



Begbroke and Yarnton Green Belt Campaign (BYG)

Deadline 7, BYG: Clarification of Funding Information Required from the Applicant.

The Examination is nearing its close. BYG believes it would be helpful to clarify the Applicant's obligations to provide financial information to the ExA; and to summarise why we think it has not yet met those obligations.

1. The Infrastructure Planning (APFP) Regulation 5(2)(h) is unambiguous. It requires a statement indicating how a DCO order will be funded if such an order contains authorisation of compulsory acquisition; in other words, how the project itself will be funded. The text of APFP 5(2)(h) is set out below:

'(h) if the proposed order would authorise the compulsory acquisition of land or an interest in land or right over land, a statement of reasons and a statement to indicate how an order that contains the authorisation of compulsory acquisition is proposed to be funded. '

2. Furthermore, paragraph 17 of the 2008 Planning Act Guidance for DCO compulsory acquisition elaborates on how this requirement should be met. The relevant paragraph is reproduced in full below (our emphasis in bold).

*'Any application for a consent order authorising compulsory acquisition must be accompanied by a statement explaining how it will be funded. This statement should provide as much information as possible about the resource implications of both acquiring the land **and implementing the project for which the land is required**. It may be that the project is not intended to be independently financially viable, or that the details cannot be finalised until there is certainty about the assembly of the necessary land. In such instances, the applicant should provide an indication of how any potential shortfalls are intended to be met. **This should include the degree to which other bodies (public or private sector) have agreed to make financial contributions or to underwrite the scheme, and on what basis such contributions or underwriting is to be made.** '*

3. The requirements of this paragraph 17 were also confirmed by PINS in the Section 51 advice they gave to [REDACTED] of the Campaign for Protection of Old Woodstock (C-POW) on 2 May 2024. This advice is on the PINS website.

4. That the Applicant has failed to understand the funding details required is evident from the response they gave to a submission from [REDACTED] (REP4-047). This response (REP5-005) is set out below.

It should be noted that Section 5(2)(h) of the Planning Act 2008 and APFP (Application for Development Consent Order) regulations refer to the Compulsory Acquisition provisions within the DCO application, specifically funds related to compensating for acquired land or interests. Thus, the ruled do not require to furnish "evidence that the company has liquidity to cover its construction costs of £820m. Also, Section 5(2)(h) of the Planning Act 2008 and APFP do not require to provide a "provisional agreement with a recognised institutional investor (i.e a Memorandum of Understanding)" The Applicant has demonstrated that it has access to sufficient funds to cover the cost of the proposed development. The Applicant by December 31, 2024 had received funding of GBP 17,854,832. As stated, through cooperation with investment banks and specialised consultants, the Applicant has the ability to procure the financial resources necessary to fund the works to be authorised by the DCO. Construction costs will be funded from a combination of equity and debt finance with the exact combination dependent upon market conditions at the date construction commences. The Applicant will work with a variety of financial institutions and advisors in order to secure funding and has extensive experience of financing major capital projects.

5. This statement makes the claim that "The Applicant has demonstrated it has sufficient funds to cover the cost of the proposed development". No such evidence has been provided, as we have highlighted in our submissions. In particular, our latest submission in this respect (REP6-071) has pointed out the complete lack of adequate financial information relating to Cransseta Investments Ltd, the source of all funding to date as indicated by the Applicant. The fact that "GBP 17,854,832" has been provided to date from Cransseta - without any indication as to where those funds originally came from - provides no proof that further funds will continue to be available.

6. The statement is also made that the Applicant "has extensive experience of financing major capital projects". Despite encouragement, the Applicant has yet to demonstrate that it has actually taken any project through to construction. This statement therefore lacks any credibility.

7. In paragraph 2.10 of our Relevant Representation RR-0092, we highlighted the - credible - funding details provided for the other major solar projects underway in England (and see para 10 below). These stand in sharp contrast to the lack of any credible information from the Applicant. The section of the Applicant's Funding Statement relating to Project Funding remains wholly inadequate, as shown below.

Through cooperation with investment banks and specialised consultants such as EY, the Applicant has the ability to procure the financial resources necessary to fund the works to be authorised by the DCO. All project development costs incurred prior to the commencement of construction

will be funded from the cash reserves of the Founders and participating Project partners. Construction costs will be funded from a combination of equity and debt finance with the exact combination dependent upon market conditions at the date construction commences. The Applicant will work with a variety of financial institutions and advisors in order to secure funding and has extensive experience of financing major capital projects. These funds will meet all expenditures of the Project, the cost of acquiring land or obtaining necessary rights for the Project (as identified in the draft DCO [EN010147/APP/3.1] and whether compulsorily or otherwise), and any compensation payable as a result of the Project and in accordance with the DCO. A Final Investment Decision on the Project will be taken by the Applicant once development consent is granted. The Applicant has assessed and taken expert advice on the commercial viability of the Project and is confident that the Project will be commercially viable and can therefore be funded if development consent is granted. It is clear that the Applicant will have access to sufficient funding, to carry out the Project.

8. This statement provides the ExA with no guarantee that the project can be funded since nothing has been agreed and no details of potential investors can be provided. Reliance is being placed on future investors. [REDACTED]

9. Potential investors will also be faced with political uncertainty. By the time the project is likely to be connected there may well be a change of government, perhaps even to one which would rescind subsidy arrangements previously secured. Political uncertainty would not be so critical were funds already available to complete the project.

10. A good example of a Funding Statement containing adequate information is that of the East Yorkshire Solar Farm. In that statement, the following paragraph is included:

'If the Secretary of State grants development consent for the Scheme, the letter of support at Appendix 1 confirms that PNE can fund the total of the construction and compulsory acquisition costs for the Scheme'.

The Applicant is in no position to make such a statement and even appears not to understand that it is required.
