

17 July 2023

Dear VBS customer

DP World London Gateway – Business Landside Update, and Annual Adjustment of Vehicle Booking System (VBS) Service Charges – 1 September 2023 – 31 August 2024

## <u>DP World London Gateway – Business Landside Update</u>

We have once again been busy this year with infrastructure and building works on both our Terminal and Logistics Park and we would like to thank you and your drivers for your patience and understanding in the various temporary traffic systems that have been in place over the last 12 months. Some of our various works have included: -

- Landside cranes implementation of enhanced software to further improve automatic trucking handling which reduces truck turnaround times even further
- BCP Expansion this is now live and operational with 2 additional Port Health bays and 5 additional Defra bays enabling and even quicker turnaround time for inspections from landing to release
- London Gateway Estate additional Yard area construction is nearing completion for additional yard area for off-dock storage, additional storage options for trucks/cargo and Out of Gauge (OOG) area
- Terminal Roads most of the Terminal roads have now been upgraded with only a few sections remaining
- Berth 4 construction is underway for both the berth and landside modules/yard. We expect Berth 4 to become operational 2<sup>nd</sup> half of 2024
- DPW UK (London Gateway and Southampton) was awarded 'Port Company' and 'Sustainability Company' at this year's Multimodal awards, the logistics industry's flagship event in the UK

The new VBS system is allowing us to build additional functionalities and we are currently working towards moving the Driver Registration to the platform, together with allowing us to increase functionalities in other areas of the VBS system. As noted above, Berth 4 will be operational next year and the new VBS system will allow us to continue to provide a flexible and robust system.

One area we are making improvements on is Terminal awareness for drivers and later in the year and into 2024, we will be implementing an Annual Terminal Awareness course for each driver which is linked to operational safety and an awareness of the Terminal regarding locations, procedures, rules and regulations etc which will require a multiple-choice test. More details will follow in due course regarding this awareness initiative.

We all continue to face challenges in our businesses with fluid vessel arrival times, volume decreases during Q1/Q2 for several global and political reasons, together with continued high energy/fuel prices, although fuel prices appear to be heading in the right direction. The predicted volume outlook for the remainder of the year is brighter which will hopefully allow to us all to recover from the first half. We continue to work together, and we would like to thank you once again for pre-booking import containers which allows our Terminal to function efficiently and with consistent truck turnaround times of 43 mins.

**Registered Office** 

London Gateway Port Limited



# Annual adjustment of Vehicle Booking System (VBS) Service Charges

Following our regular service charge review, please note below the DP World London Gateway VBS Tariff which will come into effect from 1 September 2023 until 31 August 2024.

A breakdown of all the charges is in the table below with brief explanations marked by an Asterix and further Q&A are in the attachment.

VBS service charges have been revised in line with the Retail Price Index. With the May 2023 RPI at 11.3%, the new VBS charges for 2023/24 are as follows:

ITEM	CHARGE FROM 01/09/2023 - 31/08/2024
Off-Peak Booking	Free
Peak Booking	£5.56
Saturday Booking charge Sat 18.00 - Sun 06.00	£15.07
On the Spot Manual VBS Appointment ••	£40.00
VBS Late cancellation charge ◊	£28.05
VBS Expiry Charge ●	£61.21
VBS Expiry Charge - Reefer ●	£111.30
Unauthorised Passenger in Cab	£146.39
Requested Container Turns	£38.54
Annual Terminal Awareness Course (3 year period) -	Year 1: £50.00 / Year 2: £35.00 / Year 3: £35.00
Replacement, Permanent or Temporary Driver ID Card O	£42.12
Permanent Driver ID Card On-Line 9	£27.82
Vehicle Euro 3/4/5 Emission Charge △	£50.00
Electric HGV Credit *	+£10.00
Terminal Damage Administration Fee (per instance)	£278.25

- •• On the Spot Manual VBS Booking Request considered on a case by case basis
- ♦ VBS Late Cancellation Charge is incurred if booking is cancelled within 60 mins prior to the booking slot
- VBS Expiry Charge is incurred if no vehicle arrives within the VBS booking time
- o Charge for Replacement, Permanent or Temporary (valid for 24 Hours) Driver ID Card
- <sup>9</sup> Charge for Permanent Driver ID Card application on-line
- △ Charge for high emission vehicles (Euro 3/4/5)
- <sup>≈</sup> Electric HGV Credit haulage company who made VBS bookings will receive rebate
- $^{\circ}$  Annual Terminal Awareness Course Drivers to undertake with multiple choice test 3 year period, on 4<sup>th</sup> year the 3 year period will recommence with a higher charge for year 1 to allow for new functionality enhancements

Please note that our safety and security procedure prohibit unauthorised passengers to travel in trucks whilst in the Terminal. For specific purposes, authorisation for a passenger can be obtained from our Gate Team at least 24 hours before the truck arrives at the Terminal by emailing <a href="mailto:lgw.gate@londongateway.com">lgw.gate@londongateway.com</a>.

