

# Logistics hubs in the UK: types, issues, challenges and opportunities

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# Types of logistics hubs in the UK

## Parcels

- Traditional parcel depots
- Parcel logistics hubs close to customer for delivery by electric vehicle and on-foot
- Customer collection point: parcel shops & locker banks (PUDO)

## Groceries (online shopping only)

- Grocery stores where deliveries (picking & despatch)
- Grocery fulfilment centres (picking & despatch)
- Grocery last-mile delivery hub (despatch only)
- Dark grocery store
- Customer collection point

## Ready-to-eat meals (online shopping only)

- Takeaway/restaurant (despatch & collection point)
- Dark kitchen (despatch only)

## Urban consolidation centres serving:

- High street shops
- Shopping centres
- Construction sites, hospitals & offices
- Secure sites: airports / Parliament

Various functions include (depending on type of logistics hub):

- Order picking, order despatch, customer collection point, customer return point, goods consolidation, storage
- Transfer to smaller, cleaner vehicles for urban deliveries
- Facilitating same-day/instant deliveries

# Logistics hubs in UK: recent growth and policymaker response

- Substantial growth in last-mile logistics hubs in London & other major UK cities especially since 2020
- In terms of site numbers, growth greatest among dark stores and dark kitchens
- Most recent hubs operated by single company rather than shared user facility
- Land costs & scarcity of suitable sites in UK cities makes it too expensive for many companies to obtain sites (Amazon & start-ups with venture capital best placed)
- Property developers also focusing on these logistics hubs - acquiring sites, equipping them and then renting them to operators (e.g. Infinium Logistics)
- Growing interest among UK policymakers about supporting logistics hubs (as they can use cargo cycles & other EVs), & support last-mile collection on-foot & bicycle by local residents (e.g. 15 Minute City concept)
- Policymaker may help by: i) providing info about available sites, & ii) providing/supporting sites (e.g. former car parks)

# Logistics hubs in UK: issues and challenges

- Uncertainty & confusion among policymakers about how sustainable some operations from some logistics hubs are (i.e. may be facilitating same-day & instant deliveries & increasing road traffic)
- UK planning regulations do not currently address logistics hubs adequately – few powers for local planning authorities to prevent development or change of use of buildings used as hubs in residential locations that generate substantial trip numbers & other social & environmental impacts esp. in early morning and evening
- Some campaigns against, & planning objections to, logistics hubs by local residents
- Policymakers refer to Urban Consolidation Centres in policy documents but few proceed beyond trial unless subsidised
- In London, current planning policy encouraging intensification of logistics sites to reduce quantity of land required & to share with residential developments
- However, such intensified site not always suitable for logistics (e.g. plot ratio needed, time & noise of operation)