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The GLA has taken this approach to ensure both the corrections and original text are available, and so we can balance our legal obligations under the EIR with our duty to help ensure accurate information is released in respect of the individuals interviewed as part of the Garden Bridge Review.

In some case, the parties interviewed have asked the GLA to include certain comments regarding their comments to help provide some clarification about what they were intending to convey. Again, these are clearly marked on the transcripts.

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Garden Bridge Review
Meeting transcript

Event: *MH-Martin Clarke*

Date: *19 December 2016*

Present: *Dame Margaret Hodge MP*
Claire Hamilton
Martin Clarke

DAME MARGARET HODGE (MH):

Now, you're in charge really -- you're in charge of HR and all that sort of stuff?

MARTIN CLARKE (MC):

Yes.

MH: So mayoral decisions come through you?

MC: Yes, through my team. I'm in charge of finance, legal, you know –

MH: You were there right through this period?

MC: Yes.

MH: Okay, so we shall we start? Let's start in the mayoral decisions which over time –

MC: Yes, I'll have to refresh myself.

MH: Brilliant, that's all them. Just tell me who your instructions came from for that, was it from the Mayor direct?

MC: Probably not direct because the decision -- if we're going to ask, instruct, direct, delegate TfL to do something that's the agreement I'd be taking forward. It'd be taken by the people involved probably the director --

MH: Michelle?

MC: Michelle, etc.

MH: Did you get written instructions from them? Was anything written down? Apart from the actual direction itself, I appreciate that was written down.

MC: Not the delegations. The first one was August 2013 and my deputy dealt with that because that was in the August and I was on holiday.

MH: That was an all right one, that just gave the powers to TfL.

MC: Yes, so the next -- the next one will be a year later in June which is giving -- in a way reaffirming the powers and making it more explicit. What to take forward. The chances are, and I can't remember exactly, is I'd have had a call from a colleague from Transport for London, probably the legal team to say that we're preparing a mayoral decision form, probably working with our transport team to do this delegation because we require this delegation. And just give me the heads up it'd be coming through, normal process.

MH: Do you check on it? What do you do with it?

MC: So every mayoral decision form obviously goes to the lawyers, in this case the lawyers probably would have been involved in drafting it, that they come to the finance team and they give --

MH: Who work under you?

MC: Yes.

MH: The lawyers work under you too?

MC: Yes. So even though it's Transport for London, I'm responsible for the service they provide under a shared service agreement to TfL. Given the nature of this one, the MD itself probably would've been finalised by the transport team in the GLA and I would have been copied into it because it's no obvious home in my finance team who would have dealt with it. I can't recall exactly but I'm bound to have drafted or cleared the relevant finance content in the 2014 paper.

MH: Was it your view that it was a transport scheme?

MC: That's one thing which I had a couple of conversations with the lawyers in TfL. My initial view it was a transport scheme, it's why the Transport for London get on with it all and they explained their limitations on the power. Their powers could do a bridge but they couldn't see they could do a garden.

MH: A garden. Did you view it as a transport scheme or did you not?

MC: I probably -- no, I viewed it as a sort of hybrid scheme.

MH: Hybrid or non-transport? Did you view it as just --

MC: I viewed it as transport.

MH: -- a visitor attraction or a destination or of actually helping people get across?

MC: No, I accepted the business case, so I did see it as a transport scheme and I did see it as an amenity. TfL had always made it clear they didn't have the powers in respect of that or why they needed the amenity, which feeds into the guarantees, which I'm sure we'll get on to later.

MH: Yes, okay. So that gave them the powers, that was August 2013?

MC: Yes.

MH: So the contract was let - remind me again? The first contract Heatherwick contract was let?

CLAIRE HAMILTON (CH): March. 2013.

MH: It was after that contract was let?

CH: Yes, sorry, the MD came after the contract was let.

MC: I didn't know about the contract until probably the year later.

MH: You didn't know about the contract.

MC: No, and in fact the MD is silent on it. In fact the one in 2014 talks about TfL being responsible for the procurements in the contract period.

MH: I'm quite interested in this. What has emerged from it is something which we wouldn't have in central government, is a lack of accountability for the expenditure. So it seems to me the original contract, the Heatherwick -- the £60,000 I can just about understand, it's not a huge amount. But when you come to the Arup contract, did you know about that?

MC: No, not at all.

MH: Well, should you have done? Your staff should have done, shouldn't they?

MC: We had delegated directly to Transport for London. There would have been people in the --

MH: Are you GLA or are you in both?

MC: I'm GLA.

MH: But it's your money.

