

Supplying Our Cities

The London Logistics Report



Executive Summary

Our towns and cities are concentrated centres of economic activity - keeping people and supply chains moving is essential. As the best mode of point-to-point transportation, particularly in heavily built-up areas, a strong commercial vehicle sector is vital. However, at present, cities are becoming increasingly difficult and costly to supply, with commercial vehicle drivers actively avoiding work in these areas.

In the words of the Transport for London Freight and Servicing Plan (2019): "Freight is essential to London. It supports almost all aspects of life in the city. Without freight and servicing, our city would seize up".

However, in London the experiences of drivers and operators are of particular concern. In a recent industry survey, 95% of hauliers did not enjoy working in, or more importantly, feel valued working in the city. This view is echoed by coach operators, who find urban destinations increasingly difficult to service. Conversely, Transport for London call for the overall reduction of HGV journeys throughout local planning documents as a solution to congestion and air quality concerns.

This disconnect and lack of understanding between local authorities and industry increases costs for residents and businesses and makes it harder to keep London supplied. The recommendations throughout this report seek to foster a better working partnership between the industry and local authorities in order to better achieve mutual goals. They can be broadly represented under the following headings: Representation, Operations and Regulations.

We hope to resolve the current obstacles that make our cities increasingly impractical places for hauliers to operate and hope to encourage local decision-makers to engage with an industry desperate to contribute to the London economy.

The total economic contribution of the freight and logistics sector is estimated to be £84.9 billion, employing 1.2 million people¹. Nationally, 81% of all goods are moved by road, and 98% of agricultural products reach consumers via road². The transport and storage sector contributes approximately 5.6% of nominal GDP and in 2023, the road freight sector generated a gross value added (GVA) of over £17.9 billion to the UK economy. This makes up 17% of the total transport and storage sector and the 200,000 businesses that contribute to the economy¹.

Critically, the sector is a commercial and jobs enabler; for every £1 GVA generated by the freight sector, at least £3 GVA is generated elsewhere in the economy³, and for every 1,500 jobs in logistics another 1,000 are recruited for in support industries.

London is a major centre for tourism in the UK, and the coach industry is an essential enabler of the tourism economy and visitor experience. There are around 3,000 coach operators in the UK, directly employing approximately 42,000 people and contributing £14 billion to the UK economy, £6 billion of which can be attributed to coach tourism alone. In addition to this economic contribution, coach operators transport 600,000 pupils to schools every day across the UK. They also play a significant role in moving people around the country for large cultural events such as music festivals and sporting events.

Per passenger, coach travel is one of the lowest-emission forms of long-distance and international travel, comparable to rail. A coach carrying 50 passengers takes the place of more than 20 cars - a single coach can take up to one mile's worth of cars off the road. The environmental benefits derived from a coach should be seen in the same vein as public transport.

But the good done by the commercial vehicle industry is more than mere facts and figures. As demonstrated throughout the pandemic, commercial vehicles and drivers keep essential supply chains moving including transporting medicines, food, critical machinery and get passengers where they need to be.

The purpose of this report is to highlight the current landscape of urban transport within London. By identifying the areas of opportunity and friction in freight movements and dispelling certain misconceptions about the industry, we hope that London authorities and commercial vehicle operators can build an efficient, safe and sustainable transport network for all road users whilst maintaining the social qualities, heritage and charm of our cityscapes and further developing the greener, more efficient, and safer fleets our capital city wants and deserves.

Key Recommendations

Representation

give operators a voice in policy making

Appoint a Mayoral Logistics Commissioner - supported by a Commercial Vehicle Operator Advisory Council combining public and private sector voices.

Ensure city working groups on relevant subjects e.g. roads, tourism etc. include participants from the commercial vehicle sector.

Operations

help us to do the jobs you need us to do

Local Transport Plans (both Borough and city-wide) should include specific freight and coach policies, and consider what provision is required in Local Plans to allow the safe operation of these vehicles.

A review of key London urban freight corridors to identify options to reduce journey times, travel distances and idle running time.

