GREATER**LONDON**AUTHORITY

Request for Deputy Mayor for Fire decision – DMFD295

Hydrotreated vegetable oil strategic fuel purchasing

Executive summary:

London Fire Brigade (LFB) is seeking approval from the Deputy Mayor for Planning, Regeneration and the Fire Service (the Deputy Mayor) to procure and supply hydrotreated vegetable oil (HVO) fuel to all 37 strategic bulk fuel tanks across the LFB estate.

HVO works as a direct alternative to mineral diesel, without any vehicle modifications. It provides at least a 90 per cent reduction in lifecycle CO_2 emissions, compared to conventional mineral diesel. LFB has used HVO across its existing diesel fleet for 18 months, without operational issues.

LFB reports that having an HVO supply contract will provide greater price stability, and secure better value for money, than buying it ad hoc. At present, the price of HVO is broadly comparable with mineral diesel; LFB does not expect additional cost in 2026-27.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices".

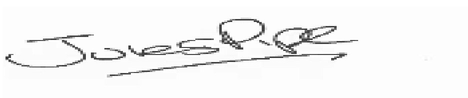
Decision:

That the Deputy Mayor authorises the London Fire Commissioner to commit revenue expenditure, up to the amount set out in the part 2 report, to procure hydrotreated vegetable oil, and use it at 37 strategic bulk fuel locations for three years.

Deputy Mayor for Planning, Regeneration and the Fire Service:

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

Signature: 	**Date:** 6 August 2026

Part 1 – Non-confidential facts and advice

Decision required – supporting report

1. Introduction and background

1.1 Report LFC-26-049 to the London Fire Commissioner (LFC) sets out London Fire Brigade's (LFB's) request to procure a contract for the ongoing supply of hydrotreated vegetable oil (HVO), as a direct alternative to conventional mineral diesel. This is a summary of that report.

1.2 HVO is chemically similar enough to mineral diesel that it can be used as a direct alternative, without any modifications to vehicles or equipment. LFB started using HVO in its vehicles and stand-by generators in 2024, as a carbon-reduction measure. LFB estimates that in 2025, its use of HVO provided a 600-tonne reduction in its carbon dioxide emissions.

1.3 Previously, HVO was typically around 30 per cent more expensive than mineral diesel. However, with recent international instability, LFC-26-049 reports that the prices are now broadly comparable.

2. Objectives and expected outcomes

2.1 LFB reports that this procurement supports the Mayoral objectives for functional bodies to reduce carbon emissions, and create cleaner air quality for London.

2.2 LFB expects that establishing a contract to supply HVO will be more reliable than its current ad hoc purchasing; and will guard against price fluctuations, providing better value for money. LFB does not expect that this procurement will result in additional costs in 2026-27.

2.3 LFC-26-049 details LFB's objectives from its HVO procurement business case. These include affordability, deliverability and support for LFB's operations.

3. Equality comments

3.1 The LFC, and the Deputy Mayor for Planning, Regeneration and the Fire Service (the Deputy Mayor), are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. The Public Sector Equality Duty requires the identification and evaluation of the likely potential impacts, both positive and negative, of the decision on those with protected characteristics (see paragraph 3.3).

3.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision; at the time of taking a decision; and after the decision has been taken.

3.3 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.

3.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:

- eliminate discrimination, harassment and victimisation and other prohibited conduct
- advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it

- foster good relations between people who share a relevant protected characteristic and persons who do not share it.

3.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic

- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it

- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

3.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- tackle prejudice

- promote understanding.

3.8 LFB completed an Equalities Impact Assessment on its use of HVO in 2024, included as appendix 2. This found no negative impacts on people with protected characteristics and some positive impacts related to associated reductions in LFB's carbon emissions.

4. Other considerations

Procurement comments

4.1 LFB plans to use a Government Commercial Agency (GCA) framework to run a mini competition for a HVO contract that is compliant with procurement law and the LFC Scheme of Governance.

Sustainability comments

4.2 LFB reports that HVO is a renewable fuel source that does not cause any concerns from a sustainability perspective. LFB's sustainable development assessment is included as appendix 3.

4.3 HVO has the potential to cause environmental pollution if spilled. LFB has put management processes in place to significantly reduce the occurrence of spills; and to manage and reduce the negative impact of any spills that do occur.

