



# London Boroughs Consolidation Centre

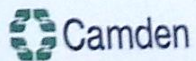
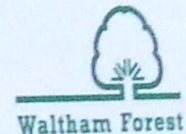
A Public Sector Perspective on  
Consolidation.

Kevin Churchill – Head of Procurement  
London Borough of Camden

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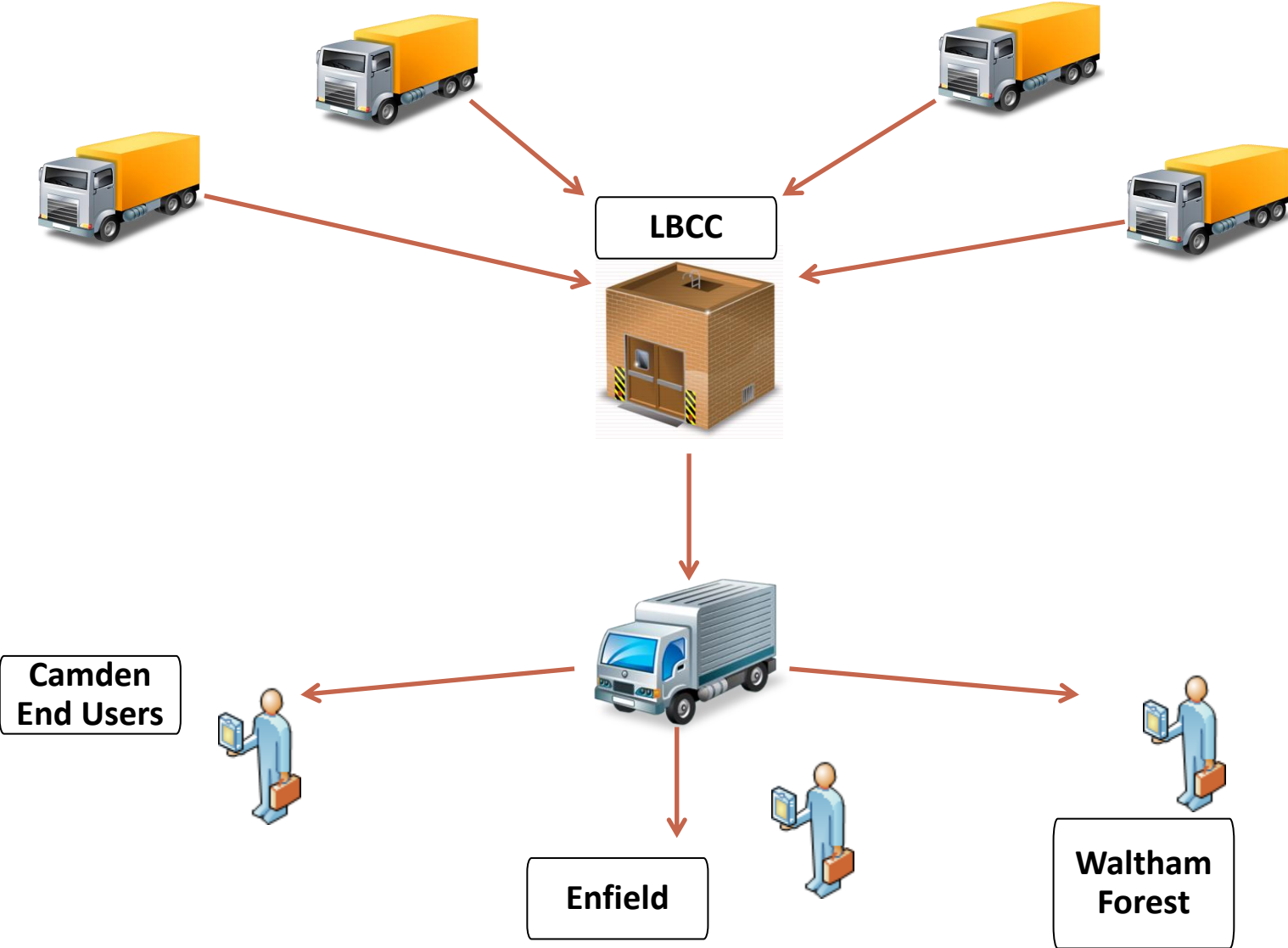
**LAMILC**  
sustainable city logistics



# What is the Consolidation Centre

- A new method of doing Last Mile deliveries in London.
- Managing many deliveries into a few deliveries.
- LBCC opened on 13<sup>th</sup> January 2014 for 9 months. Now extended to April 2015.
- *Started with 4* supplier partners, 2 product lines – stationery and cleaning products. £1m of business per annum across 3 Boroughs.
- *Now up to 41* suppliers that have used the CC.

