

Paul Robinson

From: Griffin Kate [REDACTED]
Sent: 19 July 2016 13:41
To: David Bellamy
Cc: Williams Alex; Andrew J. Brown
Subject: RE: City Hall meeting tomorrow - draft agenda - new Lambeth obligation

[REDACTED]

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Paul Robinson

From: Griffin Kate [REDACTED]
Sent: 19 July 2016 16:43
To: David Bellamy; Bee Emmott [REDACTED]); Fiona Fletcher-Smith; Williams Alex; 'Peck, Lib Cllr'; [REDACTED] 'John Heaps'; 'Rebecca Olajide'; Deborah Hilderly [REDACTED]; 'Alistair Subba Row'; 'Marie Dunne'
Cc: Andrew J. Brown
Subject: Lambeth/Coin St/Garden Bridge meeting at City Hall tomorrow - agenda

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Kate Griffin | Senior Associate - Property and Planning Law | Legal
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Paul Robinson

From: Jonathan Edwards
Sent: 20 July 2016 20:22
To: Patrick Hennessy; Nick Bowes; Jack Stenner; David Bellamy; Fiona Fletcher-Smith; Valerie Shawcross; [REDACTED] Tim Steer
Cc: transportdesk; [REDACTED]
Subject: Garden Bridge Trust / business plan report

Just to be aware I think – the Garden Bridge Trust press team have been in touch to say they had [REDACTED] from [REDACTED] in touch re a report by Dan Anderson from Fourth Street in which he reviews the Strategic Outline Business Case for the Garden Bridge and suggests a set of cheaper alternatives.

Link here: <http://fourth-street.com/misc/a-better-business-case-for-the-garden-bridge/>

They've sent [REDACTED] a short comment as below.

Thanks

Jon

A Garden Bridge Trust spokesperson said: “The Garden Bridge Trust has a clear and robust business plan. This version was always a draft. It is now being updated in line with the Mayor’s request to look at the number of hours and days that the Bridge will be closed for private fundraising events. The revised plan will be subject to scrutiny by Lambeth and Westminster Councils and The Mayor’s office. The report forms part of the planning conditions requiring approval before construction can start.

“Whilst Mr Anderson is entitled to his views, most people would understand that the Trust had to take some decisions taking a wider view of public interest and accessibility which is why a decision was taken not to charge to cross the Bridge.”

Jonathan Edwards
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Paul Robinson

From: David Bellamy
Sent: 28 July 2016 09:55
To: Nick Bowes
Subject: RE: Review of Garden Bridge Business Plan

Thanks, have seen Dan Anderson's document previously (though not reviewed in detail and worth noting that the GBT business plan has evolved since then, I understand).

David.

From: Nick Bowes
Sent: 28 July 2016 08:47
To: David Bellamy
Subject: FW: Review of Garden Bridge Business Plan

From: Wai-King Cheung [REDACTED]
Sent: 25 July 2016 04:40
To: Nick Bowes
Cc: Ali Picton; Mayor; Ellie Robinson
Subject: Review of Garden Bridge Business Plan

Dear Nick

Last week, Dan Anderson who runs the consultancy [Fourth Street](#) that advises tourist attractions and similar destinations, wrote an independent review of the business plan for the Garden Bridge (attached); he stated that it was possibly the least robust he had seen in 20 years in the industry.

His analysis of the business plan produced in March (also attached) by the Garden Bridge Trust (GBT) calculates that although the trust predicts a £232,000 net profit in the first year of operation, a more realistic outcome is a £165,000 loss. A more gloomy set of assumptions brings a projected loss for the year of nearly £1m and a predicted near-£500,000 profit in year five is more likely to be a small loss.

Some key points to note are:

- “It is also worth noting that all of the expenditure lines are inflated at 2%, except for the Impact Payment of £250,000 per annum, payable to the London Borough of Lambeth. This is perhaps appropriate over a 5-year horizon, as the impact payment is meant to be reviewed annually on an open-book basis and adjusted upwards or downwards on the basis of actual costs incurred by the Borough. Over the 55-year horizon needed to assess the project's likelihood of repaying its debt, this is not appropriate. The impact payment will either increase in line with inflation or its value to the Borough will be steadily eroded”
- critically, **the Operations and Maintenance Business Plan makes no mention whatsoever about the need to repay the £20 million loan by Transport for London (1.2.4)** Indeed Anderson gives examples of where the GBT would default on its debt but it would probably be in the taxpayer's interest to have the debt written off
- much of the trust's projected income from donations is based on models taken from museums and galleries, whereas the bridge is billed as primarily a transport link for pedestrians – 65% of users are forecast to be regular commuters unlikely to use voluntary contactless donation points
- he argues that projections for fundraising and sponsorship include “virtually no explanation of what the Garden Bridge Trust will do to raise these funds”. Museums and palaces can offer donors discounted admission, or entry to areas otherwise closed to the public, but the garden bridge will be open to the public and thus has little scope for offering extras

