

Single Member Cabinet Decision

**Executive  
Forward Plan  
Reference**

**E2919**

**Freight Consolidation Future Options**

<b>Decision maker/s</b>	Cllr Anthony Clarke, Cabinet Member for Transport}
<b>The Issue</b>	<p>The freight consolidation centre will require ongoing funding to continue. Previous growth predictions necessary for reducing the costs have not borne out. The funding required for the scheme to operate is expected to stay at the current figure which is £270,952 per year across Bristol and B&amp;NES; B&amp;NES current share of this is £124,000. There is £124,000 approved from B&amp;NES reserves for 2016/17, there is no future funding currently approved beyond March 2017.</p> <p>The council has marketed the scheme to the best of its ability. This has had a limited impact. Options for bringing the Council's operations on board have been explored as well but these will not provide the necessary growth levels nor are they currently viable.</p> <p>Alternative solutions for reducing council deliveries are being progressed separately which will help to mitigate against 0.2% increase in HGVs and 0.4% increase in heavy duty vehicle emissions expected as a result of closing the scheme.</p> <p>The current Freight Consolidation contract ends on 30th November 2017. Prior to this a procurement exercise would need to take place which will have staffing and financial implications. It is estimated this procurement exercise would take a minimum of seven months to complete. Either Council can cancel the scheme ahead of the 30th November 2017 by giving 3 months' notice to terminate the contract.</p> <p>Bristol has identified the Freight Consolidation Centre as a possible saving in their Corporate Strategy Consultation 2017/2022. They will take a decision on this in January.</p> <p>A decision now needs to be made as to whether the scheme should be closed down or whether it should continue to be subsidised at the specified level.</p>
<b>Decision Date</b>	19 December 2016
<b>The decision</b>	<p>The Cabinet Member agrees that Option 1 -the preferred option- is approved and adopted. This includes the following actions:</p> <p>A) The current Freight Consolidation Centre is closed at the end of March 2017 with contract notice submitted on the 30th December 2016</p> <p>B) To mitigate the service impacts from the closure, grant money from</p>

	<p>the Go Ultra Low Office of Low Emission Vehicles (GUL OLEV) will be used to scope and pilot an alternative consolidation method using small electric delivery trucks and/or electric bicycles serving the city centre.</p>
<b>Rationale for decision</b>	<p>This decision protects the council from ongoing revenue costs of £124,000 per annum, and ensures the council is still meeting its manifesto commitment for delivering a freight consolidation scheme.</p>
<b>Financial and budget implications</b>	<p><b>A) £0 cost to B&amp;NES.</b> The current Freight Consolidation Centre is closed at the end of March 2017.</p> <p><b>B) £150,000 capital funds from GUL OLEV between April 2018 and March 2021.</b> Using funding secured under the West of England GUL OLEV bid, officers will scope and pilot an alternative scheme covering small electric delivery trucks and electric bicycles for last mile deliveries in the city centre. This is covered in the terms of GUL OLEV bid.</p>
<b>Issues considered (these are covered in more detail in the report)</b>	<p>Customer Focus; Sustainability; Health &amp; Safety; Impact on Staff; Other Legal Considerations</p>
<b>Consultation undertaken</b>	<p>Cabinet colleagues; Staff; Other B&amp;NES Services; Stakeholders/Partners; Section 151 Finance Officer; Monitoring Officer</p>
<b>How consultation was carried out</b>	<p>Procurement, Transportation Planning, Road Safety and Air Quality council teams were consulted and fed into the report prior to publication.</p> <p>DHL and Bristol City Council as partners were consulted through monthly review meetings.</p> <p>Cabinet Programme Group and Strategic Management Team were consulted prior to this decision being taken.</p> <p>Section 151 Finance Officer and Monitoring Officer were consulted on the report ahead of publication.</p>
<b>Other options considered</b>	<p><b>Option 2 =</b> The Freight Consolidation Centre remains in operation and is financially supported until the current contract ends in November 2017 and then no further operation is offered. This would be above the already committed funds for the current financial year and would be at an additional cost for the period April 2017 to November 2017. This option is rejected as it does not satisfy the manifesto commitment to freight consolidation.</p> <p><b>Option 3 =</b> The Freight Consolidation Centre would continue to be financially supported until the end of the Contract in November 2017 at an additional cost for the period April 2017 to November 2017. This would be above the already committed funds for the current financial year. During this time a new procurement process is undertaken to bring South Gloucestershire Council on board from December 2017 to potentially use a different contract model. This option carries high risk due to the uncertainty over the level of response to a new procurement exercise. There would also be additional costs associated with procurement, therefore this option is</p>

	<p>rejected.</p> <p><b>Option 4</b> = Considered but not included in the options for this report is to extend the existing contract by 12 months to November 2018. This would require continued revenue funding in excess of £110,000, offers no benefit over option 3, and is therefore rejected.</p> <p><b>Option 5</b> = Considered but not included in the options is to close the Freight Consolidation Centre in March 2017, and no further operations be offered utilising GUL OLEV funding. This would utilise the £124,000 already committed to the end of this financial year. This would not satisfy the manifesto commitment to freight consolidation and offers no benefit over option 1, the preferred option, and is therefore rejected.</p>
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<p><b>Declaration of interest by Cabinet Member(s) for decision, including any dispensation granted:</b></p>	<p><i>The nature of interest and whether interest is a disclosable pecuniary interest or an-other interest, including any conflict of interest, (as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests). Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of their staff before taking the decision.</i></p>
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<p><b>Any conflict of interest declared by anyone who is consulted by a Member taking the decision:</b></p>	
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<p><b>Signatures of Decision Makers</b></p>	
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<p><b>Date of Signature</b></p>	
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**Subject to Call-in until 5 Working days have elapsed following publication of the decision**