Ensure the delivery of accessible parking spaces, loading bays and signage designed to aid the safe and efficient use of commercial vehicles.

Regulations

let's make sure they do what we want them to do

Conduct a thorough review of local regulations that apply to commercial vehicle operators, to ensure a fitness for purpose and applicability with advancing technology.

¹ DfT, 2023, Future of Freight Report

² Department for Transport 2023, Freight Transport Statistics

³ Oxford Economics, 2023, Logistics Contribution to UK Productivity

⁴ Frontier Economics, 2022, The Impact of Logistics Sites in the UK

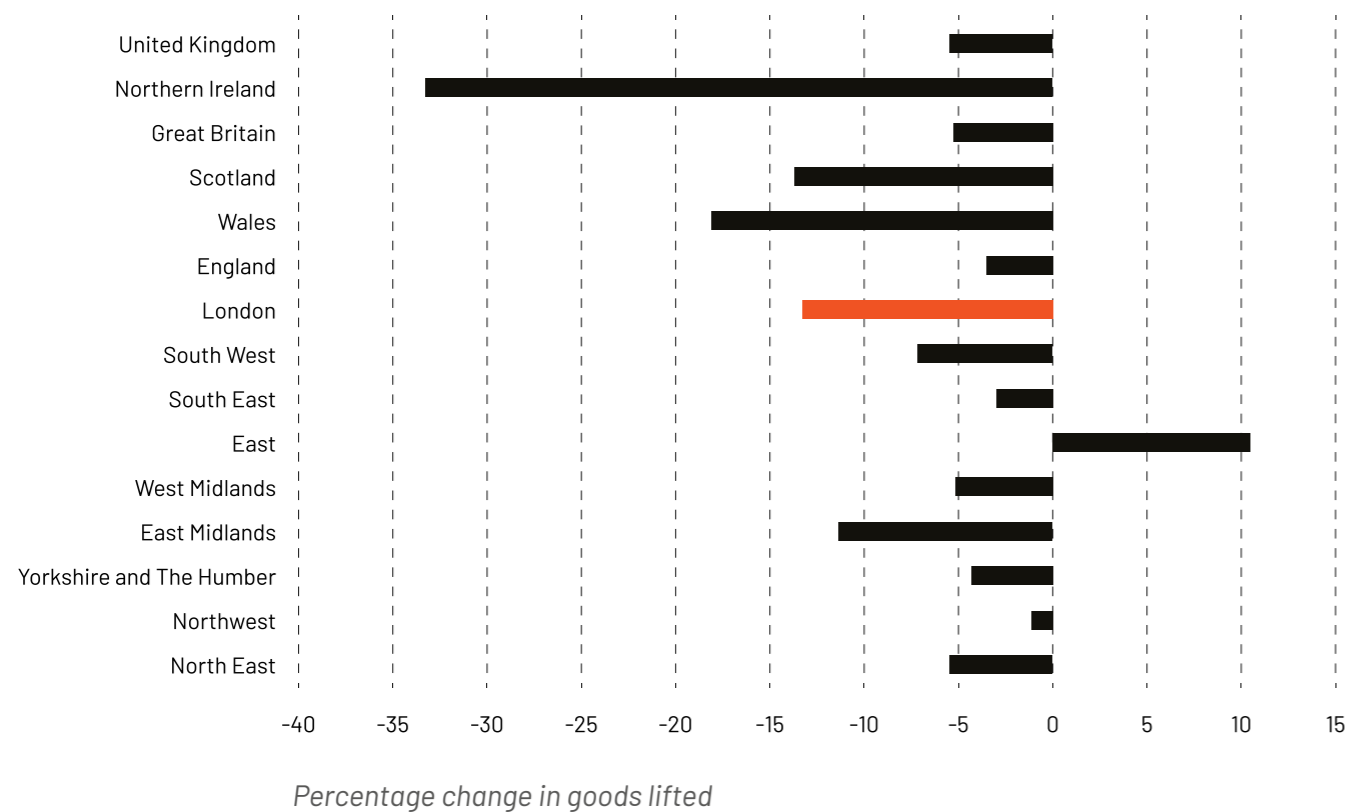
London Logistics Sector Overview

Over the past few years, the costs of operating an HGV have increased sharply and there are record levels of insolvencies in the sector. The evidence suggests that for operators in London, the challenges are even more significant. The Department for Transport's (DfT) Domestic Freight Statistics show a national decrease of 4.3% in goods lifted by GB-registered heavy goods vehicles (HGVs) between 2023 and 2022 – with rail and waterborne freight suffering similar losses (Figure 1)⁵.

Figure 1: Domestic freight transport by mode 2022-23 (billion-tonne kilometres)(TSGB0401)

		Goods Lifted:		
		Billion-tonne km	%	% Change
2022	Road	1,640.3	80.7%	-
	Rail	72.2	7.7%	-
	Waterborne	93.9	11.5%	-
2023	Road	1,552.1	90.7%	-4.3%
	Rail	69.0	4.0%	-5.4%
	Waterborne	90.9	5.3%	-4.4%

Figure 2: Change in Goods lifted by UK-registered HGVs (million tonnes) by region: 2022-23: RFS0121



When the figures for HGV movements are broken down regionally, London shows a decrease of 13%, or over double the national reduction seen in the same period. As further illustrated by figure 2, in a regional comparison across England (averaged at -3.8%), London has the biggest loss in freight goods moved by HGVs.⁶

The state of the industry can also be seen in the number of registered companies that conduct "freight transport by road" (SIC 4941) according to the Office of National Statistics (ONS). With respect to London based businesses, there was around a 7% reduction between 2023 and 2024⁷. While part of this change may be put down to mergers and acquisitions or changing classifications rather than insolvency, it must be seen in the context that between 2022-24 almost 1,000 logistics businesses entered administration and since 2019 insolvencies in the freight sector have nearly doubled⁸.

