Committee Report

REPORT OF	Director of Communities & Place
To:	Internal Overview and Scrutiny Committee
Subject:	Costs and benefits of purchasing HVO for Torridge's fleet
Date:	17th March 2026 **Reference:**

PURPOSE OF REPORT: To scrutinise the decision of the Community and Resources Committee on the 2nd February 2026, where Members voted to do nothing for the next year and bring the item back when more robust information has been collected.

1. INTRODUCTION

At the Community and Resources Committee, the recommendation in the report was for Members to discuss and agree if HVO is to be purchased for use in our Operational Services fleet. A proposal that a 12-month trial on the use of HVO be approved was proposed and seconded, but the motion was lost. A proposal that it be agreed to do nothing for the next year and bring it back when we've got more robust information was proposed and seconded, and the motion was carried. This is now the subject of call in by Councillor D Smith, Councillor W Lo-Vel, Councillor C Bright, Councillor H Thomas and Councillor C Hodson.

2. REPORT

The Costs and benefits of purchasing HVO for Torridge's fleet report that was presented to the Community and Resources Committee is attached as Appendix 1.

The minutes of the Community and Resources Committee meeting on the 2nd of February 2026 record the following in relation to the item:

It was proposed by Councillor P Hames, seconded by Councillor O'Rourke and –

RESOLVED:

That a 12-month trial on the use of HVO be approved.

(Vote: For – 4, Against - 6, Abstentions – 0)

Motion lost.

It was proposed by Councillor R Lock, seconded by Councillor T Elliott and –

RESOLVED:

That it be agreed to do nothing for the next year and bring it back when we've got more robust information.

(Vote: For – 7, Against – 3, Abstentions – 0)

3. IMPLICATIONS

Legal Implications

As set out in C&R report.

Financial Implications

As set out in C&R report.

Human Resources Implications

As set out in C&R report.

Sustainability/Biodiversity Implications

As set out in C&R report.

Equality/Diversity

As set out in C&R report.

Risk Management

As set out in C&R report.

Compliance with Policies and Strategies

As set out in C&R report.

Data Protection (GDPR) Implications

As set out in C&R report.

Climate Change

As set out in C&R report.

LGR Factors

As set out in C&R report.

Ward Member and Lead Member Views

As set out in C&R report.

4. CONCLUSIONS

After much debate, the Community and Resources Committee resolved:

‘That it be agreed to do nothing for the next year and bring it back when we’ve got more robust information.’

5. RECOMMENDATIONS

That Members scrutinise the decision, as set out above, of the Community and Resources Committee on the 2nd February 2026.

SUPPORTING INFORMATION

Consultations:	Officers Consulted - S Kearney, R Haste
Contact Officer:	D Sibley
Background Papers:	TDC 2024 2025 Carbon Footprint

Appendix 1 – Costs and benefits of purchasing HVO for Torridge's fleet

REPORT OF	**Councillor Climate Emergency Working Group**	
To:	**Community & Resources**	
Subject:	**Costs and benefits of purchasing HVO for Torridge's fleet**	
Date:	**2nd February 2026**	**Reference:**

PURPOSE OF REPORT: To inform Councillors of the advantages and disadvantages of using hydrotreated vegetable oil (HVO) to replace diesel in the Council's owned fleet so that they can decide if HVO is an option they wish to purchase.

Note: this paper was first presented to C&R on 13th October 2025 and is substantially the same. Comments regarding the impact of HVO on vehicle reliability, and the sustainability and certification of HVO have been added.

1. INTRODUCTION

The most recent carbon footprint calculation for Torridge District Council shows that about 710 tonnes of carbon emissions (measured as tonnes carbon equivalent) are associated with our fleet vehicles. This is approximately 40% of the Council's total carbon footprint.

The Councillor Climate Change Working Group have asked that the Council purchase a low carbon fuel, hydrotreated vegetable oil (HVO), to replace diesel in Operational Services vehicles and to reduce our carbon emissions. HVO can only be bought in bulk and thus requires fuel storage tanks at our depots. This has not been possible to date but with the construction of our new Operational Services Centre there is an opportunity to purchase and bulk store HVO.

2. REPORT

What is HVO and how is it used?

Hydrotreated vegetable oil (HVO) is a renewable fuel derived from various feedstocks including vegetable oils, animal fats and waste oils. It is produced through a hydrotreating process which removes impurities and produces a cleaner, more stable fuel.

HVO can be used in existing diesel engines without modification.

