach can improve the efficiency, cost effectiveness and environmental impact of their supply chain.

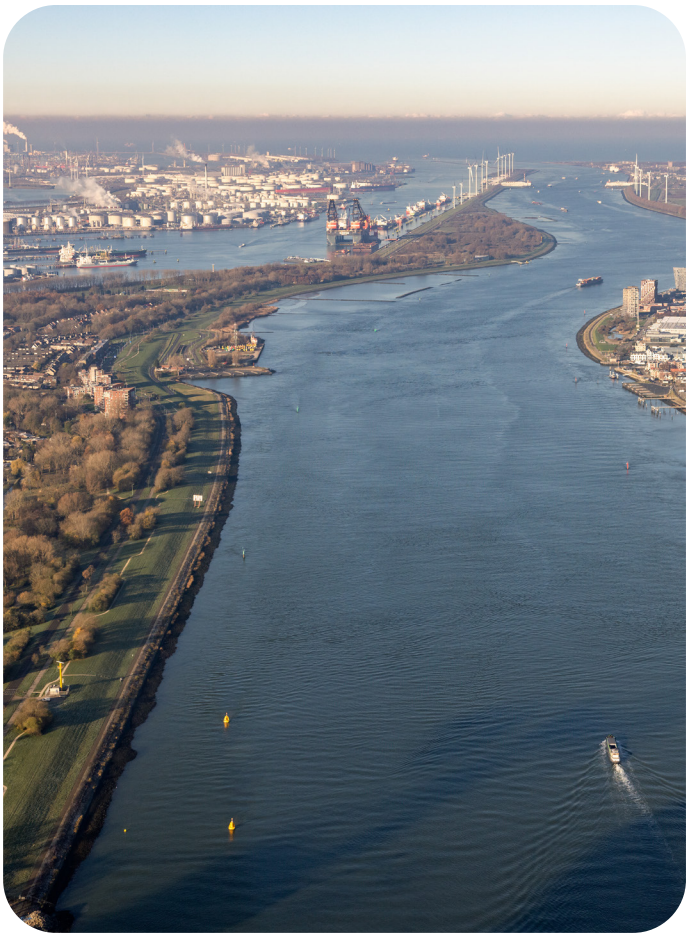
Despite the opportunities for significant efficiencies, there are examples of consolidation centres that have only remained operational for 3 to 5 years before closing. This is the result of significant challenges with financial viability and slow decision-making processes. However, through the short period of time using a consolidation centre at Newcastle University and St Thomas Hospital, their supply chains became so well understood that it was possible to identify inefficiencies and implement operational consolidation practices post closure.

Industrial sites

Large industrial sites can also benefit from consolidation centres using off-site storage with just-in-time deliveries, reducing the need for storage space on what is often prime real estate on the industrial site.

There are examples in Europe where physical consolidation centres are in place for large industrial sites. These include:

- Port of Rotterdam, Netherlands where several consolidation centres help reduce the number of vehicle movements around a busy port.
- DHL operates consolidation centres for the automotive and manufacturing industries in Germany.



Case Study

Newcastle University

2012 - 2015

The consolidation centre was implemented to reduce congestion around Newcastle University after data revealed approximately 800 vehicles were delivering daily to campus. University deliveries and students' individual orders were consolidated into electric vehicles to bring onto campus, and the success of the scheme was recognised for excellence at the Times Higher Education Leadership & Management Awards in 2015. The consolidation centre benefitted from European funding and grants.

Since its closure, the university has embraced procurement-led consolidation with nominated suppliers, introduced more drop boxes and lockers and focused on efficient deliveries.

3.4 Barriers to operational success

Setting up a consolidation centre is not always the right solution as it requires a specific set of circumstances for it to be successful, impactful and long lasting.

The main barrier to the success of physical consolidation centres is the additional monetary cost of operation when compared to more traditional methods of delivery.

The barriers to successful implementation can occur as the result of different factors:

- **Volume**
  From a consolidation centre operator perspective a large enough volume of goods is needed to ensure financial viability. The more goods and materials the consolidation centre manages, the more that the users can be charged for the service to cover costs. Large scale retailers often already operate consolidated loads and are therefore less open to using a shared consolidation centre with smaller retailers. This can make it a challenge to meet that critical mass requirement and provide enough volume of goods for the operation of a consolidation centre to be financially viable.

