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For immediate release

INCINERATOR WILL COST TAXPAYERS AT LEAST £4.7M MORE THAN ALTERNATIVES EVERY YEAR - AUDIT CHALLENGE SUBMITTED

“The incinerator contract is a very bad deal for taxpayers”. That’s the message in Community R4C’s (1) report that they presented today to Gloucestershire County Council’s external auditor, Grant Thornton asking them to produce a public interest report (2). *“We have asked the auditor to review the contract, and we are confident that they will come to the same conclusions,”* said Tom Jarman, co-founder of Community R4C. *“Our expert consultant has undertaken a thorough analysis of the contract and, instead of saving the county council millions, as claimed by both officers and councillors, it will actually cost millions more. By cancelling the contract and using available alternatives, the council would save £4.7M a year with every indication that these savings could increase”.*

Community R4C has obtained pro-bono legal help from a barrister, through the Environmental Law Foundation, to put together this legal request to Grant Thornton. We are confident the auditor will find that the UBB Contract does not offer value for money; they can make recommendations to GCC to amend or exit from the contract.

This is the second legal challenge made by Community R4C, who has already submitted a complaint to the Competition and Markets Authority claiming that the incinerator contract is anti-competitive. (3)

Specific details of the contract were finally revealed a few weeks ago after a Freedom of Information Tribunal Judge ruled that the County Council had been wrong to keep them secret (4). Although Gloucestershire County Council used a Government-approved template to draw up the contract, it is these unique added details which makes this contract such poor value for money. *“The price that the council has committed to pay per tonne of waste is nearly 50% higher than at existing neighbouring facilities in Avonmouth and Cardiff where they have spare capacity to take our waste right now,”* said Tom. *“Cancellation costs could be met through committed budgets (5), and the County Council would then be saving at least £4.7m a year to pay for our schools and adult social care, rather than throwing away money to burn in the incinerator.” (6)*

At last week’s launch of the report, actor Jeremy Irons highlighted the damage that the Javelin Park incinerator would do to the environment and to health(7). He called on the council to cancel the contract before it is too late to turn back.

Community R4C also handed in a copy of their complaint to Gloucestershire County Council. *“We urge all councillors and officers to read our report, and judge the value-for-money for themselves. And we urge all voters in May’s County Council elections to ask their candidates whether they would take action to save £4.7m a year and to halt work on the incinerator immediately to limit liabilities pending the result of the two legal challenges if they were elected.”*

Ends

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NOTES

1 About CommunityR4C

CommunityR4C is a Community Benefit Society registered in 2016. Its objectives are:

The protection and preservation of the environment for the public benefit by: (a) the promotion of waste reduction, re-use reclamation, recycling, use of recycled products and the use of surplus; (b) advancing the education of the public about all aspects of waste generation, waste management, waste recycling and the resource circular economy; and (c) the promotion of such other activities and initiatives that contribute to and stimulate the development of a local resource circular economy.

Watch our animation here:

<https://www.youtube.com/embed/kf3ljfYKZg4>

2 See Community R4C's website for copy of the report and appendices, which include the findings of our independent consultant : <http://communityr4c.com/more-info/document-archive>

3 Community R4C's barrister submitted a complaint to the Competition and Markets Authority on 21st March 2017 showing that the Javelin Park Incinerator Contract breaks competition law. The charging structure creates an abuse of dominance that forecloses competition and prevents technological innovation. A copy of the CMA complaint is available on CR4C's website: <http://communityr4c.com/more-info/document-archive>

4 The report of the Information Tribunal by Judge Shanks is available on CR4C's website: <http://communityr4c.com/more-info/document-archive>

5 The Council has consistently claimed that it would cost £100m to cancel the contract. This report shows that costs today would be £36m. The County has committed a total of £30M as a capital contribution to UBB which would normally be paid on completion of build, so is sitting on account until this point. In addition the County paid £7.4M for the land at Javelin Park and this remains a capital asset.

If these figures are correct the cost of termination can be covered by capital already committed to the UBB project, which would mean there is no annual expenditure budget impact of the termination payment.



6 Savings based on current costs of available alternatives. 'Best alternatives' are potential further savings in the next few years as new technology is developed.

7 See press coverage of Jeremy Irons here: <http://communityr4c.com/category/news>