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## **Garden Bridge Review Meeting transcript**

*Event: MH/ Garden Bridge Trust*

*Date: 21 November 2016*

*Participants: Dame Margaret Hodge MP  
Margaret Kalaugher  
Lord Mervyn Davies  
Paul Morrell  
John Heaps  
Bee Emmott*

MH (MH): I'm going to start by saying two things: we are recording. Are you all right not putting it in? Is it working okay, this?

MARGARET KALAUGHER (MK): Yes.

MH: Simply because then nobody can say, "I didn't say that", "I did say that" if that's all right. We will transcribe it and you're very welcome to have a copy of it but that's literally so that nobody can argue because I'm on my own so it sort of slightly makes it difficult. I'm still early in what I'm doing so if I may, if there are things that come up later on when I chat to other people, if I can talk to you again that will be incredibly helpful.

LORD MERVYN DAVIES (MD): Yes, a pleasure.

MH: We'll see what we get through today. I mean they have landed me with stuff like this so in between trying to do everything else I'm trying to do it's sort of, you know, as I go through further material, there are endless FOIs and ridiculous stuff like that that I'm having to look through, all on my tot. So, I don't know who wants to start. Do you want to just start talking about early days, how you came in to all this and how the whole thing emerged. And just do remember I'm honestly not -- don't try and convince me of the pluses or the minuses of it because I am staying absolutely neutral. People are trying to convince me it's a good idea, it's a bad idea, but I'm trying to be completely neutral on the actual, "Should we be doing this or shouldn't we?". It's just process and VFM really that I'm after.

MD: When I was in government, David Miliband asked me if I would look after the Shanghai Expo project which Thomas had designed and so that was my first interaction with Thomas, as you know. That project was a huge success for the UK and came in on budget and on plan and had extraordinary visitor numbers. So that led to my getting to know Thomas and so when the project was moving at the GLA stage into needing a charity Thomas asked me whether I would be interested in being the chairman, together with Paul actually and Bee, interested in being chairman of the charitable trust of the vehicle that would eventually take ownership of the project and I --

MH: So the idea that there should be a trust came from?

MD: Came from, right from the outset.

PAUL MORRELL(PM): I don't know that the vehicle did I think the TfL had already posited that there would be a charity and they'd drawn a structure --

MD: Yes. They'd drawn a structure.

PM: -- and therefore Thomas was looking to populate it.

MH: They looked to Thomas to populate it and where was Joanna at this point?

PM: Well, they couldn't.

MH: She wasn't ...

PM: She was --

MH: So it was a TfL concept?

PM: Yes.

JOHN HEAPS (JH): As I understand it. Well, you were all there at the background to that.

BEE EMMOTT (BE): Yes, there were -- I think --

MH: Were you around at that point?

BE: Yes, so --

MH: Where were you at that point?

BE: So I was working at Heatherwick Studio at that point and so --

MH: You were working at Heatherwick.

BE: I was at Heatherwick Studio and Heatherwick had won -- I wasn't involved in the Garden Bridge competition, it wasn't a project I had anything to do with at the beginning. So, they had won the tender and you'll know all about that from speaking to Thomas and TfL and so on, and TfL had committed £5 million to get whatever project had won that tender through to planning permission, to get it planning consent but they had always said they would not deliver the project. And so, as I understood it, from memory they were exploring what the options were and one of the options was a charitable kind of vehicle that would deliver the project and be responsible for the fundraising and the delivery of it, so would take over from TfL at the point of receiving planning consent. And so, that's the point that I think Mervyn got involved, it was sort of summer of 2013 and then the charity was set up in November of 2013.

MH: Right.

MD: And then we did a skills matrix of what sort of skills the Trust would require, what sort of trustees and then we put a team together that was -- would be equipped to handle a project of great complexity but an iconic project and obviously we didn't take the project on in totality until much later.

MH: What does that mean?

MD: Well, we were effectively working side by side with TfL.

MH: So you were appointed in -- after the --

BE: So I was seconded -- as I was saying I wasn't part of the Garden Bridge project at Heatherwicks, I was seconded separately as a Heatherwick employee across to the Trust so working for Mervyn. And then I moved across formally, I left Heatherwick Studio and I became a full time employee of the Trust in April of 2014.

MH: Right, okay. And just some idea of how you got together this bunch of people because it's sort of -- I mean, you know all the -- I'm having to look at all the sort of allegations that there are around. You were approached by Heatherwick --

MD: Hold that. What sort of allegations?

MH: Well, let's just leave it like that. I'm having to look at the processes whereby -- well, let's have a look at the trustees for a minute, if I can find the bit of paper, that were on the Trust. Have you got that? Have we got the trustees?

MD: But that's -- sorry, can I just go back a step and ask what's the remit of this?

MH: The remit is value for money and process, okay? It's public money, you know, up to £60 million. Well however much it is, we'll find out how much you've spent to date but this is public money being spent, so is it value for money and have the processes been appropriate for the expenditure of public money; that's all. So it's all the stuff --

JH: Except you're then looking at allegations. You say there's allegations that you're looking into about the charity. We are -- we have to be a bit careful because you know, because the Mayor has been so clear on his press release on the subject that the Charity Commission is currently looking at the charity.

MH: I know the Charity Commission is --

JH: So, how many people do we answer our questions to?

MH: I've no idea, it's up to you. What I'm hoping is that you'll help me to do the job that I've been given by the Mayor. If you choose not to I will of course reflect that in the way that I write the report.

JH: No, we're not saying that.

PM: We're not choosing not to, nothing like that.

JH: I think we simply need to understand at the beginning if there are allegations, what are you concentrating on because the impression I got a few minutes ago was that there were allegations about, in the way you termed it, the bunch of people that Mervyn put together. So, I think we need --

MH: I just want to know how you've come together.

JH: But, Margaret, what's the allegation?

MH: I'm not going to be drawn on that. I want to see how you drew that group of people together. I want to know how you drew that group of people together. And if I can find some way -- well, you've got them, can you let me see where the membership is? I've got it somewhere. Will I get it immediately, now? Okay.

MD: Well, as I mentioned previously, I've run a number of major charitable organisations, I think, and boards of directors. The first thing you do is you look at the task in hand, you look at the skills that are going to be required, particularly when, as you say, it involves public money. That's exactly what we did. So we drew up a skills matrix of the types of skills that would be required in construction, in communications, in fundraising, in the legal issues, and then we put a team together that reflected that. We have property expertise, we have construction expertise, legal expertise, fundraising expertise and project management expertise. And also, because Joanna had been involved in the, sort of, the original idea, we thought it -- I thought and so did the other trustees, a good idea for her to be a trustee as well. So, I'm highly confident or, you know, certain that we put together a trust with the right skills to cope with a complex project, an iconic project and one that was a mix of public and private money.

MH: Have you got a list? I'm really sorry, I'm just not finding that.

BE: I don't have a list on me, no.

MD: We can send it to you.

BE: I can send you one.

MH: Right. No, I've got it somewhere I just wanted to go through them.

BE: Or it's on our website actually which might be easier if you've got WiFi here.

MH: That might be the easiest way to do it, might it not? I'm just trying to -- I have got it somewhere. It's just -- to be absolutely honest, it took me so long to get in that my getting ready before - which is what I was hoping to do - I haven't been able to do. So I have got the bit of paper somewhere. Shall we just see if it's on your website?

BE: Yes, it is. Let me see if I can get it.

MH: I'm really sorry about this, this is my --

MD: No, that's fine.

BE: Yes, so if you scroll down, Mervyn's at the top and then just scroll down.

MH: Thank you so much. Thanks for doing that. Right.

BE: Because it's probably worth just saying as well, when we set up -- when the charity was set up in November 2013 it was a totally separate charitable entity, separate from TfL, separate from anything else. TfL were given an observer status so they sit on our board meetings, they attend every board meeting so they have full oversight of the decisions the Trust makes. But the private -- we secured very early on private sector funding to cover the operations of the Trust so the public sector funding isn't going to any of the operations of the Trust or to any of our employees and so on.

MH: Yes, no, I understood that from the --

BE: So any funding from the public sector is all towards infrastructure.

MH: You didn't bring anybody -- I'll tell you one of the things that surprised me is there was nobody from the local community anywhere. You didn't sort of think of bringing anybody, for example Coin Street where your --

MD: Well, Coin Street would be conflicted, wouldn't they? Coin Street would -- you know, we've had, for the last three years, huge involvement with Coin Street; I'm meeting them tomorrow. I think they would be conflicted, don't you think?

BE: We have to do a commercial negotiation with Coin Street.

MD: We have to do an independent commercial negotiation with them and I think that putting them as a trustee of a charity, I think would be wrong. But I think it's important to stress that the -- that is obviously -- we're straying into the issue of the operation and the making of a charitable trust which is, you know, obviously is being looked at separately. But rest assured we looked at the make-up of the Trust, make-up of the --

MH: Were they people who contributed? Did you go for, in the way that you might run other charitable organisations, were they people who were willing to put money in to support the bridge given that it's a private --

MD: No, we looked at -- as you know, we've had great success on fundraising.

MH: We'll come to that.

MD: Well, okay. But we have had great success on fundraising. The most important thing is to look at what the project needed to make sure that the individuals have the necessary skills, make sure that they had the time commitment to commit as volunteers to a hugely complex project. And rest assured we have had that type of trust, hugely engaged and that's all I would say really.

MH: Okay. So Clare Foges, for example, brought what?

MD: Communication and digital skills, huge experience in digital campaigning, social media skills and writing skills.

MH: And connections.

MD: No, I didn't bring her on for connections. I brought her on because she's young, she's got massive skills in social media and has put those to work as --

MH: And how did you know her, just --

MD: Sorry?

MH: How did you know her?

MD: Rohan Silva was involved right at the outset and then found that he was too busy. You know, I think in having run a number of independent charities you want people that are engaged and have the skills.

MH: Okay, thank you.

MD: But you picked one trustee.

MH: Well, I was just looking through the list. I just wondered, you know, how you'd collected the group together.

MD: By looking at the skills matrix and going and talking to one or two head hunters on the sort of people that were around. Obviously Paul has huge construction experience so we needed that. You'll see that we also got people with project management experience, so we have a Trust that was well equipped for the task.

JH: And in the early days I think it's true to say that we shared our proposals for trustees with TfL and with the Mayor's office. We didn't consult but we advised.

MD: We made sure that the stakeholders were happy with the make-up of the Trust.

MH: And the stakeholders were TfL and the Mayor.

MD: The Mayor.

MH: Okay. It's difficult to know where to go to next. Can I just get some feel of where is your expenditure to date out of the public money?

BE: £36.4 million.

MH: £36.4 million. And your --

BE: But we've since had a claim from the Mayor's office via TfL for a further £990,000 to be clawed back, historical costs.

MH: Right, that's from their £5 million?

BE: That's from their total £30 million contribution. So that's added on to the £36.4 million.

MH: Yes, but they're claiming that for work done out of the £5 million that they assessed that they would need.

BE: Some out of the £5 million previously and -- as in some that was done --

MH: The £5 million is on top of the £30 million?

BE: No, the £5 million is part of it.

MH: It's part of it. Okay, right.

BE: And before the Trust took full control of the project, which was in July 2015, TfL had spent £9.7 million and we took a long time to get that exact figure so that we as a charity were taking on, you know, known expenditure, so we had that all documented. And then in September this year, 2016, we got a claim for a further £990,000 and that's for some historic costs prior to July 2015 when the Trust took over and some is costs since July 2015 on protecting their own assets within things like London Underground has to do certain work, so covering those sort of things.

MH: Okay.

MD: Shall we get Bee to give you an update on where we're at on the project, would that be helpful?

MH: Yes, that would be really good. Go on, so where are you now?

BE: So, we got planning consent at the end of 2014 and we obviously spent 2015 and some of 2016 discharging all of our planning conditions, we had 40-odd planning conditions from both Westminster and Lambeth, we've discharged almost all of those now. And then in parallel we were securing the land so on the north side Westminster -  
-

MH: I want to come back to discharging -- the certainty about the maintenance and the management income.