MC: But it wasn't our money, the whole thing -- the GLA only got any financial exposure when it --

MH: When you had the £30 million?

MC: No, when it came to the planning conditions that we'd have to provide a guarantee.

MH: But the £30 million was your money?

MC: No, it was Transport for London.

MH: No, correct me if I'm wrong, I'm under the wrong impression it was Transport for London but it was given to Transport for London from the GLA? So £30 million came from the GLA, £30 million from the government.

MC: But all government funded -- Transport for London, the Met Police, you know, the functional bodies, come from central government, from the GLA and then it gets paid over.

MH: This is something that I didn't know. So £60 million was set aside for this?

MC: Yes, 30 from government 30 from the GLA, but the GLA money was from Transport for London. The Mayor agreed that Transport for London would give £30 million and that's why the financial indications in the decision forms explained there was no financial exposure to the GLA itself. So it came from TfL budgets.

MH: So TfL spend that money on Arup from its own monies for a project that was questionably transport?

MC: Yes. Certainly the bridge bit is transport, they can do bridges. Their view was --

MH: I have to say Ed Lister's view was that it was not a transport project, so he is City Hall.

MC: Yes, and I would accept his advice but being a lay person here, there's a bridge for building, they've got powers to build bridges.

MH: So that early contract, the Arup contract, was awarded, as indeed was the Heatherwick design contract by TfL for a - question mark - transport project?

MC: Well, that's why since they didn't have the powers for the wider scheme that's why the Mayor delegated his powers as well directing them to do it. So the GLA can delegate the Mayor's general power.

MH: No, I understand that.

MC: That's the two MDs.

MH: I understand that but they had spent money before that?

MC: Yes, I think it has because I think the earlier one did say that, about meeting initial expenditure from existing budgets.

MH: So did they have the powers to do that in your view? Did you ever -- were your lawyers ever asked?

MC: I don't think we asked that specifically. I can't recall that specific question.

MH: Except that if it was all kosher you wouldn't have needed the August 2013 provisions of powers. You'd already spent money but they didn't give themselves the provisions of power until after they had spent, that's what I'm vaguely -- that's true, isn't it, really?

MC: Well, I think -- I'm not a lawyer but didn't get the delegation --

MH: Until after they'd spent --

MC: -- until they were starting the preparation work.

MH: Mama mia, right.

MC: But I think the MD does say that they incurred preparation work and I haven't reviewed the --

MH: No, the MD is fine. I think the MD is fine, I'm not arguing with --

MC: I think it -- sorry, I think it has that fact in it.

MH: But the thing is they had already spent -- apart from their own staff time, they had spent money before?

MC: Yes. Because the subsequent decision referred to seeing if some of the initial costs that TfL had incurred could or would come out of the funding that had been agreed. The second MD made it clear that the cost that TfL had incurred to date counted against the funding that the Mayor had agreed, yes.

MH: Yes, understand that but it's --

MC: But it is backwards.

MH: Yes, I understand that.

Just tell me something else, when there is a mayoral decision like that, who sees it apart from officers and the Mayor? Who -- what other elected politician will see that?

MC: No other elected politician.

MH: What about the board of TfL, would they have seen it? Not necessarily?

MC: Not necessarily.

MH: So there was no --

MC: Because it would be in lower delegation limits.

MH: So there is no procedure within your standing orders or whatever which makes sure that if the Mayor takes a decision it is accountable to somebody like, the Scrutiny Committee or the TfL board, there is no statutory -- no mechanism within your standing orders or with your processes?

MC: Well, there is. From a TfL side they're involved in commenting and clearing the mayoral decision because it affects them as officers. And in any delegation or direction the Commissioner for Transport for London reports to the board. That would have been reported to the TfL board. That's the procedure, and then in the GLA within 24 hours of a mayoral decision being signed we publish it on the website and we do a monthly report of all decisions and areas taken to the Assembly as well.

MH: So they will have seen that?

MC: Yes.

MH: So they would have seen the August one in September and they'd have seen the June 2014 one in about July?

MC: No, 24 hours later.

MH: Okay, that's brilliant, that's okay.

MC: And that started the 70 questions.

MH: Okay, we're sticking to these mayoral directions, then there were the ones about guarantees which is where we get into rather more serious territory. So the first one, the Mayor having publicly said that he will give no guarantee for the running costs, the management and maintenance of the bridge. You then get the PLA saying you've got to do it, you get Westminster saying it and then you get Lambeth saying it. So he has to do that. Was there any advice around that, about --

MC: Yes, there was advice -- there was advice in the relevant MD and I do know that actually Transport for London, their head of law, general counsel, actually put written advice on the powers into the Mayor because it wasn't clear to me and other initially why did the GLA have to give the guarantees, couldn't Transport for London give the guarantees and the advice was quite a simple power to give financial guarantees but didn't have any power to give any other type of guarantees. So you needed a guarantee of performance to step in and therefore the GLA had to give the guarantees but the financial guarantees could be backed off back to Transport for London to fund it. But performance guarantees had to be the GLA --

MH: And when the Mayor said one thing publicly but was doing something else privately? Does that affect you at all?

