



HORIZON SCANNER

LOGISTICS

SEPTEMBER & OCTOBER 2022

Welcome to the first edition of Walker Morris' regular Logistics Horizon Scanner. This document is intended to keep you abreast of key legal and regulatory developments in the logistics sector.

INDUSTRY NEWS

Three key trends are currently influencing property development within the logistics sector:

(1) the search for storage hubs in urban spaces that speed up 'last mile' delivery to customers/consumers;

(2) **'reshoring'**: In central England, factories are buzzing anew, hammering out parts for cars, planes and medical machines that used to be made in Asia. After two years of global supply-chain disruption, manufacturers around Birmingham say they are inundated with orders, helped by domestic clients bringing some production back to the UK; and

(3) the rise of ESG-consciousness among occupiers (driven, in part, by increasing demands for sustainability and responsibility from investors, customers and consumers).

In relation to sustainability and energy efficiency, Volvo is beginning series production of the electric versions of its heavy-duty trucks, in what is being described as a 'milestone' and an innovation 'leading the transformation of the industry'. These vehicles can operate at a total weight of 44 tonnes and represent around two thirds of the company's sales.

DHL is expanding its supply chain emission reduction service, GoGreen Plus, to road transport. The **GoGreen** service provides shippers with the option of climate-neutral shipping through investments in internationally recognized climate protection projects to offset emissions generated during transport. The new program forms part of DHL's **sustainability roadmap for 2030**. DHL outlined some of its decarbonization-focused investments which include low- and zero emission technologies and fuels such as electric vehicles, biogas or hydrotreated vegetable oil and hydrogen trucks.

DHL is also in the news because it is set to create 3,500 jobs through the expansion and creation of depots across the UK. DHL said it will invest more

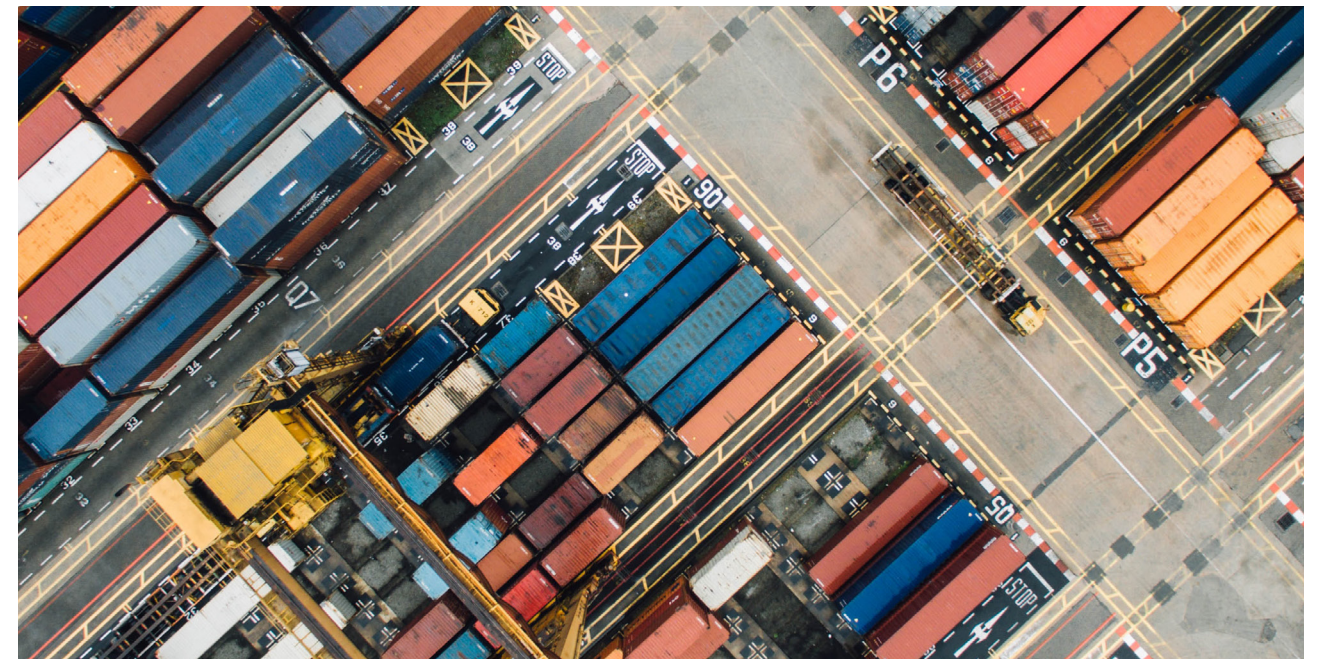
than £190 million into creating 10 new collection and delivery depots across the UK, and expanding 20 existing sites. Nearly half of the money will be used to build the SEGRO Park Coventry Gateway, a hub south of Coventry airport, which can hold up to 500,000 items per day and will produce more than 600 new jobs in administration and manufacturing

In an industry first, Asendia UK has successfully installed automated sorting and six new robots for over-labelling at its parcel processing centre at Heathrow, fully operational from the end of May 2022. The newly automated system will drive a significant parcel throughput increase on behalf of retailers, e-commerce brands and other clients, achieving a rate of up to 7,200 parcels per hour, with the site open seven days a week, and able to operate 24 hours per day.

Standard Chartered has announced the launch of **Trade Track-It**, a one-stop digital trade transaction portal that offers its clients end-to-end visibility of their trade transaction status globally. Integrated with DHL's tracking system and Lloyd's List Intelligence's vessel tracking system through application programming interface, the portal provides clients and their counterparties with 24/7 access to near real time updates for trade transactions, document delivery and vessel status.

The Competition and Markets Authority (CMA) has launched an **initial investigation** into the £965m takeover of Clipper Logistics by US-based GXO Logistics.

On 30 August 2022, DLUHC announced that major infrastructure projects such as road improvements and offshore wind farms will be delivered more quickly through a new fast-track planning route. The government's **policy paper** also includes powers enabling government agencies providing technical advice on nationally significant infrastructure projects (NSIPs) to charge developers for their services.



The World Green Building Council has **announced** that 172 signatories, including businesses and organisations in the build environment, as well as States and regions, have joined the updated Net Zero Carbon Buildings Commitment. The aim is to reduce embodied carbon emissions for new developments and major renovations by 2030 and to compensate for any remaining residual upfront embodied carbon emissions.

XPO Logistics has reported that it is making significant cuts to its UK and Ireland operational emissions by using LED systems at its sites. LED systems operate in 76% of its network sites, new sites are equipped with smart controls to realise

further energy savings and light/motion sensors automatically dim the LED lighting when natural light is sufficient or workspaces are not in use.

Interested in promoting sustainable development? See Walker Morris series of briefings offering legal and practical advice: **Option X29 NEC4: Promoting and encouraging sustainable development through construction contracts; Promoting sustainable development: JCT construction contracts; Promoting sustainable development: NEC, IChemE, FIDIC contracts.**

CONTACTS



ADAM REED
Partner
Real Estate
+44 (0)776 469 2322
adam.reed@walkermorris.co.uk



LEE CROOK
Director
Commercial
+44 (0)782 728 2925
lee.crook@walkermorris.co.uk



www.walkermorris.co.uk
T +44 (0)113 283 2500
F +44 (0)113 245 9412

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

