GLA Procurement

GLA Oversight Committee

LONDONASSEMBLY

2021-22 GLA Oversight Committee

Marina Ahmad AM
Labour

Joanne McCartney AM
Labour

Emma Best AM
Conservatives

Caroline Pidgeon MBE AM
(Chair)
Liberal Democrats

Len Duvall OBE AM
Labour

Keith Prince AM
Conservatives

Unmesh Desai AM
Labour

Caroline Russell AM
Greens

Peter Fortune AM
Conservatives

Dr Onkar Sahota AM
Labour

Susan Hall AM
(Deputy Chairman)
Conservatives

The purpose of this investigation was for the GLA Oversight Committee to consider the current procurement processes in place for the GLA Group, with regards to the selection process of providers, value for money and broader issues of accountability, auditing and transparency. The investigation aimed to draw out wider lessons from past contractual agreements and consider if more rigorous processes are needed.

Contact us

Gino Brand
Senior Policy Adviser
Gino.Brand@london.gov.uk

Comms Member Name
Alison Bell
Alison.Bell@london.gov.uk

Committee Services Name
Davena Toyinbo
Davena.Toyinbo@london.gov.uk

Contents

Foreword

Caroline Pidgeon MBE AM
2021-22 Chair of the GLA Oversight Committee

The GLA Group spends around £10 billion on its procurement activities every year. It is important to make sure that money is being spent effectively and wisely. The scale and diversity of its buying power presents considerable opportunities for effective partnership working, to achieve value for money and encourage innovative approaches. Responsible procurement,[1] led by the GLA Group, has the potential to create a ripple effect through London's suppliers, as well as nationally and internationally, that can change the way products and services are designed, provided, consumed and disposed of.

Over the years, the London Assembly has reviewed a number of large procurement processes. In October 2019, the Garden Bridge Working Group published a report,[2] 'Up the Garden Path', which found that key decision-makers involved in all, or part, of the Garden Bridge project had passed the buck consistently since its ill-conceived beginnings in 2012. The report suggests that all involved were ultimately responsible for the project's failure. Almost £53.5 million was spent on the Garden Bridge project. The overall public sector contribution amounted to £42.86 million, with Transport for London (TfL) paying £23.92 million.

On 24 March 2015, the GLA Oversight Committee also investigated the procurement process related to London & Partners and the Royal Albert Docks. This followed the London Assembly's Audit Panel consideration at its meeting on 2 December 2014 of the 'Interim Review of Royal Albert Docks Procurement'. At this meeting Julie Norgrove, Director of Audit, Risk and Assurance, MOPAC confirmed that the report had 'interim' in its title to allow the Audit Panel to comment on the report. It was confirmed at the meeting that no further work was planned on the review and that this was the final report.[3]

This investigation continues in that vein, and explores a number of procurements that have given this Committee reason to be concerned. The scale of the expenditure and the opportunities this presents make this an area that it is vital to get right to deliver value from Londoners' money.

[1] The GLA Group Responsible Procurement Policy, March 2021
[2] Up the Garden Path: Learning from the Garden Bridge project, October 2019
[3] Audit Panel Appendix 3 - Transcript of Item 3 (london.gov.uk), 2 December 2014

Executive summary

Around the GLA Group there are several contracts of significant value, and instances where the procurement processes have given the London Assembly reason to be concerned. The GLA Group spends around £10 billion on its procurement activities every year. This review is based on a series of historic concerns with the GLA procurement processes; however, some concerns still remain and these will need to be investigated and processes improved and tightened. In March 2021 the Mayor published a revised Responsible Procurement Policy, which reflects his continued determination to use the GLA Group's vast buying power to help create a fairer, greener and more equitable city.

TfL provides a procurement service arrangement for the whole of the GLA Group. During 2019-20 TfL identified a series of weaknesses with the application of procurement rules throughout the organisation. Procurement arrangements were not being followed in all cases, which led to a significant number of single-source tender arrangements, and other contracting arrangements, that may not have provided best value for money. TfL is implementing an improvement programme across its procurement supply chain, focusing on three key areas for improvement: systems; processes; and the capability of the organisation.

The following procurements were examined as part of this investigation.

Silvertown Tunnel
TfL named the Riverlinx consortium (consisting of Ferrovial subsidiary Cintra; Bam PPP and PGGM; Macquarie Capital; and SK E&C) as the preferred bidder for the Silvertown Tunnel contract in May 2019. The Silver Thames Connect (STC) group – comprising Hochtieff, Dragados and Iridium Concesiones de Infraestructuras – claimed its bid was better value for money. It started legal action in August 2019 in order to suspend the project, and subsequently pursued damages.

TfL has reached an out-of-court financial settlement with the STC group, following a legal complaint about the procurement process for the construction of the Silvertown Tunnel. The legal advice provided to senior TfL officers resulted in a decision not to defend the legal action. This decision was based on professional legal advice on the merits of the case, as opposed to TfL's view of what was right.

The Garden Bridge
Almost £53.5 million was spent on the abandoned Garden Bridge project. The overall public-sector contribution amounted to £42.86 million, with TfL paying £23.92 million. TfL did not have a clear idea of the extent of its involvement in the early stages of the project, leading to the decision to run a closed tendering process, with only three firms, for the design contract. The former Mayor, Boris Johnson, took an active supporting role in this project, by using the functions of his office to issue Mayoral Directions that effectively directed the removal of any blocks to development progress. This should not detract from the fact that TfL is a public body

responsible for public money. The public must have full confidence that TfL is carrying out its financial responsibilities in the right way – and this includes oversight of third-party stakeholders to whom public money is used to deliver infrastructure projects. Senior managers now admit that TfL would have followed a different path if it had had a better understanding of its role earlier in the process.

The TfL Procurement and Contracting Policy addresses the risk of a repeat of the Garden Bridge failures by making clear to all TfL members, including contractors and consultants, their responsibilities in a procurement. This is supplemented by an updated policy and training provision on the Bribery Act 2010. When the Garden Bridge was a live project, only the largest projects were considered by the TfL Finance and Policy Committee. Now every single project – or, where they are very small and grouped together as a single programme – is reported on an annual basis to the Programmes and Investment Committee (PIC).

The GLA Oversight Committee has played a key role in uncovering problems and driving improvements from the failed Garden Bridge procurement which can be seen from its investigations into the Garden Bridge Design Procurement in March 2016[4] and its definitive Garden Bridge report Up the garden path: Learning from the Garden Bridge project, published in October 2019[5].

Bond Street Crossrail station

It was reported that Crossrail paid the Costain Skanska joint venture (CSJV) £19 million when the two parties agreed to terminate the contract to deliver the new Crossrail station at Bond Street. At the time of the pandemic, Bond Street was in a unique position compared to all other Crossrail stations, in that it was 18 months behind the actual programme for the railway. This meant it was at a peak in terms of construction activity.

With every other station contract, Crossrail practised a safe stop of the construction works in response to the pandemic and, within 12 weeks, restarted work in a safe way. Crossrail agreed with the CSJV that this was just not possible at Bond Street. The option of continuing in the existing contractual arrangements would have left an outturn for Bond Street estimated by Crossrail to be as high as £775 million. Crossrail's current estimated construction cost for Bond Street, now being delivered directly by TfL, is £680 million. Against these estimates the £19 million would appear to have delivered value for money and the recovery of the delay a success story.

Royal Albert Docks

A Channel 4 News investigation into the developer, Advanced Business Parks (ABP), raised questions over whether the company was given favourable treatment during the tender process. [6] Occupation of Phase 1 of the Royal Albert Docks has been disappointing, and the GLA has been concerned for some time by the lack of progress by the developer. ABP was served with a final termination notice in August 2021, after the developer proved unable to meet all of its

[4] GLA Oversight Committee The Garden Bridge Design Procurement March 2016
[5] GLA Oversight Committee Up the garden path: Learning from the Garden Bridge project October 2019
[6] Channel 4 News, Big questions for Boris over billion dollar property deal, 13 November 2014

obligations under the agreement in place for delivery of the scheme.[7] One of the key issues previously raised by the Committee was that an occupation strategy was made a pre-condition of gaining the contract. While the 2014 audit report concluded this had been done in an appropriate way, it is nonetheless the case that we are here in 2022 without the procurement delivering a successful occupation strategy and now no development partner.

Silvertown Quays

Confusion over the sale of development rights at Silvertown Quays, a £3.5 billion development on Royal Victoria Dock, raised further questions about how effectively the Mayor is securing investment in this Enterprise Zone. Funding challenges have arisen from the innovative concept for development at Silvertown Quays. The start on site was announced on 5 July 2022; this will deliver 1,500 homes in phase one of project, 50 per cent of which will be affordable. Once it was clear that the development was significantly delayed the Mayor should have reviewed his options. In the absence of this he must show demonstrable progress.

East Bank

The pandemic has added substantially to construction and development costs for the London Legacy Development Corporation's (LLDC's) flagship regeneration scheme, the East Bank. East Bank expected costs have increased from £471 million to £628 million.

[7] The Guardian boris-johnsons-flagship-london-dock-scheme-on-brink-of-collapse 5 February 2022

Recommendations

Recommendation 1 – This Committee recognises and supports the improvements made to TfL's procurement function in recent years, and recommends that TfL continues to regularly review and improve its processes and systems for the whole GLA Group.

Recommendation 2 – This Committee would like to see an annual update on the progress against the procurement improvement programme with clear performance targets set out for the following year.

Recommendation 3 – TfL needs to ensure that its whole evaluation process is robust and transparent to prevent any future legal challenges.

Recommendation 4 – When there is a small number of bids for a project, TfL should use an independent expert to estimate the costs for the delivery of the project to ensure value for money.

Recommendation 5 – TfL should retain the Financial Commitment Oversight Group once it has achieved financial sustainability and its long-term financial position has been settled, as a quality-control check on financial decisions.