- **Cost**
  A additional handling stage in the supply chain introduces extra cost, both monetary and through increased time to process goods for consolidation. For example, a retail shopping centre landlord may contract a consolidation centre service to control its deliveries. The costs can be passed on by the landlord through service charges or rents for tenants of the retail units which may be undesirable to the tenants.

  Often subsidies are provided by local, regional or national / European bodies to cover initial set-up costs and support the establishment of such schemes. There have been instances where consolidation schemes have failed once funding is withdrawn. It is essential to ensure the scheme can support itself when subsidies are removed.

- **Vehicle routing**
  A single point for consolidated deliveries may require a diversion from a more efficient route to the destination for supplier deliveries and thus may counteract the benefits from the consolidation process.

- **Complexity**
  It can be difficult for a single consolidation centre to handle the diverse range of goods and materials that need to move in and out of the centre, resulting in a variety of different handling and storage requirements.

- **Time criticality**
  Perishable items may require refrigeration, special transport requirements and/or need to be delivered within a particular time frame. Consolidation of such items will incur additional costs and need to be planned carefully. As a good example, the Heathrow Airport consolidation centre deals with perishable items for many of the cafes and restaurants in the terminals.

4.

Implementing consolidation and the role of Local Authorities

4.1 The potential role of Local Authorities

There are mechanisms that Local Authorities can apply to encourage or force consolidation. There are also situations where the Local Authority may use consolidation as a remedial measure to other schemes.

Example:

A Local Authority is embarking on a programme of improvements to the public realm in its urban centre. Servicing vehicles are a source of congestion and impact to the public through air pollution and safety issues. It decides to act.

The authority can:

- **Encourage 'the carrot'**
  Supportive measures e.g. partially subsidise the consolidation centre costs for any local businesses that sign up to its use. Subsidies can be for a fixed time over which to assess the impact, or ongoing.

- **Force 'the stick'**
  Section 106 planning obligations could be used to force new developments to use consolidation centres to minimise the number of delivery vehicles serving the site. This is being done by the City of London.

- **Remedial measure**
  Where authorities are considering the implementation of other schemes such as a clean air zone, a congestion charge, an HGV ban, mandatory security screening, or delivery window restrictions, for instance no loading zones between 9am to 4pm. The implementation of a consolidation centre could be encouraged as a remedial measure to ensure supply chains are maintained.

