



HORIZON SCANNER

LOGISTICS

DECEMBER 2022/JANUARY 2023

Welcome to the latest 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

[Warehouse and Logistics News has identified five key trends likely to affect the logistics sector in 2023:](#)

1. tech, including AI/machine learning and the development of automated vehicles in the warehouse and on the road
2. increased focus on the ESG agenda (Environmental Social Governance – see [Walker Morris' briefing](#) for practical advice)
3. data visibility and digitisation (better data in real time is likely to afford competitive advantages)
4. 'greening' and streamlining transport logistics
5. managing labour shortages and an increasing need for tech-skilled labour.

A key focus on the horizon for the logistics sector is the introduction of autonomous vehicles. Alongside the UK government's policy paper ['Connected and automated mobility 2025'](#), recent months have seen the maiden voyage of the world's first container ship with the capacity to be completely crewless and a fleet of delivery robots delivering Co-op groceries. [Logistics UK](#) is undertaking research into the benefits of connected and automated mobility (CAM) technology for the sector and wider society, as well as assessing risks and barriers to development. Key barriers include the availability of land/space and planning. Logistics UK and its Innovation Working Group is lobbying to help overcome these challenges.

One of the biggest buzzwords in the logistics sector today is ESG. ESG

credentials are an important part of scheme search criteria for occupiers and investors. As part of its [Big Shed Briefing January 2023](#), Savills has reported that take-up of second-hand units accounted for only 22% of deals signed in 2022. The 3PL sector took 30% of new space in 2022 (a new record) and 86% of those units were considered Grade A, reflecting the need for ESG-compliant facilities. Colliers has [recommended](#) that, as a minimum, developers should consider factoring into their specifications all of the following:

- Electric Vehicle (EV) charging and ducting for future charging points
- Solar panels
- Green/landscaped areas, outdoor seating
- Cladding U-Values
- LED and lighting sensors
- Cycle shelters and wide cycle pavements
- Targeting BREEAM Excellent rating
- Targeting A EPC rating
- Contractors to have sustainability/environmental policy
- Preference for contractors to be part of Considerate Constructors scheme
- Reduce development embodied carbon through material selection
- Minimise construction impact and manage waste generation

techUK's [Intelligent Mobility and Transport Steering Board](#) has agreed a 12-month strategy which will demonstrate how technology is enabling transport decarbonisation,

improving customer experiences and addressing wider social impacts of transport innovation. The strategy will showcase how technology can support multi-modality and shared infrastructure to drive environmental efficiency. EV infrastructure, hydrogen and alternative fuels will be a focus.

Deutsche Post DHL Group has signed a memorandum of understanding on electric delivery vehicles with Ford's B2B arm Ford Pro, which will see the latter providing the former with 2,000 electric vans by the end of 2023. These changes will contribute to Deutsche Post DHL Group's ambition for electric vehicles (EVs) to account for 60% of its fleet by 2030.

British Land is planning to create an innovative [underground low-carbon logistics hub](#) in central London.

The first freight train has arrived at HS2's newest construction hub in Aylesbury. The new facility, which deals with delivery of materials for the construction of HS2, is expected to save 27,903 tonnes of carbon – the equivalent of 126 million miles driven by an average petrol car.

In line with its supply chain decarbonisation roadmap, Nestlé Waters will be the first company in Europe to benefit from the hydrogen fuel cell solution for massified rail freight, including renewable hydrogen supply. It's estimated that this project will reduce emissions by 10,000 tons of CO₂ equivalent per year, in the long term – a reduction of 90% of its current emissions.



On 6 December 2022, the Competition and Markets Authority (CMA) published an initial [update report](#) in connection with its market study into the supply of road fuel in the UK.

UK Haulier has reported a strong rise in the number of people and websites selling 'pre-loved' items on line, which is contributing to an exponential rise in Customer to Customer deliveries. Yodel's C2C service has shown a 132% rise between July and November 2022.

McLaren Construction Group has been appointed by private equity manager Henderson Park and Manchester property developer Cole Waterhouse on Konect 62, the new scheme for a 136-acre former coal mine near Leeds. The site benefits from direct access to the strategic freight network and a station capable of handling trains up to 640 metres long, as well as the Aire & Calder canal waterway, unlocking potential freight links between Leeds and the Humber ports. It also sits at axis of the M62 and A1(M).

The World Green Building Council has [announced](#) that 172 signatories, including businesses and organisations, as well as states and regions, have joined the updated Net Zero Carbon Buildings Commitment. The Commitment aims to reduce embodied carbon emissions for new developments and major renovations by 2030, and to compensate for any remaining residual upfront embodied carbon emissions.

Construction Management has published an article by Walker Morris' [Employment & Immigration](#) specialist [Shabana Muneer](#) on '[How to secure overseas workers to fill recruitment gaps](#)'.

In the context of an uncertain economic outlook, Walker Morris has published a [briefing on price escalation clauses](#) in construction contracts – a mechanism that can be mutually beneficial for both employers and contractors.

CONTACTS



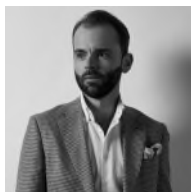
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