Recommendation 6 – TfL should formally review the procurement and delivery of Bond Street Crossrail station and the impacts on the delivery of the railway, to ensure that lessons are learned for future major projects.

Recommendation 7 – The Mayor needs to improve the occupation rates of Phase 1 of the Royal Albert Docks. This should build on the successful opening of the Elizabeth line.

Recommendation 8 – The Mayor needs to work with a new developer of the Royal Albert Docks to develop a robust business case for the next stage of development.

Recommendation 9 – The Mayor should review the lack of success of the development to date and his ambitions for the Royal Albert Docks to ensure they remain realistic and deliverable.

Recommendation 10 – The Mayor should ensure that demonstrable progress is made on the Silvertown Quays development during 2022.

Recommendation 11 – The Mayor should review his ambition for the Silvertown Quays development to ensure he has a scheme that is realistic and deliverable.

Recommendation 12 – The GLA should review the delivery of the East Bank to learn lessons for future development corporations such as the OPDC.

Chapter one – Background

Summary

- **The GLA Group spends around £10 billion on its procurement activities every year.**
- **In March 2021 the Mayor published a revised Responsible Procurement Policy,[8] which reflects his continued determination to use the GLA Group's vast buying power to help create a fairer, greener and more equitable city.**
- **TfL provides a procurement service arrangement for the whole of the GLA Group.**
- **During 2019-20 TfL identified a series of weaknesses with the application of procurement rules throughout the organisation. Procurement arrangements were not being followed in all cases, which led to a significant amount of single-source tender arrangements, and other contracting arrangements, that may not have provided value for money.**
- **TfL is implementing an improvement programme across its procurement supply chain focusing on three key areas for improvement: systems; processes; and the capability of the organisation.**

Responsible procurement

The GLA Group spends around £10 billion on its procurement activities every year. In March 2021 the Mayor published a revised Responsible Procurement Policy,[9] which reflects his continued determination to use the GLA Group's vast buying power to help create a fairer, greener and more equitable city. The Policy's intention is that employees receive fair pay and employment terms including the London Living Wage; and that skills and employment opportunities for Londoners are supported. It promotes equality and diversity in the supply chain, particularly ensuring small and diverse-led businesses have the opportunity to bid for work. The Policy also seeks to tackle the climate and ecological emergencies by shaping markets to help build London's zero-carbon, 'circular' economy – cutting carbon emissions and air pollution, and designing out waste.

The GLA Group Collaborative Procurement Board is responsible for overseeing the implementation and monitoring the performance of the Responsible Procurement Policy across the GLA Group's procurement activities. The Forum is also responsible for ensuring this policy is kept up to date, reflecting legislation, policy, intended outcomes and best practice lessons; and will review this policy every two years.

---

[8] The GLA Group Responsible Procurement Policy, March 2021
[9] The GLA Group Responsible Procurement Policy, March 2021

The risks to GLA procurement

Around the GLA Group there are a number of contracts whose value for money has been called into question, some of which are set out below. In recent months, the UK has seen issues with supply chains and rising prices that will increase the uncertainty around the cost of procured projects going forward. There are also reports of potential rising prices for suppliers, which will have a knock-on impact for consumers. *The Guardian* has reported that suppliers are facing rising cost pressures because of factors including increases in commodity and global shipping prices; and the impact of labour, driver and raw material shortages.[10]

A report by quantity surveyors at Turner & Townsend showed a rise in the tender price inflation forecast for 2021, from 1.5 per cent to 5.5 per cent:[11] the company's largest upward revision on record. The report also states that some projects may experience inflation of up to 10 per cent. In the report, infrastructure tender prices also show a high medium-term trend, forecast at 3 per cent inflation for 2021 and increasing to 5 per cent by 2025.

Another factor to consider in terms of tender price inflation forecasts is the price of materials. Mace's Market View from Q2 2021 notes how the increase in the price of products including steel, timber and concrete, caused by a lack of supply and the volatility caused by the initial lockdown period, alongside Brexit implications, has impacted tender prices.[12] It also concludes that the drive for sustainability and net zero carbon has the potential to affect tender prices in the long term.

Any potential increase in variability and uncertainty around tender prices going forward will have significant implications for how the GLA Group procures major projects that balance the allocation of financial risk with minimising the overall cost to the taxpayer. Since 2018 the expected cost of delivering Crossrail has risen from £14.8 billion to £18.8 billion.[13]

TfL Procurement

TfL provides a procurement service arrangement for the whole of the GLA Group. It is therefore vital that the TfL procurement practices are fit for purpose for the whole GLA Group. In addition, the Metropolitan Police Service has its own procurement department.

The TfL Procurement and Contracting Policy supports the organisation's commitment to achieving best value for money for procurement of all goods, works and services throughout the business. The seven steps involved in the TfL Commercial Lifecycle are:

- Phase 1 – define business need
- Phase 2 – analyse and develop business case
- Phase 3 – set procurement strategy and agree specification
- Phase 4 – procure and contract
- Phase 5 – implement
- Phase 6 – operate and contract manage

---

[10] *The Guardian*, UK supermarket prices 'to rise by 5%' as supply chain costs increase, 24 September 2021
[11] Turner & Townsend, UK market intelligence: weathering the inflationary storm, 27 September 2021
[12] Mace, Market View Q2 2021

- Phase 7 – renew and/or exit.

TfL's PIC considers the forward programme of Investment Programme approvals, including when decisions on procurement strategies are required; and indicates to the project teams if the PIC requires further information or input. In addition, TfL's Safety, Sustainability and Human Resources Panel's terms of reference include advising on responsible procurement. TfL's Standing Orders set out the scheme of delegations for the approval of certain types of spend. The scheme of delegations indicates when and up to what limits spend or other approvals may be granted by committees or individuals across TfL. The aim of this scheme of delegation is always to ensure proper scrutiny of all spend by the appropriate levels of authority.

During 2019-20 TfL identified a series of weaknesses with the application of procurement rules throughout the organisation. Procurement arrangements were not being followed in all cases, which led to a significant amount of single-source tender arrangements and other contracting arrangements that may not have provided value for money. An action plan was put in place to address the weaknesses identified; however, it was not effective until part way through 2020-21. This was due to the impact of COVID-19 resulting in the need to prioritise exceptional protocols during the pandemic, rather than business-as-usual changes from the existing action plan.

The TfL procurement and supply chain leadership team, alongside TfL Legal and external colleagues, reviewed the Steve Holliday report on the Magnox Inquiry.[14] This was a £6.2 billion procurement by the Nuclear Decommissioning Authority (NDA) between 2012 and 2014, which had a series of problems including a successful legal challenge against the procurement process. In April 2014 one of the unsuccessful bidders, Energy Solutions (ES), commenced proceedings against the NDA seeking damages. In July 2016, the High Court found that the NDA had wrongly decided the outcome of the procurement process. In August 2016 a related bidder, Bechtel Management Company Limited (Bechtel), issued a claim. In March 2017 the NDA came to a settlement with ES and Bechtel. The total settlement amount was £85 million for ES and approximately £12.5 million for Bechtel.

TfL has used that report, which included eight recommendations for the wider public sector, as the baseline for its own review of where it is today. This review includes its own experience of lessons learned from projects covered in this investigation, and others, to facilitate a gap analysis and identify any further required improvement work.

The key themes identified in this review were:

- **Preparedness of specification.** This covers output requirements or specifications; and assesses if TfL has a specification capable of going to market safely. This means it can be accurately priced and be delivered in line with the contract to that specification.
- **Readiness to act.** This is the healthy tension between projects and project managers' desire to hit milestones, in order to deliver real benefits for Londoners and the travelling public, and to ensure that TfL has time to provide the right level and quality of advice to ensure that decisions are safe. Sometimes that tension can be very challenging, and

[14] Department for Business, Energy and Industrial Strategy, Magnox Inquiry: final report, 4 March 2021

TfL needs to make sure that if there are challenges in the wider professional sphere, those are escalated to senior officers.

- **Evaluation.** This is a recommendation coming out of the Holliday report, but was also recognised from TfL's internal work. It also aligns to one of the recommendations coming out of the Hodge report on the Thames Garden Bridge, where there were questions around the value and design of the evaluation process. This addresses the need for teams to understand the nature of the distinction between potential bids and what will constitute an appropriate winning bidder. The procurement team's understanding of those concepts is then translated into the mechanics, guidance and training, which will allow the individual assessors to make those assessments. The training also ensures that assessors are clear that the record-keeping supports those decisions, and delivers the most appropriate outcome.

After the Garden Bridge project, TfL introduced a suite of additional training and standard methodologies for evaluation. This is currently being reviewed.

Within TfL, in terms of projects, procurement comes quite late in the process. TfL uses a business case process that continues through each of the project's life cycles. This starts at 'outcome definition', which identifies the challenge that the project is trying to address and the options that will be looked at. TfL then runs through the feasibility of the project, followed by concept design and then detailed design, before getting to implementation and benefits, when the procurement stage generally occurs.

At each stage there is a control gate review – an assessment against the business case in terms of how the project is delivering. This uses the HM Treasury five-case model in terms of looking at the case for investment and deciding whether it is the right thing to do. Projects often stop before they get to the procurement stage simply because the assessment demonstrates that it does not offer value for money.

TfL uses a three-lines-of-assurance approach to project assessment and control. Its first line of assurance is its Programme Management Office. The second is its Internal Assurance team, which can be assisted by independent experts to challenge and assess the work that has been done on the project. The third is its Independent Investment Programme Advisory Group (IIPAG), a range of experts from the capital delivery industry who determine whether the work is appropriate and the right conclusions have been drawn from the gateway reviews; or whether it makes sense to stop the project, or go back and redo certain aspects of the gateway review. The IIPAG also feeds into the PIC.