BE: Okay.

MH: Because that was a key planning permission, wasn't it, from both?

BE: Yes, that's a -- it's a planning condition, it's pre-construction but it's once we've got the interest in the land and we haven't yet got the interest in the land.

MH: Yes, but when you say "discharged" that was the -- I would like to come back to that.



BE: Okay. We then, in parallel, have been doing the land negotiations, so on the north side we've got Westminster Council who have to go through a fairly complex process by which the land on the top of Temple roof where we land has to change ownership. So, we've been in discussion with them for about a year and they're about to hopefully -- they wrote to us a couple of weeks ago to say they're intending to start the process by the end of this month.

MH: Start the process for getting --

BE: For exchanging the land so that we have the interest in the land so we can put in the infrastructure.

MH: Is it their land not TfL land?

BE: The roof of the station is TfL's and the air space above is Westminster and then the Duke of Norfolk has protective rights over it. So it's complicated. It's not a process they do often. And then on the south side we have to do a negotiation with Lambeth Council and the Coin Street Community Builders, so Lambeth are the freeholder of the land and Coin Street have a long lease.

MH: Yes.

BE: So we've been talking to them. Coin Street was one of the first stakeholders we went to see about the project and they have always maintained that they will support the project as long as government, the Mayor, both councils want the project to succeed they won't stand in the way. So we have, at some points, made quite good progress on negotiations and at other points it's been slower because of the various interventions externally that have taken place. So we're now in a place where we are hopeful that we can conclude negotiations by the end of the year.

MH: What makes you confident that you will conclude those to do with Coin Street? I don't see what -- where's the -- I haven't seen the evidence of that confidence. They seem to have moved. I mean, I was going to ask you about that because it seemed to me that in the early days, I don't know when you started talking to Coin Street.

PM: Three years ago.

MD: They're the first people we saw.

MH: Pardon?

PM: They were the first people we saw.

BE: The first people we spoke to.

MH: The first people you saw.

PM: On the grounds that there could be no bridge if we couldn't have some land for it.

MH: Quite.

MD: And the Mayor's office, everybody's been involved with them.

MH: And they seemed to have moved in a --

BE: Well, we are -- in July this year --

MH: -- more negative than positive direction.

MD: Well, that's hearsay. I mean, the fact is that -- sorry?

BE: Yes, no, carry on.

MH: I've actually talked to some of them.

MD: Well then, they're being duplicitous. I mean, the whole spirit of -- there is no bridge without Coin Street.

MH: Quite.

MD: So, there is no bridge. So, the Mayor's had involvement with Coin Street, every --

MH: Which mayor?

BE: Sadiq Khan.

MD: Both Sadiq Khan and --

BE: His chief of staff has facilitated a number of meetings this summer to try and conclude negotiations with the three parties.

MD: So, both mayors, TfL, everybody. Even conversations involving the Department of Transport, everybody has had deep discussions and involvement with Coin Street. They have made public pronouncements on a regular basis that they're in favour of the bridge and, Paul, you might -- and they would have had to be --

PM: They are difficult people.

MD: They're difficult people to negotiate with.

PM: I've dealt with them where I did a similar thing with Rambert Dance and it took two years. After that they gave Rambert two years to conclude the agreement. So I remember saying in the very early days to Mervyn, "This will not be easy". I think what is true to say is they've raised the bar throughout the conversation. But all the time confirmed what they intend to do there.

MD: Yes, but, you know, it is a difficult negotiation.

PM: The sum package that will go to Coin Street is more than the net amount being given by the Mayor to the project. It's more than £10 million, the value of the package that's going to them.

MH: Yes.

MD: Shall we go back to ...?

BE: So -- sorry.

MH: Go on.

BE: So, once --

MH: So you've got the -- yes, when you get that then you can move.

BE: Yes, then we can sign our section 106 agreement which is the agreement we have with each council and then we can discharge the remaining planning conditions which are things like our operation and maintenance plan.

MH: Yes, which we'll come back to.

BE: So in parallel we also went through our own procurement to select our construction contractor. We appointed our construction contractor on --

MH: How did you do that; did you do that in a --

BE: I haven't had anything at all to do with that.

MH: -- completely open --

PM: Because we're not bound by EU procurement rules, we nonetheless agreed with TfL that we would act as if we were. It was therefore advertised and went through an entirely transparent process operated for us by Arup. I was involved in interviews throughout. The recommendation came from them not from the trustees as to who we should appoint.

MH: From?

PM: From people who are operation and process (Inaudible). I mean, I had quite strong feelings. Actually I changed my mind as to who I thought the strongest offer was and then they recommended the people I thought had the strongest offer anyway. So it was Arup.

MH: Arup?

PM: Arup. Arup ran the process for us.

MH: Arup ran the process for you.

PM: Yes.

MH: And are Arup still employed by the Trust now or by TfL?

PM: By the Trust.

BE: The Trust.

MH: By the Trust, so you took over the contract that TfL had --

PM: No, we created a new one.

MH: You created a new one.

PM: Yes.

MH: Right.

BE: That was when we took over the project in July 2015.

MH: Right, but I mean you had no option really but to continue with Arup at that point.

PM: We had no wish to either but we'd preferred the better deal than the one we thought had been done by TfL; they awarded it on a cost plus basis and we couldn't live with that.

MH: Are they still on a cost plus basis?

PM: No, we couldn't live with that.

MH: So what are they on with you?

PM: They're on a fixed fee.

MH: For what?

PM: To deliver the job and now they're on a --

MH: Even with delays and what have you, is that all -- how does that pan out in the current (Overspeaking)

PM: Because of the delay we've had to date we will need to renegotiate with them here forward but we want to tie down (Overspeaking)

MH: Okay. Can you explain to me, Paul, this is pretty -- why did you let the contract before you had the permissions?

PM: Because there was a huge amount inside the various consents that could only be worked out with the contractor. So if you look at the planning -- all the planning conditions for example, we needed to know absolutely how we would build the job. So we needed somebody who was going to build the job aboard at that early stage. Also we had, at that stage --

MH: But is that most sensible way? If it's clear that, you know, without Coin Street there is no bridge, committing yourself to and then, you know, seeking underwriting from government seems to me --

PM: Well, if we didn't believe that we would not do a deal with Coin Street then we wouldn't have done it, no. But we were all the time seeking the assurance --

MH: But belief is one thing but the certainty of having those -- I mean the NAO report is pretty critical at that.

PM: Well it's an easy game to play it backwards, isn't it? You know, every project I've ever worked on has to keep moving and you do so on the basis of your best estimate of what the outcome's going to be. So, yes, you know, there are risks in that but they are (Overspeaking)

MH: But risks are not to the Trust at the moment, the risks are to government.

PM: As it happens, yes.

MH: Well, because you negotiated that, didn't you?

PM: And because the underwriter did, yes.

MH: Yes, it was the underwriter.

PM: An alternative was to stop and that was the choice we gave them.

MH: And there was no other way of designing it so that you could have had a more limited exposure?

PM: No, I think if we had known then where we are now we might have -- there are some things that we got -- we needed to do to be ready to start construction, which is to say it's better going backwards, we might have said that it might not have been done.

MH: Like?

PM: Like starting to look at the construction of barges for example, to move the thing up the river and so on. We can show you absolutely how every penny got spent through the process as we've done with the Charity Commission.

MD: We'll give you the chart of how it's spent and what the timing was.

PM: I have no doubt that, you know, as I say, with the wisdom of hindsight you could say, "Well, you know, you could have not done that". All the time the consequences of not doing it would have been delay. We were, in the early days, trying to operate against a deadline that was set by Thames Tideway and then by the fact that we knew we were in an inflationary market for construction. We wanted to get into the market and get a price tied down, which we did.

JH: And also maintain momentum on the fundraising side.

MH: Yes. We'll come to that. But I mean, don't tell me there aren't clauses in the contract that will cost you more because of the delay. So how did you defend yourself against inflation in the contract?

PM: Inflation?

MH: Against inflation in the contract.

PM: You can't defend --

MH: You said you wanted to sign an early -- you wanted to sign the contract early because you wanted to protect yourself against inflation.

PM: Well, no, because we wanted to get into a marketplace in time to tie them down against an assumed programme and we had no reason at that --

MH: Yes, but given the delay, the delay will mean that the contract will now go on.

PM: Absolutely. Yes, of course. But again, that's a case of saying now, knowing there will be delay. But also, all the time we had the ability to stop that arrangement with them.

MH: And then £9 million that you've currently got underwritten by government, is that sufficient or what -- you originally were at 13 and you got £13.5 million from the previous --

MD: Shall we go back to where we were and maybe, Bee, you take us through where we're up to and that'll explain it mostly?

BE: So, we got our contractor on board and we appointed them in February 2015 -- 2016, sorry. And then what we had to do because of delays which were -- there were a number of things but Westminster hadn't started their process so we weren't going to get the land in the timeframe we had anticipated. It was taking them longer than they'd envisaged. Coin Street, we hadn't got -- secured a deal with them.

MH: What was the Westminster delay?

BE: It's just taken them a lot longer to get through the internal process and understand what they're comfortable with, what level of exposure they might have to live with.

MH: And that couldn't have been predicted?

BE: They told us it was going to be a lot earlier than it has ended up being, I mean what it's going to be.

MH: How much longer than they said?

BE: We'd been talking to them for about a year; we were expecting it to start at the beginning of this year.

MH: Explain that. You were expecting them to start the process in January 2016 and they're going to start it probably January 2017.

BE: Yes.

MH: So it's a year --

BE: Obviously they've never said to us, "It will be in a year" it's been kind of month by month or, "It'll be a couple of weeks" or "There's this cabinet decision that's coming up".

MH: And you originally got planning permission from them in ...

BE: 2014.

MH: So mid-2014, I can't remember, was it sort of --

BE: It was the end of 2014.

MH: End of 2014 they said they would start the process 2015?

BE: Yes.

MH: You get into 2015 and they're actually starting 2016.

BE: Yes.

MH: And none of that could be predicted?

BE: No, it's a process they have to go through that they haven't done for, you know, years and years so actually they had to go through a whole --

MH: What do you mean?

BE: In terms of it's not something they do normally. This isn't a standard process that they do and they've got kind of a process in place that they just tick a few boxes it's something where they're exposing themselves to --

MH: What's so different?

BE: -- opportunities for judicial reviews, all sorts of things. I mean that's really a question for them I only know what they've told us which is, you know, that they expected it to be quicker than it was when it's taken longer.

MH: I mean people build on their land all the time, I would have thought.

MD: It's probably helpful to know that we had planning experts who were assisting us and there was no suggestion from them at any stage that that kind of problem was going to be encountered.

MH: Well I was going to say people must build on Westminster -- I don't understand the air and the ground but I mean people will build on their land the whole time. And TfL would build on their land.

PM: It's public open space, isn't it?

MD: Public open space and the threat of JRs I think.

BE: Yes, so you have to remove the fact that it's public open space.

MD: Yes.

MH: Right. But you're not on that -- you're going into that little garden there, aren't you?

BE: No, we're going on the top of Temple Station.

MH: But you're not -- so what's the open space?

PM: The top of the station.

BE: The top of the station is public open space.

MH: That counts as public open space.

MD: Open space, yes. Yes.

MH: Very interesting.

BE: And we also had a judicial review lodged which was lodged on Lambeth Council for the process they went through in order to vary Coin Street's lease to enable Coin Street to enter into a (Overspeaking)

MH: When was the judicial review lodged? Was it before you let the contract or after?

BE: After we let the contract.

PM: Just on the letting of the contract. I said that we needed a contractor aboard. He was aboard under a pre-construction services agreement which is quite usual in the industry, so basically on a fee basis from that point.

MH: Fee for the stuff, the work they would do?