# Supply Chain Model



# The Infrastructure

## Operating Facility

- Handled 30,400 cartons so far, in 5627 orders
- Ideally located just off the North Circular Rd
- 2,000sq ft warehouse space room for expansion
- Suppliers deliver into the LBCC between 0630-1800hrs
- 5-20min turnaround time for suppliers' vehicles
- Goods are delivered to Camden & Waltham Forest buildings x3 days p/wk, Enfield x2

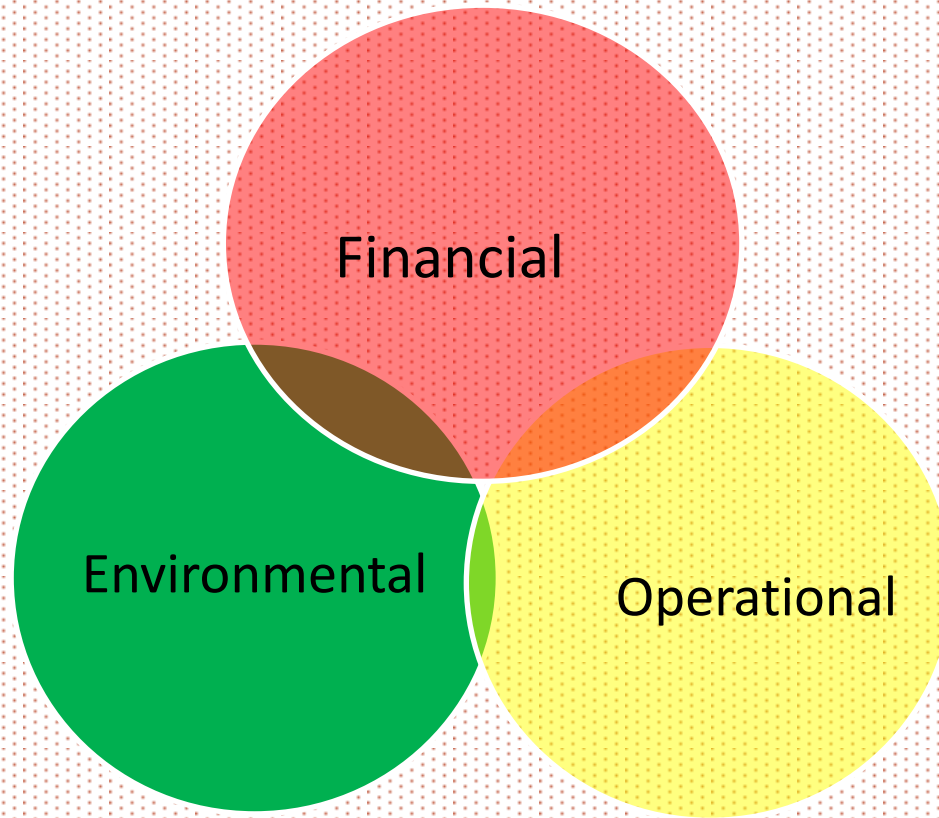


## Vehicles

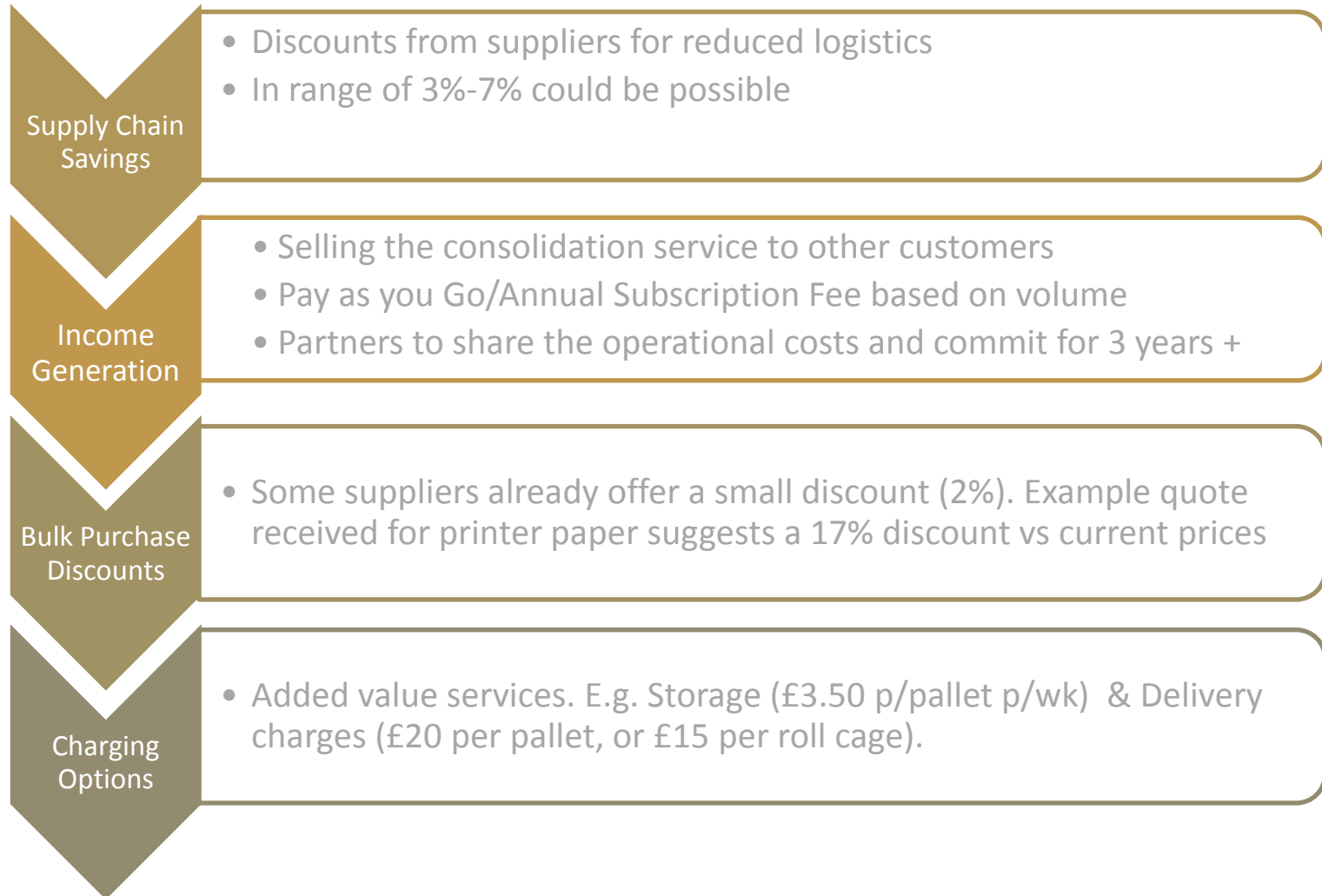
- Two 7.5t Euro 5 emissions standard
- 2 vehicles in use Mon-Fri
- Deliveries occur between 0930 -1600
- Serves 300 council building across 3 London Boroughs.
- 143km2 area covered, 10% of London
- DHL fully meets the requirements for the FORS and WRRR