Case Study

The Francis Crick Institute – operated by Restore

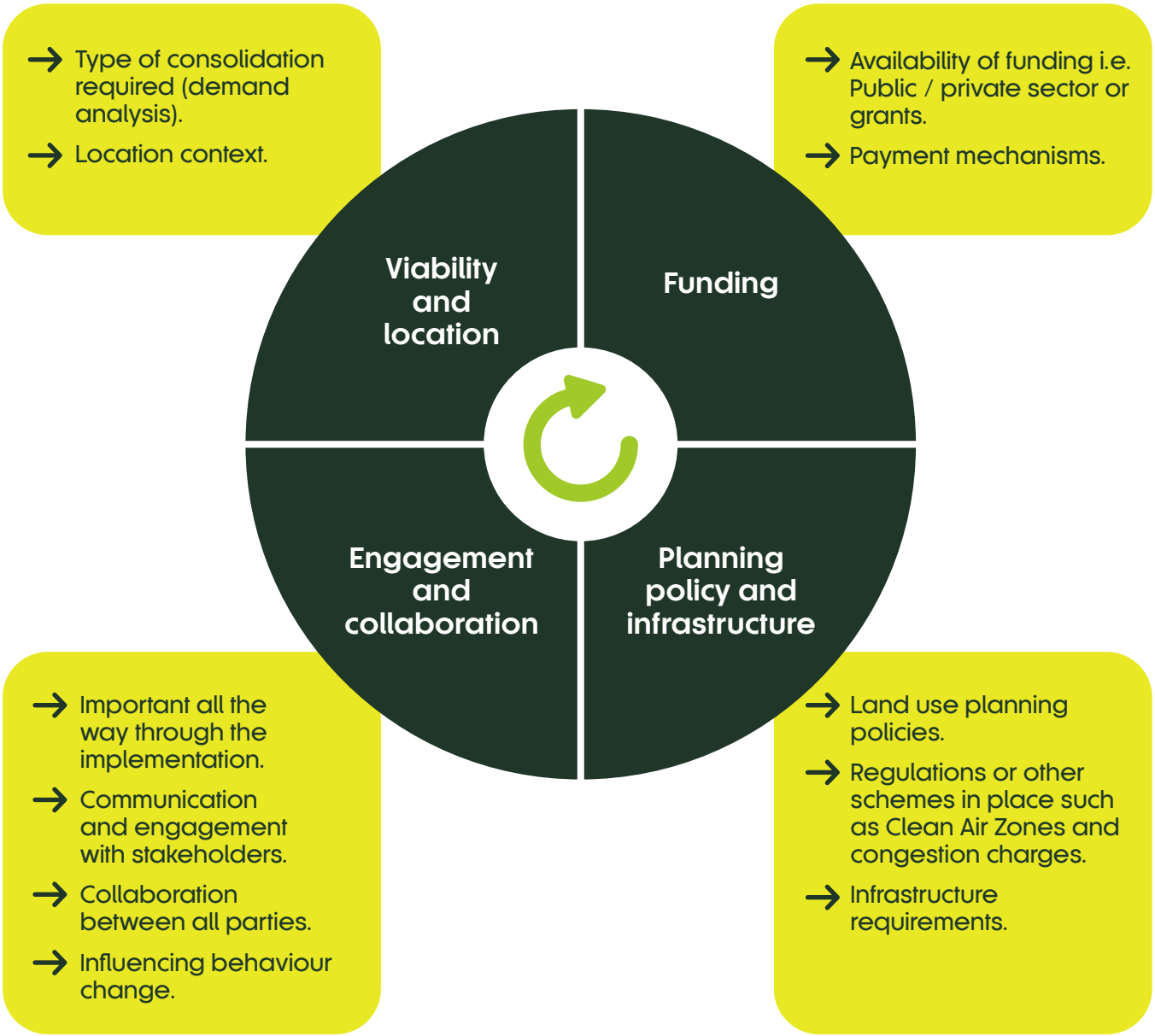
The Francis Crick Institute is a large central London biomedical research laboratory with over 1,500 scientists. Restore are contracted to provide a consolidation centre service to ensure The Crick complies with Camden Council's Section 106 planning conditions relating to the servicing of a building in a dense urban location.

The consolidation centre is based outside of central London and receives the science consumable deliveries before sorting, consolidating and sending to site twice daily on ULEZ compliant vehicles. This is a private arrangement between The Crick and Restore and no Local Authority grant funding is provided.

4.2 Implementation considerations

When implementing a consolidation centre, several considerations should be made as summarised in Figure 4. In addition, a guide showing the decisions and considerations that should be made when looking to implement consolidation is provided in Figure 6.

Figure 4 Summary of considerations for implementation of a consolidation centre



Viability & location

Key to understanding the viability of consolidation is understanding the demand. This helps to determine which type of consolidation is suitable. Each location and its stakeholders should be given bespoke consideration. Data on delivery volumes to the area should be collected and reviewed to understand the baseline of non-consolidated deliveries. Other metrics to consider could be congestion, air quality, carbon emissions and empty running vehicles. Understanding vehicle capacities against their usage is important when establishing if consolidation could be of benefit. If data is not available, then surveys could be undertaken.

If a physical consolidation centre solution is appropriate, then the choices are to:

- Build / lease and operate a consolidation centre facility or;
- Build / lease and contract a third-party operator to run the consolidation centre or;
- Contract with a third-party operator who operates a consolidation centre in the desired location and has capacity to accommodate the predicted volumes.

Figure 5 Finding a suitable location

- Proximity to suppliers and customers.
- Access to local workforce.
- Flexibility of space (for future expansion if required).
- Low cost (real estate, taxes, utilities ect).
- Favourable regulatory environment.
- Access to required technology.
- Potential use of a section of existing logistics operator warehouse.
- Access to transportation (major roads, rail, ports, airports.