The business size profile of London haulage adds some illustration to the precarious position they currently hold. The vast majority of freight businesses are SMEs or micro-businesses, with over 98% having fewer than 50 employees. The inherent vulnerability of SMEs to seismic changes to economic and regulatory conditions are an important consideration when looking at the future of the industry and how we can best support it.

In addition, the most recent RHA Driver Report found that since 2016, the proportion of people working as heavy goods drivers in London has dropped by 55%⁴, the largest fall of any region. A 15% fall in driver vacancies also points to a struggling industry, which brings concerns for the future of short-term economic growth.



⁵ Department for Transport, Domestic Freight Statistics, 2024

⁶ Department for Transport, 2024, Domestic Road Freight Activity: ["In 2023, 1.55 billion tonnes of goods were lifted in the UK by GB-registered heavy goods vehicles (HGVs) a decrease of 5% compared to 2022 (1.64 billion tonnes)". With respect to London-specific freight movements, freight tonnage (goods lifted) fell from 90 to 78 million tonnes between 2022 to 2023, around 13%, over double the national reduction seen in the same period. Figure 1 illustrates this regional comparison and in relation to other regions in England (averaged at -3.8%), London outpaces losses in freight goods moved significantly].

⁷ Office for National Statistics, 2024, Non-financial business economy, regional results: Sections A to S.

⁸ The Insolvency Service, 2025, Company Insolvency Statistics [2023-23 saw 501 and 2023-24: 469 business deaths associated with 'Freight Transport by Road and Removal Services' (3rd Level Standard Classification - H49: 494 - this excludes businesses who simply ceased trading and liquidated assets without insolvency or bankruptcy being triggered).

Why large commercial vehicles are here to stay

Road haulage is the lifeblood of any economy and must be a foundational consideration for macro-economic transport considerations. Government studies into alternative methods of transporting goods cannot expect to overhaul the status quo, especially coupled with a lack of resources to meet the scale of challenges logistics is and will face in the future. For example, electrification of the freight sector is expected to cost over £100 billion – according to the Green Finance Institute (GFI).