Conflicts of interest

4.4 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

5. Financial comments

5.1 LFC-26-049 requests approval for LFB to commit revenue expenditure to procure a three-year contract (with up to two optional one-year contract extensions) for the supply of HVO as fuel.

5.2 This project is funded from the Fire Stations fuel budget. This arrangement would not represent an incremental pressure on the fuel budget, as HVO is used in place of mineral diesel for fire appliances.

5.3 LFB does not expect the purchase of HVO to create a budget pressure in 2026-27. The per-litre price of HVO is currently trading below that of mineral diesel. This is due to the ongoing US-Iran conflict, and the continuing blockade of the Strait of Hormuz.

5.4 LFB expects this project to create a budget pressure in future years, as the price of diesel starts to reduce back to pre-war level; however, this cannot yet be accurately quantified. The actual costs of HVO are very difficult to estimate, as it is part of the global oils marketplace and subject to price fluctuations.

5.5 LFC-26-049 is linked to LFC-26-048 Procurement for the supply of fuel cards paper (which is also requesting approval for spend). Both papers impact the Fire Stations fuel budget; LFB will monitor the budget carefully in 2026-27.

5.6 All LFC contractual inflationary increases are reviewed every year. If inflationary increases create in-year financial pressures, this will be reported on as part of regular financial reporting. Compensating savings identified or spend reductions will be agreed, if required.

5.7 LFC standard terms and conditions include clauses on indexation and termination that can be used if inflationary pressures affect the performance of the contract. If a contract is no longer viable, then LFC will seek to terminate it on this basis; or work with suppliers to pause delivery and/or renegotiate what is being delivered. This is preferable to inserting a break clause for inflation, as such pressures apply across the market – so it is unlikely that benefits will be gained from terminating a contract to go back out for competition.

6. Legal comments

6.1 The LFC's General Counsel's department has confirmed the following.

6.2 Under section 9 of the Policing and Crime Act 2017, the LFC is established as a corporation sole, with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.

6.3 By direction dated 1 April 2018, the Mayor set out those matters for which the LFC would require the prior approval of either the Mayor or the Deputy Mayor.

6.4 Paragraph (b) of Part 2 of the said direction requires the LFC to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices".

6.5 The Deputy Mayor's approval is accordingly required for the LFC to purchase HVO fuel, which has an estimated cost exceeding £150,000. The cost is set out, in full, in part 2 of the report.

6.6 The arrangements proposed are consistent with the LFC's duty, under section 7 (2)(a) of the Fire and Rescue Services Act 2004 (the 2004 Act), to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting; and under section 5A of the 2004 Act to do anything it considers appropriate for the purposes of the carrying out of any of its functions.

6.7 LFC-26-049 sets out details for the proposed procurement. The procurement, via the GCA framework, is compliant with the Public Contracts Regulations 2015 and the LFC’s standing orders on procurement. The GCA have conducted a compliant procurement, in accordance with regulation 33 of the Public Contracts Regulations 2015 to set up GCA framework National Fuels 3. GCA has aggregated public sector requirements and undertaken a further competition, from which the LFC is able to make a compliant call-off award of contract.

Appendices and supporting papers:

1. LFC-26-049 LFC – HVO Strategic fuel purchasing – part 1
2. HVO Equalities Impact Assessment, March 2024
3. HVO Sustainable Development Impact Assessment, May 2023

Public access to information Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval. If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after approval <u>or</u> on the defer date.
Part 1 – Deferral **Is the publication of Part 1 of this approval to be deferred? NO**
Part 2 – Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate part 2 form, together with the legal rationale for non-publication. **Is there a part 2 form? YES**

ORIGINATING OFFICER DECLARATION:	Drafting officer to confirm the following (✓)
Drafting officer Daisy McLachlan has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:	✓
Assistant Director/Head of Service Chandru Dissanayeke has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Planning, Regeneration and the Fire Service for approval.	✓
Advice The Finance and Legal teams have commented on this proposal.	✓
Mayoral Delivery Board: A summary of this decision was reviewed by the Mayoral Delivery Board on 27 July 2026.	

Chief Finance Officer I confirm that financial and legal implications have been appropriately considered in the preparation of this report. **Signature:** Fay Hammond **Date:** 27 July 2026