PM: What they were required to do in order to clear the conditions of planning and prepare for construction and so on. When we signed the contract there was actually no additional liability created by doing that than already existed under the pre-construction services agreement, but they were getting very anxious that they hadn't got a long-term contract.

MH: Explain that to me, Paul, I'm not an expert on this.

PM: Normally when you sign a contract you're committing to construction and you'll have all kinds of implications if you walk away at that point like loss of profit. We wrote into the contract that those situations would not arise, in other words that we could terminate at any point on payment of their costs, which is exactly --

MH: On the pre-construction so you only --

PM: And on the main contract, it has the same (Overspeaking)

MH: At what point do you get liable for loss of profit on the main contract?

PM: Never, unless we're in breach.

MH: So why have you got this great big liability?

PM: Unless we were in breach. Because of all the time they spent. The liability to them is not to do with loss of profit, the liability to them is in respect of their costs to date which have basically all been paid and clear.

MH: Sorry?

PM: They'd been paid and clear. The liability that -- so --

MH: So why do you need the underwriting on that?

PM: Because some of that money is being private money which will be subject to clawback.

MH: So you mean some of the contributions you've had from private donors --

PM: Some of the bills that we have paid have been paid with private donor money which is subject to clawback.

MH: And they will want it back if the bridge is not --

BE: Yes.

PM: And so before we incurred those liabilities we spoke to government and the TfL and said, you know, "We actually can't proceed beyond the point when the charity is solvent



so we now have a choice; we stop or it needs to be underwritten". That's what the underwriting is for.

BE: And DFT, when they did an audit, in the summer, of the Trust's position, when Chris Grayling became the Secretary of State they did a full audit and they looked at what the clawback is for and the breakdown of that and so on. So, it's very clear.

MD: And they were very comfortable with, you know, the arrangements put in place.

MH: None of the money is -- all the money, all the private money you've got, that you have spent so far is all subject to clawback?

BE: No. So the operations of the Trust are completely underwritten.

MH: Yes, I understand that.

BE: And we've got some additional funders where the money is not subject to clawback, effectively they are happy for it to be spent at risk. But the significant funders, our major funders, clearly, the benefit of them giving the funding is the project is delivered. So if the project isn't delivered we need to pay their money back.

MH: And how much of the money currently spent is subject to clawback if the bridge never goes ahead?

BE: It depends how you carve it up in -- that's a complicated question but of the money we've spent it's about £5 million.

MH: So the £9 million, £30 million, why did you feel you originally needed 30.5 and then reduced to 9?

BE: We needed 15 originally. We asked for 15.

MH: And you got 30.

BE: We got 15 to cover us through to September and then because we weren't able to proceed with construction at that point because we had the JR, we didn't have the land in Westminster and Coin Street, we asked for an extension to cover us up to the new construction date which we hadn't assessed because it costs a lot of money and a lot of stakeholder engagement to know the exact construction, the revised construction programme. And we asked for £15 million because that's what we had forecast to cover us through to the start of construction. Now, obviously if we stop spending money we can keep it below that £15 million. So what we've done since the new government has given us the £9 million cap is reduced our expenditure as far as possible so that we can never exceed that £9 million cap.

MH: So what are you not doing?

MD: We've stood the contractor down.

PM: We've stood the contractor down, yes.

MD: We had no choice.

MH: So all that pre-construction stuff that you deemed necessary is not happening?

PM: No, we had -- all the work necessary to get us through planning has been done.

MH: So what is not being done?

PM: No construction is being done so they're not starting work, they're not -- we've let the team go obviously.

MD: We let the team go because with all these reviews and with the fact that the deal with Coin Street is not done, we need to know that, you know, we had to get the JRs out of the way and obviously there have been continuous reviews. So now we're in a position where we have the fundraising, which we're going to come to, the fund raisers, you know, the backers are still there and obviously we have a very good pipeline but clearly they're waiting to see what happens.

PM: The original agreement had both a figure and a sunset date on it.

MH: What, the original agreement with the --

PM: The original underwriting had an agreement for September 2016.

MH: Yes, September 2016.

PM: So we just asked because JRs and everything else and because of the assignments with Westminster and Coin Street, we asked for that to be in the same amount but just to be extended for another year, which would -- and then if that had happened then we would have been able to fund the contractor carrying on work so we are more ready.

MH: I'm sorry I'm being a bit dopey, I'm not a builder. So, you've stood the builder down, you've stood the contractor down. They've done enough work to get you through your planning permissions but if this scheme now goes ahead there will be a built in delay whilst they do what to enable you to stop the contract?

PM: As I say, it could go back to -- there's a lot of off-site fabrication that goes on at the front end of the project. Most of the job is not being built in situ it's being built elsewhere. So there was a whole lot of preparatory work for that. Again, they have to buy barges to bring the stuff up river and so on. They will now have to reassemble their team which will have had time. We will get the team together until such time that it was clear that the delay was going to be so long by that that wouldn't represent value. And then basically get all their pre-construction work in place. They have to get their site establishment --

MH: And have you any idea what the additional cost, if any, of them restarting, would you know?

PM: No, I think our best bet -- I think we're now north of £200 million.

MH: £200 million?

PM: Yes.

MH: As opposed to --

BE: £185 million.

MH: And that's assuming a start in 2017?

PM: End of next year.

MH: End of 2017.

PM: Which is probably now the best we could do.

MD: Which is the best we have to do, yes.

PM: Well it's what we have to do.

MD: Shall we go back to ...

BE: Yes, so I suppose since we put the contractor on standby we've obviously been --

MH: But you'll go back to the same contractor, just to get that clear?

BE: Yes. And so the intention was that we could conclude the final land deals with Westminster and Coin Street while the contractor's on standby so reducing expenditure. We've carried on doing that and we have set a date of 16 December to try and conclude negotiations with Coin Street, and, as I said earlier, Westminster have said they'll be starting their process by the end of this month. And that's probably about where we've got to on construction planning and property and so on. And then we've obviously, in parallel, been doing fundraising which --

MH: Can you just get me through Thames -- before we come to the Thames --

BE: Tideway Tunnel.

MH: -- Tideway Tunnel because originally that had -- you know, the idea was that you had to complete this before they started that work. That is now -- they've decided you can do the two together, have they?

PM: I think so, yes. I mean, I think there was a -- it was largely the PLA, I think, it just didn't want any other traffic in the river --

BE: Too much activity in the river, yes.

PM: -- once the soil is coming out of the tunnel. But I spoke to Andy Mitchell who's the Chief Executive of the Thames Tideway and he was fairly new at the beginning of the project and he said, "Look, we're both trying to do something good with the Thames, aren't we? We just have to work this out". They've looked at our construction methodology. The reality is that once our piers are built, the operations to actually put the bridge in place, so they'll come up in massive, you know, 100 metre lengths up the river. They're almost literally weekend jobs putting those things in place. They'll come up -- they'll moor near where the bridge is being built and then the following weekend they'll be swung into position. So actually the interruption of traffic is very limited.

MH: Why would it have interfered with the Tideway Tunnel in the first place?

PM: Because they didn't know how we were going to build it so they assumed that we would be taking up a lot of river space whilst they've got their soil going down the river.

JH: Well, they thought we would be in the river.

MD: They didn't want any traffic on the river and then when they realised we were constructing a lot of it off shore --

BE: Because Thames Tideway Tunnel is being constructed in the exact location of where the bridge is. You know, obviously not on it but --

MH: What, on the north side of the --

BE: North side.

MH: Right.

PM: By Blackfriars.

BE: In the river.

MH: In the river?

BE: Yes.

MH: Right, so it's just quite close so you could actually -- I can see, so if they're taking over the river to -- and putting a (Overspeaking)

PM: Further downstream though.

BE: Yes, further downstream.

MH: Where, by Blackfriars Bridge?

PM: Yes.

MH: So the fear was that you would just --

BE: You'd have too much river traffic on that major construction.

MH: What about the other permissions, there's some river licence?

PM: PLA, yes.

MH: What is that?

PM: Port of London Authority.

MH: What's that for?

PM: Because --

MH: To allow you to use the river? So this is the same thing.

PM: No. They control anything that goes on in the river itself. So you've got the two councils on either side obviously and then the PLA controls whatever happens on the river. So you have to have a licence from the PLA.

MH: Right, and where is that?

PM: Pretty much sorted.

BE: We've got final form.

MH: And was there any problem with that?

BE: No, it's --

PM: Guarantee.

BE: Yes, guarantee.

MH: Guarantee of what?

BE: The maintenance and operations. So we need to have --

MH: Of the bridge?

BE: Of the bridge, so you'll be aware there's a mayoral guarantee which the previous mayor has provided and the Port of London Authority need that as part of their agreement. So it's in a final agreed form, it's going to the committee, I think, December or January and at that point it will be considered by that committee.

MH: Why has there been a delay on that? Because there was another criticism in the NAO report that you hadn't got that licence.

BE: We've got it in agreed form but until we've got the landing site we don't need it until we've got the land and that's when we would sign all the agreements together.

PM: My recollection is they wouldn't talk about it for a long time until the mayoral position was clear.

JH: They want to know where the Mayor was, yes.

BE: They stalled when we had the new Mayor.

PM: There were two licences; there was a temporary licence for the work you do on the river and a permanent licence for the bridge itself.

MH: Right. What shall we go to next?

MD: Fundraising?

MH: Let's go to the fundraising but I've got to find my right bit of paper. Let me see if I've got it here. Sorry. That's expenditure. Brilliant, got it. I've got until August 2016.

MD: Yes, I mean, I think -- sorry, go on.

BE: No, I was just going to say that's probably the latest one provided to the Mayor.

MD: So we are, with virtually all of the names listed on there, we're in continuous dialogue. Obviously there's the press, uncertainty, independent reviews everywhere, it, you know, could have caused a lot of uncertainty amongst the donors but actually they're very robust and the largest there is the Monument Trust. We presented to their trustees, what, a couple of weeks ago. They remain hugely supportive as do virtually

all of the donors on the list. We have a pipeline, a very good pipeline. I think the challenge with the pipeline is a number of the large independent donors and corporations obviously want to see whether the bridge is happening and so I think there's a degree of uncertainty amongst some of the future donors but the ones that are already committed remain hugely supportive of the project.

MH: I've read that you've lost some.

MD: Well, I think you read in the paper that we'd lost some.

MH: Yes. Is that true or isn't it?

MD: Well, I mean, there was one company that was very engaged and very committed but there was a change of CEO and the new chief executive didn't want to do the project because (Overspeaking)

MH: Is that one of your anonymous or one of the --

MD: No, it's not on the list.

BE: No, it's not in there.

MD: So, you know, yes, it was nothing to do with the project itself it was to do with the change of chief executive in that company.

MH: And it was quite a big sum. I think it was £75 million.

MD: No.

BE: It was £10 million.

MD: No, it was £10 million.

MH: So the stuff in the press about you having lost £75 million is wrong?

MD: Is not true.

MH: Not true.

BE: Is wrong.

PM: I think it also has to be said that in any fundraising exercise you are in dialogue with people over a period of time and some harden and produce the money and some decide for all sorts of different reasons, including changes in leadership and problems that are encountered, as indeed was the case with one particular donor. Because the problems that they encountered with their own side of this, which was a project that they wanted to get involved in which was going to augment what we were doing with the bridge, and the planning and the problems that they encountered meant that they couldn't deliver it so they had to withdraw.

MH: This is the guys for £10 million, the £10 million guys.

PM: No.

MH: This is somebody else?

PM: Yes.

MH: Right. How much cash in the bank?

BE: Cash in the bank today?

MH: No, out of all these -- I'm --

MD: Well, I think you've got to assume that everyone on that list is pledged with a written, you know, agreement to donate the money with certain clauses that, you know, we can only draw on the money when they know that the project is happening. So --

MH: So all these, if you started the contract tomorrow, this comes to -- I mean, take off the -- I mean it's £130 million so it's £70 million here, isn't it?

BE: Yes.