MC: No, I don't think I was --

MH: So when he goes on programmes -- Question time or LBC or whatever and says, "I'm not putting another penny of public money in" but you're working up a guarantee for funding because of the requirements of the planning commissioners, it doesn't hit you?

MC: Well, I don't think it -- hit me is probably the wrong word, it's -- I probably --

MH: You don't give advice, you don't shovel advice up to --

MC: No, I do shovel up advice, and the advice in the MD made it very clear that it creates a contingent liability in all the accounting stuff and it also separated the issue of the financial guarantee and the performance guarantee. And it's one of those things -- the fact that it was a condition of planning there had to be a guarantee. If you're given a guarantee there must always be an obligation, however small that it might be called upon -- and that advice was set out in writing in the MD but they had fuller advice from Transport for London on the nature of the guarantees.

MH: The people who work for you are the finance people from GLA --

MC: Yes.

MH: Before we come to the change of the guarantee, is it your considered view that actually they will raise money prior to reach it, is that your view? Do you have a view on that? Or do you think that the guarantee will be called on? Just for the maintenance, don't let's talk about the capital costs at the moment, let's talk about the maintenance. Is your advice that the contingency will -- your expectation?

MC: My expectation is we must expect it to be called on. Even if you've got all these reasonable scenarios that it's not being called on, my advice is expect it to be called on and therefore in your financial planning I'd always make sure that GLA in its contingency --

MH: Had £3.5 million?

MC: -- had access to the funds. I wouldn't have it in the bank account.

MH: Do your staff look at the -- obviously I asked the trust about the fundraising for the maintenance, do your staff look at that too? Given that you have a guarantee obligation, does the trust talk to you about that?

MC: It is via Transport for London and I sit down with Transport for London. I have sat down with Transport for London.

MH: Are you sceptical of their ability to raise -- they need to raise £8 million endowment and you need to take a view on just the management side.

MC: No, exactly. On the management, I haven't come across anything to think that they're not organised. So I have a good opinion of the management but I haven't spoke to them face to face, but that's I think the quality of the paperwork and the advice I'm getting back from colleagues.

I always have scepticism on known income sources. I'm the trustee of a charity -- you just know what you get given at the end is going to be different and this something you need to have an extra level of scepticism. Therefore one of the discussions we have in the business plan is the income side is always going to be the most worrying because that's uncertain whereas you've got benchmarks for the expenditure side, even if you haven't got anything equivalent.

MH: So the income side it two-fold, isn't it? One is can they raise the endowment, and you're sceptical there, and then the second is can they raise all the money they think they're going to raise. The analysis I've seen by that guy, I think you read the report -- he does equivalents looking at other projects. It looks to be very high visitor income and donations and all of that, and income raised from letting the bridge for an evening.

MC: Yes, exactly that is the big unknown.

MH: Do you feel sceptical about it? Have you said that to them? You see, I don't know if anybody -- I agree the paperwork looks all right --

MC: No, I think that my scepticism has grown over time because initially I think they were meant to be a lot further ahead than they are now with the fundraising for the construction.

MH: It looks a bit more difficult?

MC: Yes.

MH: Their argument would be that my review and the Mayor's failure to sign the guarantee --

MC: I've seen the correspondence, but it wasn't substantially in place before the change in administration.

MH: And they still raised the money?

MC: Yes.

MH: Or well didn't.

MC: In a way I'm governed by my experience. I just know in other fundraising things people tend to be overoptimistic, if it's not by the amount it's by the timing. It'll take longer: because I'm involved in other projects where there's meant to be significant input of philanthropic donations and they all seem to go slower than you expect.

MH: So your advice to the Mayor would be if he signs the guarantee you've got to do it on the basis that you might end up picking up the tab?

MC: Yes.

MH: And has your advice changed with Sadiq from what it would have been with Boris?

MC: Not at all. In fact we're in a position where Sadiq wants an awful lot of assurance that under most reasonable scenarios it wouldn't be called upon and I don't think we're in that position yet.

MH: And Boris didn't quite want that? We'll come back to what to Boris thought.

MC: Yes, we'll go back to that happily.