TfL's key controls of its procurement processes are designed to prevent TfL and the GLA from entering into commitments that are poor value for money. For major projects, TfL has a pre-strategy stage. The pre-strategy sets out the intention of the procurement – the desired outcomes – at a high level, and some initial proposals of how the procurement team, working with its stakeholders, envisage that procurement is carried out. This will include considerations such as who is in the market in terms of potential supply, and what the risks and movements are. At the pre-strategy stage a range of officers, including the heads of procurement across TfL – potentially including the Chief Procurement Officer (CPO) and the deputy CPO, and others – would input into the pre-strategy. It is a collaborative, supportive and challenging approach that asks: Is that really right? Does it offer value for money? Who else is in the market? Relevant external experts will be brought in at this stage.

At pre-procurement strategy stage there is a formal control gateway in TfL. That is the go-to-market strategy. This sets out how TfL is going to market. This considers the procurement route to be used; which regulations TfL is acting under; and the high-level evaluation approach that it will take to differentiate between suppliers. It will also set out the high-level approach on how value for money will be delivered.

The next key control gate is the contract award recommendation. Once the procurement process has been completed, the officers will come back to the relevant forum for approval. For procurements valued at £5 million and upwards, that will be the commercial approvals meeting. Between £1 million and £5 million, it will be the commercial approvals panels, which are chaired by individual heads of procurement and their senior teams. Below £1 million, it will be the senior procurement review, which is chaired by senior officers.

There have been significant changes to procurement at TfL over the last two years. One of the key changes has been bringing together the TfL procurement supply chain into one single function. Prior to this, it was a disparate team spread across TfL in London Underground; in TfL's Surface Transport directorate; and in TfL's Major Projects directorate. Each of these had different owners within TfL, resulting in risks to consistency. In 2020, the function was brought together as one team: a procurement and supply chain for the whole of TfL, which now has a single way of doing things. This single function has led to a more consistent process, and helps TfL manage more effectively when new policies are introduced or current policies change more effectively.

In the past, TfL Procurement has lacked respect within the organisation. Having one cohesive team with a strong supportive identity, and a certainty that it exists to challenge performance, has addressed this issue. It also assures the procurement teams that there is support at a senior level that says you are allowed and, more importantly, expected to challenge all of those outcomes commercially.

Part of the improvement programme TfL is implementing across the procurement supply chain focuses on three key areas for improvement: systems; processes; and the capability of the organisation. The system on which TfL currently runs, System Application and Product Solution Manager 4 (SAP SM4), is over 20 years old. TfL needs to invest not just in the processes but in the supporting systems too. TfL is currently replacing its SM4 system with the latest version; that investment has been approved as part of TfL's improvement programme across the procurement and supply chain.

Recommendation 1 – This Committee recognises and supports the improvements made to TfL's procurement function in recent years, and recommends that TfL continues to regularly review and improve its processes and systems for the whole GLA Group.

Recommendation 2 – This Committee would like to see an annual update on the progress against the procurement improvement programme with clear performance targets set out for the following year.

Chapter two – Silvertown

Summary

- **TfL reached an out-of-court financial settlement with the STC group, following a legal complaint about the procurement process for the construction of the Silvertown Tunnel.**
- **The legal advice that was provided to senior TfL officers resulted in a decision not to defend the legal action.**

Background

The Silvertown Tunnel is a twin-bore road tunnel under the River Thames in east London that will link Silvertown to the Greenwich Peninsula. Construction has started, and TfL plans to open the new tunnel in 2025. The scheme is intended to reduce congestion at the Blackwall Tunnel, and improve the reliability and resilience of the wider road network. It is also claimed it will allow for better transport links, with more cross-river bus journeys planned in and out of East London.

The main Silvertown Tunnel works will be delivered through an agreement with a private-sector special-purpose company, Riverlinx, which will be responsible for raising the finance for, designing, building and maintaining the Silvertown Tunnel. This responsibility includes the operation of associated equipment for a 25-year period post-construction. TfL will be responsible for delivering and operating the user charging, which will also apply to the Blackwall Tunnel. TfL will therefore retain the demand risk in respect of user-charging income, whilst the construction, maintenance and availability risks for the Silvertown Tunnel will generally be passed to Riverlinx. The Silvertown Tunnel project agreement has been published by TfL.[15] The payment mechanism has been excluded because of its commercial sensitivity.

Payments to Riverlinx will only commence once the tunnel is complete, thereby ensuring a very strong incentive for Riverlinx to deliver to time (or earlier). The payment mechanism also contains strong incentives to maximise asset availability when it matters most, which not only reduces inconvenience for users but also minimises the impact of lost revenue for TfL.

Owing to the nature of a design-build-finance-operate (DBFO) contract, the risk of delivery sits with Riverlinx – in that TfL has agreed a date that the tunnel will be available for use, and has agreed with Riverlinx on a payment profile over a 25-year period at a maximum amount. There are performance metrics that Riverlinx will be expected to achieve; below-target performance will result in a reduced payment. For example, the cleanliness of the tunnel or the performance in terms of addressing any broken-down vehicles will impact on the payment to Riverlinx. All of the risk in terms of construction sits with Riverlinx. If the costs go up, then Riverlinx bears those

[15] TfL, Silvertown Tunnel project agreement

costs. It does not impact on the availability payments that TfL makes from day one of the tunnel opening for the remainder of that term. TfL does bear the revenue risk from the user charge.

Silvertown Tunnel procurement

From June 2017 TfL was in a negotiated process with three potential contractors. In March 2018 the Skanska Strabag consortium pulled out, citing strategic business reasons. The process continued with the two remaining bidders: Hochtief PPP Solutions GmbH and Cintra Global Limited.

TfL named the Riverlinx consortium (consisting of Ferrovial subsidiary Cintra; Bam PPP and PGGM; Macquarie Capital; and SK E&C) as the preferred bidder for the Silvertown Tunnel contract in May 2019. The STC group – comprising Hochtieff, Dragados and Iridium Concesiones de Infraestructuras – claimed its bid was better value for money. It started legal action in August 2019 in order to suspend the project, and subsequently pursued damages.

In its court submission, STC claimed the procurement process was "flawed, in breach of the principles of equal treatment […] and manifestly erroneous". It also accused TfL of flouting its principles of "transparency" and "non-discrimination".

STC claimed that it "should have been the winning bidder" on the grounds that it "scored significantly better than Riverlinx on price". It also claimed that TfL "failed to treat STC fairly, transparently or equally" which led to "manifestly erroneous" scoring in relation to commercial aspects of the contract.

TfL has reached an out-of-court financial settlement with the STC group, following this legal complaint. TfL has confirmed that a deal has been reached, although it would not confirm the amount. According to *The Telegraph*, TfL has agreed to pay more than £10 million to STC.[16] TfL's Independent Investment Programme Advisory Group undertook a procurement lessons-learned exercise, and an update was initially expected to be provided to the Finance Committee for its meeting on 6 October 2021.[17] This was finally published in March 2022.[18] This review identified the area that was the most likely to provide a potential source of challenge is the design and execution of tender evaluation. The review concluded that TfL has sound systems and processes and the most critical thing is applying these effectively, with rigour and with the right resource and experience. It is recommended that TfL should establish a 'three lines of defence' assurance framework for procurements, with the focus largely on the first and second line. This framework should be risk-based with the level and detail of assurance being proportionate to the size, complexity and risk of the procurement in question.

TfL procurement controls

According to TfL, the settlement was made in line with recommendations of the Holliday report on the Magnox Inquiry. The key recommendation was to take a realistic view of the potential legal outcomes, ignoring TfL's own opinion of the rights of the case. In this case TfL may have been confident that it had acted correctly, but needed to consider the likely outcomes of a

---

[16] *The Telegraph*, Sadiq Khan costs taxpayers £10m in row over Thames tunnel contract, 28 May 2021
[17] Finance Committee meeting, 23 June 2021, p.20
[18] Finance Committee meeting 9 March 2022

legal case. The legal advice provided to senior TfL officers resulted in a decision not to defend the legal action. The decision was based on professional legal advice on the merits of the case, as opposed to TfL's own view of what was right.

It is clear from this case that the specifications and evaluation processes need to be robust. In large procurements, bidders will spend millions of pounds entering a bid. There is then a very low bar in terms of the cost of entering legal challenges. The correct outcomes need to be shown to have arisen from an appropriately designed evaluation process that has been accurately followed.

Recommendation 3 – TfL needs to ensure that its whole evaluation process is robust and transparent to prevent any future legal challenges.

TfL had done its own assessment in terms of the costs around the construction, and market factors in relation to borrowing rates. Using this data, TfL produced a benchmark to understand whether it was getting value for money from the bids. TfL used this analysis to assess whether to use a DBFO contract, or whether TfL borrowing the money and building the tunnel itself would offer better value for money. All these factors were considered in making the final recommendation, which went to the TfL PIC in May 2019. The recommendation was to go ahead and select Riverlinx, the single bidder at that point.

In instances where a low number of bids are received for high cost projects, there is a risk that a lack of competition in received bids may undermine the GLA's ability to get the best value for money, as bidders have not had to compete with sufficient organisations to demonstrate they are keeping costs low, and able to deliver the project on-time and to specification.

Recommendation 4 – When there is a small number of bids for a project, TfL should use an independent expert to estimate the costs for the delivery of the project to ensure value for money.

