

The Mayor of London
City Hall
The Queen's
Walk London
SE1 2AA

20th October 2016

Dear Mayor

Following our telephone call with David Bellamy on 12 October 2016, I am writing to you on the subject of the provision of the Mayoral Guarantee (Ref MD1472). I understand you have all the relevant documents so am keen to receive your assurance that the guarantee will be provided as it represents a critical cornerstone of moving forward with this project.

By way of background, the trustees were informed earlier this year that your predecessor Boris Johnson had signed off the guarantee, leaving only the authorised delegated officer to sign it. The nature of the Mayoral Direction (Ref MD1472) was that this would be conditional on "the Trust demonstrating to the Mayor's satisfaction that it has a satisfactory funding strategy in place to operate and maintain the Garden Bridge for at least the first five years from its completion".

The trustees were advised in May 2016 by Transport for London that this condition had been satisfied on the basis of the Trust's business plan provided to the Mayor at this time. The trustees of the Garden Bridge Trust have relied on this commitment in all its plans since that date, expending private and public money on this basis.

In these circumstances there are no further steps to be taken and I would therefore ask you to confirm that the Mayoral Guarantee will be signed by the relevant officer when the Trust requires it on gaining the relevant land interests.

I would be grateful for a response as a matter of urgency. We need to know that this will be forthcoming in advance of our Board meeting on Thursday 27th October 2016, as this is a critical component of delivering this project.

Yours sincerely



Lord Davies of Abersoch Chair
Garden Bridge Trust

MAYOR OF LONDON

Lord Davies of Abersoch

Chair
Garden Bridge Trust
Somerset House
Strand
London WC2R 1LA

Our ref: MGLA251016-0629

Date: 27 OCT 2016

Dear Lord Davies,

Thank you for your letter of 20 October 2016 asking for confirmation that the guarantees of the Garden Bridge's operations and maintenance will be signed when the Trust requires it.

The previous Mayor signed Mayoral Decision MD1472 dated 4 June 2015, which approved the provision by the GLA of guarantees to the Port of London Authority, Westminster City Council and London Borough of Lambeth, and delegated to the GLA's Executive Director of Resources the authority to agree the terms and conditions of the guarantees and the related agreements, and to authorise the execution of the guarantees and any related documentation.

The previous Mayor then signed Mayoral Decision MD1647 dated 22 April 2016, which amended the conditions of this approval to require the Trust to demonstrate to the Mayor's satisfaction that it has a satisfactory funding strategy in place to operate and maintain the Garden Bridge for at least the first five years from its completion.

Finally, I understand that the previous Mayor confirmed his satisfaction that your draft Operations and Maintenance Business Plan represented a satisfactory funding strategy on 4 May 2016 (the day before the Mayoral Election). His opinion was communicated to the Trust, as noted in your letter; however this ceased to be a relevant consideration once he left office.

The next step in the process of entering into the guarantees would be for the GLA's Executive Director of Resources to exercise the delegated authority. As you know, this can only take place once the Trust has acquired the relevant land interests and entered into the Section 106 agreements with the boroughs, as the terms of these agreements would need to be reflected in the guarantees.

I appreciate that it is important for you and your fellow trustees to have confidence that the GLA will provide these guarantees, given they are a requirement of the planning permission for the bridge and without them the bridge cannot be built. However, I have been clear and consistent in my position that no more of Londoners' taxes that I control will go to the project, and that I will not allow any guarantees to be entered into unless I am satisfied that this will not lead to further public expenditure down the line.

MAYOR OF LONDON

At the end of last week my team was sent an updated copy of your draft Operations and Maintenance Business Plan. I hope you can appreciate that this plan will need to be reviewed thoroughly before I can commit to being satisfied with your funding strategy, and that this was clearly not achievable before your Board meeting this week. If you can confirm that this is the final pre-construction version of your business plan, I will instruct a review of it that will allow me to make an informed decision.