MH: That's very helpful. I share your scepticism. I also sit on those at trusts and things, and the environment has changed. What about the capital for this? They have lost £15 million.

MC: Exactly. That in a way is to be the significant new development probably since the mayoral election. We're talking with colleagues because in the GLA there has been a lot of concentration, can we do the guarantee which is really underwriting the operating costs but you don't want a half built bridge. It's quite interesting when you go back to the early decisions where Transport for London were going to make it a condition of their funding that contracts wouldn't be let unless they were satisfied that it would be completed.

MH: That was an early condition?

MC: That is what -- in one of the mayoral decision forms it sets out the conditions that Transport for London would put on their funding.

MH: Without the contract?

MC: Well, they haven't let the construction contract.

MH: They haven't started it but they've signed it.

MC: Yes.

MH: Let's stick -- we'll come back to the Bouygues signature because that was one thing I wanted to know. Have you had discussions with them recently about the potential increasing costs because of what's happened to construction costs et al, and delay?

MC: Only tangentially, it's because the executive director who's responsible for this area in the GLA, we sit in adjoining workstations.

MH: And what's the latest estimate?

MC: I don't know the latest estimate.

MH: And your view on whether they can raise the money again through private funding and will not have a call on either TfL or GLA -- or however it happens in the end. Your view on capital?

MC: On capital, I don't think I have a professional considered view. I haven't asked him. I haven't seen who are their potential donors, etc.

MH: Have they shared with you the anonymous donors?

MC: Not with me but I know the Mayor's chief of staff, David Bellamy, has seen it, etc. So I know they have shared.

MH: Right.

It is a puzzlement to me how they signed the Bouygues contract -- and that's where the NAO is quite critical. The NAO talks about the necessary permissions, I would talk about also the funding. Can you just explain to me -- you must have been asked to authorise that in some guise, the letting of that contract, it must have come to you for permission to sign before they did?

MC: No, no.

MH: Well, they must have come to somebody, they must have done.

MC: But it's their condition on the Garden Bridge Trust.

MH: Who's condition?

MC: Transport for London. But what I'm saying is in the paperwork that Transport for London had provided they say they're going to make it a condition of their funding. So it would be Transport for London to, one, impose that condition and, two, be satisfied that that condition has been satisfied.

MH: So that would be Michèle Dix and Peter Hendy?

MC: Yes.

MH: And it never came to you?

MC: No.

MH: Although it was committing itself to a substantial contract which you were committed to underwriting. It never came to you?

MC: No.

MH: Should it have done?

MC: That's a good question.

MH: It's a lot of money.

MC: It is a lot of money, I suppose the question is could you have a bridge without a garden. You could still have a functioning structure but I'd expect an organisation that's given a clear direction, given a clear delegation to do its own professional job.

MH: But it's your money.

MC: No, it's their money.

MH: It's their money which they get from you. The guarantee would have been your guarantee.

MC: The guarantee is.

MH: So by then we were into knowing that we had to have guarantees on all this stuff because you'd had your planning permissions through so it was committing your guarantee.

MC: Well, the question is that you let the contract before you've got planning permission.

MH: And before you had the money. I would say there are two things. You hadn't got the permissions and you hadn't got the money.

MC: Yes.

MH: It wasn't planning permission, I think you'd got planning permission but you hadn't got the Coin Street and you hadn't got the PLA.

MC: We hadn't got the planning conditions. Consents, conditions in place.

MH: Yes. And there's no way in your system -- they can still do that although they're committing you to guarantees, which I accept you hadn't sign up to but were implicit in the whole thing.

MC: But you haven't got more money going out the door, you've got an escalation of the cost of completing the construction.

MH: Well, you've got potential money going out the door, if they don't raise either the capital and certainly we've agreed on the operational costs. Over time GLA has to provide that underwriting of that.

MC: Yes, but they haven't -- so they might have let a contract but the contract hasn't been executed.

MH: But then you commit yourself to if you terminate the contract, this is the whole argument about the £9 million, the £15 million --

MC: Yes, and I must admit until this summer I didn't know that was the position.

MH: You didn't know they'd let the contract?

MC: No.

MH: Blimey.

MC: So that's why I'm doing a bit of the thought process, should they have come and told me?

MH: They should have told you, surely. They are committing you to money.

MC: Yes.

MH: They are committing you to money.

MC: Yes, I think I'd probably agree with that.

MH: They should have come.

MC: It just makes the guarantee a bit of a moot point, or in danger of making it a moot point.

MH: Yes, although you hadn't signed the guarantee, but nevertheless the guarantee was implicit.

MC: Yes, well, we still haven't signed the guarantee.

MH: You still haven't signed but that is implicit in everything?

