

# Tyne and Wear Freight Partnership



## The Tyne and Wear Freight Consolidation Centre - the hub -

Wednesday 7<sup>th</sup> September 2011

LOGISTICS EVOLVED

**Clipper**  
LOGISTICS  
GROUP

# Agenda

- What is Freight Consolidation?
- About the Tyne & Wear Freight Consolidation Centre
- Questions



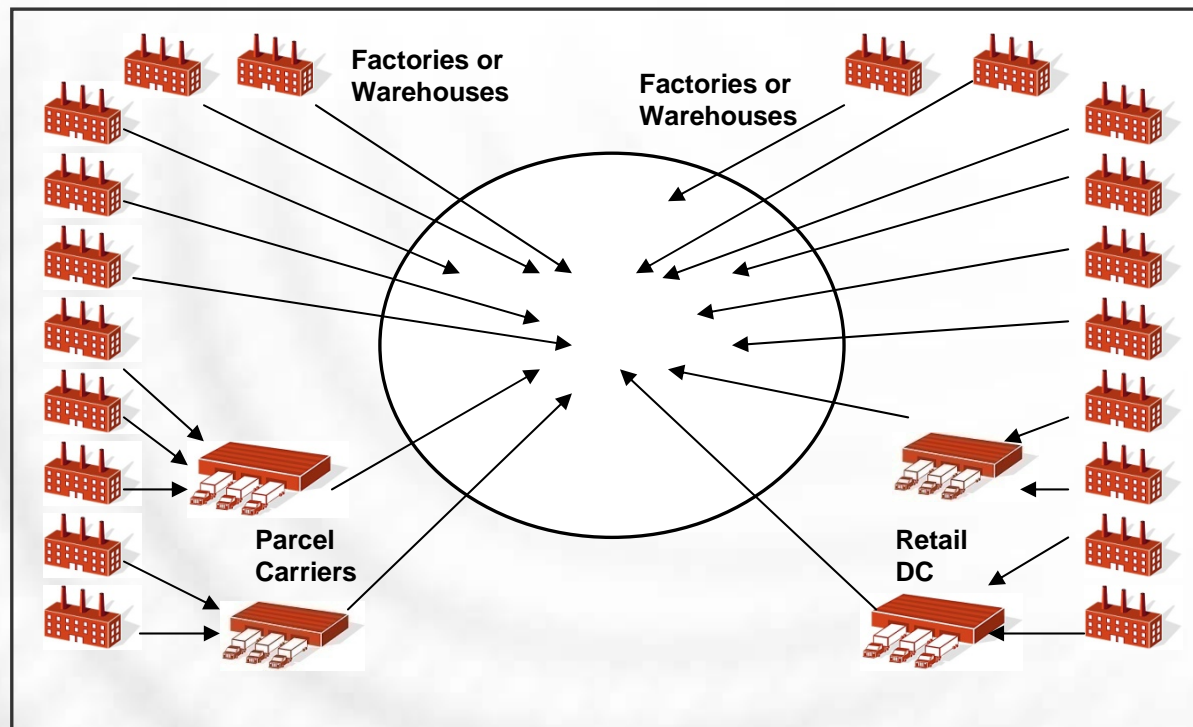
# What is Freight Consolidation?

- Drivers for change - policymakers
  - World Business Council for Sustainable Development  
“Vision 2050, The new agenda for business” - Mobility Stream
  - National policy making - Department for Transport  
LTP3, Carbon Footprint, Emissions, Congestion
  - Local policy making – Local Transport Planning  
Air Quality, Noise Levels, Congestion, Safety

... all Creating a legislative framework
- Drivers for change – commerce
  - Strong support “in principle” at corporate strategic levels
  - Supports corporate social responsibility agenda
  - Delivery restrictions, low emission zones etc