In search of increasingly sustainable and efficient urban logistics, a current trend is focussing primarily ‘last-mile’ solutions, with a focus on e-cargo bikes, drones and micro-consolidation centres as an alternative to the current supply chain.

The DfT Future of Freight Plan 2022 National refers to a “lack of visibility and understanding of the freight network as a cross-modal system by the sector, government and freight end-users’ limits joined-up decision-making by both the public and private sectors”.⁹ In other words, while modal shift is an important consideration, the policy needs to sit alongside, rather than take the place of, policies that support the movement of goods in the quickest, cleanest, most efficient way possible, and that will always include an element of road travel.

Last-mile alternatives such as drones and cargo bikes may be appropriate for typical e-commerce goods and small consignments – however thousands of businesses rely on larger deliveries of bulk goods, just-in-time components and machinery or palleted products. A complex and uncertain future remains for this emerging last-mile sector – with respect to land availability, staffing and the survivability of last-mile operators without a public sector lifeline, as seen in the Camden Consolidation Centre in 2019.

In the low margin world of logistics, businesses already work to the principle of using the most time, fuel and space efficient vehicle possible whilst providing the best possible customer service. Despite this, there are already several examples where hauliers have demonstrated sensitivity to local needs, operating smaller vehicles, increasing training and improving route planning through greater digital adoption. Where problems remain, local authorities must be proactive to support truly integrated transport systems where road, rail and last mile can be used as appropriate for the delivery. This must

be a requirement of local planning, for transport systems to consider all modes expected to use transport infrastructure and how these modes can support each other.

If cities wish to promote increasingly atomised last-mile logistics, introducing inefficiency and cost into the supply chain, they must be prepared to accept higher end-point costs for the consumer. Thus far, the RHA has little reason to believe freight consolidation beyond the construction sector can be independently viable.

Excluding HGVs from the urban delivery equation, and piling-on regulatory burdens to try and eliminate their use threatens the delivery of basic commodities to our communities including food and medicine. Authorities must review and reform where needed, and acknowledge the joint commitment for road hauliers to reach Net Zero and improve safety.

⁹ Department for Transport, 2022, National Freight Network: Pg. 35.

Supporting London Logistics

Representation: give operators a voice in policy making

RHAs analysis of metropolitan local plans and transport strategies outside of London have shown that the strategic prioritisation of the industry is often overlooked, and frequently not discussed at all in Local Plans. Referred to as ‘freight blindness’, discussion is often reduced to concerns around traffic management and air quality, with significant attention placed on simply replacing HGV trips where possible.

This also applies to Transport for London’s (TfL) Freight and Servicing Plan avoids any mention of strengthening or supporting the road freight sector. Predominately, these documents are concerned with commitments to modal shift (rail and waterway), freight consolidation¹⁰ and “freeing up space for essential freight trips” through reducing car use¹¹.

Government planning guidance on planning for the freight sector has been historically sparse, having only recently received a specific mention in the revised National Planning Policy Framework (NPPF) at Paragraph 86(c)¹². It is within this vacuum that current freight policy has been formed, which in some cases can only be described as a negative view of the industry.

Ultimately, the commercial vehicle industry aligns with the objectives of local government to improve quality of life for residents, promote sustainability, protect local heritage and secure growth. In fact the freight sector is well positioned to directly support and further these aims. It is important therefore to include the commercial vehicle industry in the policy making process.

Recommendation

The RHA urges authorities to engage with the sector across the platforms available, and work towards building visibility and understanding between all relevant parties, by appointing a London Logistics Commissioner. This high level

leader with experience in the logistics sector can help facilitate discussions between the freight sector, operators, business owners and borough authorities throughout existing discussion models included in TfL’s Freight and Servicing Action Plan⁹ i.e.:

- Freight Policy Advisory Panel
- Freight External Partners Group
- Business Congestion Steering Group
- The Freight Forum
- Borough forums

Within this remit, the Logistics Commissioner would consider issues ‘on balance’ and make recommendations to upcoming policy and planning decisions related to the logistics industry, including all modes operating in London (HGVs, vans, e-cargo etc). Whilst the sector recovers and grows increasingly able to commit private capital to the transition to net zero, they will require a champion in the nation’s capital. Learning from previous regulatory implementations, a well-placed Mayoral Logistics Commissioner could consult on the appropriateness of upcoming policy and provide a helpful bridge between private and public interests, convening the concerns of each party and facilitating consensus.

