

Garden Bridge Review
Meeting transcript

Event: MH/ Michele Dix

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*Present: Dame Margaret Hodge MP
Michele Dix
Claire Hamilton*

DAME MARGARET HODGE MP (MH):

I'm looking at were the processes okay and is it value for money, for the taxpayer or ratepayer. So it's really tell me your perspective. I hadn't realised until I got into it you were quite involved.

MICHELE DIX (MD):

I was, because I was the MD of planning, so when the like initial meeting was had I went to the initial meeting with Peter as the MD of planning and subsequently Richard, who reported directly to me, did the vast majority of the work, it came on to his projects, reporting in to me, but ultimately as the MD of planning I would be responsible for everything going on in my area. But when I left planning in 2015, so two years ago, Richard became the MD of planning and continued in that role looking after the Garden Bridge.

MH: Just tell me, you left in what month?

MD: February. I left on 6 February, the day after my 60th birthday, because I was retiring from that job, but then was encouraged, "Wouldn't you like another challenge?" Yes, I would.

MH: That's all right, I'm over 70.

MD: All right, so he became the MD of planning and because he was like totally involved in the project, when there was an initial Assembly scrutiny then Richard obviously, as the MD of planning and the main person involved, led that response. But always when there have been -- particularly when there have been accusations against Richard acting on his own, then it's always been made clear, no, he hasn't, because he reported to me and so I will have known what the process was.

MH: Right, okay, so let's talk about process first. Did you go to these meetings that were held with Boris every ...?

MD: No, I went to an initial meeting, and I can't remember if it was in the December or the January, it was about four years ago, when I was --

MH: You had a note, which is the briefing note, is that the one?

MD: I was called to a meeting with Peter to meet Joanna Lumley, I think the Mayor was there, and Isabel, Ed Lister, I think Thomas Heatherwick was there, but I can't

remember. And at that meeting it was to say, "We've got this idea about how you could take this idea forward", and the reason that we were invited to the meeting is because we had done the cable car. And what they were interested in is how we'd raised money for the cable car, because the cable car was one of these projects that was originally -- there had been ideas for a cable car in the vicinity of the Greenwich Peninsula, but we had no money for a cable car, but it was consistent with a package of crossings in that area, it would provide the pedestrian/cycling link to complement the Silver Town Tunnel. But there was no money until there was an offer of sponsorship by a developer in the Royal Docks for a scheme. And the response to that sponsorship was, "Do you want to sponsor something like a cable car?" and in the end that's what we did, we got sponsorship for the cable car so that we could take that forward.

MH: Did you put no pipe money in that?

MD: We obviously did the development work and we got the planning permission and we got an 8 million grant from the EU and then the rest of the money came from the sponsorship, so there's lots of criticisms of the cable car about its use, but because it's paid for, so if you want to use the cable car you pay for that trip, it's actually all revenues cover its costs and there's not many parts where that's the case.

If you said it was just part of your Oyster Card system and part of a zone, you'd probably get more people use it but less revenue, and then you'd be criticised for it not covering its costs. So it was trying to do two things, provide a crossing for local people, provide a crossing until such time as other things could be built, use money that people were wanting to give us in order to provide a crossing. Importantly, it provides resilience to the Greenwich Peninsula, so when something happens to the Jubilee Line you can get across to the DLR.

But it was that experience they wanted to understand, "Well how did you do that?" So we went to the meeting and I explained what we had done on cable car and how we had taken it forward, how we'd got the powers, et cetera. And the interest was in sponsorship. And then we were asked, if we were to be involved in helping promote a bridge, what would we do? That's when we wrote the briefing notes.

MH: The famous briefing note, yes.

MD: I think there were various forms of it in terms of how we might take the scheme forward and whether or not -- what TfL's role would be in taking it forward. And the same thing, we had no money, so it wasn't something that we could take forward and pay for, because it wasn't in our business plan. But river crossings, the policy for

promoting river crossings, promoting improved pedestrian links, were consistent with our policy. But we made clear that it's not something that TfL can just fund, it would have to be sourced from other sources. But we did have to say how we could help and we put forward different ways in which we could either help by just offering advice or by doing the consenting work, because that's one area of expertise that we have. In particular, Richard's got a huge amount of expertise in that area, in gaining the planning consents. Or whether or not we wanted to be more involved in terms of the procurement and getting the contractor in, et cetera, being involved in raising the money, and that paper was just setting out options.

MH: Okay. Now, through the process, did you go to regular meetings with Boris?