# Why Consolidate? The benefits are...



# Financial Benefits

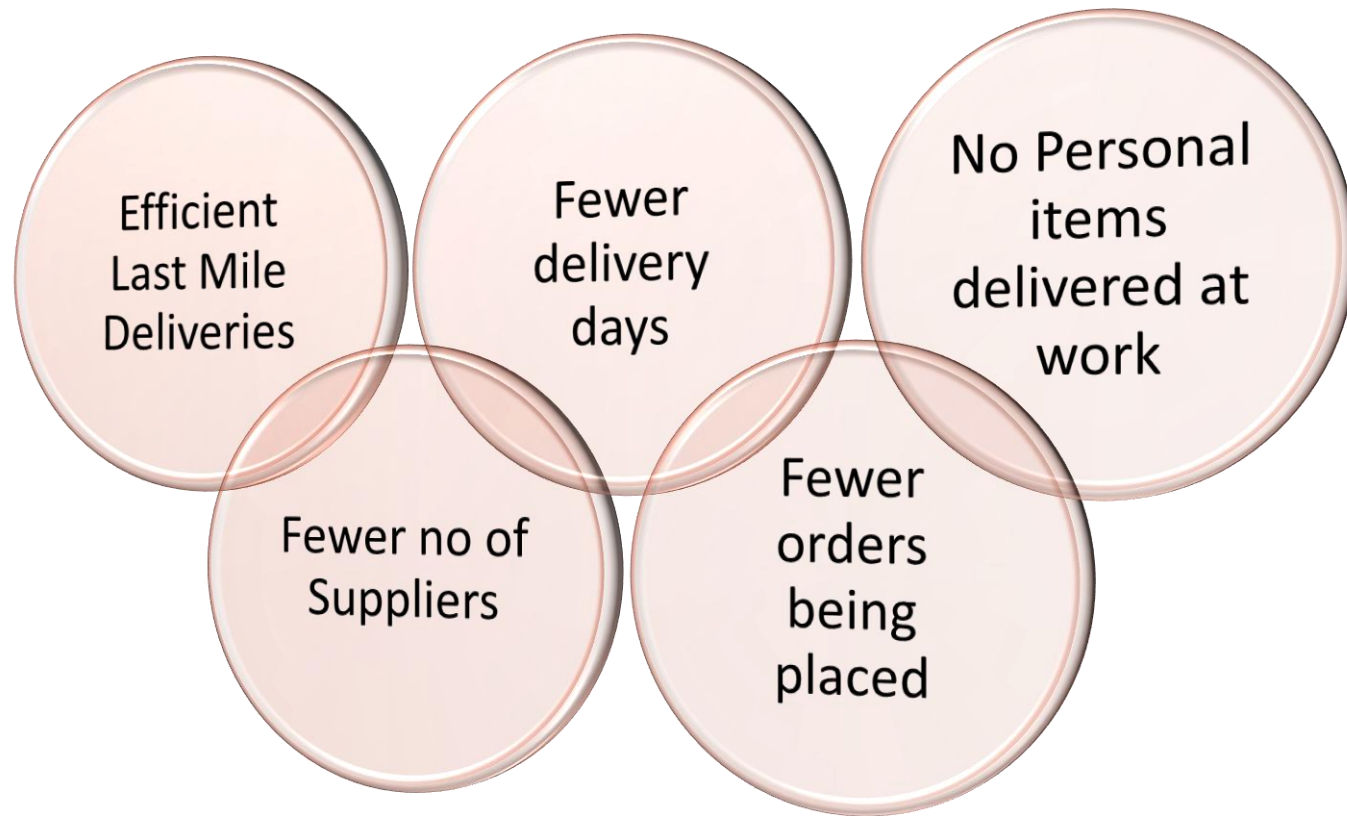


# Environmental Benefits Achieved

Summary Emissions Reduction	Averages				
	No of Veh Trips	KM	CO2 (g)	NOX (g)	PM (g)
Pre-trial Supply Chain Model (Jun13)	64	3139	1650	844	66
Forecast Trial LBCC Supply Chain Model -	26	987	612	233	6
<b>Actual LBCC Supply Chain (Jun14)</b>	<b>35</b>	<b>1720</b>	<b>966</b>	<b>413</b>	<b>21</b>
Forecast % Reduction LBCC	59%	69%	63%	72%	90%
<b>Actual % Reduction LBCC</b>	<b>46%</b>	<b>45%</b>	<b>41%</b>	<b>51%</b>	<b>69%</b>

- ✓ Vehicle utilisation running at over 70% vs the national freight average of 60%
- ✓ Vehicles are running with cargo 85% of the time vs national freight average of 70%