Our VBS charges are subject to VAT and a standard rated VAT specification will show on your invoices.



If you have any questions or feedback, please contact our Customer Services Team – customer.services@londongateway.com or call 01375 648477.

Thank you once again for your continued support.

Yours faithfully

**Angela Bentley** 

Product Development Manager - Road Access Services - UK Commercial

#### **Question and Answers**

#### **VBS Weekend Charges**

DP World is committed to providing a smooth flow of containers to support supply chains serving the UK economy.

We increased landside operational hours many years ago to provide maximum access to our customers to collect/deliver cargo, we wanted to offer the flexibility given the range of cargo we handle through the Terminal. We understand this is an important area for customers whereby closures of the Terminal can cause supply chain issues. However, there are cost implications in offering this flexibility and a premium rate was applied which provides a small contribution towards the additional labour and equipment required.

As you are aware, global volumes over the last couple of years increased significantly and in order for us to continue to deliver smooth and consistent Terminal efficiencies, we took the decision to temporarily remove the weekend VBS charge, which is applicable to only a small period of time over the weekend period, to encourage usage. However, the decreased volumes we are seeing for this year, together with the uncertainty for the remainder of the year, we have made the difficult decision to re-instate the weekend VBS tariff. We understand the importance of flexibility within the supply chain and want to continue offering this benefit to our customers who rely on maximum access to our Terminal and this small tariff makes a small contribution to the additional workforce and equipment usage required.

## What is 'On the Spot Manual VBS Booking?

We currently have 2 main peak times in the Terminal (03.00 - 08.00 and 12.00 - 17.00) and the allocation of VBS bookings are dynamically managed to allow the Terminal to provide consistent and efficient truck turnaround times, smooth delivery and collections whilst allowing as many booking slots as possible.

Our Yard is fully automated with containers being stacked 5 high operated by 2 Automatic Stacking Cranes with over 30 landside transfer areas. VBS bookings across the Terminal and the various bookable areas are managed by our Yard and VBS Support Teams during these peak periods.

We introduced the Manual VBS booking option last year and we have now increased the functionality to now include manual bookings within the working hour to offer customers additional flexibility. This functionality will increase crane moves and additional labour requirements which is why a slightly higher tariff has been applied to this benefit.

## When is a VBS Late Cancellation Charge applied?

A VBS Late Cancellation Charge is applied if the booking is cancelled within 60 minutes prior to the VBS booking start time. The reason for the tariff is our Port System will have shuffled the container as much as possible to deliver with minimal shuffles as possible. The tariff reflects the preparation work undertaken.



### Why is there a higher tariff for VBS Expiry Charge for reefer import collections?

Each live reefer in the Terminal is monitored and cared for by our dedicated reefer technicians ensuring that refrigerated cargo is monitored and protected. When a VBS booking is made for a reefer import, our technicians will proceed to unplug the container, together with any other reefer containers that require shuffling for the container to be delivered to the truck. If the truck does not arrive, reefer technicians must revisit the container(s) to re-plug.

### Why have you applied an Annual Terminal Awareness Course?

The safety of all Port Users is of paramount importance and is, and always will be, the number one priority at our Terminal. We are making some large investments into new functionalities to ensure all Port Users, in this case drivers, are as well informed about our Terminal as possible. Although drivers currently undertake a presentation with a Q&A at the end, we are making substantial changes in this area and will be implementing an annual Terminal Awareness course for all drivers to undertake which will include a multiple-choice test ending in a pass/fail. The course will be taken annually but will be on a 3 year cycle, year 1 being a higher charge than year 2 and 3. This is due to providing driver ID card updates in the first year. Year 4 will commence the next 3 year cycle.

The functionalities and implementation of this course is still in design stage and is being linked with other exciting projects, namely a Driver App which will provide many more features. This is highly likely to be rolled out in 2024 but we wanted to make you aware of our plans.

### What has changed on the vehicle Euro III/IV/V emissions Tariff?

DP World has environment and sustainability at the core of our business for our customers, our people, and our society.

Trucks entering the Terminal that are Euro III, IV and V type (license plate of '63' or older) will be charged £50.00 per VBS booking.

Based on figures for the last 12 months, only a very small percentage of trucks are affected, and the small revenue generated is applied to investment in our Optical Character Recognition (OCR) infrastructure.

DP World has a net zero target of 2050, with a 2040 carbon neutrality target – which means that everything we do not manage to decarbonise through engineering solutions, we will offset through carbon credits. We have a 2030 DPW global target of 28% reduction in carbon footprint whereby we are making significant investments into equipment electrification, efficiency gains, renewable energy and R&D.

To encourage the reduction in carbon footprint, we are implementing a credit of £10.00 per VBS booking when an Electric Vehicle (EV) HGV is used. The credit will be awarded to the Haulage Company that made the VBS booking. The details on how the credit will be issued will follow in due course.