



Royal Mail parcel push continues as construction of its second parcel hub in the Midlands accelerates

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Royal Mail today announces that construction of a major, new parcel hub in the Midlands is underway as the Company accelerates its transformation to an international parcels-led business that also delivers letters in the UK.

Scheduled for launch in 2023, the Company's commitment to the Daventry-based hub, which will be fitted with state-of-the-art parcel automation machinery, represents a significant investment in its Midlands operations.

Once complete, the new hub will be the size of more than ten football pitches and have the capacity to process over 1 million mail items per day, making it the largest Royal Mail parcel hub in the UK.

Royal Mail has seen parcel volumes grow strongly in the first half of the year, driven by online shopping which has been further accelerated by the coronavirus pandemic and its associated restrictions. Domestic account volumes grew 51% while Royal Mail Tracked 24/28 and tracked returns saw 72% growth year on year. On our busiest day we processed more than 2.5 million Royal Mail Tracked parcels.

Centrally located with fully automated parcel

sorting

Situated at the Daventry International Rail Freight Interchange (DIRFT), the second Royal Mail parcel hub will have excellent transport links to major cities nearby as well as the warehousing and fulfilment centres of several online retailers. This will enable Royal Mail to enhance its support of the UK's ecommerce and retail industry.

As well as featuring a state-of-the-art automated parcel sorting system, the hub will offer a Vehicle Operating Centre, a Fleet Workshop facility, brand-new staff facilities as well as a rail terminal, enabling an increase in the amount of mail transported efficiently and sustainably.

The second Royal Mail parcel hub is being built by leading industrial property company, Prologis UK. Beumer Group is responsible for the construction of the fully-automated parcel sorting system (APSS) that will be housed within.



Royal Mail is committed to reducing the impact of its operations on the environment. As part of the build, Royal Mail will deploy a number of sustainability initiatives ensuring the environment and local communities are placed at the heart of the development.

The design of the hub will maximise the amount of natural light entering the building, saving energy and improving employee well-being. The building will also feature energy efficient heating, ventilation and LED lighting installations on motion and daylight sensors ensuring high sustainability standards.

With Royal Mail's other parcel hub in Warrington coming into operation in 2022 both sites will create a parcel powerhouse capable of processing well over 1.5 million parcels per day with options to scale to over 2.5 million in the future.

Contribution to the local economy

Royal Mail currently employs around 20,000 people in the Midlands and already contributes more than £1.4 bn* to the region, reflecting Royal Mail's commitment to investing in the regional economy. It also underlines the importance of the region to the UK's economy, particularly to sectors like the ecommerce industry.

As a road and rail logistics business park, DIRFT is classed as a nationally-significant

infrastructure project. From its location at the heart of the UK's motorway and rail network, the site has excellent road links to the M1 and M6 motorways, as well as to the West Coast Main Line train service. A number of leading British ecommerce companies are based in this region alongside the logistical arm of several high-street retailers. Capitalising on the site's rail connectivity, the new hub will also have its own dedicated rail platform, allowing parcels and other freight direct access to the West Coast Main Line, the country's primary rail freight route.

Simon Thompson, Royal Mail CEO, said: "Our business is accelerating and this state-of-the-art parcel hub in the Midlands will allow us to seize the market opportunity and continue to deliver great service for our customers at 31 million doorsteps up and down the country. I am sure our team are looking forward to the first day of operation as much as I am."

Chris Heaton-Harris MP said: "It's great news that Royal Mail has decided to make such a substantial investment in a parcels hub in my Daventry constituency. This will give a welcome boost to the local economy. With the boom in online shopping, my constituency is exceptionally well positioned via both road and rail networks to ensure these items are delivered as quickly as possible after purchasing. I look forward to visiting the new automated site when fully operational."



Phil Oakley, Vice President, Leasing & Development, Prologis UK, said: "Royal Mail's decision to locate its largest UK parcel hub at DIRFT is great news for the local economy and the ecommerce companies located on Prologis DIRFT who rely on the company's delivery services. Proximity to the new Royal Mail unit means companies can confidently extend order picking times and still achieve next day delivery for their customers."

Stephan Heessels, Divisional Director, Beumer Group Logistic Systems, said: "Royal Mail's new Midlands hub will be another excellent example of how a parcel distributor can ensure ergonomics-based design of its

high-speed sortation systems. The system seamlessly combines system design, operator safety and careful parcel handling. The hub will enable Royal Mail to process parcels more efficiently across their network in turn helping ecommerce companies quickly get their parcels to online customers. The new automation not only means processing more parcels faster, but the modern design of the system also supports workflows to be performed in a safer more secure way - than ever before. We are proud to have been selected once again to support Royal Mail with positioning themselves at the leading edge of operating efficiency and ergonomics."

Source: [Royal Mail Group](#)