Recommendation

We would also propose the establishment of a Commercial Vehicle Operator Advisory Council as part of the means of bringing key industry and political voices together.

- Appoint a ‘Mayoral Logistics Commissioner’ – supported by a Commercial Vehicle Operator Advisory Council combining public and private sector voices.
- Ensure city working groups on relevant subjects e.g. roads, tourism etc. include participants from the commercial vehicle sector.

¹⁰ Transport for London, 2019, Freight and Servicing Action Plan: Pg. 10.

¹¹ Transport for London, 2018, Transport Strategy: Pg. 34.

¹² Ministry of Housing, Communities & Local Government, 2024, Proposed reform to the National Planning Policy Framework.

Operations: help us to keep London's supply chains moving

It is estimated that congestion costs the UK economy £30.8 billion a year. This works out at an average cost per driver of £968 a year, including costs to endpoint businesses. In the road haulage industry, this is felt even more acutely, with congestion accounting for 16% of operating costs, equivalent to around £6bn a year. To put it another way, the cost of an HGV stuck in stationary traffic for an hour is £120, a crippling cost at a time when hauliers are under significant financial pressure.

The RHA calls on London Councils to review their inner-city freight corridors and consult with the industry on potential improvements to help reduce congestion where freight movements are essential. This could include access to bus lanes for HGVs to reduce congestion and reviewing existing traffic calming measures to improve traffic flow. Additionally, authorities must continue to deploy routine Traffic Monitoring Reports to build the evidence-base to both make road changes and justify alterations.

Recommendation

- A review of urban freight corridors to identify options to reduce journey times, travel distances and idle running time. This review could include:

1.	Update and coordinate new traffic surveying data across urban authorities focusing on identifying transport bottlenecks.
2.	Publish a review of existing freight corridors entering urban centres to refine traffic flows between driving contexts.
3.	Further urban investment agendas that encourage public transport and active travel – freeing up road space for essential journeys.
4.	Review congestion pricing and parking charges to disincentivise convenience travel and enable commercial journeys.
5.	Establish explicit urban freight corridors in London in collaboration with local authorities, designed to specifically serve HGV, van, coach and bus modes.
6.	Plan for city-wide intelligent traffic control systems to ensure reactive signalling infrastructure based on periodic congestion.

It is reasonable to suggest that cities were not originally built with 2020s lifestyles in mind, including the prevalence of delivery vehicles and the on-demand home delivery economy that has developed this century. Decision-makers must future-proof our road networks. Incorporating provisions for commercial vehicles into long-term planning and major infrastructure projects and ensures the design philosophy of our cities is appropriate for all road users. Inclusion in strategic planning will help the development of the appropriate infrastructure to support the safe and efficient operation of lorries and coaches in London.

Recommendation

- Local Transport Plans to include specific Freight and Coach policies, and consider what provision is required in Local Plans to allow the safe operation of these vehicles.

Space is a prime commodity in urban spaces – this particularly becomes an issue for parking large heavy commercial vehicles, especially coach operators driving to the capital. RHA members report a reduction in the number of coach parking spaces and stricter enforcement on stopping within London boroughs. This means coaches are often forced to circle popular tourist locations waiting for opportunities to park, increasing congestion and emissions.

London boroughs need to review existing coach parking spaces and liaise with local businesses to gauge expected use.

The RHA urges local authorities to coordinate and commission a uniform curb side management platform in partnership with private finance and expertise. This service can apply digital bookings, track bay usage for both data-collection and private route planning advantages whilst administrating mixed/multi-use curb side use and bays (20-minute stays). Moreover, authorities must ensure detailed transport considerations are included in planning applications by either ensuring nearby remote facilities are available and accessible for coaches or ensuring dedicated drop-off points are available – with the inclusion of disability access lifts nearby to major attractions.