Impact on vehicles

A number of organisations have chosen to use HVO in their fleet. This includes Griffiths, who worked on the A361 Link Road Upgrade, and several Local Authorities in the UK.

We have contacted Local Authorities known to use HVO, none of those who responded reported any impact on vehicle reliability.

Impact on carbon emissions

HVO can be considered a carbon-neutral fuel because the carbon dioxide (CO_2) released during combustion is about equal to that absorbed by the plants that originally produced the feedstocks.

Suppliers claim that HVO can reduce vehicle emissions as follows:

- Up to 90% reduction in carbon emissions;
- Up to 30% reduction in particulate matter;
- Up to 27% reduction in nitrogen oxide;
- Up to 24% reduction in carbon monoxide.

Sustainability

There are significant concerns about the wider sustainability of HVO. The three main suppliers of 'waste' feedstocks for HVO are Indonesia, Malaysia and China.

The supply chains for HVO are complex and opaque, with insufficient information provided about the sources, transportation and production methods. Given supplies of HVO from sustainable sources are currently limited, there is strong evidence that the sharp increase in demand is driving an increase in palm oil derived HVO or palm oil used as a livestock feed alternative, contributing to further global deforestation. Even sustainably certified schemes have limitations in this area, as they do not take into consideration the significant impact of these indirect land-use changes or the full lifecycle footprint.

EU research indicates that once the effects of land use change and draining of peatland are accounted for, the greenhouse gas impact of palm-oil-derived HVO could be up to 3 times greater than standard fossil fuel diesel. Furthermore, HVO requires more vegetable oil than other methods of biodiesel production. Consequently, in 2020, the EU agreed to phase out biofuels with a high risk of indirect land-use change by 2030.

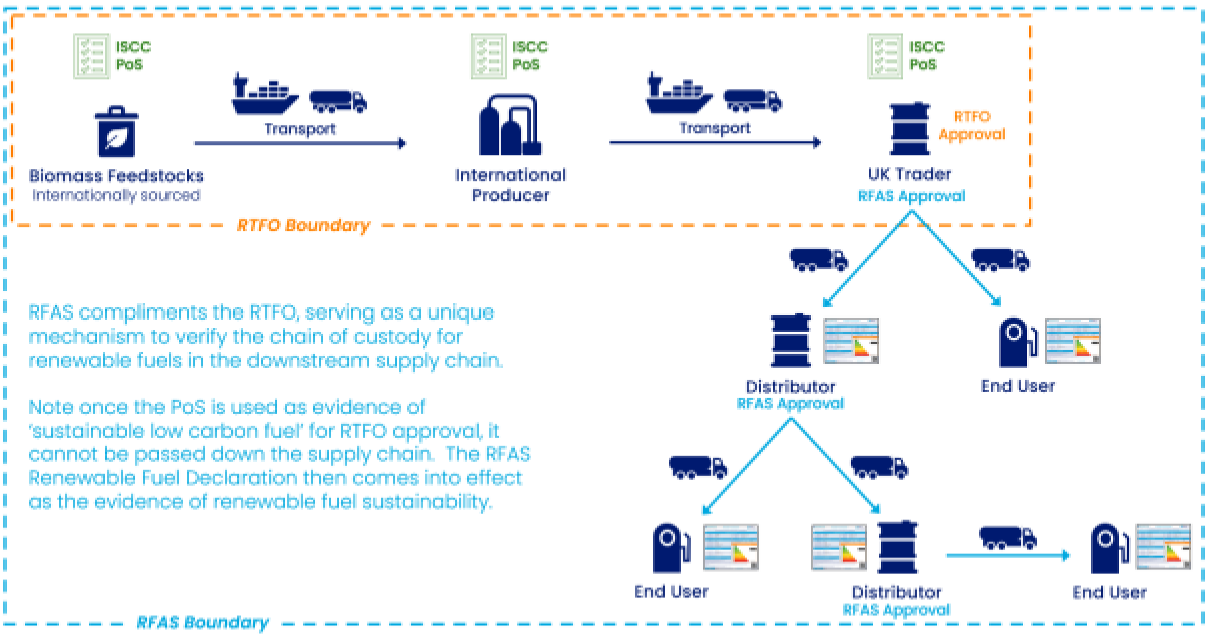
In April 2025 the Department of Transport launched an investigation into HVO after industry whistleblowers told the BBC they believe large amounts of feedstock are not waste but instead are virgin palm oil, which is being fraudulently relabelled.

