

Appendix C Other Schemes Information

Meadowhall

Within the retail sector a consolidation scheme run by Clipper Logistics also operates at Meadowhall in Sheffield. This scheme began in 2006 and is still operational with no subsidy. It consists of an off-site storage facility for inbound stock deliveries for retailers and is a voluntary scheme with over 20 regular customers. Retailers pay to have their stock held and delivered from the consolidation centre. The Greggs shop in the shopping centre is one of the busiest ones in the country and does not have enough room for stock, so they can store in Meadowhall. Under the scheme stock is consolidated for each retailer and then either delivered at set times throughout the day or as required depending on the retailer needs. This means that the retailers are able to maximise selling space in store as stock storage is taken place at the consolidation centre. Services offered by Clipper for the consolidation centre include pre-retail, cross-dock, storage, stock returns and inter-branch transfers. The centre is open seven days a week to reflect retailers' needs, and has its own on-site sales support team. Packing waste is also able to be sorted for recycling. Footfall for Meadowhall stands at over 25 million customers every year, therefore the ability to respond quickly to customer demand is important. Due to the very limited stock storage available for retailers at Meadowhall there are greater volumes going through the consolidation centre.

Southampton

The Southampton Sustainable Distribution Centre (SSDC) is operated by Meachers Global Logistics and funded by the Local Sustainable Transport Fund (LSTF). It was launched in February 2014 and is still operational. It is a facility for retail and public sector organisation with the added benefit of being able to offer short, medium or long term warehousing capacity to assist organisations with limited on site storage facilities. Through the centre it was hoped that reductions in HGV travelling to Southampton City centre of up to 75% would be seen equating to potentially 6,900 vehicle movements. The SSDC covers Southampton and the surrounding areas including Winchester, Eastleigh, Hedge End, Totton and the New Forest. The subsidy for the original framework contract was £275,000 with the initial framework agreement for four years (the subsidy has been spent within the first 18 months of the scheme). The subsidy was to be used for bridging the costs for any transition from a dept. It has become financially sustainable due to the set-up of the framework agreement. The basis of the award was a shared user operation with variable/reassignable overheads and with a very flexible and appropriate charging structure. There are 14 public sector customers with the remaining customers being from the private sector.

Regent Street

The Regent Street Consolidation Centre in London was implemented with the aim of reducing congestion. The scheme has been operational since 2008 and has never been subsidised. It is operated by Clipper on behalf of Crown Estates using two electric vehicles. Vehicle movements to participating stores have been reduced by up to 85%; other benefits included in store staff able to focus more on selling goods as well as more in store retail space being made available due to

stock storage at the consolidation centre. There are over 39 retailers participating in the scheme. Due to the levels of footfall in Regent Street (for example the week beginning 3rd October 2016 saw 477,348 visitors to the Regent Street St James/Piccadilly area) the retailers need to be able to maximise selling space - by utilising the consolidation service for stock storage this can be achieved.

Public Sector / Council scheme

Camden Borough Council undertook a nine month pilot in 2013/2014 to trial freight consolidation for use by Camden and other neighbouring councils to cover general goods supplied to the councils. The pilot project was a success and it was agreed to roll it out for a three year period. Following a procurement process, where there was sufficient interest from the market, a new three year contract commencing October 2015, was awarded to DHL. The pilot focussed on use by a number of councils whereas the new contract intends for the scheme to be used more widely and will extend to other users. The scheme in Camden has operational costs of approximately £180k per annum and has generated £30,000 income. The scheme costs Camden £150,000 per annum to subsidise the scheme. Discounts of typically 5% - 7% are negotiated with suppliers with supply chain savings made by reducing delivery costs.

University

The scheme at Newcastle University is operated by Clipper and has deliveries made to the university using an electric vehicle. Items are delivered to the Clipper Logistics facility outside of Newcastle from where deliveries are made to nine designated drop off zones within the university. The project is co-funded by Clipper, Newcastle University, the EU and other partners as part of the Smartfusion project. The funding for the project has been as follows: -

- September 2014 – June 2015 = Smart fusion Demonstration Project
- June 2015 onwards = Newcastle University Strategic Funds

The scheme aims to reduce the need for lorries and vans to enter the university grounds. The scheme handles delivery volumes of 60 to 80 parcels a day. Two electric vehicles are used to make the deliveries. Discounts have been negotiated with suppliers as this is linked to a centralised purchasing system which facilitates major bulk orders. The scheme at Newcastle University is run on an open book contract basis. Due to commercial sensitivities we have been unable to obtain information on funding costs.