TfL's external audit team received correspondence from whistle-blowers during its 2020-21 audit, questioning the appropriateness of TfL's procurement policies and decision-making with regards to the Silvertown Tunnel project and TfL's Data Centre contract. TfL's external auditor investigated both allegations, and performed a detailed assessment on the Silvertown Tunnel allegation. It did not identify any discrepancies concerning compliance with TfL's policies and internal procedures related to either allegation; however, some recommendations were made to management with regard to the Silvertown Tunnel procurement.[19]

---

[19] Audit and Assurance Committee meeting , 1 December 2021, p.40

Chapter three – The Garden Bridge

Summary

- **Almost £53.5 million was spent on the abandoned Garden Bridge project. The overall public-sector contribution amounted to £42.86 million, with TfL paying £23.92 million**.
- **TfL did not have a clear idea of the extent of its involvement in the early stages of the project, leading to the decision to run a closed tendering process for the design contract. Senior managers now admit that TfL would have followed a different path if it had had a better understanding of its role earlier in the process.**
- **The TfL Procurement and Contracting Policy addresses the risk of a repeat of the Garden Bridge failures by making clear to all TfL members, including contractors and consultants, their responsibilities in a procurement.**
- **This is supplemented by an updated policy and training provision on the Bribery Act 2010.**
- **When the Garden Bridge was a live project, only the largest projects were considered by the TfL Finance and Policy Committee. Now every single project – or, where they are very small and grouped together as a single programme – is reported on an annual basis to the PIC.**

Background

The Garden Bridge would have significantly changed the landscape of London. Since its inception, however, the Garden Bridge project was beset with a variety of problems. The Bridge was eventually cancelled in 2017, after the new Mayor of London, Sadiq Khan, announced that he would not be providing the necessary funding guarantees to maintain the Bridge once built. Construction never started.

Almost £53.5 million was spent on the Garden Bridge project. The overall public sector contribution amounted to £42.86 million, with TfL paying £23.92 million. In October 2019, the Garden Bridge Working Group published a report,[20] 'Up the Garden Path', which found that key decision-makers involved in all, or part, of the Garden Bridge project passed the buck consistently since its ill-conceived beginnings in 2012. The report suggests that all involved were ultimately responsible for the project's failure. The former Mayor, Boris Johnson, took an active supporting role in this project, by using the functions of his office to issue Mayoral Directions that effectively directed the removal of any blocks to development progress. This should not detract from the fact that TfL is a public body responsible for public money. The public must have full confidence that TfL is carrying out its financial responsibilities in the right way – and this includes oversight of third-party stakeholders to whom public money is used to deliver infrastructure projects. The report also highlights the lack of transparency from the Garden Bridge Trust, and that the Trust's decision to let the contract for the construction of the Garden Bridge to Bouygues/Cimolai SpA was high-risk and premature.

[20] Up the Garden Path: Learning from the Garden Bridge project, October 2019

The Chair of the Garden Bridge Working Group said in the report:

"The evidence we have seen makes it clear that, across all key decision-making organisations, there were consistent failures to adequately, effectively and transparently deal with the escalating risks of the project. It is unacceptable that these risks were being downplayed by Transport for London.

TfL were obliged to deliver on Mayoral Decisions, directions which override its internal processes, this should not detract from the fact that they are a public body responsible for public money"

The report concluded: "The absence of an overarching procurement strategy for the end-to-end development of the Garden Bridge meant TfL had no oversight of the construction procurement process."

The Garden Bridge was an ambitious project aiming to deliver significant infrastructure within short timeframes, funded primarily by private sources. Delays caused by failure to finalise land rights and planning permissions on both sides of the proposed bridge served to exacerbate the funding insecurity that plagued the project throughout. Further, the governance model established to deliver the project was not fit for purpose, which led to poor and non-transparent decision-making at critical stages to resolve these issues.

TfL's response to the Working Group's report on the Garden Bridge project accepted that the project was delivered outside its own Investment Programme by an independent charity; and that it was highly unlikely that TfL would enter into the same governance arrangements for a major project in the future.[21] The response is attached at **Appendix A.**

Procurement

The Thames Garden Bridge has been subject to a number of reviews, internal and external, including by the GLA Oversight Committee in March 2016 – the Garden Bridge Design Project Procurement.[22] This investigation made the following conclusions:

- The then Mayor, Boris Johnson, should have been more upfront about the range and nature of contacts between his office, TfL senior management and Heatherwick Studio, the bridge designers.
- TfL did not have a clear idea of the extent of its involvement in the early stages of the project, leading to the decision to run a closed tendering process, with only three participants, for the design contract. This approach was criticised as inadequate by industry experts. Senior managers now admit that TfL would have followed a different path if it had had a better understanding of its role earlier in the process.
- There was a series of procedural errors in the procurement process, including: informal communication between TfL and the selected design firms; questions over how the bids were scored and why it was left to just one individual to score the bids; and the loss of

[21] TfL, Transport for London response to Garden Bridge Working Group report, 10 December 2019
[22] London Assembly, The Garden Bridge Design Procurement, March 2016

key documents that would have provided a detailed paper trail for the tender evaluation.

The Committee's report also highlighted that throughout 2012 and early 2013, the former Mayor, his deputies and TfL held several meetings with Thomas Heatherwick and his employees about the Garden Bridge proposal. These included a meeting between the former Mayor, Thomas Heatherwick and a potential major sponsor for the Bridge, less than two weeks before the Invitation to Tender for the Garden Bridge design contract was released.

Other reviews included the National Audit Office October 2016 investigation of the Department for Transport's involvement in funding; and a TfL internal audit in September 2015.

In October 2016, the current Mayor formally appointed Dame Margaret Hodge MP to lead an independent review of the Garden Bridge project. Dame Margaret submitted her report to the Mayor in April 2017.[23] This review was used "extensively" by TfL in the redesign of its procurement controls.

A decision was taken by the current Mayor when he came into office to review the use of Mayoral decisions and Mayoral Directions. Any Mayoral Direction now needs to be considered by the TfL Board; this enables a wider public discussion around the use of a Mayoral Direction before the Direction is actioned, and facilitates appropriate scrutiny.

The GLA Oversight Committee has played a key role in uncovering problems and driving improvements from the failed Garden Bridge procurement which can be seen from its investigations into the Garden Bridge Design Procurement in March 2016[24] and its definitive Garden Bridge report, Up the garden path: Learning from the Garden Bridge project, published in October 2019[25].

Two key TfL controls address the risk of a repeat of the Garden Bridge failures. The TfL Procurement and Contracting Policy makes clear to all TfL members, including contractors and consultants, their responsibilities in procurement. That aligns with TfL's new declaration-of-interest process, under which all TfL officers will need to make, and update, an annual declaration of interests. This is identical to the declaration process at key meetings, as well as the process of being engaged on particular projects or if an officer is potentially meeting with suppliers (informally, or as part of pre-engagement discussions).

These controls are supplemented by an updated policy and training provision on the Bribery Act 2010. A regular training presentation for TfL directors and their senior teams sets out their responsibilities under procurement, and reminds them that TfL is regulated. TfL has many consultants and temporary staff, and there is a risk that they may not understand the implications of legislation and how the Bribery Act works. Using a position of power and senior authority to influence staff behaviour, and their actions, is defined as "corruption" under the Act. These policies do interact, and part of the TfL Procurement function's purpose is to explain this through mandatory and regular training, presentations, and interactions with new teams.

---

[23] City Hall, Independent review of the Garden Bridge project
[24] GLA Oversight Committee gla_oversight_committee_-_garden_bridge_report March 2016
[25] GLA Oversight Committee report_of_the_garden_bridge_working_group.pdf (london.gov.uk) October 2019

During 2020-21, partly as a result of TfL's own financing issues through the COVID-19 pandemic, as well as its response to recommendations from the lessons-learned exercises, the TfL CFO instituted the Financial Commitment Oversight Group (FCOG). FCOG meets every week, and considers the commitment of expenditure for all purchase orders, new contracts and contract variations over £125,000. FCOG is attended by senior officers – directors and managing directors – to ensure they have full sight of those proposed commitments before the commitments are made. TfL has effectively suspended the delegated procurement authority from officers, and added authorisation at FCOG as a new requirement. This enables TfL to ensure additional senior scrutiny on purchase orders, variations and new contracts; and a level of prioritisation to make sure everyone agrees that TfL is spending money on the correct priorities. This has provided an additional control to the TfL procurement process. However, this combination of additional controls may still not be sufficient to prevent the risk of the Mayor, as Chair of TfL, overriding TfL's procedures.

Recommendation 5 – TfL should retain the Financial Commitment Oversight Group once it has achieved financial sustainability and its long-term financial position has been settled, as a quality-control check on financial decisions.

One of the most significant changes in terms of board members' visibility is the splitting of the Finance and Policy Committee's work at TfL into the PIC's work and the Finance Committee. When the Garden Bridge was a live project, only the largest projects were reviewed for consideration by the TfL Finance and Policy Committee. Now every single project – or, where they are very small and grouped together as a single programme – is reported on an annual basis through the PIC.

A report is compiled every year, explaining how the allocated finance has been used in terms of the projects that are delivered, and how they are affecting TfL's key performance indicators, such as the state of condition of TfL's different assets. This covers what the team is seeking approval for in terms of investment for the following year, broken down on a project-by-project basis, with the amounts against each individual project, and the key milestones associated with the projects. There is full visibility from the board down and then scrutiny at an individual project level in terms of the individual purchase orders, to ensure that TfL is making the right decisions at the right point.

TfL was directed by the former Mayor to support the Garden Bridge project in financial terms, and to provide other resources and expertise. The project was owned by an independent trust, as TfL did not own the project it was not subject to any of TfL's standard project controls and gateways as they then were. Improvements have since been made to TfL's project controls. TfL has said that it would not enter into similar arrangements again, and it would also ensure that any programme involvement of that scale would use TfL's own project controls, the Pathway methodology, and flow through its normal governance processes. This approach will reduce the likelihood of a similar waste of public money in the future.

TfL continues to use and revise Pathway to make sure it is in line with the Association for Project Management best practice. It remains directly aligned to the major project management methodologies that are more widely available.