# Operational Benefits





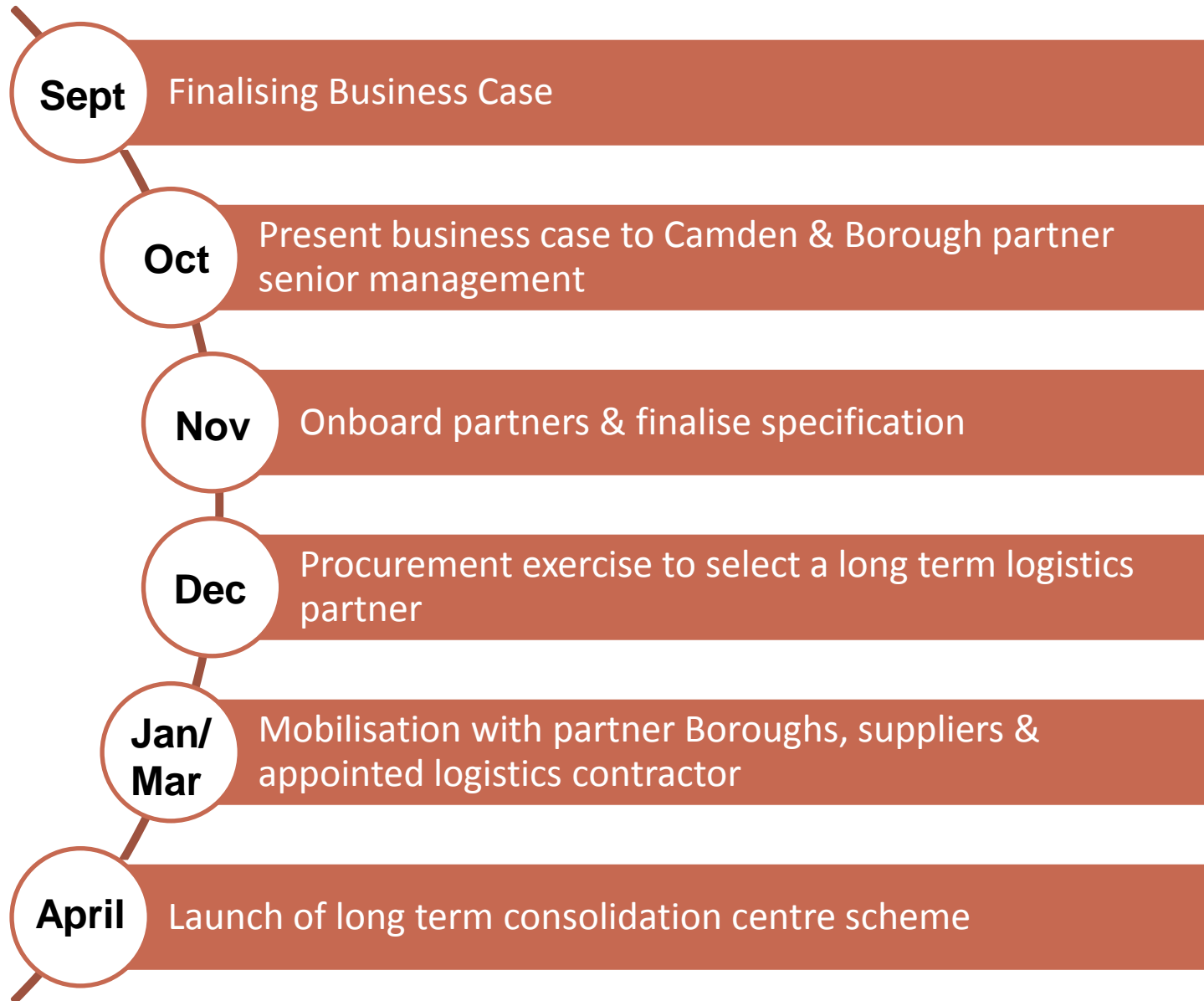
# Behavioural Change seen.

- **Procurement Staff** Procurement Policy led. Change tender documents to understand delivery options and prices for reduced logistics
- **Ordering Staff** Think more carefully about stock levels and ordering. Need to get used to a reduced service offering. 30% of ordering staff have changed their ordering behaviour. 87% of staff surveyed said they would like fewer deliveries.
- **Facilities Staff** Support changes in process with regards to receiving goods. 200+ plus personal deliveries into main council buildings per month stopped.
- **Suppliers** Be prepared to offer more delivery options. LCSG framework tender docs amended to reflect the new supply chain arrangements.
- **Logistics Companies** Support local & regional transport strategies

