



Community R4C
c/o Jon Scott, Chair of Community R4C
Email: jonathan.scott46@gmail.com

Paul Blacker
Director of Finance
Gloucestershire County Council
Email: paul.blacker@gloucestershire.gov.uk

3rd December 2020

Dear Paul,

Claim Number: F40BS112 Community R4C Limited v Gloucestershire County Council

We are writing to you concerning our recent procurement court case, for which our right to appeal was recently dismissed by the Appeal Court. You will know that on 21st September HH Judge Russen required CR4C to pay 70% of GCC's costs and to make an interim payment on account of costs in the sum of £84,000. In GCC's recent press release, Cllr Nigel Moor is quoted as saying in relation to costs that "*we will take steps to recover as much of that as possible*".

The fact of the matter is that Community R4C does not have any money to meet these costs. Our current bank balance is £67.42. We therefore hope that you can see the merit in not winding up our community benefit society, an action which would do the County no good.

Community R4C is a community-led, community-funded group promoting circular economy principles in Gloucestershire. We see ourselves very much aligned overall with the Council's principles on waste, environmental protection, care for public funds and community engagement. As we have said before, we wish to be a partner of GCC, and have had the opportunity to engage in various County supported waste initiatives.

The procurement case was pursued in the public interest, a paradox remarked on by HH Judge Russen. It was the only legal challenge open to us, and simply a means to an end i.e. to establish the grounds for an illegal State Aid claim, which could recover £10m's for Gloucestershire County Council and its taxpayers. You will be aware that the very small damages claim we made was merely indicative and intended to recover some funds for our donors.

We would also like to point out that the Council, the Defendant, lost one of the two preliminary issues, namely on 'limitation', and we the Claimant lost the other relating to 'standing'. In these circumstances we would have thought it more reasonable that each side be responsible for their own costs.

All the funds raised to pursue this case came from our supporters in the Gloucestershire community and our community shareholders but this has now all been spent. We do not have any assets or property against which GCC could enforce the costs provisions of the Order and GCC would not recover anything. If the Order is enforced this will result in the winding up of Community R4C Ltd.

However, regardless of whether Community R4C is wound up, opposition to the Javelin Park contract will continue. For example, other actions being taken by the group and individuals include a complaint on State Aid to the European Commission and an ongoing complaint with Grant Thornton, GCC's external auditors, on Value for Money grounds, of which you will be aware.

These and related actions are intended to protect the public purse, specifically to the benefit of GCC. Enforcing this Costs Order would therefore only serve to undermine a community group with objects aligned to the Council's duties on waste management and community engagement. Putting us into liquidation places GCC in a position of opposing their own interests.

In summary, CR4C has no funds. If GCC enforces the Costs Order, this will not result in any monies being paid to GCC. There is therefore no prejudice caused to you if enforcement of the Order were stayed. We know that GCC is committed to engaging positively with the community and encouraging groups of our type, and we hope we can now all focus on the best ways to work together to find the best ways to treat waste in the County.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jon Scott', with a horizontal line extending to the right.

Jon Scott
Chair of CommunityR4C

Cc. Siobhan Baillie MP for Stroud