# What is Freight Consolidation?

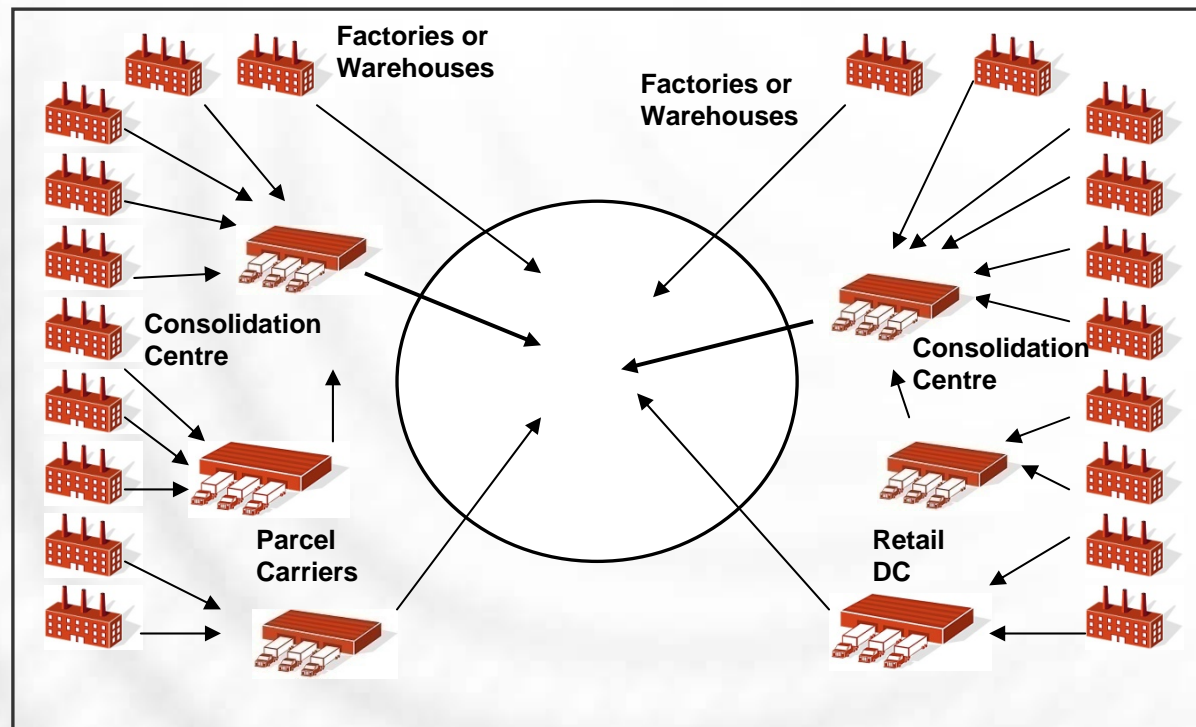
- From...
  - The typical supply chain



Alan Lewis, Transport & Travel Research Limited

# What is Freight Consolidation?

- To...
  - the supply chain utilising freight consolidation



Alan Lewis, Transport & Travel Research Limited

# What is Freight Consolidation?

- Reducing the number of separate deliveries to a specific location by providing facilities where deliveries can be collected together for a high load vehicle to then make one large delivery into the target area.
- Potential Benefits from reduced volume and frequency of freight movements
  - Reduced CO<sup>2</sup> and Other Emissions – improved air quality
  - Reduced Congestion for other road users
  - Reduced Noise Pollution
  - Reduced accidents
  - Eliminating (freight) parking problems and unloading fines

# What is Freight Consolidation?

- Reservations to FCC - policymakers
  - Limited FCC information – commercial confidentiality
  - Few commercially successful examples
    - UK exceptions; Regent Street, Meadowhall
  - Often thought to be solely
    - Urban; Retail; Compulsory
- Reservations to FCC - commerce
  - Commercial uncertainty or scepticism – optimised supply chains
  - No consensus over who should pay – supplier, user, logistics?
  - Absence of holistic view of total supply chain cost

# Freight Consolidation - The Reality

- Regent Street Freight Consolidation Centre
  - Crown Estate objectives
    - Improvement in the urban retail environment, through
    - reduction in delivery traffic to improve air quality, reduce noise, and
    - allow widening of footpaths to improve store access



# Freight Consolidation - The Reality

## Regent Street Freight Consolidation Centre

### Survey Results:

- 82% of people in the West End find it “buzzing and stimulating”
- 73% find it exhausting and overwhelming
- 63% complain of being jostled
- Many find the density of traffic oppressive

### Operational Results:

- Started 2009
- 13 Retailers
- 80%+ reduction in road freight movements for participants
- Electric vehicle introduced June '11 for the remaining deliveries

# Freight Consolidation - The Reality

- Conclusions
  - No “blue print” for the provision of Freight Consolidation Centres
  - Each client is unique
  - The key is to find the best solution for each customer



The  
Tyne & Wear Freight  
Consolidation  
Centre **hb**

Initiated by Newcastle City Council  
the hub is a collaboration between:

Newcastle  
City Council 

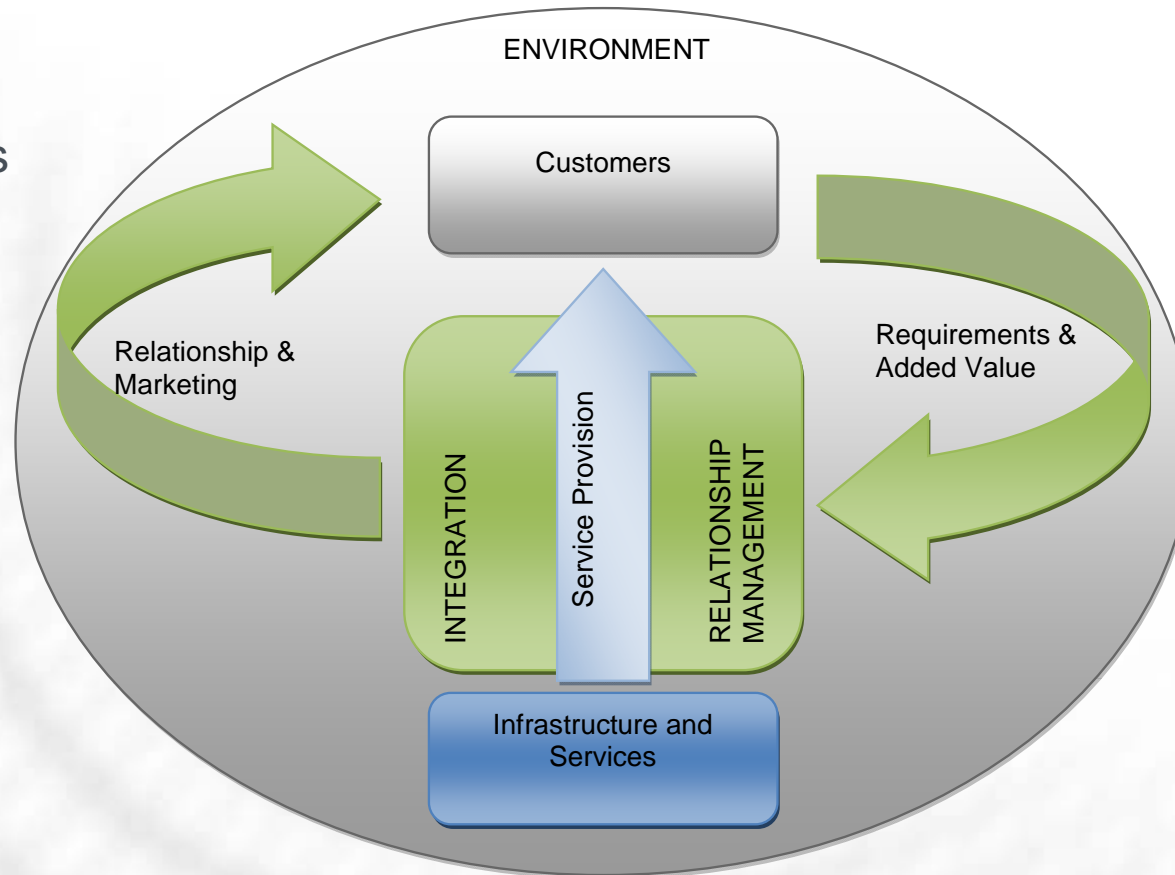
 Your Homes  
Newcastle

Clipper   
LOGISTICS  
GROUP

# About the Hub; partner roles

Environment – Newcastle City Council

Relationship management & Integration – Clipper Logistics Group



Infrastructure & services – Your Homes Newcastle

## How the Hub can help the Metro Centre and Eldon Square

- Increase the value that Retailers derive from their space and staff
- Reduce congestion around the shopping centre and at loading bays
- Remove waste processing from the shopping centre
- Ease storage space issues
- Support of re-fit and range change activity
- Consolidation of volume can build business case for Electric Vehicles with associated environmental benefits
  
- All contributing to increased sales potential

# the hub; service offering

- The customer requirements are built into a specific “package” built around a range of standard service offerings
  - Timed Delivery Services; Cross Docking; Off-Site Storage; Pre-Retailing Services; Store Refit Services; Pick & Pack Waste Packaging Removal; Meeting & Training Facilities
- The objective is to add value to the operation and compliment the skills of the retailer
- The cost of using the hub can readily be recovered through store cost savings, increased sales, and reduced shrinkage

# the hub; service offering

Shopping centre and city centre solutions



# How Do We Grow The Operation?

- Retail awareness of the solution
- Experience from opening other consolidation centres
- Retail & logistics collaboration
- Multi-Channel-Retail options; click-and-collect
- Local authority recognition of the congestion reduction benefits

# Questions...



“The future is clear. It's time for a new breed of logistics company: one with the size and ability to tackle any project, plus the speed and agility to strike quickly. One that appreciates the importance of logistics in the big picture, yet keeps things simple.”

**Logistics evolved**