Case Study

Bristol City Centre – operated by DHL. Under contract with Bristol City Council.

2004 - 2018

Bristol City Council (BCC) implemented a voluntary scheme to initially serve retail tenants of the main city centre shopping area, Broadmead. Over the years the operation grew, and the service extended to retailers in other parts of Bristol and also the city of Bath. The consolidation centre was operated and owned by DHL under contract with BCC. It was heavily subsidised through council funding, European funding streams and other sustainable funding grants. Retailers paid a nominal fee for the service, but the financial viability of the consolidation centre relied on the BCC funding.

Retail tenants that opted in to the service would have their deliveries redirected to the DHL consolidation centre where they would be combined onto a vehicle. The consolidation centre saw on average across the years an 80% reduction in onward trips into the city centre.

Once the contract ended, the operation of the consolidation centre also ended although DHL continue to seek efficiencies through consolidated loads where possible within the Bristol area.

Funding

Consolidation centres create an additional and costly step in the supply chain. The additional cost may be prohibitive for potential users given that costs need to be kept low for businesses to remain competitive.

Public funding or grants can enable consolidation centres by supporting capital and / or operating costs and this has been the case in successful schemes such as in Bristol (see page 30) and at Newcastle University (see page 24). Whilst a monetary return on investment is difficult to achieve, it is likely that the main benefits would be social and environmental.

Where costs cannot be adequately covered from a public source, there may be a need for users of consolidation to financially contribute. Where this is the case there is a need for the public sector to clearly communicate their method of collecting the costs, how the fees will be spent, and the overall social, environmental and economic benefits including:

- Storage and security increases the value of the proposition, as well as other operational savings such as fewer vehicles experiencing congestion.

- Reduced charges due to clean air zones / congestion zones and other associated costs such as any Penalty Charge Notices often associated with deliveries in urban areas.

A transparent and easy to understand payment process is required which could comprise a flat management fee or a charge per delivery for example.

Planning, policy and infrastructure

If required, the public sector could facilitate consolidation through planning policy. For example, when planning applications come forward for new developments, Transport for London have used Section 106 legal agreements between developers and Local Planning Authorities to limit the number of delivery vehicle trips and mandate the use of consolidation centres for large scale developments. A case study example of 22 Bishopsgate in Central London can be seen on page 32.

Local Plans are another tool that Local Planning Authorities can use as a mechanism to secure the use of consolidation centres in urban areas. They could potentially include policies that promote the establishment and use of consolidation centres, setting out that their purpose is to reduce traffic congestion, emissions, and improve overall logistics efficiency.

In cases where Local Planning Authorities are looking to bring in policy changes to existing locations such as clean air zones or congestion charges, consolidation could be an effective solution to overcome the challenges that these restrictions can cause.

Case Study

22 Bishopsgate – operated by Clipfine

2021 - Present

Clipfine operate a dedicated offsite consolidation centre for 22 Bishopsgate tower, a 62 floor, 1.3 million square-foot, mixed use building. The consolidation centre was developed with the City of London Corporation and is now seen as a prototype for successful reduction in transport emissions and traffic problems at major developments. A Section 106 agreement was put in place to ensure that deliveries to the building are consolidated.

The consolidation centre inspects, stores, consolidates and then distributes the inbound goods to their end destination. This includes a full tracking system whereby all items are security screened and barcoded to track their location using a Delivery Management System platform.

The consolidation centre is estimated to reduce the number of vehicle trips from approximately 1,300 to 50 per week.