The GLA's Executive Director of Resources will also need to have confidence in your business plan as well as the detailed terms and conditions of the guarantees, to satisfy his professional duties with regard to the GLA's finances.

I understand that your business plan involves the creation of an endowment fund, enabling an in perpetuity income stream to contribute to the costs of the bridge's operations. Therefore, part of the review will necessarily involve assessing the likelihood of it being funded as proposed. The Trust's success in raising funds for the bridge's construction is clearly a relevant consideration to this assessment, and I wish you well in your fundraising in the weeks ahead.

My expectation is that the review of your business plan will be completed before you have acquired the relevant land interests and are ready for the guarantees to be signed. If the results of that review give me confidence that the guarantees are not likely to be called upon then I would be content to give my support to the GLA's Executive Director of Resources exercising the delegated authority and entering into the guarantees.

As a supporter of the Garden Bridge project, I would like to take this opportunity to thank the Trust for all your hard work to date and wish you well in your ongoing land negotiations and fundraising.

Yours sincerely,



Sadiq Khan
Mayor of London

The Mayor of London
City Hall
The Queen's Walk London
SE1 2AA

31st October 2016

Dear Mayor

Thank you for your letter dated 27th October.

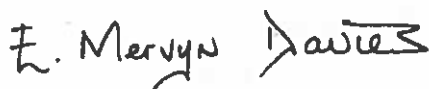
I obviously appreciate the re-statement of your support for the project and your good wishes for the fundraising. You will understand, however, that fundraising is always dependent upon confidence in the project – and, to say the least, it does not help to add uncertainty about specifics of the project to the general economic uncertainty that we all face. You acknowledge in your letter that the provision of the mayoral guarantee has always been critical to taking the scheme forward; and, as stated in my letter dated 20th October, the Trust has relied upon the undertakings made by the previous Mayor in continuing to commit both public and provide funds. We had also assumed that your position that “no more of Londoners’ taxes.. will go to the project” referred to new commitments, and did not signal that you would rethink commitments already made by your predecessor.

We did indeed provide an updated version of our business plan to your team last week, but that is obviously an evolving document and it is not so different from the versions previously sent to the Mayor’s office. I would not, therefore, expect it to take long to consider those differences, and I would therefore ask how long you expect the exercise to take. You say only that you expect the review to be complete before we have acquired the relevant land interests – but that itself is an expensive exercise that can only be justified if we know that there are no insuperable obstacles down the road.

So more particularly, could I ask what it is that the review is seeking to establish? If you are, as you imply, setting a requirement that the guarantee could never lead to further public expenditure, then, as you must know, that is a requirement that can never be satisfied – as covering that possibility, however remote it might be, is the very purpose of a guarantee and the reason that third parties have insisted upon it.

Irrespective of the details of discussing the business plan, therefore, I would ask for your assurance first that you will accept the commitment already made by your predecessor or at the very least that the end result will not be a conclusion that the guarantee could lead to public expenditure, and will not therefore be forthcoming, notwithstanding the undertakings already given?

Your sincerely



Lord Davies of Abersoch Chair
Garden Bridge Trust

The Mayor of London
City Hall
The Queen's Walk
London
SE1 2AA

9 December 2016

Dear Mayor,

I refer to my letter dated 31 October 2016. In the absence of a reply, I must once again write to you to seek your assistance and support of the Garden Bridge project as we are now reaching a critical point in the next ten days. In short, without your public support, I cannot see that this project can proceed.

As you have said before, you share our view that the Garden Bridge should be delivered, and so I plead with you to engage with me to find a way forward. I will keep myself available at the shortest notice to meet and discuss how we can proceed from here.

The Trust has made enormous progress over the past three years. We have secured planning permission, discharged the majority of our planning conditions, put in place third party agreements, obtained relevant permissions and licences, completed detailed design work, procured a committed contractor, and developed community and educational partnerships and outreach programmes that will continue throughout the lifetime of the Bridge. The Board of Trustees remain committed to delivering this innovative project for London and the rest of the UK. However, it is also crucial to recognise that the task of doing so cannot be achieved in isolation and requires full participation from our key partners, such as yourself.

