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London Tube plans grocery services at stations

By James Pickford and Mark Odell



London Underground is throwing its stations open to greater commercial development as part of an overhaul of the world's oldest metro system designed to boost the network's takings.

Transport for London is in talks with retailers including Marks and Spencer and Waitrose over putting shops in stations and setting up "click and collect" grocery services from the network's 62 car parks – an idea it is trialling with Asda at six stations.

Plans were announced last month to close the network's 260 ticket offices in favour of automatic ticket machines and launch 24-hour Tube services on Fridays and Saturdays. TfL is in discussions with online retailers such as Amazon to use the vacated offices as manned collection or drop-off points or venues for electronic lockers. It is also talking to coffee chains about bringing their branded outlets into the freed-up space.

Retailers are attracted by the 10m daily footfall on the Underground, bus system, Docklands Light Railway and cycle hire scheme – more than the combined population of the six largest English cities outside London.

Graeme Craig, TfL's director of commercial development, believes the transport system has the potential to be a "supermarket aisle" down which millions file every day. "They are time-poor people who've got very busy lives. All we need to do is work out what it is they need and give it to them in the most convenient format," he said.

However, transport unions oppose the office closures saying passenger safety could be at risk if station staff are not easily located. Others question the wisdom of encouraging commuters to linger in the forecourts at times of peak overcrowding.

The authority wants to double the £25m annual revenues from its 1,000 retail outlets over the next five years as part of a strategy to make TfL financially self-sustaining at the operating level by the end of this decade. This would require overall commercial revenues to rise from £220m to £320m a year.

Steve Allen, TfL managing director of finance, said a target of £500m by the end of the 2020s was "not beyond the realms of reality".

Managers are also sizing up the network's 5,500-acre estate for property development opportunities. Mr Craig says the body has so far identified 75 potential sites for property schemes, such as a townhouse project on land behind South Kensington station.

"We're one of London's biggest landowners and there's enormous potential for us to do more with what we have," he said.

Further innovations proposed for the capital's transport system include a business lounge at Canary Wharf station and vending machines selling high-value goods such as electronic devices and flowers. Machines selling bouquets will go into operation on the system in the next two months, Mr Craig said.

Howard Dawber, strategic adviser to the Canary Wharf Group, the property developer behind the transformation of London's Docklands into a financial hub, said TfL's move was long overdue. "They have enormous amounts of land that by definition is in some of the best locations in the city. Historically, there has been a separation between rail and retail but they are starting to address that."

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