MH: That total £70 million is absolutely 100 per cent, copper bottom certain if the bridge starts?

BE: Yes, so some of those are conditional on --

MH: Yes, but or (Overspeaking)

MD: No. Yes. I mean there is a bit.

PM: We saw Monument last week for example who I think were on your list.

MD: Yes, they've got to know that the project is happening.

MH: Yes, that's why I said, once you start.

BE: Yes, so most of the --

MH: I did say that.

BE: -- funders have spread their giving over, say, three years, so throughout the construction. So they will give one major payment on start of construction and then they'll give another payment a year later, a year later.

MH: Yes, but they're all committed.

BE: So as long as you are progressing and the bridge is going to be built then you can draw down on a regular basis (Overspeaking)

MH: Okay. So that's £70 million.

MD: Yes.

MH: And then on top of this bit of paper you're clearly talking to other people all the time.

MD: Yes.

MH: Can you add to that?

MD: Well I think that, you know, there's the nature of the dilemma really because a number of the potential donors who we have want a little bit more certainty. They obviously want to know what's happening with the various reviews because obviously it delays the project and the JRs are out of the way but clearly the reviews have had a big impact on their willingness to sign something. But I think we're, you know, confident that the pipeline is strong but clearly there has been uncertainty and press around the project.

So, whether it's individual donors or corporate donors, you know, we've got blue chip names. All of them, you know, passed the -- you know, they're all acceptable very respected figures and it's a blend of individual donors, corporations and trusts. And so, I think once we show that the project is happening then we're confident that we can get some others to add to the list and get the money.

MH: But beyond the 70, you haven't added to the 70 people who, you know, the first sort of hole in the river or wherever you're going to do it, will say yes. There's nobody in there that has sort of signed a bit of paper --

MD: No. I think just to be specific, you're saying if we're digging --

MH: Once you start --

MD: -- if we're digging in the river --

MH: Or whatever.

MD: Yes, or whatever, are we -- do we have other names that would give money? Yes, we do. But I don't sort of -- you know, these are all signed, agreed, whereas we do have other names that would commit if we were in the river but, you know, they're not signed.

PM: It has to be said we have names that are reserving their position until such time as all this is over.

MD: Yes.

MH: Pardon?

PM: We have people who've said they won't put it to their Board while (a) the Charity Commission, and (b) your inquiry are going.

MH: Well, the Charity Commission will take forever.

MD: No.

PM: I don't think they will they've said it will be this month.

BE: Yes, the report went to their committee last Thursday.

MH: Did it?

BE: Yes.

MH: Right. So, you're at 70, plus the 60 brings you to 130. You've got to get another 70 in if you're at £200 million.



PM: I think our feeling was we want half of that before we start.

MD: Yes.

MH: Another 35.

MD: We want to get -- we need another 35 before we start.

MH: And?

MD: And what?

MH: So, is your view -- I mean, I don't know how close you think you are to that.

MD: Well it depends how long you take. It depends --

MH: Okay, if all these things finish and let's say they're all all right, what's your view on where you get to on the --

MD: Well, you know, I think as a group of independent unpaid trustees, that's a tough call. We have to be very responsible in terms of making sure that the pipeline is robust, making sure there are signed agreements. But if you're asking us specifically today, do we think we can raise the money? Yes. But it does depend on timings because time is -- you know, we're into November. It depends how long your review takes, it depends what happens on anything else that, you know, comes up. So I think it all depends on the timing really, because as the clock ticks it eats into the time that we have to raise the money. So --

MH: Why? You can just, you know --

MD: Well because why would anybody -- you know, going out and selling --

MH: Are you selling it at the moment? Are you trying to sell it at the moment or are you holding a bit?

MD: Well, we are. We're holding a little bit because inevitably the conversation starts with, being very specific, "When is your review going to be over?" We don't know so we can't tell them when it's over which puts us in a very difficult position as trustees because I can't say --

MH: My review is not going to say stop it and start it.

MD: Sorry?

MH: My review is not --

MD: No, but it gets a lot of --

MH: I keep saying this, my review is not --

MD: But you're a prominent --

MH: -- a review --

MD: -- but you're a prominent person and you get a lot of press coverage and therefore, for us, as trustees, selling the project to corporations, if a board of directors or indeed, you know, potential individual donors, inevitably they're looking for a little bit of certainty.

MH: Okay, so we're -- just so that I've got this completely clear, the £70 million here is certain. There was a £10 million that's gone, that was certain, that's on top of the £70 million.

MD: No, hold up. That's not accurate.

MH: Okay.

MD: The £10 million was a prospect --

MH: That's gone.

MD: -- that somehow leaked out there. It was never -- you know, look, we have a number of companies, that is the list that matters.

MH: Okay.

MD: Those are signed and pledged and we're in active dialogue with all of them.

MH: Okay, but this list has not changed since August?

MD: No.

MH: Either plus or minus.

BE: No.

MD: Yes, it hasn't changed.

MH: And you would now be looking at raising another £35 million before you restarted the contract?

MD: Yes.

MH: Can I just ask, I mean, this is my -- why are so many anonymous? Is -- go on.

BE: So, on that list the people who are anonymous are people who either want to remain anonymous. For whatever reason they don't want recognition, that's how they give, that's what they're about.

MH: That's usually individuals, isn't it?

BE: It's usually individuals but there's a couple of companies in there.

MD: No, there's a couple of corporates, yes.

MH: I know there are, that's what surprises me.

MD: Well they will -- there's one or two corporates that will not be anonymous once it's announced. What they don't want is --

MH: Is bad --

BE: They don't want to make an announcement when (Overspeaking)

MD: -- you know, is -- they don't want to make an announcement --

MH: And why is a foundation anonymous? That's sort of --

MD: Sorry?

MH: A foundation anonymous, why is that? Just so that -- I mean, it's not really sort of -- it just seems a bit odd.

BE: That foundation is always anonymous, that's part of their principles.

MD: Always anonymous.

MH: Always anonymous.

MD: Yes, it's a huge donor to artistic organisations, museums in the UK, always anonymous.

MH: It always does it anonymous. So really the one, the family company anonymous will, once it goes ahead, will --

BE: Don't know. At the moment they've said they want to remain anonymous and they've been consistent for three years.

MD: Not sure actually.

MH: Okay.

BE: And then the companies will probably make an announcement but obviously they want to tie in any announcement with the best possible press coverage they can get.

MD: What they don't want is to be -- yes, they want the best.

BE: They're not going to choose how to do it.

MD: To be honest they want the best possible PR for their brand when the project is happening.

PM: It's also, in my experience, not at all unusual.

BE: No.

MH: No, I mean it's the first one I've looked at.

PM: (Overspeaking) I recognised it as something which our opponents are making hay out of but it's not at all unusual.

MD: It's normal.

PM: Yes.

MH: Now, the other thing is when you originally -- this went ahead, and I'm going to get my figures wrong but I've got them somewhere here, the original idea was that you would spend £8 - 9 million on pre-construction and the rest on construction. Do you want me to check the figure?

BE: No, it was about £20-odd million on pre-construction, £10 million of that was spent before we took over the project in July 2015 by TfL.

MH: Let me just see because I have a different figure.

MD: Yes, I think we should also explain (Overspeaking)

MH: It's probably £9 million plus.

BE: Yes.

MH: Let me just see. I'm really sorry about this.

MD: Could we also just go through the public money and be just, you know?

MH: Yes.

BE: The make-up of the £60 million.

MD: The make-up of the public -- the £60 million and what comes back and (Overspeaking)

MH: Yes. Well, there's a £20 million loan, I've picked that up, which seems to be a bit of a funny loan, you know, paid back over 50 years or something like that.

BE: So it's a £60 million contribution, £30 million from the government, £30 million from the Mayor, and those were grants that were given right from the outset when we were set up. And then obviously October last year Lib Peck, who's the leader of Lambeth Council, and Sadiq Kahn, who was then campaigning to be mayor, raised concerns about the public sector funding (Overspeaking)

MH: Yes, and then we went to 20 -- I saw that.

BE: And so we negotiated the £20 million then.

MH: Yes, I saw that.

BE: And then the £30 million government funding, that we received, we paid back about £20-odd million in VAT.

MH: In VAT, yes.

MD: And that's because the bridge is free for pedestrians, individuals walking across. Had we charged --

MH: You wouldn't pay VAT.

MD: -- we wouldn't pay VAT.

MH: What ridiculous rules.

MD: Yes.

MH: Right. But I am getting to this how much you've said, original. It may be that the, I think the original letter from Osborne to the Mayor saying he agreed to his £30 million except he said -- can you remember it? I have got it somewhere so it would just be helpful if you could remember it; how much of that, of his £30 million was going to be on pre-construction.

BE: How much of Osborne's £30 million was going to be spent on construction?

MH: Yes, it was eight or nine or something I just can't --

BE: Yes, it probably would be about that because if pre-construction works were going to cost approximately £20 million, the original funding agreement the payments were going to be made on a pari passu basis so DFT's monies and TfL's monies would be provided to us equal amounts. So then it would make sense that the --

MH: It was about -- was it £8.9? Have I got the figure wrong?

BE: I don't know (Overspeaking)

MH: I've got it somewhere but it will take me about half an hour to find it.

PM: We can look.

BE: Yes. We're not privy, no, sorry, to all the correspondence between the Mayor and --

MH: But you've spent much more than that, haven't you?

BE: We've spent more than £20 million, yes, because of various delays. So, for example, the Lib Peck, Sadiq Kahn intervention in October last year caused three months of delay which has an impact on when we can start construction then has an impact on when we can finish construction and that has an impact on money spent or the cost.

MD: And as a group of trustees, obviously TfL sit at every Trust meeting and then separately we have had continuous meetings with an assortment of trustees with the Department for Transport who have remained, (a) hugely supportive, and (b) very engaged in the project and have had, on a continuous basis, updates on where we're at, what the challenges are, and what the issues are.

MH: They couldn't have been that committed because they did a letter of direction, to be absolutely blunt with you. You know, it doesn't sound like -- there are very few -- as you know --

MD: No. Well that's the politics of --

MH: No, it's not the politics. As you know, the civil servants rarely use letters of direction; it's very rare. I mean, there have been -- you know, in the time that I was chairing the PAC I think we had a handful of them. There were hardly any which hardly shows commitment from Philip Rutnam that he felt he had to issue a letter of direction, does it?

MD: Well they've been very engaged, very supportive.

PM: Well, we haven't seen him, have we?

MD: We haven't seen him.

BE: Yes, but also our relationship is --

MH: Well, he's the accounting officer.

PM: Yes, I know, I worked for him but he's --

MD: We haven't seen him.

MH: By the way, just go back, on the pledges, the actual thing that was in, you had £85 million pledges and that's reduced to £69 million. Is that wrong?

BE: No, that's about right, yes.

MH: That is right?

BE: Yes.

MH: So the pledges have gone down from £85 million to £69 million?

BE: Yes, they have. Just over £69 million now.

MH: Yes, so there has been a reduction in pledges.

BE: So there was the £10 million that we spoke about which was a pledge and then the change in leadership led to that being taken away, and then there was another corporate which had actually the exact same scenario. And so those pledges were quite -- you know, were committed pledges and we were far advanced in negotiations but obviously (Overspeaking)

MH: Okay, but if we just get it accurate. And then, so you're now assuming out of the £60 million, which I understand £20 million is available and I understand £20 million goes back in VAT, but out of that £60 million expenditure how much will go on pre-construction?

BE: So we've spent £36.4 million to date.

MH: And how much more?

BE: Sorry, how much more?

MH: Is likely to go on pre-construction.

PM: About another £10 million but it won't -- it doesn't all fall to the guarantee of course, just counts.

BE: Yes. If we were continuing to construction start next year, say, the end of next year, we would spend another approximately £10 million to get to that point.

MH: So out of the £60 million --

BE: Of public sector money.

MH: -- out of the £60 million of public sector, getting on for £50 million is pre-construction?