Chapter four – Bond Street Crossrail Station

Summary

- **It was reported that Crossrail paid the CSJV £19 million when the two parties agreed to terminate the contract to deliver the new Crossrail station at Bond Street.**
- **When the pandemic hit, Bond Street was 18 months behind the actual programme for the railway. This meant it was at a peak in terms of construction activity.**
- **With every other contract, Crossrail practised a safe stop of the construction works in response to the pandemic and within 12 weeks, restarted work in a safe way. Crossrail agreed with CSJV that this was not possible at Bond Street.**
- **The option of continuing in the existing contractual arrangements would have left an outturn estimated by Crossrail to be as high as £775 million for Bond Street. Crossrail's current estimated cost for Bond Street is £680 million.**

Background

The Elizabeth line Bond Street station is set to improve accessibility and increase capacity at one of the busiest shopping districts in the UK, aiming to accommodate over 225,000 people using the Jubilee, Central and Elizabeth lines daily. Two new ticket halls at street level (at Davies Street and Hanover Square) will lead passengers to the platforms.

It was reported that Crossrail paid the CSJV £19 million when the two parties agreed to terminate the contract to deliver the new Crossrail station at Bond Street.[26] CSJV is also the main contractor at Paddington station.

Bond Street station had previously been identified as a problem point for Crossrail. In April 2019 it was already anticipated that the central section of Crossrail would open before Bond Street station was completed.

Costain Skanska joint venture

According to TfL, at the 16 November 2021 Transport Committee meeting, the issue with the CSJV at Bond Street dated back to the early days of the pandemic. Crossrail is understood to have managed the pandemic well. It worked with its tier-one and tier-two suppliers to keep construction safe. At that time, Bond Street was unique for the Crossrail stations in that it was 18 months behind the actual programme for the railway, which meant it was at a very big peak in terms of construction activity. It was still under construction, and had 700 to 800 operatives in a very congested site. The COVID-19 pandemic dramatically affected Crossrail's ability to

[26] New Civil Engineer, Crossrail paid contractors £19M to exit troubled Bond Street job, 4 September 2020

replan Bond Street. With every other contract, Crossrail practised a safe stop and within 12 weeks, restarted work in a safe way.

Crossrail agreed with CSJV that this was just not possible at Bond Street. The state of Bond Street at that time meant that it was not possible to practise a safe stop of the construction works in response to the pandemic and then restart quickly; and Crossrail needed to replan and re-sequence all of the work, and the contract that Crossrail had with CSJV was not appropriate. As a result, Crossrail terminated the Bond Street contract with mutual consent because of the pandemic. Crossrail was concerned about the amount it would cost to complete the station using the contract with CSJV. CSJV would also have been aware that it would have not been productive in that time.

Crossrail had a choice at Bond Street. The contract was not suitable for 800 people on site with no ability to work. The choice at that stage was: suspend the contract and work through a negotiation that would have cost a lot of money in furloughed resources and deployed resources; or take the opportunity and start from scratch. It was decided collectively that it was in the best interests of the programme to terminate the contract under provisions that actually anticipated this. All of the tier-one contracts contain the ability to terminate if events such as a pandemic occurred. It was mutually agreed, because of the pandemic, that it was better starting from scratch at Bond Street. The best approach to achieve this was to terminate the contract.

Crossrail is now self-delivering Bond Street. One of the advantages of starting from scratch is the ability to replan the job. Instead of bringing another tier-one contractor in or retendering the project, Crossrail has built its own delivery team. Crossrail has established delivery partners – Jacobs, Bechtel, Nichols and its own team, who are capable of working as a tier-one contractor. Crossrail was already working as a tier-one contractor at the Elizabeth line station at Canary Wharf.

At that time, Paddington – which was also being delivered by CSJV – was in the group of stations that were a little, but not too far, behind the programme for the railway. Crossrail was able to stop work at Paddington and restart it safely. Around that time, the project transitioned to TfL; and Andy Byford, the TfL Commissioner recruited a globally experienced station resource for Crossrail.

Crossrail brought in a world expert on delivery of stations as the Stations Delivery Director. The TfL Commissioner had worked with him in Toronto on a similarly troubled subway scheme; he drove Paddington station across the line, and now is directly focused on both Bond Street and Canary Wharf stations. The TfL Commissioner advised the 14 March 2022 Transport Committee that the delay for Bond Street station construction works had been reduced from 18 months when Crossrail transferred to TfL in October 2020 to a current 3 month delay.

It was a big decision to terminate the Bond street contract due to the need to gather all the tier-two and tier-three contractors together. Crossrail has kept most of the existing tier-two and tier-three contractors, but has also added some specialist skills from TfL and London Underground frameworks.

When the pandemic occurred, the option of continuing in the existing contractual arrangements would have left an outturn estimated by Crossrail to be as high as £775 million for Bond Street. At that time, Crossrail had spent about £590 million. Crossrail's current estimated cost for Bond Street is £680 million, around £95 million below the worst-case outcome under the CSJV contract. Against these estimates the £19 million cost to terminate the contract would appear to have delivered value for money, and the recovery of the delay a success story. This is a projection that will need to be monitored over the coming months.

A project-learning programme was initiated for Crossrail some time ago, then placed on hold, but has now restarted. TfL understands the need to look back and assess how it procured this project, and that will start once the railway is complete.

There have been issues around the number of contractors; the complexity of the contractual interfaces; and the relationship between the contractors building the stations and those tunnelling. It is possible to have knock-on effects with overruns that lead to compensation claims. All of that needs to be addressed and properly understood so that, in the future, TfL does not face the same challenges.

Recommendation 6 – TfL should formally review the procurement and delivery of Bond Street Crossrail station and the impacts on the delivery of the railway, to ensure that lessons are learned for future major projects.

Chapter five – Royal Albert Docks

Summary

- **A Channel 4 News investigation into the developer, ABP, raised questions over whether the company was given favourable treatment during the tender process.**
- **Occupation of Phase 1 of the Royal Albert Docks has been disappointing.**
- **The GLA has been concerned for some time by the lack of progress by the developer at Royal Albert Docks.**
- **ABP has been served with a final termination notice in August 2021, after the developer proved unable to meet all of its obligations under the agreement in place for delivery of the scheme.**
- **Phase 1 has now been put up for sale after the developer went into administration.**

Background

ABP Royal Albert Docks is a mixed-use £1.7 billion scheme, aiming to deliver 4.7 million square feet of development[27] on a 35-acre site and to transform the area into London's third business and financial district. The project is one of the largest development schemes planned for the capital and will see the creation of a diverse trading hub.

The scheme aims to create a vibrant hub with supporting residential, retail and leisure facilities across 88 new buildings and three restored historic buildings. These will all be serviced by important transport links, including Crossrail. The Royal Albert Docks will be delivered in six phases. Phase 1 was completed in 2019 and has seen 460,000 square feet of office space created across 21 buildings.

The London Assembly has previously investigated Boris Johnson's £1 billion deal with a Chinese firm, ABP, to redevelop the Royal Albert Docks, after a Channel 4 News investigation broadcast on 13 November 2014.[28] The Channel 4 News investigation into ABP raised questions over whether the company was given favourable treatment during the tender process, and the developer's human rights record in China.

With over £1 billion of investment in offices and housing on GLA-owned land, ABP's development at Royal Albert Docks represents a large part of the development at the Royal Docks. The lack of transparency in the tendering process for Royal Albert Docks led to the scrutiny of the development by the London Assembly in 2014-15. This was focused on concerns about an "unfairly close" relationship between ABP and London & Partners. A GLA

[27] Royal Albert Dock, Masterplan
[28] Channel 4 News, Big questions for Boris over billion dollar property deal, 13 November 2014

internal audit and an Oversight Committee meeting found no evidence of any wrongdoing by the GLA and London & Partners in the tendering process.

The London Assembly's Audit Panel considered the issue at its meeting on 2 December 2014. On 24 March 2015, the GLA Oversight Committee also investigated the procurement process relating to London & Partners and the Royal Albert Docks. London & Partners featured prominently in the Channel 4 report about the Royal Albert Docks. Although the organisation's role was absent from the internal audit report[29] commissioned by the former Mayor following the programme, this was discussed at the Audit Panel on 2 December 2014. At that discussion, the Head of Governance and Executive Director, Housing and Land told the Panel, "London & Partners played no part in the formal procurement process." Instead, the organisation's role was to drum up interest among Chinese companies in the Royal Albert Docks opportunity area; to provide information for the GLA about the potential interest among Chinese firms as future occupiers of the site; and to investigate the veracity of ABP's claims that they would be effective in attracting tenants.[30]

As the internal audit report notes, the redevelopment of Royal Albert Docks was the subject of a competitive process started in 2011 by the London Development Agency (LDA). This process, completed by the GLA following the abolition of the LDA in April 2012,[31] was initially run under the LDA's procurement governance framework and then, for the final year, the GLA's framework. In May 2013, ABP was appointed as the preferred bidder.

The LDA decided on a 'competitive dialogue' model of procurement. This builds in a large degree of discussion between the client and bidder, and allows bidders to put forward alternative proposals that they can develop in discussion with the client. The aim of this approach is to "increase value by encouraging innovation and to maintain competitive pressure in bidding for complex contracts".[32] It is considered particularly relevant for large and complex public sector procurement, and should lead to higher-quality and more robust tenders. As the internal audit report notes, "Only when proposals are developed to a sufficient detail are tenderers invited to submit competitive bids."[33]

Three bidders – ABP, Muse and Wrenbridge – were invited to submit detailed bids, during the 'invitation to continue dialogue' stage. At this stage, an 'early development' criteria (otherwise known as the ability to deliver a viable occupation strategy) became a pass/fail test. It was this change in criteria that resulted in ABP becoming the sole contender during the last phase of the process. It was the only bid that could provide adequate assurance of being able to attract enough occupiers quickly. The Executive Director, Housing and Land, told the Audit Panel that being able to guarantee future occupiers was key, and the fact that ABP was a Chinese company was not a factor. The internal audit found that the procurement frameworks were sound and that this process was conducted in compliance with them.