We have now reached a critical stage in the life of this project. The following issues are of particular importance:

Coin Street Community Builders (CSCB)

I met with Iain Tuckett, Group Director, and Dr Scott Rice, Chairman on the 22 November. We were very clear about the serious risk and implications of not concluding three years of negotiations by December 2016. We tabled a timeline of activities and meetings that we believe could achieve the signed Agreement to Lease by 19 December. CSCB confirmed that its Board of Trustees are committed to this project and clarified their position on a number of principal issues. CSCB accepted the importance of reaching agreement in the timeframe and agreed this was achievable.

We have now secured an all day workshop between both parties on 13 December which will provide an opportunity to conclude any outstanding issues – prior to this we have provided final comments on very detailed Heads of Terms. We are confident that we should secure a deal by the end of the year as long as CSCB follow through on their stated commitment.

Mayoral Guarantee

As you are aware, a guarantee for future maintenance and operations is required as part of our planning permissions. I have explained that the trustees were advised in May 2016 by Transport for London that conditions linked to the provision of the guarantee had been satisfied on the basis of the Trust's business plan provided to the Mayor at this time. The trustees have relied on this commitment in all our plans since that date, expending private and public money on this basis. I have written to you, seeking your assurances that the guarantee will be provided when the Trust requires it once we have an interest in the land. You have since explained that the previous Mayor's commitment ceases to be relevant and you cannot allow any guarantees to be entered into unless you are satisfied that this will not lead to further public expenditure down the line.

As I have said in my following letter, if you are setting a requirement that the guarantee could never lead to further public expenditure, then, you must know, that is a requirement that can never be satisfied – as covering that possibility, is the very purpose of a guarantee and the reason that third parties have insisted upon it. We are still awaiting a response to my letter dated 31 October.

The signing of the Mayoral Guarantee represents a critical cornerstone of moving forward with the project and is essential to the delivery of the Garden Bridge.

Dame Margaret Hodge Review and Fundraising

On the back of the public-sector investment of £60 million, the Trustees and the team have already raised £70 million of private sector funding. Our pipeline is strong and it is still our judgement that the balance of the funds that we require to build and operate the bridge can be secured.

Of significance is that the review you have commissioned is not being undertaken at the end of the project but whilst it is still ongoing. The mere existence of the review at this stage is providing a degree of uncertainty about the future of the Garden Bridge and is damaging the Trust's ability to raise the balance of the funds required from the private sector. We are also unclear as to what the conclusion of the review will be and whether this will have an impact on further decisions to be made by the public sector, surrounding our activities and therefore poses a risk to the project at this stage.

Unless that cloud is lifted very soon, with a positive outcome to the review and a strong endorsement from you for the Garden Bridge, our judgement about further fundraising will need to be significantly adjusted.

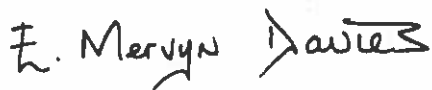
Current Status

We have previously explained to you that time is not on our side. We have had to suspend many of our activities, and we are fast approaching the critical moment when the trustees will have to reach a decision as to whether the project can continue.

The future of the Garden Bridge is in your hands. As you have said before, it is in the public's interest for the bridge to be built, the benefits be delivered, the loan re-paid and value for money achieved. We share a joint objective to get this bridge built and we need to find a way to overcome these challenges together. You are able to deal with two of our three challenges with no further commitment of public funding, as the guarantee was a commitment made by your predecessor. The consequence of the closure of the project is obvious. London loses a fantastic opportunity to build a remarkable piece of infrastructure at very little cost to the public purse. If we close now, up to £45m of public funding will have been spent without securing the great public benefit it was intended for.