BE: Or £44 million.

MH: £47 million. If you've spent £37 million, blah, blah, blah, and you're --

PM: No, it would be £45 million, won't it because it's capped?

MD: I think it's capped, isn't it, yes?

MH: Capped? Where is it capped, I didn't see --

PM: The reduced guarantee.

MH: It's capped in the department. I haven't seen that.

BE: So, the underwriting is capped at £9 million.

MH: Yes, I've seen that.

BE: But the access we have to the funding, if we were to go ahead, is linked to the construction contract.

MH: Right.

BE: So the remaining money we can draw down on is linked to conditions in the funding agreement which --

MH: Right, which caps your pre-construction to £45 million.

BE: No, the £45 million is the underwriting. The £9 million underwriting is the cap that falls with those.

PM: It's £45 million if we stop.

MH: Take me through that again just so I've got it clear in my mind.

BE: So we've spent £36.4 million. If we stopped the project today we have access to up to £9 million --

MH: Yes, which is your £45 million.

BE: -- which is the £45 million. If we're going ahead, going through to construction, we can draw down on -- there's £20 million that we can draw down once we have started construction and that's the loan monies and we have to request it and then -- and we can request as much as we like; it's split in two sections of £10 million.

MH: The one to TfL is.

BE: That's the loan monies. So effectively once we start drawing down on that £20 million that's monies we will have to pay back whereas the £36.4 million we've drawn down to date is grant money. And then we have a further £7 million that we -- oh, sorry, a further £5 million --

MH: I don't understand that. I'm really sorry, I'm getting a bit muddled here because I thought as you were spending money it was coming 50 per cent from government, 50 per cent from TfL. I thought that that was how they -- that was the deal. You're now telling me that actually at the moment more of the money that you've spent, the £36.7, more of that is government money than TfL money.

BE: If you include the underwriting, yes.

MH: No, forget about the underwriting. You have spent £36 - £37 million.

BE: Yes.

MH: Okay? You're now telling me that that doesn't cover £20 million that you're --

BE: No, sorry --

MH: Out of TfL's money, £20 million is a loan.

BE: Yes.

MH: Okay, if you divided 36 by half you're 18 each so that means you're into the TfL loan already if it's half/half. But you're telling me it's not. Sorry, I'm muddled.

BE: The way I understand it is the money we've drawn down at the moment is grant monies.

MH: But it can't -- my understanding is that it's literally ding/ding, it's half/half.

BE: We don't necessarily know the full arrangement between DfT and TfL.

MH: I don't know why -- the arrangement is half/half, as I understand it.

BE: And we've received half/half.

MH: So you must have received some of the loan money, because out of the £30 million, £20 million is loan. You've already spent £8 million of that loan money. I will ask TfL. So I think you will find -- so I don't know why you've been told that the next bit you did -- you know, you'll get -- their agreement is that -- you know, it's all managed by TfL.

BE: We only have one funding agreement (Overspeaking)

MH: Yeah. I understand all that.

BE: So we're not privy to the conversations that go on between DfT and TfL as to what the arrangement is.

MH: No. Okay, I will find out that out but I think you're already into that. If you start tomorrow, you will still have some preconstruction costs, won't you, if you start tomorrow?

MD: Yeah.

MH: You've so far spent £37 million on preconstruction costs. So let's forget where the money comes from at the moment, whether it's loan or whatever. You will then have



another 47 -- you will have spent about £50 million, that's where I'm coming to, about £50 million. You will have spent about £50 million on preconstruction costs if you get the go-ahead tomorrow. Yes?

MD: Yes.

MH: Right, thank you. Can I go a little bit to the outlined strategic business case? We've all looked at the outlined strategic business case. Did you have a hand in writing it, or is that all TfL?

BE: It's all TfL.

MALE SPEAKER: Was all DfT, wasn't it?

MH: No, it was TfL, I think it was. Just out of interest, for you is there a business case for doing this, or is it just this will be a fantastic thing to add to London?

MD: Well, I think there's a number of issues here. It's an iconic project. The original plan was that there was a need for extra bridges in London; a pedestrian case as well as, you know, creating an iconic project. If you go back --

MH: 800 extra people going across the bridge every day from commuters. There are visitors who will come - you hope - and look at this (Overspeaking)

MD: The estimate is, as you know, seven million a year.

MH: Yeah, but it's 800 -- somewhere I've 848 something extra commuters a day.

BE: I don't recognise that number.

MD: I don't -- that number, I don't --

MH: Extra, of which it might be people using it twice a day so it would be 420 people.

MD: I don't know.

MH: You've seen the business case, haven't you?

MD: Yeah, we have. But --

MH: Well, that's where I've got this from. You see, just to be accurate, and I'm really sorry about this --

BE: But we've done -- the pedestrian figures that are in that business case, we've done a lot more work on pedestrian figures since the date of that. So some of those numbers are potentially out of date.

MH: 864 people walking across the bridge per day.

PM: I don't recognise the number, to be honest (Overspeaking)

MH: It's in the business case, I'm pretty sure.

PM: The business case was for the Government to satisfy itself that it should give the grant.

MH: I'm just trying to work out whether there is a -- whether you think this is -- you know, I think there is nothing -- it's perfectly all right to say there are things you do to enhance London. You know, I can think of loads of things that (Overspeaking)

JH: Margaret, when we began the conversation I thought you said that we were not sitting here examining whether or not this was a good idea or not.

MH: I want to see whether there are business benefits to this.

JH: Isn't the same thing? In other words --

MH: Okay. To that extent --

JH: --because that goes straight to the question of whether it's a good idea or not. Isn't that what that's about?

MH: I'm looking at the financial side of it, not the "Is this a beautiful idea?" It may well be that you end -- this may just be -- in an odd way, if you really want to know, if people just thought this is a lovely idea we might not be where we are today. But there was a cold justification on costs and benefits.

JH: I'm sure that you would expect us to say this, but if the question is do we think that there is a business case for the bridge, most emphatically yes.

MH: Go on. Well, explain that to me. Explain the business case to me.

JH: But that goes to the beginning of this conversation.

MH: Okay. I do therefore need -- in that context I need to understand that.

JH: But that goes exactly to the point we were discussing at the beginning of this meeting, when you said that you were not here to examine the reason why this bridge is going to be built or not.

MH: No, I am here to examine whether or not -- whether there's value for money.

JH: Well, that's very different to the way that you introduced the meeting.

MH: Sorry. Okay. Well, apologies if I described the -- I'm not here to say, "Do I like the idea? Don't I like the idea?" I'm here to see whether there is a cost and a benefit, whether it's value. So I've got to understand the cost-benefits. Haven't I?

PM: It's not what the charity was formed for though. By definition, if it was totally justified by a business case there would be no need for a charity.

MD: Yeah, I mean it's a charity that's raising --

MH: Well, just explain -- I don't know whether you're trying to avoid answering the questions.

MALE SPEAKER: No, not at all.

PM: We are not doing it because of the business case. Otherwise we'd be businessmen and we'd be charging a lot of money, both for our time and for the use of the bridge. We're doing it because we think it's a great thing for London.

MH: Okay. Where do you think there is a business case for it, because you do?

PM: It's up to TfL to tell us whether there's a transport case or not, and they do. I don't think we ever believed there was a transport case for this bridge; for a bridge, by all means. You could have satisfied the transport need with a lesser bridge, I have no doubt. But beyond that it's about tourism. It's about inward investment. It's about, you know, joy.

MH: Yeah, I can see all the joy.

PM: That's why we are doing it.

MH: Do you remain as committed maybe to the TfL uplift in land values and investment that they put into (Overspeaking)

MD: It's a regeneration of the whole area.

MH: Which area?

MD: Well, let me finish. You know, if you look at the plan to regenerate Temple Tube station and then you look at what the long-term aim was that that area is really in need of refurbishment and regeneration --

MH: The north of the river.

MD: On the north side. That was always something that they've had a lot of civil issues. That was always the plan, that that was an area that needed a bit of work. This helps achieve that at the same time as creating an iconic project. I think that for us as trustees - unpaid trustees - we remain as committed to this project as we were three years ago when we started. It is a fantastic project for London. It does create something iconic and special, and the vast majority of money is from the private sector.

MH: Should be from the private sector. I'm just interested -- you really think that regeneration -- what gives you the confidence that the regeneration of the north will be enhanced by the bridge.

JH: Partly because the business case was submitted to both planning authorities in connection with the obtaining of planning permission. So those independent authorities reached the conclusion that there was a justification for this project.

MH: I'm asking you really, not the -- I'm asking you.

JH: I know. But I mean the business plan sets out -- I think, in fairness, Margaret, if we are here to explain to you the business case then I think we have to have an opportunity to remind ourselves of its contents because otherwise this is a very superficial conversation and I think we ought to come back and revisit it.

MH: Okay, that's fine. Fine. I mean I have looked at the outline business case. But I mean it may --

JH: Because otherwise it's a kind of, "Yes, it is", "No, it isn't" conversation.

PM: I don't think we own the business case. I don't think we should. It's for DfT to decide whether they want to put money in and whether there's a business case for that. It's for TfL to decide whether there's a business case and put money in for it. They put £10 million before we started for the same. It's for a charitable trust to decide whether

there's sufficient benefit to them to give us a donation. Our business is for the beneficiaries and for the prudent care of the money entrusted to us. I don't think presenting a business case for the project is our job. We're a charity.

MH: You have no interest in a business case?

JH: Of course we have an interest. (Overspeaking)

PM: We have some passing interest, of course.

(Overspeaking)

MD: We are a charity. We are charitable trustees. Of course, we have an interest in it.

BE: We've got four charitable objects and none of them talk about a business case.

MH: What are your charitable objects so we can --

BE: Our charitable objects are about building a bridge for public benefit, and about horticultural education, and kind of sharing of that and benefits for the local communities and so on. It's not about the business case for the bridge.

MH: Just talk me through -- if you want to drop me a line on the business case, if you want to have a look at it, that's fine. If you don't want to comment on it, that's fine. It's up to you really.  
There's a lot of, as I read the documents, on comparisons with High Line in New York. I've never seen High Line so just talk me through that a bit.

MD: High Line was a disused rail track that --

MH: Much bigger though, isn't it? That's what everybody says.

MD: One that doesn't go anywhere. It doesn't have a public purpose.

MH: It's a destination.

MD: It's a destination. It obviously has had huge success. As you know, it's got three to four million visitors. It's become very iconic in New York. It's become in the top three tourist attractions. We have learnt a lot, consulted with them on a regular basis. A number of the trustees have been there and met with the trust to understand what's gone well, what's gone badly. We've learnt lessons of good practice, bad practice that they've had on how you run a project like this as a charity. I think it has been a huge success.

MH: What makes you think you're the same? What do you yourselves as being different? Obviously there a lot of assumptions there from that experience.

MD: I think the two things that link them together is the garden. We're creating a pedestrian walkway with an iconic garden. Whilst that is not a walkway, there are many lessons to be learnt on, you know, security, on rubbish handling, etc, etc.

JH: Maintenance. But also you could very strongly argue that the project we're involved in is significantly more enhancing to a city than the High Line. Because the High Line, as we all know, runs up the west side of Manhattan and is a destination itself. It does not connect two sides of the river in the way that the Garden Bridge does.

PM: It's probably in an area that's more in need of regeneration.

MD: Yeah, it was an area -- I was there last week.

PM: But that's not why people go.

MD: Yeah, exactly. Yeah, so it's regenerated the area.

MH: There are quite a lot of assumptions about income generation. This is where we're obviously coming into the High Line. I'm just interested in where you think you're the same or where you're different. I've seen quite a lot written on this. You know, I can see lessons learnt from maintenance, although presumably people walking through will be a different thing than to your destination. What have you, as a trust (Overspeaking)

MD: They've had great success on selling, you know, models, on selling photos of it, on having your photo taken on the bridge etc, etc. So I think that, you know, whether they're now moving to having kiosks outside, you know, where you've got models etc and photos. So I think that in income generation there's a huge amount that we can learn from them.