[29] MOPAC, Interim Review of Royal Albert Dock procurement, November 2014
[30] City Hall, Agenda for Audit Panel, 2 December 2014
[31] MOPAC, Interim Review of Royal Albert Dock procurement, November 2014
[32] Building, Procurement: Competitive dialogue, 23 May 2008
[33] MOPAC, Interim Review of Royal Albert Dock procurement, para 4.5, November 2014

Concerns were raised in the Channel 4 investigation over certain individuals' involvement in the procurement process; this was reviewed as part of this investigation.

Tongbo Liu

The 24 March 2015 GLA Oversight Committee established that Tongbo Liu was initially a direct employee of the LDA. He worked for the Foreign Enterprise Service Corporation (FESCO), which must employ all Chinese nationals working for Western companies.

With the demise of the LDA in 2012, Tongbo Liu moved over to the GLA international team. At this point, a decision was taken to retain him while the GLA was in the run-up to the 2012 Games; Liu's primary role was to identify key individuals to invite as part of a hosting programme. He was used extensively in the run-up to, and preparation for, the 2012 Games. Previously, he was very much involved in the lobbying by the then Mayor, Ken Livingstone, for the Olympic and Paralympic Games.

After the 2012 Games, there was an expectation that this role would no longer be necessary. Liu continued to work for the international team via London & Partners, following through requests for information (mainly to do with inward investment) and using his contacts. His contract with the GLA was terminated in March 2013, after which he then took up employment with ABP. Concerns were raised by this Committee as ABP and London and Partners' Beijing Office were located in the same building.[34]

Sir Edward Lister stated at the 24 March 2015 GLA Oversight Committee:

"He [Liu] *at no stage was involved with any of the detailed negotiations on the Royal Albert Docks project. He was used as a door-opener, no more, no less. That was the be-all and end-all of his employment or involvement with this project."*[35]

Xuelin Black

The Channel 4 news investigation reported:

"Xuelin Black, an Anglo-Chinese businesswoman who is married to the former Home office minister Lord (Michael) Bates … suggested the Royal Docks site to the boss of ABP, Xu Weiping. She even registered a company called ABP London China to help push the project forward, though the company was dissolved two years later, and she says she established it without the knowledge of Xu Weiping.

"Between 2010 and 2012 Xuelin Black gave donations which total at least £162,000 to the Conservative Party. Since ABP won the contract these big donations have dried up. Ms Black has insisted that the money was hers, and didn't come from ABP or Xu Weiping, and she says she has continued to give money to the Tories. But her donations are now about £5,000 a year, not enough to appear on the Electoral Commission's public register of party donations."

[34] The Guardian boris-johnson-rejects-claims-chinese-firm 13 November 2014
[35] City Hall, Agenda for GLA Oversight Committee, 24 March 2015

All of this took place before ABP was awarded the contract in 2013. The report also quoted Sir Alistair Graham, the former Chair of the Committee of Standards in Public Life, as saying: "It has the smell of a semi-corrupt arrangement."

The Channel 4 investigation concluded:

"In his rush to bring big foreign investment to London at a time of recession, should [Boris] Johnson have done more to examine ABP's background, and did the cosiness of his people with ABP mean that the whole process was not a level playing field, and therefore unfair to the dozen other bidders for the development, most of whom were British."[36]

Following Channel Four's broadcast, the Committee had a concern about L&P sharing an office with ABP. The former Mayor Boris Johnson admitted this to the London Assembly but insisted that there was nothing untoward about this.[37]

The London Assembly passed a motion calling on the then Mayor to appear before the London Assembly's Audit Committee and a joint session of the Economy and Planning Committees to discuss the deal in more detail.[38] However, the former Mayor Boris Johnson refused to appear at either claiming that it would not be "appropriate" to answer further questions in front of the Committee.

It has been reported that in addition to giving donations to the Conservative party, Xuelin Black also met with Boris Johnson before the bidding process and then had undocumented meetings with staff from the GLA. [39] However, an independent audit process which was undertaken in 2014, gave the GLA 'substantial' assurance that all of the procurement processes were met and made appropriately.

Procurement

The procurement for the developer of Royal Albert Docks was started at the LDA in 2011, and came across to the GLA in 2012. The GLA has been managing the project since 2013.

In terms of how the developer has performed and how Phase 1 is performing, the developer has secured planning consent for the whole of the site for about 3.5 million square feet of development and about 1,000 homes. In 2019, it substantially completed phase 1 of the Royal Albert Docks, which is approximately 500,000 square feet of development. By 2021 it had only managed to secure two occupiers in Phase 1. The occupation has been slower than the developer expected; clearly there are potentially a number of factors for that, not least the recent conditions around office market lettings.

---

[36] Channel 4 News, Big questions for Boris over billion dollar property deal, 13 November 2014
[37] Boris Johnson refuses to face investigation into land deal (politics.co.uk)
[38]London Assembly motion Independent investigation into Royal Albert Dock tendering process | London City Hall, 19 November 2014
[39] The Sunday Times, Chinese Docklands development signed off by Boris Johnson on brink of collapse | News | The Sunday Times (thetimes.co.uk), 5 February 2022.

According to the Royal Docks Programme Director, one reason ABP, and no one else, was selected for this development was that it was the only developer willing to speculatively build the accommodation at Royal Albert Docks. Most commercial developers only proceed with developments when they have pre-lets in place for the space; but this development partner was willing to deliver speculatively. ABP was expecting more occupation at this phase. It has been reported that there was interest before the pandemic struck; there are ongoing talks with a number of potential occupiers who are waiting to observe the post-pandemic conditions. The development has not been occupied as quickly as ABP or the GLA would have wanted.

There was an assessment of the nature of the scheme, and what it was attempting to do at the time of the procurement. This process was undertaken in 2012-13; the market has changed significantly since then. The independent assessment considered the developer's intentions in terms of the construction, the quality of design, the approach to market, and the scheme funding.

The project is future-proofed, as the contract enables the GLA to manage the scheme. It is a very significant scheme, of which Phase 1 is completed; however, a number of other phases will follow. Flexibility and controls exist within the process for the GLA to work with the development partner, to ensure it meets the procurement's original objectives.

At that time, early delivery was a very important aspect of development at the Royal Albert Docks for the Mayor and the GLA. This resulted in a requirement to include a viable occupation strategy. Two companies dropped out of the procurement process following the change in conditions; the early development criteria were brought in at quite a late stage in the procurement process. In retrospect it could be considered that the viable occupation strategy was flawed given the current low occupation rates.

The 2014 independent audit found that the process of amending the objectives of the bidding process were fair, open and transparent, and had the appropriate approvals in place. A competitive dialogue process was used to award the Royal Albert Docks development contract. It is not unusual, during a procurement process of this nature, for the criteria to be amended in response to bidders' remarks on what is and is not successful. It is a key part of the procurement process, one that is tested to make sure the project is a success. The second bidder stayed in for some time after the criteria were introduced.

Occupation at Phase 1 of the Royal Albert Docks has been disappointing. The opening of Crossrail has been delayed, and this was an important part of ABP's decision on timing for Phase 1. ABP was hoping that Crossrail would have opened by 2019, and that has had an impact on some occupiers' decision-making about whether to locate there. The pandemic has had an impact on general leasing of commercial property throughout London. With any large scheme such as this, the first phase is always the most challenging as the first part of establishing a place, and place-making. It is very often the most difficult phase to deliver and develop.

Recommendation 7 – The Mayor needs to improve the occupation rates of Phase 1 of the Royal Albert Docks. This should build on the successful opening of the Elizabeth line.

The GLA has undertaken public realm works, probably the most significant of which is opening the dock edge all the way along the Royal Albert Docks. This means people can walk and cycle from the new City Hall at the western end of the docks right to Royal Albert Wharf. This has significantly increased activity and footfall around the docks.

Recommendation 8 – The Mayor needs to work with a new developer of the Royal Albert Docks to develop a robust business case for the next stage of development.

The developer has also provided public realm as part of Phase 1, including a new landscaped square adjacent to the Royal Albert DLR station. Some of the other infrastructure works have been paid for as part of the Royal Docks' delivery programme. This is the delivery programme that the Mayor approved in 2018, spending up to £314 million of investment on a whole range of hard and soft infrastructure. This was assumed to be self-financing through the increase in future business-rates income.

According to the GLA, no significant activity, lettings or investment has been undertaken by ABP since April 2019. The GLA was concerned for some time by the lack of progress by the developer at the Royal Albert Docks. In August 2021, it served ABP with a final termination notice after the developer proved unable to meet all of its obligations under the agreement in place for delivery of this scheme. ABP's guarantor, Dauphin Holdings Group, then formally stepped into the project and assumed ABP's responsibilities. As part of this process, Dauphin Holdings Group needed to comply with all ABP's outstanding obligations and bring forward the development of this key site.[40] When this failed to happen the GLA issued a termination notice to Dauphin Holdings Group in March 2022.[41] This means the GLA no longer has a development partner for the Royal Albert Dock, and control of the undeveloped land has now returned to the GLA. On 4 March 2022 it was reported that the first phase has been put up for sale now that the developer ABP has been put into administration by its lenders.[42]

---

[40] *The Sunday Times*, Chinese Docklands development signed off by Boris Johnson on brink of collapse, 5 February 2022
[41] *BBC News*, Royal Docks: London mayor removes developer from £1bn project, 13 July 2022
[42] Business Live (Bloomberg), London docks project put up for sale after Chinese developer collapses, 4 March 2022

Recommendation 9 – The Mayor should review the lack of success of the development to date and his ambitions for the Royal Albert Docks to ensure they remain realistic and deliverable.

