



## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Executive 13 September 2023

Wards affected: All wards

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### Carbon emissions reduction from light fleet (HVO)

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Report of Director Corporate Services

#### **1. Purpose of report**

- 1.1 To advise members of opportunity to expand Hydrogenated Vegetable oil (HVO) use across the light fleet and to recommend adoption of this fuel as a cost-effective way to reduce the Council's carbon emissions.

#### **2. Recommendation**

- 2.1 Members endorse and agree the use of HVO in the light fleet (vans and cars) to reduce carbon emissions.
- 2.2 Members agree the supplementary budgets set out in 5.1 for the current financial year and future years.

#### **3. Background to the report**

- 3.1 HBBC Fleet accounts for 43% of the Council's carbon emissions (953t CO<sub>2</sub>e). HVO is identified within the Green Fleet Route Map as an early and cost-effective mechanism for the Council to reduce its carbon emissions and the majority of the Council's HGV fleet has been running on HVO since March 2023.
- 3.2 The replacement light fleet comes on stream in 2 phases, September to December 2023 and the Spring 2024. With the exception of the 5 electric vehicles, and 1 petrol vehicle all the new vehicles can operate using HVO. It has also now been confirmed by manufacturers that the large grounds maintenance machinery can all operate on HVO (8 total - tractors, excavators, and ride on mowers). This report therefore proposes that a total of 37 vehicles now switch to HVO.

3.3 Diesel prices and HVO prices continue to be volatile and subject to global impacts. This makes a budget forecast difficult but both prices appear to track each other. The average price difference between April and June 2023 has been 44p compared to 30p 12 months ago. The table below shows the financial impacts use both these prices.

3.4 The budget increases and carbon savings are shown in the table below

Number of vehicles	37
Current diesel use (L)	84,633
<b>23/24 ests (24 vehicles 7 months)</b>	
Increased cost 44p per litre	£17,676
Increased cost 30p per litre	£12,052
<b>2024/25 ests (37 vehicles full year)</b>	
Increased cost 44p per litre	£37,239
Increased cost 30p per litre	£25,390
Carbon emissions saved (CO2e) full year	219
% of total Councils emissions	8.89

3.5 The cost per tonne of CO2e saved at 44p per litre is £170.04.

3.6 The positive reputational impacts of this change need to be maximised and smaller vehicle signage can be used. Est cost £4000.

3.7 HVO is being increasingly used by local authorities to reduce their emissions. In Leicestershire NWLDC and BDC are now using HVO. There are a large number of other LA's nationally making the same change as HVO is a lower cost alternative to Electric refuse trucks in the short term.

#### 4. Exemptions in accordance with the Access to Information procedure rules

4.1 This report can be taken in public session.

#### 5. Financial implications [IB]

5.1 The table summarises the additional fuel cost for the light fleet and assumes vehicles operated by Street Scene Services move to HVO in September 23 and Repairs move to HVO in April 24.

	Sep-23 one off £	Apr-24 Annual £
44p	17,676	37,239

5.2 This will require a supplementary budget approval by the Executive.

## **6. Legal implications [HI]**

6.1 The Council's contract procedure rules will need to be complied with when procuring the goods which are the subject of this report.

6.2 The Climate Change Act 2008 imposes a target on central Government be net zero by 2050. The Council has, along with others, set an earlier target of 2030.

6.3 Officers will need to ensure that what is proposed complies with the requirements of the Environmental Act 2021.

## **7. Corporate Plan implications**

7.1 Refuse collection services contribute to the place objective of keeping our Borough clean, green and safe, and this switch to HVO will contribute significantly to delivering the climate change strategy / net zero by 2030 ambition.

## **8. Consultation**

8.1 The climate change members working group supported the Green Fleet Route map. This report will be discussed at the Climate members Working group meeting on 5 September 2023.

## **9. Risk implications**

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Risk description	Mitigating actions	Owner
Reputation – failure to deliver climate change strategy / reduce emissions	SLT to make an on balance decision based on length of time / cost needed to eliminate / reduce other council emissions from buildings.	SLT
Opportunity Reputational – significant reduction in emissions in the short term	Ensure promoted e.g. press coverage, vehicle livery etc	Caroline Roffey / Comms /
Environmental – adverse impacts from HVO	Ensure HVO is sourced from an accredited scheme and doesn't damage environment	Darren Moore
Financial – HVO unaffordable with MTFS	Ensure costs reflected within MTFS and budget setting	Ashley Wilson
Financial - prices increase beyond budget forecasts	Set a tolerance and review use of HVO if prices exceed the fuel budgets Join appropriate procurement framework for HVO	Caroline Roffey / Darren Moore
Operational – ensure HVO supply available and diesel supply reduced	All tanks would be changed to HVO and remaining diesel vehicles would switch to fuel cards	Darren Moore

## 10. Knowing your community – equality and rural implications

- 10.1 This change would have no impact on the services received by residents. It is an operational change that will reduce our climate change emissions which will bring long term benefits for all residents.

## 11. Climate implications

- 11.1 Any HVO used will need to be from an accredited source to ensure it is a waste product and is not contributing to deforestation / other adverse climate impacts.
- 11.2 Whilst reducing HGV fleet emissions by 90%, HVO does not reduce these emissions by 100%. As such full consideration of electric vehicles needs to be made as part of future fleet replacement.
- 11.3 The use of HVO is the only way to reduce the emissions from HBBC fleet in the short term.
- 11.4 Given 3.7 at present appears to be the only affordable mechanism to achieve a significant reduction in emissions in the short term.

## **12. Corporate implications**

12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

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Background papers: Green Fleet Route Map 2022

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