MH: So there's merchandise?

MD: It could be merchandising, could be licensing of products, it could be -- there's a whole -

MH: Licensing? Take me through that.

MD: Yeah. So if you think of a little model of the bridge, we are a charitable trust but we have a trading company that we've set up. They have been looking at the licensing of products. They've been looking at all sorts of ways in which we can create income once the bridge is built. Apart from the High Line there aren't many bridges in the world - we can't think of any - that have got such iconic status. The product applications -- we have spoken to specialists in this field, there will be many opportunities for us to create licensed products. A company -- we give them a licence to sell our product and create it and we take a licence fee.

MH: What sort of products? I'm really trying --

MD: Little bridges, photos --

MH: Like London Bridge.

MD: Yeah. You know, like you have in Tower Bridge and London Bridge. Look at the Tower itself --

MH: So it's merchandise sort of (Overspeaking)

MD: Merchandise product. It's true to say we have keen interest from a number of product licensing companies, merchandising companies, who would like to be involved once they know that there's certainty.

PM: I think one particular lesson we learnt from them is about naming rights. They discovered they'd given too much away for too long and therefore struggled to have

something to offer people to pay continuing maintenance operation costs. And we've therefore been careful to put (Overspeaking)

MH: Merchandise is a very small part of your maintenance, isn't it?

BE: For our income generation, it's quite small in that business plan because at the moment we don't have a physical presence. Over in the Tate, you know, you walk through a Tate shop, it's enormous. People buy spontaneous gifts. Whereas at the moment in that business plan we're relying on a just online presence. The advice we've got to date is that, yes, we've probably been quite conservative in our plan, but with an online presence you're unlikely to generate as much as you will do if people are walking through a shop.

MD: As much as you would with a shop. We don't feel that it would be appropriate at the moment to commit as a trust to a shop or premises because --

MH: Where would you put it? My feel when I think about this, if I'm honest with you, it's so much smaller -- it's not like -- this High Line is huge, isn't it? The area is bigger. So at some point they run --

BE: It's longer but it's much narrower.

MD: It's much narrower, yeah.

MH: But they do run all sorts of events on there, which you won't be able to do, will you?

BE: They have events, but some of their events are things that can happen when it's open to public. They're things where the local community and people get involved. It's not (Overspeaking)

MD: Local communities (Overspeaking)

MH: They're not money-making then?

BE: No, but then you can sell your products because you have more pop-ups and more things that are, you know, partnering with people, things that you can sell.

MH: You think you're going to have pop-ups on the bridge, do you?

BE: There are spaces that you could have pop-ups on either side, so on the top of Temple Station and on the top of the South Landing Building. There's over 400 square metres of space that you could use.

MH: Are you as optimistic that you can raise money from events on the bridge as High Line?

MD: Well --

MH: I mean I'll tell you what I feel when I read your -- maybe I should come straight out with it, I do think it's -- there is a sort of optimism element in many of the sort of figures that you've put in as -- in your operational review. I mean I'm more sceptical than you are maybe.

MD: Well, we're business people so we've -- you know, you look at the --

MH: Remember you're underwritten. That's the point. That's the public expenditure point.

MD: No, but remember we're an independent volunteer trust.

MH: But you're underwritten.

MD: We won't be when the bridge is up and running. We are trustees of a charity. So we have to --

MH: But you still have an underwriting from the Mayor, the GLA, for the maintenance costs.

MD: We will need to be certain as trustees that we can (a) generate the income, and (b) run it efficiently.

MH: 70 per cent of your running costs you've assumed you'll get through philanthropic ways. Whereas the Tate, V&A - all your comparators, and I question about giving comparators - are between 10 and 30 per cent. How on earth do you think that is really --

MD: Say that again, sorry.

MH: 70 per cent of the running costs -- this document here --

BE: Can I just ask the date of that business plan?

MD: When is that?

MH: The one that I've been given. It's presumably the one that you've got there.

MD: It's continuously updated.

BE: Because it's been -- it's gone through a number of refreshes (Overspeaking)

MH: Well, I have no idea. March 2016 is the one I've got.

BE: Yes. So we've got a much more recent version of that that we've (Overspeaking)

MH: So what's the 70 per cent down to?

BE: I don't know off the top of my head, that 70 per cent figure --

MH: Well, 70 per cent is in this one. Has it gone down a lot?

BE: I'd have to go through the plan. I mean the March version, I don't remember --

MH: I mean you're telling me the stuff I'm looking at is out of date. You must have some vague -- you must be clear as to what are the obvious income -- all I can tell you is Tate, V&A, etc, etc, all get between 10 and 30 per cent from philanthropic sources. This one, unless it's massively changed, is 70 per cent.

MD: I'm chairman of the Royal Academy Trust, okay, which is £35 million of turnover and has about £1.4 million visitors a year. The merchandising opportunity and retail sales are huge at the RA, as they are at the Tate. The Tate is slightly different, as is the Royal Opera House, because they have partial Government funding. So if you look at the --

MH: Royal Academy?

MD: Yeah, the Royal Academy has £34 million of turnover. I'm the chairman of the trust. The retail establishment is obviously hugely successful. So if you --

MH: Good. Ironically you haven't put the Royal Academy in.

MD: Because it doesn't take government funding. It may be that's why it wasn't (Overspeaking)

MH: Does Historic Royal Palaces get government funding? I don't think they do, do they?

MD: I don't know. I think the merchandising opportunities, the event (Overspeaking)

MH: Merchandising is a very small element here.

MD: (Overspeaking) and the events opportunities --

MH: Merchandise -- let me just put -- see what you've put in here, okay. Sorry to interrupt you. The merchandising is £50,000 rising to £54,000 in the five years you've covered.

BE: That's because at the moment we're assuming a conservative, just online.

MD: And events --

MH: It's a tiny element to say that even if you doubled that, to £100,000 --

BE: Which it has in the garden plan.

MH: Well, big deal on £3.1 million or £3.2 million. That's not going to make all the difference.

BE: No, but we're not making up figures. Those are the numbers that we believe (Overspeaking)

MH: I agree. So --

BE: -- conservatively that's what we think is doable.

MD: So events, corporate events. Then you've got the whole issue of an endowment. We have already had some money pledged for an endowment which is separate from the numbers that we've talked about. And it is our intention to build an endowment which will get recurring income. At the same time the opportunities to generate income from the number of nights that have been allocated is significant.

MH: How much is pledged for the endowment, can I know that?

MD: No. Well, I mean it's £2 million.

MH: £2 million?

MD: Yeah.

MH: That's a pledge on the assumption -- and you have -- to get the income you want from the endowment you have to get to £8 million? I can't remember (Overspeaking)



MD: We think £8 to £10 million is very achievable on an endowment, yeah.

MH: But so far, in terms of money in the bank --

MD: Well, you wouldn't expect us to be able to achieve money for the endowment until they can see the bridge is up.

BE: What we said in the plan is we will complete the capital campaign and then leave a few months before starting an endowment campaign.

MH: So the idea, therefore you're saying, is you would start the construction --

BE: Before we have the endowment.

MH: -- before you have the money for the maintenance, ongoing maintenance?

MD: Yeah.

MH: And so far you have £2 million which is pledged subject to -- but certain, in the same way as your £70 million is certain, that is pledged to if the bridge goes ahead. Is that from companies or trusts?

MD: It's from a trust.

MH: It's from a trust?

MD: Yeah.

MH: Going back to -- given that merchandise is a tiny bit, if I go back to my 70 per cent, fundraising, corporate membership, contactless public donations (Overspeaking)

MD: Patrons' programmes, all the usual things.

MH: All that is what gets me to my 70 per cent, which is much higher than -- because, I mean obviously you're in a position where you're not charging people to go on the bridge, so you are much, much more dependent on the same sort of people emerging. It's whether they are --

MD: I don't think so. I think if you --

MH: -- corporates or whether they -- you know.

MD: If you look at the Roundhouse theatre, which held its chairman's event last week, it raised £612,000 on the evening. You know, I think if you look at the patrons' programme that the Tate, the RA, everybody (Overspeaking)

MH: It's a different thing.

MD: No. We've already got a huge number of people who would be willing to be patrons. So I think if you looked at --

MH: What's your huge number?

MD: I mean, to be honest we've stopped selling the patrons' programme because we can't -- you know, we've got nothing to show them. But the reality is that --

MH: So what did you get to?

MD: Well, I'm not going to be drawn on that. All I'll say is that if you look at the other equivalent organisations with events, dinners, with patrons' programmes, with pop-ups, you name it, we believe we can raise the money.

MH: But if not you're underwritten by the public sector.

MD: We, as a trust, as independent trustees, would have to take a view at the right time that we can raise that. We do believe that we can raise that.

MH: But there's no -- you are underwritten by the public sector so it's a sort of -- just -- you don't believe that your figures at the moment, on raising the money to cover your maintenance charges are optimistic. You're pretty sure they're conservative, do you? I mean I have to say, for example, I don't quite get -- you see, if I'm a corporate member of the Garden Bridge Trust, let me take that one as an example, what do I get? I pay you -- I can't remember, £25,000 you're charging corporate members? Twenty-five thousand pounds is what you'd suggest a corporate membership would give you. What would you get for that?

BE: I think it's in the plan but effectively you would get opportunities to -- you would sponsor things, you'd have your name on things, you'd be able to -- basically brand. You would get brand opportunities.

MH: So you mean -- okay. So BP would be on all the stuff that you do?

BE: Yes, something like that.

MH: Better not mention that I said BP, just as an example. They would be on your what? If I'm a pedestrian, I go onto the Garden Bridge, you're trying to get 10p off me somehow because I donate that because I'm a good person, what do I get from you that would give them the BP logo?

MD: Well it could be that we might develop -- we have got a Youth Board, as you know, of youngsters from the locality. One of the things we have been toying with is linking with schools across the UK and really creating engagement with the schools, with the youth programme. We have got a couple of companies that are interested in that because of garden, because of ecology, because of environmental issues. I'm not going to give you the name but there are one or two corporates who see this as an iconic project, that could be very relevant from linking in with youth and having their brand associated with it.

BE: They'd get things like invitations for say X-amount of staff to go the annual chairman's event.

MH: That's one thing. That I have got from the --

BE: Or access to volunteering opportunities with, you know, the partnerships that we've created with some of the local organisations and communities. It's things like that. They would have a sort of priority, I suppose, to access some of those opportunities.

PM: They get their name on one of the booths too, won't they? There'd be an acknowledgement board, as there is in most arts buildings.

MD: People are, in this day and age --

MH: I think I'm more sceptical. Twenty-five thousand pounds buys me -- I come to the event once a year. I have my name on a placard. I can understand that. I'm given the opportunity to volunteer, which I might do anyway. I don't need you to get me volunteering.

BE: Except the corporates actually are really keen on, you know, volunteering opportunities in gardens or, you know, different, unusual kind of team bonding exercises. There are people who said --

MH: What do you mean? I don't know what that means.

BE: For example, there would be a garden volunteering day on the bridge, and 25 of their staff would come down and do that with our head gardener, some of our staff, etc, etc. That seems to be something that some of our corporates have (Overspeaking)

MD: Actually employee engagement is more important than actually naming for the corporate sector. They have much more interest in linking in with schools across the UK, or maybe the head gardener, or Dan Pearson as the designer, really linking in on environmental issues with the company. So actually the actual naming on the bridge is of very little importance to the corporations. What they want is employee engagement and maybe an involvement in some way with the bridge. The companies that we've been discussing this with have a huge interest in that aspect, and very little in naming. If you're naming you've probably put a few million, or whatever the number is, into having a garden.