MC: Yes, I can see that point.

MH: Now, then the guarantee changes?

MC: Yes.

MH: It changes from secured funding for five years to satisfactory funding strategy.

MC: Yes.

MH: On whose direction did it change?

MC: I was the instigator of that because they came to me wanting to sign the guarantees, or getting me ready to sign the guarantees, it would be getting all the guarantee documentation . When I reviewed all the paperwork I said, now the actual decision is you've got to secure the funding. I cannot sign the guarantees even if they're ready. Of course we knew they hadn't secured the funding so I said I haven't got authority to sign the guarantees and so therefore I think they agreed to the decision.

We need to align everything with what the actual planning conditions is. So I think it is some oversight drafting or decision taking say two years earlier that didn't tie in with what was actually happening. The fundraising was going to continue after the signing of the guarantee, we should have thought about those circumstances when we did the original decision. So therefore, a very wise decision was taken --

MH: So it was your decision to change the satisfactory funding, not the Mayor? You said you couldn't sign them.

MC: I couldn't sign them because there's my authority --

MH: So that goes back to Michèle Dix and Peter Hendy, does it?

MC: Yes, I don't know who it actually goes back to.

MH: But you go back to TfL and say, "I can't sign".

MC: Well, I went back to the lawyers and I went back to the lead director in the GLA, "I can't sign this".

MH: Who was the lead director of the GLA?

MC: That is Fiona Fletcher-Smith because the transport team who do the sponsorship role for Transport for London and she's also the planning lead in the GLA.

MH: Right. So then can you give me the route. So you said, "I can't sign" so it goes back to them, they then go back to?

MC: Fiona would have called Michèle or Richard De Cani then I think it was -- I think Michèle was then on Crossrail 2 -- and then the process starts how the Mayor advises the decision.

MH: Right, but of course satisfactory funding threshold is very different.

MC: Yes, it is very different but I think it's very reasonable if you actually have got a scenario where money is going to be raised after events.

MH: But if people know that's in there and the trust know it's in there the pressure to raise the money becomes less because they know that you'll pick up the tab anyway.

MC: Absolutely, I've got the same conundrum with another project because the fundraisers want an underwrite, you give an underwrite and the same case on this. It requires a satisfactory business plan and people were saying to me, "We don't need to worry about the business plan too much because there's uncertainty, because it's also got to be approved by Westminster, it's also got to be approved by Lambeth, it's going to get a lot of scrutiny". I said, "There's a difference between a business plan backed up by a guarantee and a business plan not backed up by a guarantee". I think about Westminster and Lambeth, you could sign off, shall we say a weaker business plan, if you knew there was a guarantee, so it is that same politics.

MH: Okay, and Ed Lister agreed that, did he?

MC: Yes. So my signature's on it, Ed Lister's is on it and the Mayor would read it.

MH: Okay, all right. That's really, really helpful.

When you go for £30 million, which is not an insubstantial bit of money. I don't quite understand how this works -- you say it's TfL's money but GLA must approve -- what are the assurances you normally go through? £4.5 million or whatever it was, that I would expect to have various authorisations, and then you come to £30 million, that's quite a chunk, even in the Mayor's very generous budget.

MC: Yes, and shall we say the fallback, safeguard is Transport for London through the normal governance procedures have to agree it.

MH: You don't go to their board?

MC: I don't know if it went to their board.

MH: Did it go to their board, do we know?

CH: Not before it was let, no, and that's one of the concerns.

MH: The £30 million? Did they set aside £30 million?

CH: I don't think the principle of £30 million being set aside went into until later, no. Because I think that's one of the issues that early on it didn't go to the board.

MH: So when Boris agreed it with Osborne, which is what happened, in time for the autumn statement in 2013 - let me get my years right, yes - should it have gone to the board then in your view?

MC: In my view it certainly should have been reported to the board because even if it was below --

MH: It is actually millions.

MC: Exactly, but I think the Commissioner has a very -- TfL has very high or did have very high delegation limits. I always pray in aid what I think is a sensible governance rules, anything novel, contentious or repercussive should go and that's in the GLA's rules.

MH: If you put that to me that's a very sensible idea. Repercussive, what a terrible word.

MC: I'm probably pronouncing it wrong, but --

MH: Yes, it has repercussions?

MC: Yes.

MH: Should got to the board?

MC: Board.

MH: And can we please check - sorry to ask you to check all this stuff - whether that went to the board. So the £4.5 million, did that go to the board? I can understand the £60,000 didn't, the £4.5 million or whatever it was, the Arup contract, did that ever go to the board? And did a commitment to £30 million, which comes out of the Osborne and mayoral autumn statement, did that ever go to the board under this rule. Have you now got that rule in your --

MC: The GLA has always had that rule. That's the GLA's own.

