

APPENDIX 1-

Food waste price / quality analysis

In developing options for Cabinet to consider with regard to collection of food waste. Officers took account of a number of factors. These included-

- Impact on service users
 - Ease of use
 - Acceptability
 - Likelihood of participation
- Impact on recycling
 - Recycling performance
 - Recycling promotion
- Impact on environment
 - Methane emissions
 - Vehicle emissions
 - Waste minimisation
- Impact on operation
 - Ease of roll out
 - Fit with existing waste / recycling service
- Impact on risk
 - Strategic risk
 - Operational risk
 - Reputational risk
 - Financial risk
- Cost to Lancaster City Council
 - Increased cost of delivering service once fully rolled out
 - Increased cost of delivering service during roll out
- Cost to Lancashire County Council
 - Increased cost of delivering service
 - Lost opportunity costs

Overview and Scrutiny Committee Members were particularly concerned with the estimated cost to Lancashire County Council which is particularly relevant when considering option 3.

Based on the information available and working on an assumption that we are seeking to maximise the diversion of food waste from the residual waste stream. The

amount of food waste collected for composting we estimate that the costs to the County Council (actual and lost opportunity) of the options are as follows-

Cost Requirement	Evidence
Option 1- increased cost of delivering service	Food waste collected will be composted- no increase in cost to County
Option 2- increased cost of delivering service	Food waste collected will be composted – no increase in cost to County
Option 3- increased cost of delivering service	Estimate 2250 tonnes of food waste collected will be landfilled. Based on current landfill charge and assuming 33% reduction in bulk this means a potential cost of £112,500 per annum (at current landfill cost of £75.00 per tonne)
Option 1- Lost opportunity cost	No loss of Income from high quality compost
Option 2- Lost opportunity cost	No loss of Income from high quality compost
Option 3- Lost opportunity cost	Estimate the 2250 tonnes of food waste that are landfilled loses £150,000 of potential income from high quality compost

In terms of determining the relative cost and benefits of the 3 options. Officers used a model as a tool to help compare the price and quality aspects of each option.

The model used suggested that overall –

- Option 1- provides the most efficient system for food waste collection
- Option 2- provides the second most efficient system for food waste collection
- Option 3 – provides the least efficient system for food waste collection