Engagement and collaboration

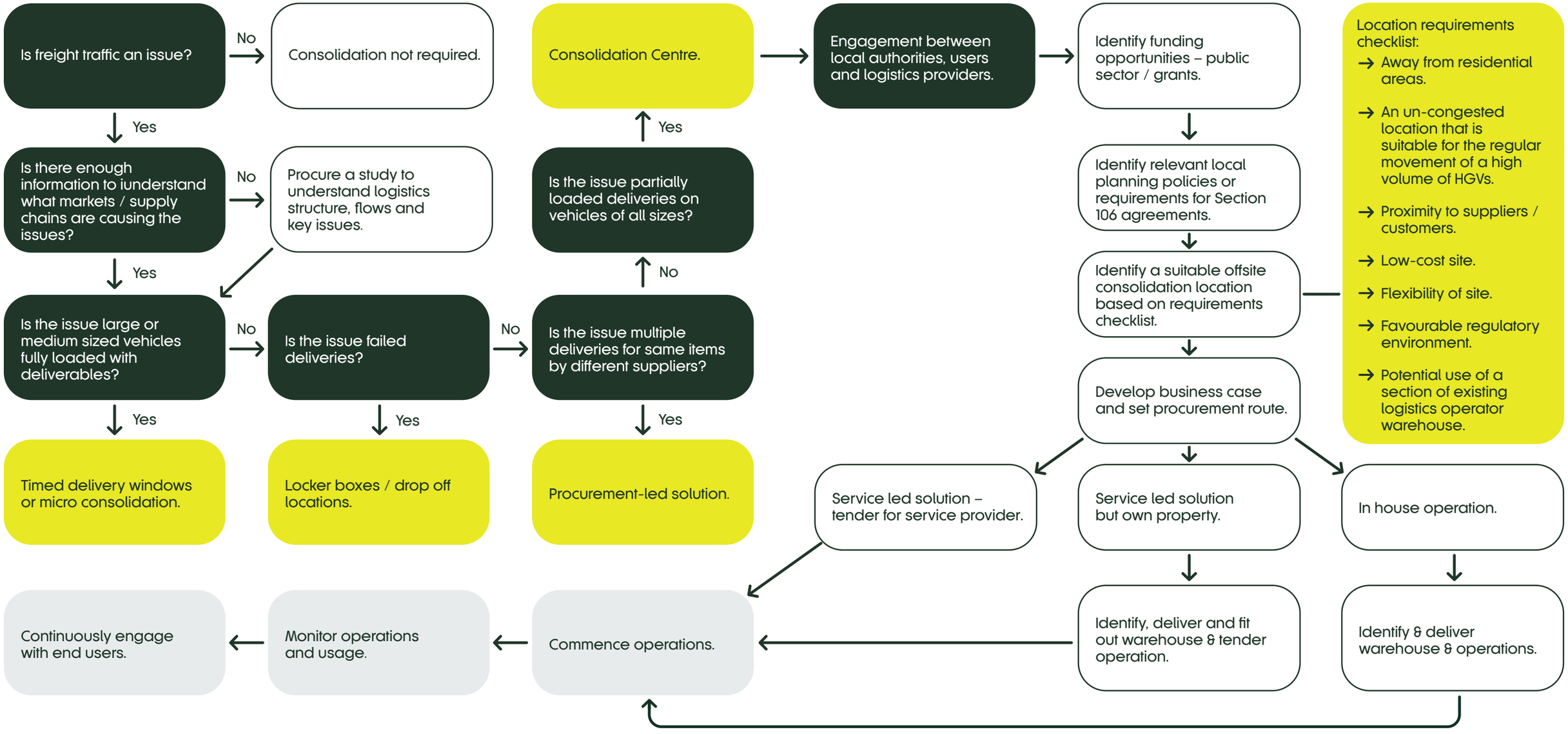
Collaboration between all parties including Local Authorities, users and operators is crucial for consolidation centres to be successful. This needs to happen all the way through the process, from introducing the concept through to operation. This engagement and collaboration can often be led by the public sector before an operator takes over.

For users, their approach to planning stock delivery and the ordering of goods needs to be compatible with the consolidation process. The additional step in the supply chain created by consolidation can increase the duration of their goods journey from origin to destination. Allowance for this extra time should be built into their procurement and goods-in process, so communicating this need clearly and early is important.

Sharing the benefits of consolidation for both users and the public along with data to support this is essential in generating support for consolidation centres. For instance, emissions data and vehicle movements could be captured both before and after implementation to demonstrate tangible differences. It is important to communicate the outcomes of the monitoring across all parties to ensure that successes are acknowledged or issues are addressed collectively.

4.3 Step-by-step guidance for consolidation centre implementation

Figure 6 Step-by-step guide to determining the type of consolidation suitable and how to implement a consolidation centre



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- GXO Logistics.
- Heathrow Airports Ltd.
- Meachers Global Logistics.
- Restore.
- The Pallet Network.

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