Chapter six – Silvertown Quays

Summary

- **The transfer of development rights at Silvertown Quays raises questions about how effectively the Mayor is securing investment in the Enterprise Zone.**
- **Funding challenges have arisen from the innovative concept for development at Silvertown Quays.**
- **The start on site was announced on 5 July 2022; this will deliver 1,500 homes in phase one of the project, 50 per cent of which will be affordable.**

Background

Silvertown Quays is a 50-acre development site in the Royal Docks Enterprise Zone owned by GLA Land and Property Ltd (GLAP). In June 2013, following a regulated procurement for a development partner to deliver a mixed-use development at Silvertown Quays, GLAP entered into a Master Development Agreement with the developer, The Silvertown Partnership LLP and BREPS LLP. The Silvertown Partnership had Outline Planning Permission granted in August 2016.

The transfer of the development rights at Silvertown Quays, a £3.5 billion development, raises questions about how effectively the Mayor is securing investment in the Enterprise Zone. Under the 2015 Silvertown Partnership plans, Phase 1 of the development, including refurbishment of the derelict Millennium Mills building, was targeted for completion by 2018.

In June 2018 it was confirmed that the Silvertown Partnership (comprising Chelsfield Properties, First Base and Macquarie Capital) was selling its development rights to Australian developers Lendlease and Starwood Capital, due to an inability to attract funding. The delays resulting from the failure of the 2015 Silvertown Partnership plan means work on Phase 1 only started in July 2022.

There appears to be a history of issues with funding development at Silvertown Quays. In 2011, a development supported by the LDA for over 4,000 homes and 25,000m^2 of commercial space, including an aquarium, failed to attract funding. The site was also home to the London Pleasure Gardens, a temporary cultural venue that opened shortly before the 2012 Games, and closed just over a month later due to financial difficulties.

Procurement

In 2013 the Silvertown Partnership reached an agreement with the GLA to develop the site. Phase 1 was going to be completed by 2018 under the Silvertown Partnership plan. The Silvertown Partnership had financial difficulties and, unable to attract funding, reached an agreement with the Australian developer Lendlease. There was a change-of-control event whereby a joint venture between Lendlease and Starwood acquired a significant number of shares in the partners that make up the Silvertown Partnership. This effectively gave the joint venture control of the development agreement. Phase 1 was expected to start in early 2022 but this did not happen and no further date has been given. There was significant independent due diligence undertaken of Silvertown Partnership's proposals for that site. This gave the GLA's decision-makers at the time sufficient confidence that, although the plans were ambitious, they were deliverable technically, commercially and financially.

Given the lack of progress over this extended period it is difficult to understand why this development has been allowed to drift in the way that it clearly has, particularly in light of the reported interest of the Essel Group to redevelop the site in 2018[43]. It is now more than four years since the Silvertown Partnership's development was expected to be completed and still there is no evidence of a start on site despite the confidence of the GLA. This Committee would have expected a review from the Mayor following the initial failure to meet the 2018 expectation. These development agreements should include the flexibility for changes when contractors fail to deliver.

Recommendation 10 – The Mayor should ensure that demonstrable progress is made on the Silvertown Quays development during 2022.

Funding challenges have arisen from the innovative concept for development at Silvertown Quays. There was an element of 'brand buildings', which was a significant part of the bid from the original Silvertown Partnership and something that very strongly met the objectives of the Mayor and the GLA at the time in creating a visitor attraction and destination at Silvertown. The concept was quite innovative and ambitious, however given it was an untested form of development, it was more difficult to find funders. There was an attempted challenge from the Essel Group, to challenge the procurement process. The challenge did not proceed and the GLA considers that there was no legal basis for that challenge of the procurement process.

According to the GLA, Silvertown Quays is a very difficult and challenging site that has not come forward as quickly as expected. On 5 July 2022 the Mayor announced the start of £3.5 billion of works at the Silvertown Quays to be delivered by the Silvertown Partnership, including the regeneration of Millennium Mills. As part of the development 'increased infrastructure loan funding totalling £233 million' has been secured from Homes England.[44] The GLA believes it has a very good, experienced, funded development partner that will deliver the objectives of that original procurement.

The way that the original procurement was undertaken, and the contract was structured, has enabled the GLA to manage the process in a completely robust manner, from a procurement-challenge point of view. Although there is frustration that the scheme has not come forward as quickly as originally hoped, the GLA can currently say that it is still working from the original

[43] The Economic Times 1 Jun 2018 Essel Group: Subhash Chandra slams UK over illogical investment deadlock - The Economic Times (indiatimes.com)
[44] Mayoral Press Release 5 July 2022 Start of landmark £3.5bn east London regeneration of Millennium Mills | London City Hall

2013 procurement. This has facilitated eventual delivery of the site in compliance with the contractual obligations, and the GLA has been able to work with the development partner in such a way that enables its defence of any challenge.

Recommendation 11 – The Mayor should review his ambition for the Silvertown Quays development to ensure he has a scheme that is realistic and deliverable.

Chapter seven – The East Bank

Summary

- **The pandemic has added substantially to construction and development costs for the LLDC's flagship regeneration scheme, the East Bank.**
- **Expected costs of East Bank have increased from £471 million to £628 million.**

Background

The East Bank is the LLDC's flagship regeneration scheme, aiming to deliver "one of the world's largest and most ambitious culture and education districts" across three sites in the Queen Elizabeth Olympic Park. It aims to provide skills and jobs for local people; attract visitors from around the world; bring more than 10,000 students to the site; deliver 2,500 jobs; and generate a £1.5 billion boost to London's economy.[45]

The pandemic has added substantially to construction and development costs for the East Bank, but costs were already rising before the pandemic. At the Committee's 8 December 2020 meeting, representatives from the LLDC confirmed that the expected costs had increased from £513.5 million to £628 million.

Construction work began on the project in July 2019. When completed, it intends to bring together a new campus for University College London (UCL); BBC recording studios; a campus for University of the Arts London's (UAL's) London College of Fashion; a mid-scale dance theatre for Sadler's Wells Theatre; and two new Victoria and Albert (V&A) Museum sites – a museum at Stratford Waterfront (including a partnership with the Smithsonian Institution), and a collection and research centre at 'Here East'. The scheme is financed through a mix of partner, private-sector, philanthropic and public-sector funding from the GLA and the Government.

The main contributors to the increase in the project budget since the final business case (FBC) was approved by the Government in March 2018 are the overall impact of contractor cost estimates (tender return) in excess of budget; design development and integration issues; and the impact of the pandemic . The total current budget of £628 million is around £157 million higher than the £471 million figure presented to the Government and the Mayor in the FBC. According to the LLDC, the impact of the pandemic has caused around 40 per cent of the increase; design development and integration issues 27 per cent; and tender returns around 35 per cent.

[45] Queen Elizabeth Olympic Park, What is East Bank?

These increases are partially offset by other factors, such as transfers of scope that are funded by the East Bank partners. Of the increase in costs since the FBC, it is estimated that UAL will contribute an additional £29 million based on the current anticipated final cost.

Procurement

The East Bank project is a four-stranded project. UCL is delivering its own facilities, Marshgate and Pool Street West. The V&A is delivering storage facilities at Here East in the north of the park. The LLDC is delivering four buildings on its Stratford Waterfront site for the V&A, the BBC, Sadler's Wells and UAL.

The fourth strand of the East Bank project is the delivery of residential homes on the Stratford Waterfront site. Currently the residential plot, a very constrained and narrow space, is taken up by site offices. When the East Bank development for the cultural and education buildings is complete, and those project management offices are no longer required, the construction of residential properties will begin on that site.

In line with procurement regulations, the LLDC publishes its selection and evaluation criteria. It carries out market engagement to ensure that the investment in the process is delivering for the corporation, but is also market-facing. The LLDC adapted its packaging strategy for this project accordingly. In terms of value for money and level playing field, the regulations drive that transparency. The LLDC has contracted over £300 million worth of construction on the East Bank without any challenges.

In 2018, in order to deliver to a 2022 deadline, the LLDC took the decision to go on a managed-package strategy route. This involves breaking down the construction of the four buildings on the East Bank site, which LLDC is delivering, into several fixed-price packages. The LLDC decided on a stage 4 design, a relatively developed design, for fixed-price contracts. The transparency of the managed-package route, where more and more of the packages are successively contracted over the course of the development, means the LLDC was able to protect the later packages from the full impact of the pandemic and the delays to the programme as a result.

The original timetable for the programme was 2022, but the impact of COVID-19, the site shutdown, and social distancing on the narrow and constrained site for most of 2020 and 2021, have meant a loss of productivity. Therefore, the programme is delivering a year later. Substantial elements of the costs associated with that fall to the LLDC because of the exclusions in the contract.

In terms of the managed-package procurement strategy that the LLDC adopted, this stemmed from the idea that it could reduce the number of interfaces – a key risk in construction between different packages – and procure perhaps 20 packages to deal with the entire construction project. In facing the market, the LLDC has increased the number of packages to ensure that it gets competitive market bids, and risk provisions are not built in.

Recommendation 12 – The GLA should review the delivery of the East Bank to learn lessons for future development corporations such as the OPDC.

Appendix A – TfL response to the Garden Bridge Working Group report

Transport for London

Mike Brown MVO
Commissioner of Transport

Transport for London
Palestra
197 Blackfriars Road
London SE1 8NJ

Tom Copley AM
Chair Garden Bridge Working Group
City Hall
The Queen's Walk
London
SE1 2AA

10 December 2019

Dear Tom

Transport for London response to Garden Bridge Working Group report

Thank you for your letter of 14 October regarding your working group's report into the Garden Bridge. As you are aware, and your report recognises, there have been a number of reviews into the issues arising from the cancellation of the Garden Bridge. These have included our own internal reviews to ensure that our governance and procurement processes are robust.