- he notes that income from contactless donations was initially overestimated by £175,000 because the wrong projection for visitor numbers was used; the mistake was later corrected as the shortfall was simply made up by increasing projected sponsorship income, something Anderson called “typical of a target-driven business plan that is insufficiently supported by relevant research”
- the report notes that the business plan also fails to consider costs from £20m of the TfL money, which has been turned into a long-term loan. Although the loan is exempt from interest for five years, it does feature an inflation index of up to 2% a year, which is not fully accounted for
- he assumes that the GBT was largely working on the assumption that it would be bailed out by the taxpayer if needed as the business plan is so flawed e.g. it is so keen to appease Lambeth council and Coin Street Community Builders in order to settle matters relating to the land on the South Bank that it is giving away commercial revenues from the south landing building.
- if the operating surplus of the bridge is not sufficient to repay its £20 million debt, then the logic trail that says it is cheaper to complete the project than to stop it, is no longer valid and the money already spent should be treated as ‘sunk cost’

Anderson is quoted in the Guardian last week as saying **“It just feels like they’re not interested in the operational viability. It’s very short-term. The primary objective is get it built, and the future will sort itself out.”**

And how a capital project can spend nearly £40 million – or more than 20% of its total budget – on preliminary works before all of the required land has been acquired and before all of its planning conditions have been discharged?

Anderson’s summary is **“After detailed analysis of the Operations and Maintenance Business Plan it is this author’s considered opinion that the basic business model is flawed and the Business Plan targets are optimistic at best, but more likely unachievable”**

It is not too late to rethink the London Assembly/TfL’s part in this increasingly toxic project that is mired in controversy*; it will inevitably, cost the taxpayer more money in the short and long term. Please appeal to the mayor not to sign any guarantee underwriting this ill-prepared, poorly managed private development. The mayor has asked for full transparency from the GBT donors but to date, the GBT has produced a list of (partly) anonymous sponsors/donors and they have been silent about the terms of their pledges; when are private monies due to be released as opposed to using public funds?

Many thanks - I look forward to hearing from you.

Yours faithfully

Wai-King

Ms Wai-King Cheung
[Thames Central Open Spaces](#)

* Lambeth council’s involvement in this project is already under intense scrutiny in a new legal challenge <http://www.tcos.org.uk/#!High-noon-for-the-Garden-Bridge-as-it-faces-another-legal-challenge/c218b/57471fa20cf264264f3efc78>

Paul Robinson

From: David Bellamy
Sent: 29 July 2016 12:38
To: Patrick Hennessy; Jonathan Edwards; Nick Bowes; Fiona Fletcher-Smith; Valerie Shawcross; [REDACTED] Tim Steer; Leah Kreitzman
Cc: transportdesk; [REDACTED]
Subject: RE: Garden Bridge Trust accounts

Yes

From: Patrick Hennessy
Sent: 29 July 2016 12:38
To: Jonathan Edwards; Nick Bowes; David Bellamy; Fiona Fletcher-Smith; Valerie Shawcross; [REDACTED] Tim Steer; Leah Kreitzman
Cc: transportdesk; [REDACTED]
Subject: RE: Garden Bridge Trust accounts

Does this mean in layman's terms they are NOT filing today/this week but on 31 Dec?

From: Jonathan Edwards
Sent: 29 July 2016 12:34
To: Patrick Hennessy; Nick Bowes; David Bellamy; Fiona Fletcher-Smith; Valerie Shawcross; [REDACTED] Tim Steer; Leah Kreitzman
Cc: transportdesk; [REDACTED]
Subject: Garden Bridge Trust accounts

The Garden Bridge Trust have just been in touch to say that they have issued a statement today about the publication of their accounts, due to media inferring that these were due to be submitted today.

Their line as below.

Thanks

Jon

GARDEN BRIDGE TRUST STATEMENT

The Garden Bridge Trust currently has a year end date of October, which reflects the commencement date of the Trust. It has been decided to align the future year end to March which is a common year end date for charities. The new year end for the Trust will therefore be the traditional financial year end of 31 March. This will result in accounts being prepared for a 17 month period from October 2015 to the end of March 2016.

The filing dates for these accounts will be: Companies House: 31 December 2016, Charities Commission: 31st January 2017.
ends

Jonathan Edwards
Deputy Head of Media
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