MH: I just draw to your -- I mean in your own document here you're assuming £25,000 for corporate membership, whereas the National Portrait Gallery, £9,000 to £17,000; National History, £5,000 to £35,000; Roundhouse, £5,000 to £20,000; Historic Palaces, £10,000 to £100,000. Are you going £5,000 to £25,000 or are you doing £25,000 full stop?  
If I'm a corporate member of Historic Palaces, there's a lot of facilities that I can go in and I can see there's loads I'd get. Here it's much more limited, my benefit as a corporate member, and yet you're charging me more. I don't quite follow the logic of the assumptions behind that. Perhaps you can explain those to me?

BE: Sorry, is this in relation to the corporates?

MH: This is just on the corporate. We'll come to the other. This is just on the corporate. So Garden Bridge - this is your own document here - £25,000 and if you look down at your comparators - which you can question whether or not they are truly should be compared - it goes Roundhouse, £5,000 to £20,000; Natural History, £5,000 to £35,000; National Theatre, £10,000 to £50,000; National Portrait Gallery, £9,000 to £17,000; Historic Palaces £10,000 to £100,000.

MD: Most of those organisations have tailored programmes, so we will do the same with the corporations. You're not going to --

MH: I just don't understand the thinking that makes you think --

MD: Well, let me --

MH: -- you can get £25,000 and they can't.

BE: We've also got a limit on the number of corporates and so on, so it's in -- you know, for example, the events is another one. We're charging quite a high fee to (Overspeaking)

MH: I'm going to come to events in a moment, commercial event hire. I can't see why you're assuming you can do much better than these other places.

BE: I think it's because it's particularly high profile with access to Thomas Heatherwick, Joanna Lumley, Dan Pearson, the people who have been involved. A behind the scenes kind of, you know, chance to sort of meet those people, experience --

MH: At the once a year a garden party?

BE: Well, there's a once a year garden party but there might well be other events (Overspeaking)

MD: There could be other events. I think that you don't always go to the Roundhouse -- you know, the biggest fundraiser for the Roundhouse, as an example, which is an institution I know very well, is actually with the young kids. So actually, for us -- not being defensive at all, I think that we will have to develop the programmes as we go along. But clearly whether it's the patrons' programme, or whether it's corporate partners -- could be corporate partners growing plants in certain parts of the country, it could be -- there are a whole series of items that are going to be looked at as well as events, etc. So I think it's a menu. When everybody -- the institutions you've mentioned adjust their patrons' programme, their corporate packages, according to the environment and according to what the companies want.

BE: And I think it's fair to say, you know, some of these opportunities haven't been developed to the full extent. You know, we would expect (Overspeaking)

MH: You've made assumptions here --

BE: We've made assumptions but --

MH: -- to satisfy the GLA that you can actually meet the maintenance and operations cost for the first five years. You've made assumptions so I mean I hope they're more than fingers in the air.

BE: Absolutely.

MD: And they are.

BE: And they are and that's why they've been benchmarked. But what we're trying to do is we will continually --

MH: "Benchmarked"? I mean that's -- I've just benchmarked, and couldn't see the benchmarking. You benchmarked and I couldn't see -- I mean I know all these things. Historic Royal Palaces, you get one heck of a lot as a corporate member there. You get access to a huge amount. I mean I can see you can get all sorts of benefits. Here it's a small site. It's a relatively small site. It's used for -- it's really a footway, so it's not a destination site in the way that High Line is a destination site.

JH: It's a huge site though, isn't it? Surely --

MD: But it's a huge site.

JH: -- it's 300 metres from one side to the other. It takes --

MH: No. Well, yeah.

JH: I mean it is a huge site. There's no question of (Overspeaking)

MD: It's a huge site by any (Overspeaking)

JH: By any measure.

MH: Hampton Court, you know, Tower of London, those are --

MD: Well, you would have said the same about London Eye, wouldn't you? I mean it's a huge iconic project that when it's up and running the whole world will marvel at the quality of the garden, the design, it's positioning. I think if you're running a major corporation you would want to support the project. And I think the assumptions we've made -- we don't want too many corporates. We do believe the patrons' programme, if you look at other institutions, will be a very attractive one.

MH: Similarly, you're assuming that you can let it at £50,000 to £60,000, whereas you can get the Natural History Museum for £20,000 to £25,000. You can get the Shard for £15,000 to £20,000. You can get the National Portrait Gallery for £20,000.

MD: How much do they pay -- do you know the number they pay for the (Overspeaking)

MH: I'm taking your figures.

MD: I'm just -- Chelsea Flower Show. It's a one --

MH: This is the hire fee.

MD: Yeah, but the Chelsea Flower Show, what do people pay for a garden, just for, you know, a week? I think we're making an assumption that this is an iconic central London (Overspeaking)

MH: I mean I do know -- actually I don't know how much they charge. You can hire -- because I've been at parties on Tower Bridge. Do you know how much they charge? I've been at a party there.

BE: I do, because I've been their business case but I can't remember. I can't remember.

MD: Yeah, I don't know. I can't remember.

MH: I mean that might be the most obvious comparator. You can hire the Tower Bridge on a Saturday.

MD: I think I'd rather be on the Garden Bridge.

BE: I mean the reason why our figure is quite high though is because we've got a very limited number of opportunities. The Shard, I think you can hire up to 40 times a year, whereas we've got far less opportunity so it's a very -- you know, it would be a very sought after, high profile, opportunity to have one of those events.

MH: And then you're assuming on patrons -- let's just get that -- I mean what makes you think that once it becomes a sort of settled part of London -- I mean, you know, one can see that early on its life, you know, it's something new and something different, blah-blah-blah, and that will attract interest. So once it becomes settled --

MD: Well, I think in our discussions with London Eye and, you know, with Merlin Entertainments, we've had a lot of conversations with them as experienced runners of entertainment centres.

JH: And, indeed, the High Line.

MD: And the High Line. I think that you obviously have to refresh your offering and make sure that the garden is as attractive five or ten years down the road as it is when you start. I think actually one of the issues that we have is making sure that it is an attractive garden at the start, because plants inevitably take time to settle in and grow. And so I'd say the reverse actually, that the challenge we have and will have is making sure that it's not a disappointment when it first is launched. We've given a lot of thought to that, to make sure that everyone isn't disappointed at the start.

MH: So lovely planting?

MD: Well, I mean it's a very serious issue. Dan Pearson has given that a lot of thought because what you don't want is a very young looking garden that everyone is disappointed with. But I think that we do believe - and verified by everybody - that when it's up and running, as the High Line has found, the interest in the High Line if anything has been a problem because controlling numbers has been a big issue for them. I think for us I think we've got the same issue. I think security and controlling numbers has been, and will continue to be, a major issue for both councils. We've had lots of dialogue on that issue. I don't think it's an issue of, "Will this Garden Bridge be attractive?" I think it's the reverse. That it's so iconic that actually we need to make sure that security etc is paramount.

MH: What assumptions have you made? The difference is this is a pedestrian -- I mean when the Mayor put his first tender out for it, it was for a pedestrian footbridge. Again, it's not a destination. All these other places are destinations. A lot of your traffic will be people walking across the bridge. What difference does that make for everything? Certainly for -- you know, in fact what the Mayor is hoping is that people will walk out of Waterloo Station across the bridge to (Overspeaking). That was the original concept which gives it a different feel though to "I'm going to High Line" (Overspeaking)

JH: It's going to be both, surely.

MH: Well, it's not that big. That's where (Overspeaking)

MD: You do keep on saying that but actually it is big. It's a very big structure and a very big garden right across the river. And so it --

MH: What's the width? How wide is it?

JH: Well, if you imagine -- if you can think of the river Seine in Paris, it's 100 metres across. The Thames in the middle of London, where the Garden Bridge is, is 300 metres.

MH: Yeah, I understand that. Wide?

BE: 30 metres (Overspeakng)

JH: It's as wide as Waterloo Bridge.

MH: So a sort of four or five lane highway really, if you took out the pedestrian element.  
This is a dual carriageway --

JH: As you know.

MH: -- with a pavement either side.

PM: It's worth remembering that even the local lobby against the bridge's concern is that it will be busy.

MH: You know, it might well. Everything gets busy in London.

PM: We're simultaneously hearing there's no demand (Overspeaking)

MD: That is actually more of a risk than not having the traffic or the events.

MH: Yeah, it gets busy but does it get busy with people sort of thinking they're going to help fund it, or does it get busy just because people use it because it's, you know, more fun to walk across the Garden Bridge than it is to walk across Waterloo Bridge.

PM: People will fund it because it's busy and therefore has a profile, and it's popular.

MH: Most things that are funded -- I mean you're more familiar with this than I am -

[REDACTED] - it's much easier to raise money for capital than it is for revenue for most of these things. Yet what you're trying to do -- I mean I know you are raising money for capital. I accept that. But you're also trying to raise quite a considerable amount in revenue so that there is no cost to the public purse.

**Commented [GLA Fo11]:** Redacted EIR 12(3) - Personal data has been removed as it relates to DMH and is completely unconnected with the Garden Bridge or the review.

MD: Yeah, I'm not sure that's right. I think raising money for an endowment in America is easy. Raising money for an endowment in the UK is very difficult so we have to accept that. That's going to require a very different approach and a very concerted effort with a few trusts or a few individuals that will help us.

I think the iconic nature of the project and the initial discussions we've had with corporations and with individuals, would suggest that - a bit like the Chelsea Flower Show - that because we have a limited number of event days allocated, those events will be able to sell very easily for a large amount of money. So, you know, I do believe that we're not being optimistic. We're business people. We do believe that we can raise the money for the revenue. I think the endowment is -- yeah, it will be a challenge, but there have been many, many challenges on this project over the last three years and, you know, we've got over every one.

I think that in our dialogue with both councils we've had a huge amount of discussion around this issue. And I think the very fact that we are -- you know, Coin Street see this as a huge opportunity for themselves, which is why the negotiation has been so tricky with them because they see the enormous value of this and they want a part of it. So one of the difficult parts of this whole three year programme has been that Coin Street want more and more of, you know, the space underneath, etc, etc, because they see the huge potential of this project.

MH: I mean it's quite interesting because when you did your originally -- this might be slightly off the point but it just -- when I look at this I think that when you did your original public

consultation you had a very sort of solid plus, and over time you've lost support. That's my reading of it.

JH: What's that based on though because it's not what they say --

MH: The representations I've had.

PM: Well, they're very noisy.

MD: But the minority is -- look, we're in an age, aren't we, where small minorities, through social media, etc, can get a very loud voice.

MH: It's more than that. I think that's an understatement.

JH: Are you saying this is coming from Coin Street themselves, or from local people?

MH: I haven't actually -- I have yet to meet the Coin Street, so I haven't had a  
(Overspeaking)

JH: But I think the problem is that there is --

MH: So what I'm doing is reading all the stuff I've been given.

JH: But there has -- I mean as Mervyn explained, there is an extraordinary amount of noise from a very small group of people. The question about Coin Street can only be answered, in fairness, by Coin Street as to the extent to which they are still as enthusiastic as they were at the beginning. Now they - as Mervyn has said - have been driving a pretty tough bargain because they see this as a fantastic opportunity and they have raised the bar. It's time (Overspeaking)

MD: And if they are not in favour of the project then they are misleading the Mayor --

JH: And they're misleading us hugely, because we have been proceeding on the basis of that indication for a long time.

MD: And they are - you know, if I'm not mistaken - a charity so it would be extraordinarily improper for their trustees to have been in a three-year negotiation with us - and, you know, with the Government and TfL - on the understanding that they are -- and Iain Tuckett, we can cite the many, many meetings that Bee, myself and other trustees have been at where he's been very publicly supportive. So I think the -- but we shouldn't underestimate the fact that they see this as an iconic grand-scale project that will transform their potential to raise money and they're driving a hard bargain.

MH: In your maintenance plan, you're not assuming you've got to start paying back TfL have you? When are you assuming you start paying back the £20 million? When does that start?

BE: It's from year 6.

MD: Yeah, we have a five-year holiday.

MH: Right. Have you done any modelling beyond year 5?



