

Date: 23 December 2020

**Aquind Interconnector application for a Development Consent Order
for the 'Aquind Interconnector' between Great Britain and France
(PINS reference: EN020022)**

Mr. Geoffrey Carpenter & Mr. Peter Carpenter (ID: 20025030)

EXECUTIVE SUMMARY OF:

**POST HEARING NOTE IN RELATION TO ORAL REPRESENTATIONS RELATING TO
FUNDING DELIVERED DURING COMPULSORY ACQUISITION HEARING 2**

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**FOLLOW UP INFORMATION IN RESPONSE TO: (i) REQUESTS BY THE ExA MADE
DURING CAH2; AND (ii) COMMENTS BY THE APPLICANT MADE DURING COMPULSORY
ACQUISITION HEARING 2**

Submitted in relation to Deadline 6 of the Examination Timetable

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EXECUTIVE SUMMARY

POST HEARING NOTE IN RELATION TO ORAL REPRESENTATIONS RELATING TO FUNDING DELIVERED DURING COMPULSORY ACQUISITION HEARING 2

ON BEHALF OF MR. GEOFFREY CARPENTER AND MR. PETER CARPENTER ("AFFECTED PARTY") &

FOLLOW UP INFORMATION IN RESPONSE TO: (i) REQUESTS BY THE ExA MADE DURING CAH2; AND (ii) COMMENTS BY THE APPLICANT MADE DURING COMPULSORY ACQUISITION HEARING 2

1. This is an entirely speculative project in terms of funding. The Applicant limited company (Aquind Limited) does not appear to currently have the funds to cover all costs associated with compulsory acquisition. The Applicant intends to instead rely on future funding to cover compulsory acquisition costs (as well as development costs).
2. There is currently no certainty as to the nature or timing of the sources of future funding. All the Applicant has is a market intelligence report by KPMG (currently undisclosed), that indicates there *may* be interest for this *type of project*. No further details of *who* could fund these costs and *when* are provided. This is not sufficient to show there is a reasonable prospect of the requisite funds being available.
3. The Applicant does not appear to currently hold the requisite funds for compulsory acquisition costs because: (i) the 2018 and 2019 accounts for the Applicant refer to several unsecured and time-limited loans being made by the Applicant's previous parent company – OGN Enterprises Limited (incorporated in the BVI)- on a rolling yearly basis to cover "initial development costs". However, there is no financial detail relating to these loans (i.e. how much they are for) in the primary financial statements. There is also no explanation as to whether "initial development costs" cover compulsory acquisition costs; (ii) the 2018 and 2019 accounts state that "development costs" (which in 2019 were approximately £12 million) are intangible assets. Loans are not intangible assets, therefore the unknown loan amounts cannot be included in the figure provided for 'intangible assets'; and (iii) the accounts (2018 and 2019) show that Aquind Limited only has just over £1 million of cash in the bank or to hand. This is not enough to cover the Applicant's current compulsory acquisition cost estimate of over £4.9 million.
4. The Applicant has grossly underestimated its estimate of compulsory acquisition costs. It has not included compulsory acquisition costs incurred in relation to powers under Article 27 (compulsory acquisition of subsoil and airspace), and in relation to Article 30(4), which together, have the effect of granting compulsory acquisition powers over all green, yellow (subsoil only), purple, and blue land (as shown on the Land Plans).
5. Due to the inaccurate estimate of compulsory acquisition costs and uncertainty over the availability of future financing, either: (i) the CPO powers should be totally removed from the DCO; or (ii) the Applicant should not be allowed to commence development (as "commence" is defined under section 155 Planning Act 2008,), and should not be allowed to exercise any compulsory acquisition powers (including powers of temporary possession under Article 30(4) as that contains a gateway to using compulsory acquisition powers), until it has delivered suitable guarantees on funding to the satisfaction of the Secretary of State. This reflects the practice adopted in other Development Consent Orders, where the applicants did not hold requisite funds and where they were relying on future funding.