MH: The TfL hasn't?

MC: I actually don't know, and I would imagine that for each board meeting the Commissioner does report to the board. So if there wasn't a standalone report I'd imagine you'd find it in the relevant commissioner's report.

CH: I think that's one of the things that has been picked up is that it didn't go into the Commissioner's report until about July. July 2013.

MH: 2014, having committed in December, November, December 2013?

CH: Yes, the year after. So the money was committed in 2012, end of 2012, the contracts were let early 2013 --

MH: Yes, we're talking different pots of money. So there's three pots of money, there's the £60,000 to Heatherwick, there's the contract to Arup, there's the commitment from the autumn statement to £30 million, when did that go to the board? So there's three separate bits.

CH: Yes, and I don't think anything around the Garden Bridge went until July 2013 and that was after all of those commitments had been made.

MH: So do you want to check that?

CH: I will double check all of these but it -- yes, someone's mentioned that it didn't go to the board until -- it's either June or July 2013, but that was all after the Mayor's commitment and after the contracts were let, I think. But I'll go back and check all those dates.

MH: Okay.

MC: I always get confused with the £30million, is it 2013, 2014?

CH: 2014.

MH: The autumn statement was 2013.

CH: Okay.

MH: That's my view. Yes, I think it was.

CH: Okay, let me look at that.

MH: And when you looked at the business plan were you convinced by it?

MC: I actually did think it -- given that it was fairly unique, an awful lot of effort had gone into it, so my scepticism was always around the income side. In fact, it might be false, I did take some assurance that they did have or planned to have a range of income sources. I don't think I believed any of the individual figures but I thought if you have got half a dozen genuine income sources there is a prospect of it flying. And then, also I think probably a prospect of, "Well, if things are different, well, we're going to have to trim expenditure here" or whatever. It would give you something to manage.

MH: The other mayoral direction I wanted to ask you about, and I'm going to have to find it, is the one that was given during the election period, the end of April.

MC: Yes.

MH: And that seems to me to have fallen in purdah when you gave a variation, was it £1.6 million or something like that. Are you aware of that?

MC: No.

MH: You're not aware of it?

MC: The only one I were aware --

MH: Let me find it, let me find it.

MC: -- is changing the conditions to get the guarantee.

MH: No, they released another £1.6 million.

CH: The £1.6 million was a variation to the funding agreement so that wasn't done under mayoral direction. The direction was just about the guarantees changing.

MH: So that was the -- when did the satisfactory level of funding --

CH: That's the April one. 26 April, I think it was.

MH: That was 26 April? In purdah?

MC: Yes.

MH: Why? You wouldn't have been allowed to do that. I tell you if it had been Islington Borough Council--

MC: No, it's -- I actually do think some people are a bit too restricting in purdah what you can do but then there's a bit of sense checking and I must admit --

MH: You knew by then, it was pretty clear that we were going to get a change of control so you were committing a new mayor --

MC: Oh no, exactly. As an individual I felt uncomfortable, so very keen to get the proper process, therefore I was very keen to make sure that the right decision was the MD because the lawyers and the mayoral team wanted the guarantees signed before the change of election. And I knew there was going to be a change of administration, I knew there wasn't an unequivocal position from Sadiq's camp so as an individual I felt a bit uncomfortable. I'm going to get into a position do I sign or not sign. As it happens, this is where I think personally I got lucky I didn't have to take that decision, is the legal documentation wasn't complete to sign.

MH: So you never signed the guarantee?

MC: I never -- they weren't ready to sign. So I didn't have what I knew was an incredibly difficult position, which I was talking to the lawyers about.

MH: Can you be any more certain than that to me? So would you have not -- I'm pushing you too far --

MC: I didn't want to sign the guarantee.

MH: You didn't want to sign it. And you thought in purdah it would've been wrong to sign it really?

MC: Yes, I don't think technically it would be wrong but it just seemed something that's as controversial as this shouldn't be pushed through, yes.

MH: Right, and it was being pushed through by the Mayor's office?

MC: Yes, they wanted --

MH: They wanted it tied up?

MC: Well, it would be a range of things you want to complete in your term.

MH: Thank you for that, that's very helpful.

The contract was at February 2016, am I right about that? The Bouygues contract.

MC: I think that's probably right, it probably was 2016.

MH: That was pretty late as well, wasn't it?

MC: Yes.

MH: Did you feel they should have told you about that? That's where they didn't consult you?

MC: Yes, I just raise that question about the condition of their funding.