BE: So we're looking at -- that's what we'll do next. No, at the moment we've done a business plan for the first five years. What we're looking at is progressing that business plan so we've got a longer term version.

MH: Then you've got year 6 -- I can't remember, 50 years or something crazy?

BE: Over 50 years.

MH: Okay. I mean are you trying to raise the endowment money at the same time as you're raising the capital money?

MD: No, we'll do the endowment later on. You know, we also have a public appeal that we will launch for fundraising. And that will obviously be in due course. But you wouldn't - it's too early to launch a public appeal and it's too early to be pushing for an endowment.

MH: And you're going to let me have a more up-to-date assessment?

MD: Yeah.

BE: Yes.

MH: And if I need to come back to you with questions on that assessment --

BE: Yeah.

MH: I tell you what would be really helpful to me because I've just -- is what's changed from the document I've seen and the document that you're going --

BE: Yes. I think TfL have actually done that exercise, yeah.

MH: -- to be sending to me. That would be really helpful. And are you going to come back to me -- here we are. Economic benefits are increase in property values, extra inward investment. I just wondered whether you had revisited that or not in any of the modelling that you've done? That was in the original business plan which you now say that you have nothing to do with. But if you do, there were quite a lot of economic benefits. This is, I think, from the NAO report I think we got this.

BE: Yeah. We've done our own assessments of certain things along the way, as things have developed, the design's developed and so on. So we've done further pedestrian modelling, looking at visitors, tourists, etc, etc.

MH: What have you based that on?

BE: What do you mean what have we based that on?

MH: I mean you've just done that on --

MD: No, there's been --

BE: We've got expert pedestrian modellers (Overspeaking)

MH: So all those figures have changed from the ones I've seen, have they?

BE: I don't recognise the -- apart from that business case, I don't recognise the figures that you've suggested.

MH: Okay. Well, you better let me --

BE: We can give you what we've got, if that's helpful.

MH: Okay. What's the question about Ernst & Young? Sorry, this is going back to the Board. They're both your auditors and on the Board, is that right?

BE: No, they're just on our Board. We've got EY partners on our Board but they're not our auditors. Our auditors are Crowe Clark Whitehill.

MH: Why have I got them down as your auditors?

BE: I don't know. They're Transport for London's auditors.

MD: I think they're TfL's auditors, yeah.

MH: Right.

JH: The trustee also chairs the audit committee.

BE: The Trust's audit committee.

MH: Your trustee chairs your audit committee?

BE: Yeah.

JH: Yes, she's from EY.

MH: I know what this is. This might be the internal audit that TfL themselves did, is that right?

BE: Yes, they hired EY.

MH: Sorry, I'm just looking through my notes. High Line's 2.5 kilometres long, is it?

BE: Yes, that sounds about right.

MH: So it's a different kettle of fish. I haven't been there.

MD: I don't think it's a different kettle of fish, sorry, because actually -- sorry, Bee, you were going to --

BE: No, all I was going to say is that although it is a lot longer in terms of space - I was there quite recently, about two weeks ago - it's actually quite narrow.

MD: It's very narrow, yeah.

BE: So in terms of having stuff happening on it, it's very small little pop-ups on the side near sort of toilets and things, rather than having huge amounts of stuff on the platform.

JH: There are a couple of spaces on the High Line. One near the sort of visitor centre where they keep all the maintenance and operation stuff, which is bit broader because I

think it must've been a station or something of that nature and it's covered, and they use that for events. There's nowhere else on that High Line that you could run an event. It's no wider than this room. It's as wide as two railway lines basically. That's what it is.

MH: Yeah, okay. I think -- is there anything else - whilst I'm looking through this - that you feel I haven't covered that I ought to have done?

MD: Well, I think we should say -- you know, look, we are trustees of a charity. There have been an extraordinary number of challenges on this project but we have completed the planning issues, we have worked in tandem obviously - as we said right at the start - with TfL being at every Trust meeting. We continue to be as committed to the project as we have been from the start. So it's an opportunity to create something very special for London.

PM: Can I pick up on your opening point of the fact that you've had allegations which - as you'll have gathered - I take slightly personally. This is what I do with my time; it's called giving back, trying to help people who don't know how to build. And it's been pretty brutal in terms of the time demanded and the complexity of it. If I honestly feel I have to defend myself against the bottom half of the internet as well I assume we at least get a chance of seeing what the allegation is before any of it goes into your report. Even Maxwell had that right. So will we see what you're going to say before you say it?

MH: I haven't even thought about that, so let me think about that. Okay.

MD: What about timing? Can you tell us the timing?

PM: I take it very personally because an allegation (Overspeaking)

MH: I can't tell you timing. I'm really sorry. I would hope it doesn't take me too long. I'm doing this on my own and I've got other things to do so what I've committed to doing is a day a week on this. In fact, this week I'm doing two days a week. I won't write a very long report because there's no point.

MD: Inevitably it will get a lot of --

MH: But I will try -- I am conscious --

MD: Inevitably it will get a lot of public attention so that obviously is an issue for fundraising and for the trustees.

JH: And just to pursue Paul's point a little bit further, I'm sure that you'd agree with me that it's only fair - in the interests of natural justice - that if there are to be any criticisms of any individuals, or of the Trust as a whole, that we are given a fair and proper opportunity to understand what they are.

MH: I hear that, hear what you say and I will inevitably have to take advice on that. Okay. I hear what you say.  
There is one figure that changed a lot, if I can get to it. Yeah, 28 September, letter to you from Ali Williams?

BE: Alex Williams.

MH: Alex Williams, it was. The amount not paid from the grant has gone down. You took another £1.5 million out. Where did that money go? That was after all this --

BE: Sorry, what date was that letter?

MH: 28 September 2016.

BE: It's relating to --

MH: Grant. You drew an extra grant. So you drew down another £1.5 million.

BE: That's not linking to -- that's not £1.3 million? Is that £1.3 million referring to May? TfL provided --

MH: What I've got here - because I'm not 100 per cent - but the amount not yet paid from the grant has gone down from £3.9 million to £2.6 million so it's --

BE: So at the end of the construction period we could draw down another £3.9 million. But because they've clawed back this £990,000 of historical costs, they've taken it out of that payment so that payment has gone down.

MH: This is this year, isn't it? Wherever it was, it's here, isn't it? The section B, 948. So it's on that bit of paper there?

BE: Yeah, it says 940 there and then it says (Overspeaking)

MH: 948.

BE: -- on one of ours. So (Overspeaking) the letter they sent us.

BE: So they've taken those historical costs off that end payment.

MH: I see. That doesn't add up.

BE: No, because the two figures they've given us are wrong.

MH: What?

BE: The two figures they provided to us were different. So the one they've published (Overspeaking) is different.

MH: So you're saying they went down £3.95 million to £2.6 million because they took off that. But £3.992 million is £1.3 million. I mean it's sort of --

BE: Yes. We've written back to them to say the maths doesn't work out, why are they different. I haven't got a response.

PM: We also challenge the 990.

BE: We've also challenged the 990.

PM: As trustees we have no idea (Overspeaking)

MD: We have no idea where that's come from.

MH: Right. Okay.

BE: I know they list out what those are but we have no oversight over that. We didn't commit to that expenditure. So once the project was in our control (Overspeaking)

MH: Why did you change your end of year, financial year?

BE: Year-end accounts?

MH: Yeah.

BE: We changed them for two reasons. One was to align with all of our funders in the public sector year end, because we had quite an unusual year end which was when we had established ourselves. And the second was that our year end coincided with a lot of uncertainty around the underwriting and so on, and we wanted to have a clear picture of where we were and the status of the project.

MH: If you hadn't done so you would have had to close, am I reading that right? If you hadn't changed your year end, you'd have --

BE: We would have had to (Overspeaking)

MH: You'd have run out of money.

BE: We would have had material issues because we wouldn't have had the underwriting for a full year.

MH: You'd have to close the project, the Trust.

MD: Not necessarily, no. Hold that. You're jumping to a conclusion. We would have had to make material disclosures, but we were making them anyway because --

MH: What disclosures?

BE: We could only cover our liability at the point -- the original year end date, up until September which is when the £15 million that covered our contingent liabilities was valid to. And we needed to be able to demonstrate we could cover our contingent liabilities all the way through for a year, from the date at which we filed our accounts.

JH: On a going concern basis.

MD: On a going concern.

BE: On a going concern basis. So we wouldn't have had to terminate the project but we would have had to make material disclosures, as Mervyn says, that would demonstrate we could --

MH: And that would have undermined some of your --

MD: No, we needed to change the year end anyway so -- you know.

MH: But that would have undermined some of the -- I mean you're funding yourselves, your organisation, out of --

BE: Private sector funds, yeah.

MD: Private sector (Overspeaking)

MH: -- the private sector. And that might have undermined that, or not?

BE: We've been very honest with them so they're aware of these things.

MD: No. To be clear, the private --

MH: Is this Citibank?

MD: No, it's a private family and they are resolutely supportive of the project. Totally -- nothing to do with changing the year end to tie in with other entities. They have been hugely supportive. They remain hugely supportive of the project despite everything, and have not decided yet whether they want any recognition, but hugely supportive.

MH: I'm just checking through -- sorry. When did you realise that actually just the Lambeth - - this whole thing about who controlled the land on Coin Street, when was sort of clear to you?

BE: The nature of who owns the land?

MH: And that you had to do a deal not with London Council but with Coin Street?

PM: From the beginning.

MD: From the beginning.

BE: From the outset.

MH: That was clear to you?

PM: That's probably one of the first things we saw.

MD: Yeah.

PM: We met (Inaudible) with Peter Hendy. That was the first meeting I attended on the project.

MD: Yeah.

MH: I'm just checking all these notes. Yeah. It's a letter from you, Bee, that I've seen about the change of the financial year, suggesting that that was -- brought into question the viability of the Trust.

BE: That wasn't about the change of year end. That was about the requirement for the underwriting, the extension of the underwriting. We needed the underwriting to extend beyond September in order for us to continue beyond September.

MH: Yeah. And that was the reason for changing your year end, or one of the reasons?

BE: One of the reasons was we wanted to have certainty around the underwriting so we could meet our liabilities for a year, on a going concern basis.

MH: When was the Westminster Planning Commission that then said you had to get the underwriting from the Mayor? When did they do that? Do you remember Westminster and one of their conditions?

PM: From the beginning.

BE: From the beginning. So when they (Overspeaking)

MH: So when was that?

BE: -- Commission which was in November 2014.

MD: 2014, yeah.

MH: So when the Mayor then said he was not going to make any such undertaking in December, you would have known -- you knew that you had to get an undertaking because you knew the conditions of the planning permission required an undertaking?

MD: When the what, sorry?

MH: Westminster, when they determined to give you planning permission, said they wanted underwriting of the maintenance by the Mayor.

MD: The mayoral guarantee, yeah.

MH: And that was decided in, you're telling me, November 2014.

BE: I believe it was at the original planning committee.

MH: Or the Mayor again made statements after that saying -- Boris on LBC, March 2015:

"Maintenance costs will not be borne by the public sector and I have also made that clear."

Isabel is here.

MALE SPEAKER: Hello, Isabel. How are you?

ISABEL: Hello.

MH: It's my day for doing these things, sorry.

MD: Here's a surprise.

ISABEL: It's like a "This is your life" kind of thing.

MALE SPEAKER: Yeah, how are you?

ISABEL: Yeah, nice to see you guys.

MH: Okay. I think I've done everything. You're going to send me stuff. If I come up with other things, we probably don't -- I mean we'll try and do it by correspondence would be the best.

MD: Okay.

MH: Hopefully that's it. And if you feel there's anything that I should have covered that I haven't done let me know. Here we are, cap originally set at £8.2 million preconstruction, then it went to £9.95 million, then it was increased. So it was £8.2 million in the original one, which is 16.4. Good.

MD: Thank you.

MH: Thank you. Thanks very much for coming in. Are you admiring my view?