Many of the working group's recommendations consider how we should manage the delivery of complex infrastructure projects. We manage the delivery of approximately £2bn of investment every year, and I am confident that we have the right processes in place to do that. However, this particular project was delivered outside of that investment programme by an independent charity and with our role established by a series of Mayoral Directions. It is highly unlikely that we would enter into the same governance arrangements for a major project in the future.

Please see responses to the recommendations in your report below.

Recommendation 1

By December 2019, TfL to update its procurement processes to include an overarching procurement strategy for each relevant stage of delivery for all significant infrastructure projects (that is, those valued over £50 million).

Since 2013, we have used a single integrated and consistent project delivery methodology framework, called Pathway. It is through this management system that our methodology for the delivery of our investment programme is used. Pathway refers to the TfL Commercial Toolkit for all aspects related to procurement. This states that a Procurement Strategy must be produced for all projects that involve procurement from external suppliers which are over the value of £25,000.

The Procurement Strategy should explain how the procurement objectives will be delivered and what value is to be derived from approaching the supply market. All procurement strategies must also include a responsible procurement checklist which adheres to the GLA Group Responsible Procurement Policy.

MAYOR OF LONDON

VAT number 756 2769 90

Recommendation 2

By December 2019, TfL should update project delivery processes to ensure it signs off on key delivery stages for significant infrastructure projects.

As stated above, our delivery methodology framework, Pathway, is designed to support the assured delivery of our Investment Programme. It sets out Governance arrangements, defines the roles and responsibilities of those involved in projects, requires the production of standard documentation and reports, defines project and programme life cycles and the 'Gates' review process, and other Assurance arrangements.

The 'Gates' review process is an integral part of Pathway, where at the end of each key delivery stage, project sponsors and the relevant governance board sign off transfer to the next project stage (or Gateway). This is aligned with industry best practice. This ensures that we already have clear and stringent approval processes in place for significant infrastructure projects.

The Garden Bridge project was subject to different monitoring and approval processes, and ultimately was the responsibility of an independent charity to deliver, rather than us, and therefore was not managed through the same project delivery processes as the rest of our Investment Programme.

Recommendation 3

By November 2019, TfL should write to the Garden Bridge Trust administrators requesting they provide a copy of the construction contract between the Garden Bridge Trust and Bouygues/Cimolai SpA. TfL should subsequently publish it on their website.

We have requested a copy of the construction contract from the Garden Bridge Trust administrators and I will update the working group in due course.

Recommendation 4

For infrastructure projects valued £50 million or greater that are being delivered by third-party stakeholders, TfL should include contractual conditions for TfL oversight and authorisation to better manage risk associated with delivery. It is recommended that procurement and project governance framework updates are implemented by December 2019.

Currently Pathway states that if a project is being delivered by a third party, they are able to use an alternative industry-recognised project management methodology. However, our Sponsorship team will be examining third party schemes and our governance of them in 2020 to see if there are any changes we can make.

In addition, as stated at the sessions of the Garden Bridge Working Group, any TfL project above £50m is referred to and considered by, the Independent Investment Programme Advisory Group (IIPAG), which provides expert assurance and advice to the Mayor and TfL Board on our Investment Programme.

2

Recommendation 5

By December 2019, the London Assembly's capacity to scrutinise third-party stakeholders contracted by the GLA and its functional bodies must be significantly improved. This involves:

- *TfL reviewing and reporting back to the GLA Oversight Committee regarding current policies and/or accountability mechanisms for scrutiny of third-party stakeholders who are involved in the delivery of significant infrastructure projects*
- *the GLA lobbying the Ministry for Housing, Communities and Local Government to amend the Greater London Authority Act 2007, to enact an extension of the London Assembly's powers of summons to include third-party stakeholders.*

Third party stakeholders are involved in the delivery of all significant infrastructure projects that we undertake. The form of their involvement changes depending on the project, but there will never be an infrastructure project that we deliver completely on our own. This is because we draw on the expertise and resource of private sector organisations to deliver projects. As such, we already have clear accountability measures built into our project management processes, such as Pathway outlined above.

Ultimately, we are responsible for our Investment Programme which will transform London's transport infrastructure and streetscape and it is right that we are held to account in doing so. We will, of course, continue to participate fully and openly in all of the London Assembly's scrutiny of our work.

Recommendation 6

Where there is a change in contractual conditions, and subsequent transfer of risk, for significant infrastructure projects valued £50 million or greater, TfL should:

- *implement mechanisms for mitigating risk when amending criteria*
- *consider other provisions that will offset increased short-term risk to minimise exposure to risk in the long-term.*

It is recommended that project governance framework updates are implemented by December 2019.

As stated above, our project management tool, Pathway, ensures that we have a good grip on all aspects of risk during each stage of the project. This was reinforced in June 2019, when a more specific and robust Stage Gate process was introduced into Pathway. This stipulates which documents are required for each Gate and the specific Challenge questions to be asked to provide the necessary level of confidence in making the Gate decision. In addition to the Stage Gates, other Gates have been introduced for Market Readiness, Contract Award, Transfer (across organisational boundaries) and Site Readiness.

As has been stated at the various sessions of the Garden Bridge Working Group, we had a number of mechanisms in place to mitigate our financial risk at various stages of the Garden Bridge project. We were an observer of the Garden Bridge Trust Board meetings and had regular high level meetings with the leadership of the Trust to keep track of their progress. At specific stages of the project we developed further interventions – such as the setting of conditions – before

3

releasing further funding. This was designed to mitigate the risks to the public sector, given that we were not responsible for the delivery of the project.

Recommendation 7

For significant infrastructure projects valued £50 million or greater that are being delivered by stakeholders with no infrastructure development expertise, TfL should implement contractual conditions for oversight of expenditure of public funds. It is recommended that procurement and project governance framework updates are implemented by December 2019.

It is highly unlikely that we would commission a third-party stakeholder with no infrastructure development expertise to deliver a project of any value, let alone one over £50m. The Garden Bridge Trust, for example, ensured it had specialist infrastructure development delivery resource both within the charity and in its supply chain.

Recommendation 8

By December 2019, all significant infrastructure projects valued at £50 million or greater, that are funded in part or completely by public contributions, must be linked to Mayoral strategic directions.

Our investment programme, which runs to over £2bn a year, is inherently linked to the Mayor's Transport Strategy (MTS), which sets the strategic direction for transport in London. This is the Mayor's vision for how the transport network will transform the future of our city. The MTS was widely consulted on and approved by the London Assembly in 2018.

Where projects lie outside the Mayor's Transport Strategy or our statutory responsibilities as London's integrated transport authority, Mayoral Directions can be used to establish the basis and rationale for our involvement with them. These are not used frequently and are always published and discussed with our Board.

Recommendation 9

From November 2019, the strategic business plan process must include periodic reviews of governance mechanisms to mitigate the financial or operational impact when the nature of the project shifts (for example, from planning, to construction, to operation).

Our project management methodology, including Pathway, includes careful consideration of the full spectrum of risks associated with a project as well as how that risk landscape changes as a project moves through the various stages of its lifecycle. We already keep these governance processes under regular review to ensure they remain in line with best practice.

Our annual Business Planning process refreshes our five-year plan to ensure it reflects our strategic priorities and our latest financial position. This already takes into account the latest understanding of every project in our investment programme, supported by the governance and project management processes described above.

4

Recommendation 10
For all future infrastructure projects that will use a hybrid governance model (that is, involving a charity and TfL or another functional body of the GLA), the Charity Commission must be engaged early in the planning and development stage. This involves:

- *formal consultation with the Charity Commission during the development of the strategic business plan*
- *the Charity Commission developing and issuing formal guidance regarding hybrid governance models and monitoring accordingly, within the scope of its regulatory compliance functions.*

In its report into the Garden Bridge project, published on 9 April 2019, the Charity Commission concluded that the 'trustees [of the Trust] fulfilled their legal duties in their decision making and that the charity was not mismanaged'. Despite this, it is clear that lessons can be learned for future projects. For example, should we enter into a similar governance arrangement in the future, we would encourage any third sector body involved in the delivery of a major project to engage with the Charity Commission at an early stage and for this to continue throughout the project.

Recommendation 12
By November 2019, TfL should have conducted a comprehensive review of its progress implementing all recommendations from the various investigations into the Garden Bridge project, including an impact assessment. This review must be provided to the GLA Oversight Committee in December 2019.
We have responded to each of the external and internal reviews into the Garden Bridge project. Following the review conducted by the Rt Hon Dame Margaret Hodge in 2017, we published a comprehensive review of progress in an update to our Board for its meeting in July 2017. This can be found on our website at http://content.tfl.gov.uk/board-20170719-item15-garden-bridge.pdf. However, in response to the Garden Bridge Working Group's recommendation, we have completed a further review of the actions and confirmed that nothing is outstanding.

I trust the above is useful.

Your sincerely,

Mike Brown MVO

Other formats and languages

If you, or someone you know needs this report in large print or braille, or a copy of the summary and main findings in another language, then please call us on: 020 7983 4100 or email assembly.translations@london.gov.uk

Chinese

如您需要这份文件的简介的翻译本，
请电话联系我们或按上面所提供的邮寄地址或
Email 与我们联系。

Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں
درکار ہو تو، براہ کرم نمبر پر فون کریں
یا مذکورہ بالا ڈاک کے پتے یا ای میل
پتے پر ہم سے رابطہ کریں۔

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

Arabic

الحصول على ملخص لهذا المستند بلغتك،
فرجاء الاتصال برقم الهاتف أو الاتصال على
العنوان البريدي العادي أو عنوان البريد
الإلكتروني أعلاه.

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઈ-મેઈલ સરનામા પર અમારો સંપર્ક કરો.

Connect with us

The London Assembly

City Hall
The Queen's Walk
More London
London SE1 2AA

Website: www.london.gov.uk/abous-us/london-assembly
Phone: 020 7983 4000

Follow us on social media