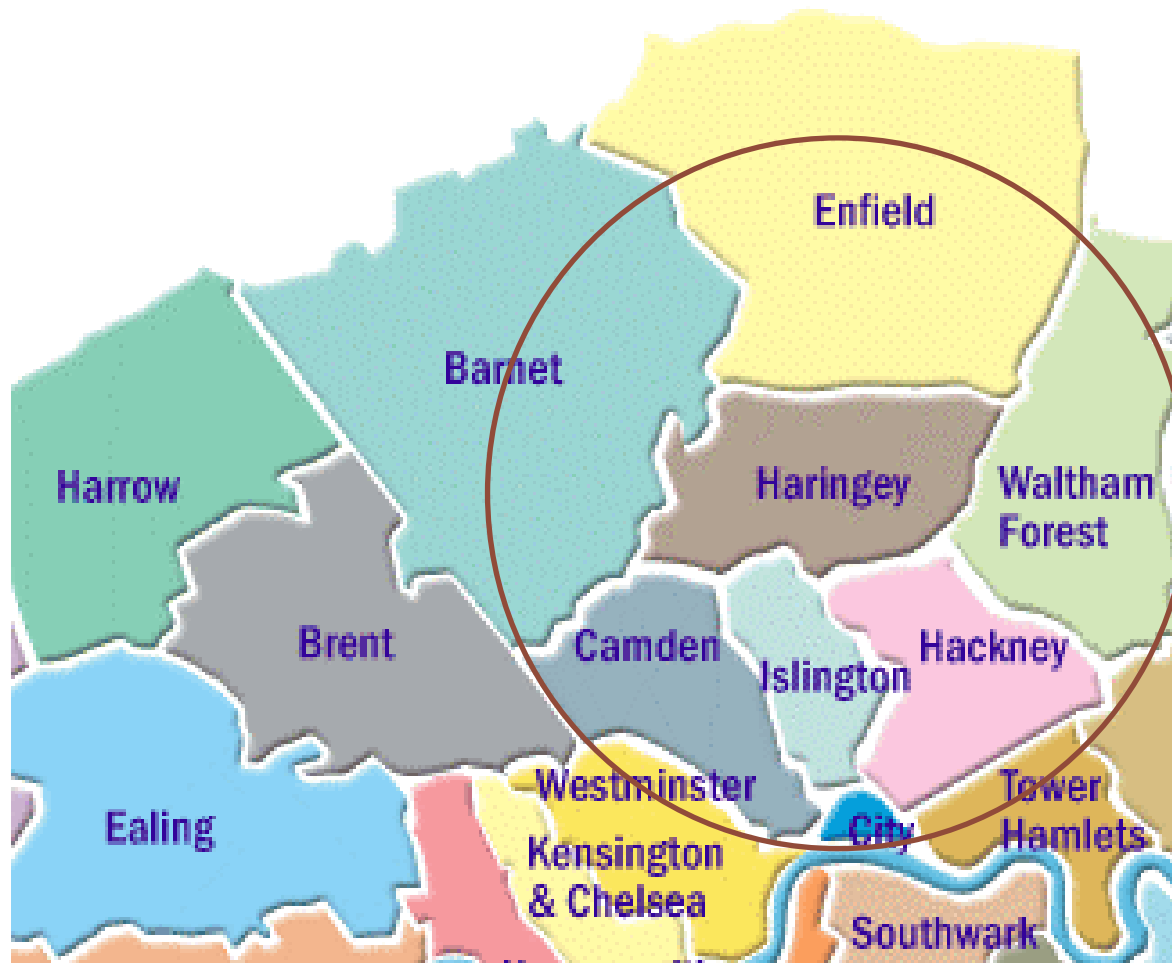
# Learning so far.

- Consolidation must **Save** or at least **Break-Even**, (ideally generate **Income**).
- Savings expected to come from *primarily Delivery Time* savings by suppliers.
- Wider opportunities exist for Savings.
- Environmental benefits have been demonstrated.
- Consolidation model likely to have a greater overall positive impact than converting existing fleet to zero emissions.
- Positive customer experience of consolidation. Now 1 delivery per day, not 20.
- Consolidation model should be procurement policy-led and in tender documents.
- Staff behaviour change is critically important – to grow understanding & for behaviour change to stick.
- ‘Logistics’ does not have a strong presence with local government compared to procurement.
- **Collaboration with other Partners is working very well.**

# Next Steps & Key Timeline



# Onboarding Partners



## LB Partners

Enfield & Waltham Forest

Recruit neighbours :Islington, Westminster, City.

Fill the gaps in between e.g. Haringey, Hackney, Barnet

## BIDS

Within Camden & any partner Borough

## Other Organisations

eg TfL, universities, hospitals.

## Private Sector

Eg Pancras Sq development, suppliers other customers

## Other Projects

Enable other schemes to link in with the CC.



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Thank you.

Comments/Questions.



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