These are not decisions that we as a group of trustees can make alone. The money that we have spent belongs to yourself and to the Government, but following the reduction in the Government underwriting, progress now depends upon private donors agreeing that their donations can be spent on risk. We do not feel able to ask that when there is uncertainty as to the status of a critical guarantee approved by the previous Mayor. We therefore think it only right that the final decision should lie with you as to how you wish to proceed. For this reason, we are sending a copy of this letter to Transport Secretary Rt Hon Chris Grayling MP.

Your sincerely

A handwritten signature in black ink that reads 'F. Mervyn Davies'.

Lord Davies of Abersoch Chair
Garden Bridge Trust

CC Transport Secretary Rt Hon Chris Grayling MP

MAYOR OF LONDON

Lord Davies of Abersoch
Chair
Garden Bridge Trust
Somerset House
Strand
London WC2R 1LA

Our ref: MGLA121216-6226

Date: 13 December 2016

Dear Lord Davies,

Thank you for your letter of 9 December. In reply, I will comment on each area you raise in turn.

Coin Street Community Builders (CSCB)

I wish you well for your all day workshop with CSCB. This seems to me to be the most immediately pressing issue, as without agreement with CSCB clearly the bridge cannot be built.

As you know, my officials have hosted negotiations between the Trust, CSCB and Lambeth Council on a number of occasions, and have ensured that CSCB are clear in my support for the project.

Mayoral Guarantee

I feel that I have made my position on the use of taxpayers' funds under the Mayor's control clear on many occasions, both pre- and post-election and including in my appearances before the London Assembly.

I accept that the project requires guarantees to be issued in order to meet the necessary planning conditions and have no in principle objection to these being given by the Greater London Authority (GLA), even though this does of course leave open the possibility of the GLA being called upon to honour the guarantees in future.

It is for this reason that proper consideration of your Operations and Maintenance Business Plan is so important, in order that I can be satisfied that the GLA providing these guarantees will not lead to further public expenditure down the line.

I understand that Lambeth and Westminster City councils are commissioning a visitor attraction expert to review your plan, and that the Trust expects further changes to the plan to result (consistent with your previous comment that the plan is an evolving document).

Therefore, I intend to ask GLA officers to complete a formal assessment of the plan as soon as this work has been completed, giving the Trust the opportunity to ensure the plan is as strong as possible. This assessment will include an analysis of the Trust's ability to establish an endowment fund of the required size, and any other considerations that officers feel to be relevant based on the nature of the Lambeth/Westminster work.

MAYOR OF LONDON

Dame Margaret Hodge Review and Fundraising

You will of course be familiar with the terms of reference set for Dame Margaret's review. This review is designed to ensure the public is aware of all facts surrounding the project, given the significant public funding provided and the public debate over aspects of the project's history.

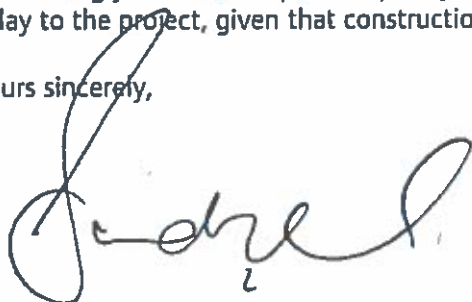
I believe that the position that I set out in May is clear – given previous expenditure, the taxpayer will be better off if the bridge is built. As the agreements governing the public sector contribution are in the public domain, I do not see that Dame Margaret's review could reach a different conclusion. Whatever may or may not have happened in the past does not change the current financial reality of the project.

You will appreciate that Dame Margaret's review is, for good reason, being managed independently by Dame Margaret. My officials are in the process of arranging a meeting with her to discuss progress and timelines, and will ensure that your team is updated following this.

Current Status

I appreciate that this is a key moment for the project. Fundamentally it seems to me that you need to secure a deal with CSCB; without this clearly the bridge cannot be built. I will move forward with considering your business plan as quickly as possible, however I do not see that this should cause delay to the project, given that construction cannot start without the necessary funds being raised.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sadiq Khan', written over a large, faint circular watermark or stamp.

Sadiq Khan
Mayor of London