

## Real Nappy Calculation Explained

The calculation presented in Paragraph 2.2 of the February 2008 Authority report on the Real Nappy Subsidy stated:

*“To date, the NLWA real nappy support programme has resulted in an estimated 566 tonnes of waste being diverted from landfill or incineration and approximately £113,000 worth of subsidies and administration costs being paid (equating to approximately £200 per tonne).”*

This calculation was based on a number of assumptions including

- That the tonnage figure presented was “to date”- ie. the tonnage avoided up to the date of report drafting in mid January.
- The costs presented were costs to NLWA alone, not costs to boroughs.

### *Tonnage calculations*

The tonnage figure was calculated using the nappy database reporting tool, which calculates the number of days any particular child has been using real nappies and then allocates an avoided tonnage to that child. A child is assumed by the calculator to use real nappies from the day they are listed in the database as “started” until they are 2 ½ years of age, avoiding 225kg of waste per year.

As the calculation presented paragraph 2.2 of the February Authority report was a ‘to date’ figure, it only included the avoided waste calculated by the database up to the date of the report drafting. In the case where a child receives a voucher the day before the calculation, the full cost of that voucher would be included in the calculation despite the database only allocating a single day of avoided waste. However, that voucher could continue to deliver avoided waste benefits for up to 2 ½ years.

While reporting ‘to date’ information is a valuable measure of the current impact of the scheme, it has the potential to result in higher £/tonne figures than if a full life-cycle benefit was considered. To avoid this potential for error, the calculations presented in Appendix 1 of the report represented the anticipated waste benefits of each child in nappies for 2 ½ years, along with the cost of vouchers.

### *Cost calculations*

The costs presented to the Authority in Paragraph 2.2 only included the amount of money paid out by the NLWA in supporting the scheme, and included neither the sign-up costs to Boroughs nor the cost of staff time.

Costs to boroughs are highly variable depending on the number of staff they use to promote nappies, the amount of publicity and advertising material they produce each year and whether they participate in the Real Nappies for London (RNfL) scheme. As these costs were very difficult to quantify and in many cases were independent of the Authority decision (ie Hackney, Camden and Islington had indicated they would continue to promote and support real nappies regardless of the Authority decision) these figures were not included.

The Authority currently pays up to £54.15 per child using real nappies. In 2007/08 the Authority also paid £2,200 towards the administration costs for the RNfL scheme on behalf of Camden, Enfield, Hackney, Haringey and Islington.

The Boroughs participating in the RNfL scheme paid a further £6,550 to cover the cost of promotion in 2007/08. This figure included a premium to support the scheme start-up in the first

year and will drop in 2008/09 to £3,600. The cost of Administration is anticipated to remain at approximately £2,200 in 2008/09.

#### *Updated calculation*

As parents are signing up to the scheme daily, and the tonnage of waste avoided is recalculated every day, the figures provided in paragraph 2.2 of the Authority report are now out of date. Below is an updated calculation showing the “to date” costs and tonnages to February 28<sup>th</sup> (using the same methodology as the February Authority report).

#### *“To date” calculation*

- 2,184 vouchers/rebates issued or paid between 1 April 2005 and 28<sup>th</sup> February 2008 at a cost\* of £112,034.97 to NLWA.
- £11,000 paid towards RNfL Administration costs (not calculated on a pro-rata basis as it was paid in full at the beginning of the financial year).
- 601 tonnes of waste avoided, based on database calculations.

**This equates to approximately £205 cost to NLWA per tonne of waste avoided.**

\*Please note, as RNfL vouchers have a 6 month life, some have been issued but not yet claimed. For the purposes of the cost calculation, it is assumed that all vouchers issued will be paid at £54.15. For the purposes of the tonnage calculation, only vouchers actually claimed are included, leading to a conservative estimate on the £/tonne figure.