Sustainability certification of HVO

International Sustainability & Carbon Certification (ISCC) is a global certification system that verifies the sustainability of biofuels, biomass, and other renewable materials. It applies to fuel producers, traders, and end users who need to prove compliance with sustainability and carbon reduction standards.

This scheme does not offer robust auditing of feedstock sources.

Road Transport Fuel Obligation (RTFO) and Renewable Fuels Assurance Scheme (RFAS) The Renewable Fuels Assurance Scheme (RFAS) provides commercial vehicle fleet operators with independent assurance of the life cycle greenhouse gas (GHG) emissions and feedstock sustainability performance of renewable fuels sold in the UK and Europe. The RFAS works alongside national renewable transport fuel regulations, such as the UK
Renewable Fuel Transport Obligation, providing a mechanism for guaranteeing that fleet operators are purchasing bulk supplies of sustainable low carbon fuels.



The Renewable Fuels Assurance Scheme (RFAS) is an initiative designed and managed by Zemo Partnership.

This scheme does not offer robust auditing of feedstock sources.

The hydrogen used to treat HVO can be derived from fossil fuel sources and still be considered 100% renewable under the Renewable Transport Fuels Obligation. The Energy Savings Trust has concerns about the sustainability protection provided by the scheme.

Renewable Energy Directive certification The REDcert-EU scheme is one of the leading certification schemes for sustainable biomass, biofuels, bioliquids and biomass fuels and can be used globally. The scheme can be applied to all steps involved in the process starting with production and collection of input materials through to processing in oil mills and the production of biofuel, bioliquids and biomass fuels.

Currently this scheme does not offer robust auditing of feedstock sources.

For EU supplies, the EU Renewable Energy Directive (RED ii) aims to ban all palm oil in biofuels in stages by 2030. This gives confidence in the security of supply of HVO without Palm Oil content going forward. However, it will still be impossible to rule out fraudulent activity unless RED is robustly enforced.

Additional palm oil free certification
Some HVO suppliers test their feedstocks for palm oil or palm oil mill effluent (POME) and can additionally certify supplies as palm oil free.

Implications for TDC purchasing of HVO
Officers were not able to obtain assurances of independent auditing of HVO feedstocks, or of the reductions in vehicle emissions.

Timescale
HVO is not a long-term solution for the carbon emissions generated by our fleet. It should be regarded as a short-term solution to meet our carbon neutral commitment until alternatives to diesel vehicles are suitable for the tasks required and are affordable.

Cost
We purchase diesel from two local suppliers, both of whom can supply HVO.

Fuel usage for Operational Services is approximately 319,000 litres per year, and so there would be an additional cost to the Council of between £70,180 -124,410 (based on costing provided September 2025) if we were to use HVO in our fleet, depending on supplier chosen and availability of bulk discounts.

3. IMPLICATIONS

Legal Implications
None.

Financial Implications
There is an additional cost to the Council in purchasing HVO rather than diesel fuel.

Human Resources Implications
None.

Sustainability/Biodiversity Implications
Implementing these measures could reduce our carbon footprint.

Equality/Diversity
None.

Risk Management
Risk to Council reputation if HVO is not from sustainable sources.

Compliance with Policies and Strategies
Reducing carbon emissions from our vehicles will support our ambition to be carbon neutral by 2030.

Data Protection (GDPR) Implications
None.

Ward Member and Lead Member Views
Cllr Leather - As lead member for Operational Services I cannot support the huge increase in cost that this proposal would cause to our Waste Services. There are conflicting issues regarding sustainability and a robust verification process on the 'green' products used in creating HVO.

Cllr Hames: Given our Council's target of becoming carbon neutral by 2030 the use of HVO fuel should be further considered as an interim measure to contribute to this target, subject to full consideration of the evidence regarding sustainability and cost. However, priority should be given to purchase of battery powered vehicles to meet the Council's operational needs.

Date of Consultation – January 2025

4. CONCLUSIONS

Use of HVO to replace diesel could reduce carbon emissions associated with our fleet, if sustainability considerations can be addressed.

5. RECOMMENDATIONS

Members to discuss and agree if HVO is to be purchased for use in our Operational Services fleet.

SUPPORTING INFORMATION

Consultations:	Date of Consultation – December 2025 Officers Consulted – S Kearney, R Haste
Contact Officer:	D Sibley
Background Papers:	TDC 2024 2025 Carbon Footprint