MH: Okay, I've got to the Mayor's guarantee 2214, the trust demonstrating that was the one you didn't want to sign?

MC: Yeah.

MH: 25 April 2016, is a letter to B Emmett from Richard De Cani, so another variation. You've got a single payment of £1.3 million. And it looks to me as if, this is my note, it was set aside to meet all bills if they defaulted. That never came to you?

MC: No.

MH: Should it have done?

MC: No, I don't think it should because it is they are managing their money.

MH: Okay. All the stuff about the Heatherwick contract and the Arup contract and whether they were rigged tenders, that would never come to you either?

MC: No, it didn't. My involvement in that came when the London Assembly Member Caroline Pidgeon come and asked me some advice on that and in fact asked could I get my internal auditors to go --

MH: So it was your auditors that went in?

MC: No, they couldn't because, as I say, we didn't have any remit and you could go to the external auditors so what Caroline did --

MH: Isn't that interesting? If they think something is a bit fishy as GLA members they have no resources to commission their own audit?

MC: Yes, correct, they would have to ask the external auditors. The only other --

MH: Who were Ernst & Young? Why couldn't -- and why wouldn't they do something?

MC: I don't know if I asked them or not. I don't know, I remember Caroline -- she called me and my chief internal auditor, can you do the audit?

MH: You said no.

MC: We explained we can't. And then there was a group with Caroline that she would pass all the paperwork she had on procurement, I looked at procurements with the auditor and we gave Caroline some comments back which we thought was a bit strange about it. She then wrote to Peter Hendy and then Peter Hendy commissioned his own auditors to look at it.

MH: But could you have asked Ernst & Young to review it?

MC: She could have asked Ernst & Young.

MH: And they would have done it, would they?

MC: I don't know.

MH: Under their terms of their contract with you?

MC: No, you'd probably ask them as external auditors EY to do it. So it wouldn't be certain that they would do it.

MH: And would you think there was a conflict with EY -- because they're on the trust as well, an EY partner is on the trust.

MC: I didn't know that. I think these big firms are quite good at --

MH: Chinese walls?

MC: Yes, managing conflicts but obviously they'd have to come to that view. And the other route is anything that when the GLA delegates its general power to Transport for London or any other body the monitoring officer has responsibility. GLA's monitoring policy has access over that power. So if there was a legal issue, there would be remit through the GLA's monitoring officer, so in the end Caroline seems happy that -- I did my desktop review and gave her comments.

MH: Can I see your desktop review?

MC: Caroline would have it. I'll see if I can find it.

MH: It would be quite helpful to see.

MC: Because I wrote her a letter. If I haven't got it Caroline's office will have it.

MH: I'm sure she'll let me have it. She has come to you.

MC: Yes.

MH: Now, the Mayor went off to San Francisco, paid for by the taxpayer to raise money for this, did you authorise that? Who authorises that?

MC: We'd have authorised his expenses afterwards, I didn't know why he was going there. It was to raise money for Heatherwick. I wouldn't have been advised of the itinerary but I would have authorised the expenses, the flights, the hotels -- There was enough people involved to know whether he was meant to be on GLA business or Mayor of London business --

MH: But you didn't -- why was it all kept secret? That's what is so weird.

MC: Yes, I don't know.

MH: And why wouldn't -- again I'm trying to think of an equivalent in central government, if I ever went on a trip I think all the details would have been out there. How come your standing orders don't actually allow him to retrospectively claim without any details of whether he was really carrying out mayoral business or was he just going on a freebie?

MC: Well, I think the officers who organise --

MH: Which officers?

MC: Well, there's an international team that would --

MH: At the GLA.

MC: At the GLA that would organise the event. Obviously the Mayor's office would have very closely organised it. He has to fill in a form for insurance purposes, so the procedure for anyone travelling abroad would have been complied with.

The itinerary, you might have part of it and we can check because again as soon as practical we always publish all expense claims. There's a website where the Mayor's expenses would be published and every quarter we publish a report of all expenses of the Mayor, senior team, senior officers, London Assembly members and we send the report to London Assembly's audit panel, so we put out all work we do know in the public --

MH: Isabel Dedring said to us that the only purpose of that trip was to raise money for the bridge.

MC: Yeah, I didn't know that. I knew there was other talk about meetings on that but that was just gossip at the time, I think.

MH: It should have been out there somewhere. There should be something with the purpose of the trip.

MC: A purpose of the trip would have been published, I don't know what it --

MH: Sorry to ask but can we check that, please.

MH: Is there anything else that I should raise that I haven't raised?

MC: No, I think it's fairly comprehensive but if you think of anything afterward just feel free to follow up on it.