Recommendation

- Ensure the delivery of accessible parking spaces, loading bays, pick-up/drop off points, signage and technology designed to aid the safe and efficient use of commercial vehicles. This includes specifically:

1.	Increasing the number of available loading bays.
2.	Enact a demand management review of key tourist destinations – with the goal of optimising coach parking availability.
3.	Increase provision of multi-use commercial parking spaces
4.	Informing businesses to take advantage of shared loading bay access and delivery time-management.
5.	Introduce a digital portal for managing special dispensation, parking restrictions and coordinate multi-use curb side access between users in real-time.
6.	Update existing GIS data on loading bays to provide long-term analytical opportunities for site selection and demand management.

Regulations

Driving a large commercial vehicle is already one of the most regulated professions in the UK. The road freight industry is regulated by an Operator Licencing system, enforced by the Driver Vehicle Standards Agency and licenced and regulated by the Traffic Commissioners of Great Britain. Given the size of the vehicle, the potential risk to other road users if not operated correctly and the environmental impact of large commercial vehicles that is right and proper. London has it's own additional regulations which businesses must also comply with to drive within the Greater London area. Some of these regulations include:

Direct Vision Standard (DVS)
Clean Air Zones (CAZ) & ULEZ
Congestion Charges – Central London
Delivery hours and Travel Restrictions
HGV Weight Limits
Abnormal Load restrictions
London Lorry Control Scheme (LLCS)

Our industry supports improved road safety and environmental sustainability and has invested heavily in cleaner and greener vehicles with many operators diversifying fleets and experimenting with alternative fuels to improve safety and reduce noise and pollution. Others are introducing on-site infrastructure to support micro-consolidation and warehousing services, store alternative fuels and install solar and wind-power assets to minimise their carbon footprints. However, this progress has been a major risk to operators, as rising costs and compliance burden against a backdrop of low margins stretch finances to breaking point.

Due to a lack of consultation with industry, many of these regulations are often applied at pace, without considering the natural purchasing and technological upgrading cycles of the industry. Attempts to stimulate markets in cleaner and safer vehicles do not work when only the demand side is increased but the supply side stays at it's existing low level. When new regulations are proposed, we would seek realistic timeframes for compliance to allow for adequate preparation. This would allow both industry and local government to work as partners towards mutually agreed goals.

Recommendation

- Conduct a thorough review of current London existing regulations, to ensure a fitness of purpose and applicability with advancing technology.

Concluding Remarks

As logistics in urban spaces change, our infrastructure must adapt to changing lifestyles, consumer habits and the modal mix. The dominance of road haulage is likely to remain without significant investment in infrastructure alternatives and cost increases for London consumers. The key considerations for authorities moving forward are:

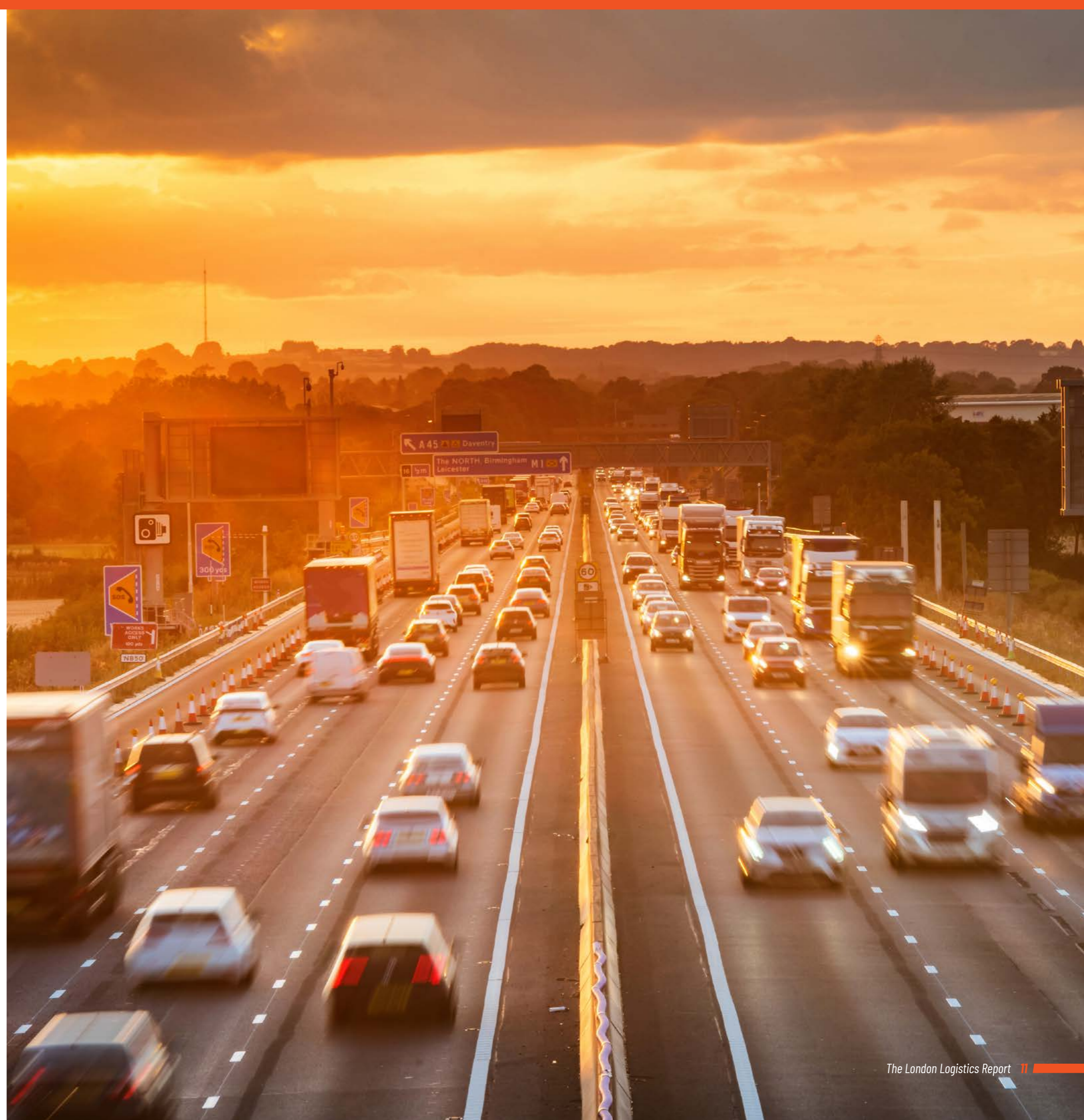
Representations - How best engage with the private sector and achieve an integrated transport system?

Operations - What is a realistic and actionable vision for improving the efficiency of existing road space with the resources available?

Regulations - How appropriate are existing regulations and transport decisions in maintaining growth and the transition to Net Zero?

This report has established the challenges faced by commercial vehicle operators in urban areas. It is vital that local and combined authorities recognise the importance of businesses who service their cities. The future of urban logistics is not only cargo bikes, e-vans vans, drones or rail in the absence of large commercial vehicles but is a working collaboration of all, and by extension, a working respect and consideration for all modes of transport.

¹³ Department for Transport, Freight Transport Statistics 2023



About the RHA

▮ The RHA is the leading trade association representing over 8,500 road haulage and coach companies across the UK, 85% of whom are small and medium-sized enterprises (SMEs). Our members are operators of vehicles who, between them, operate around 250,000 HGVs (half of the UK fleet) out of 10,000 operating centres and range from a single-truck company to those with thousands of vehicles. The UK road haulage sector is responsible for 81% of all freight movements and is directly involved in the transportation of 98% of agricultural products¹³.

To find out more, please click here: www.rha.uk.net

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