MH: The GLA's Investment and Performance Board, that's one of the organisations, did that ever consider the Garden Bridge?

MC: No, it -- no, the Investment and Performance Board is for internal GLA matters. It doesn't do TfL. So that was Ed Lister's -- a management board, a decision-making board for GLA matters.

MH: Even though you are guaranteeing it?

MC: We would have put in the relevant MD, why it wouldn't have gone to the Investment and Performance Board.

MH: The guarantee commits you financially, doesn't it?

MC: I'm fairly certain that didn't go to the Investment and Performance Board.

MH: Can you just write to me as to why not?

MC: Yes, will do.

MH: Is there anything else -- the river licences, is that down to you or TfL?

MC: TfL.

MH: The Coin Street, is that you or TfL?

MC: Coin Street has to be settled to get the guarantees sorted because I need to know all the parties agree to --

MH: What happened last week at the Coin Street meeting?

MC: I don't know.

MH: You don't know? Okay. You just haven't caught up with it, no.

MC: I'm not part of the project as such.

MH: No. But you would not let the current Mayor sign the guarantee. It's a bit chicken and egg because they're saying they won't agree until you sign -- until they know everybody wants to go ahead.

MC: It is everyone dancing around but I need to know all the parties are going to sign the guarantees.

MH: Right, and includes Coin Street --

MC: Otherwise I don't -- yeah.

MH: Have you got any powers over Coin Street if they just --

MC: No.

MH: None at all?

MC: No, no.

MH: So they absolutely control whether it happens or it doesn't happen?

MC: Absolutely, they do have -- They've got the reach over this project at the moment.

MH: There's no way -- you could CPO it, presumably eventually, can you?

MC: It's -- gosh, not quickly. Probably could but not quickly.

MH: What a crazy system. Right.

MC: Yes.

MH: Yes, you see what worries is so they let the Bouygues contract, this is really the NAO point -- I've known Coin Street down the years, they have never been the easiest of customers to deal with. They always screw you down. So they let that and somebody must have realised, sugar, we ought to sort Coin Street first.

MC: Yes, I think people have been trying to sort them out for two years, haven't they, so I don't know what are they for. They got the position.

MH: Okay. Okay, anything else?

CH: The only last thing you might want to pick up is about appointments after being in the GLA.

MH: It rather surprises me that you haven't got a protocol in place as government has that prevents revolving doors on Richard De Cani and Isabel Dedring. Can you explain that to me a little bit?

MC: All I know it's come up -- I don't know why I can't answer why.

MH: You were in the GLA at the beginning?

MC: Yes. Not in my current job and a couple of times I just know it's been raised surely they should do something --

MH: -- a revolving door provision.

MC: But local government doesn't and I think -- and I don't know if that is the reason why.

MH: Never -- doesn't in a local authority?

MC: No.

MH: I mean, I don't think it's tough enough in central government, it doesn't go down the pecking order far enough -- we have lost people in DWP who went over into work programme providers without any period of grace.

MC: Yes.

MH: It would never happen in a private company.

MC: No, I don't think there's anything in the local government.

MH: Are you thinking about changing that or not?

MC: Well, no -- it's something that raises its head occasionally --

MH: If you're looking at this De Cani and Dedring and there's no impugning on them personally --

MC: No, no, exactly. There's probably one or two examples in 16 years of the GLA where there's been a question mark. So I think both Richard and Isabel are both Transport for London employees, there may be more. We've never really had the revolving door syndrome at the GLA, we've had people come to government and we've had people come out of government, we haven't had them -- someone in a very senior position --

MH: In the private sector?

MC: Yes. So it's been questioned but we haven't got the issue.

MH: Okay, okay. Anything else you feel that I should have covered because probably --

MC: No, you covered the three areas, decision-making, the business plan and a bit on the procurement. I imagine the demarcation between the organisations must be blurry.

MH: Very muddling to me.

MC: Yes, and that is something we try to improve over time because it does confuse.

MH: Is it historic? Is TfL always slightly independent? It's weird -- I mean, it's public money. All I'm after is you follow the taxpayer's fund and you've got to get proper accountability in the structure.

MC: Yes, it's always had that strong independent streak even though it is set up as an executive arm of the Mayor really. But it has powers wider than the just mayoral. And the sheer scale of resources into things.

MH: Yes, quite. It's budget is what? What's TfL's budget, annual budget?

MC: Let's say roundly 10 billion, capital and revenue.

MH: Much bigger than DCMS or any government departments.

MC: Yes, it is, exactly, yes.

MH: That's interesting. Thank you very much indeed.