MD: No.

MH: You didn't?

MD: No.

MH: So you reported up really to ...

MD: Peter. Peter Hendy was my boss at the time.

MH: Yes, but did you go to the -- Isabel -- did you go the weekly meetings with her?

MD: Isabel was the main driver on the Mayor's side, on behalf of the Mayor, so she was acting on behalf of the Mayor in terms of next steps on the project.

MH: So you would regularly report in to her?

MD: I wouldn't regularly report in to her.

MH: Richard did?

MD: What originally happened was that, I remember the first meeting, there was a meeting because Peter had regular weekly meetings with the Mayor. At those regular weekly meetings, a whole range of issues were discussed, so every week you'd meet him --

MH: How did what happened then?

MD: Because we get reports back and we get instructions.

MH: Minutes?

MD: There are notes of meetings to say, "Further to this meeting" --

MH: I couldn't find them.

MD: There are notes, because we write down at this meeting, "Do so and so".

MH: But who minutes that meeting from the Mayor?

MD: I don't know who minuted every meeting but I know actions come out of meetings.

MH: Actions were given to you by the Mayor's Office or by Peter?

MD: It would have been an instruction that would have come from the Mayor's Office that Peter would have said, "Can you do so and so?" and then Isabel might phone us up and she would invariably phone Richard up because Richard was the person doing most of the work and Richard would come and tell me and say, "We've been asked to do this", and I would say, "Well let's discuss how we do it". So there was a direct communication between Richard and Isabel.

MH: And you were in the middle.

MD: Yes, I would be the check --

MH: You were copied in, you were the check.

MD: Yes, so when Richard needed advice I'd provide the advice.

MH: Were you told you had to use Heatherwick?

MD: We were told to -- the Mayor was very interested in the Garden Bridge, particularly in the Garden Bridge. Heatherwick had the intellectual property rights on the Garden Bridge, but --

MH: Have they? I'm not sure they have.

MD: Well they'd designed it.

MH: They designed it, they'd done the work.

MD: Yes, they'd designed it and --

MH: I'm not sure they had the intellectual property rights.

MD: Or maybe it was Joanna, I don't know, because she had the dream, but it was their concept, but we'd said that we can't just appoint Heatherwick to do the bridge, we'd have to do a competition and we'd also have to give other people an opportunity to say if you could do something else in that location. So we did in that design contract invite --

MH: But were you told you wanted Heatherwick to do it? Were you told?

MD: We weren't --

MH: Was the instruction that Heatherwick should do this?

MD: We weren't told that Heatherwick should do it, what we knew is the Mayor wanted a -- a bridge and --

MH: You knew the Mayor wanted Heatherwick.

MD: We knew that the Mayor wanted a bridge and he was wowed by the Garden Bridge idea, but we - as in our note - say we have to go through a procurement process. We did give other designers -- because it was actually Wilkinson Eyre was one of the other people invited. Wilkinson Eyre did the cable car for us. Interestingly, when we did the cable car, we put out the bid for that, Wilkinson Eyre got that contract, Heatherwick applied for that contract, he didn't get it, Wilkinson Eyre's idea was far better, and --

MH: Why didn't you -- if it was a real -- it looks like a rigged tender to me, just looks like it to me, so if you were serious about having a genuine competition, why didn't you bid on the OJEU road, maybe that's the first one to ask you, why didn't you do that, do it properly? Heatherwick have got quite a lot of millions out of this, don't they?

- MD: I think, as you will see in the note that we prepared, there were different ways we could go down this route, we set out the pros and cons of each route --
- MH: You had -- all the exchange of emails suggest to me that you were under pressure somehow to make sure Heatherwick was there and be they got it. if you look at -- you know, certainly in the exchange of notes there's things like -- you say to them at one point -- you say at one point, "Well why don't we just give it to Heatherwick?" which I don't understand why you didn't because they'd done all the work. And you say at another point you've got to get a thing which allows -- you couldn't do a -- you couldn't take over the contract -- send off the -- pull it down off the ...
- MD: Framework.
- MH: Framework, because Heatherwick wasn't on it.
- MD: Well those architects aren't on it, that's the point, if you want --
- MH: They are. I think they are. Those two bridge architects are on it.
- MD: No, you have Arups and others on, people who are doing the engineering, you have engineers on the framework and we've got people that we can jot down from those, but some of these innovative architects, because what we were wanting to see was whether or not there was another idea out there that could --
- MH: Well, if you really wanted to see that, you know, why only give them two weeks, whereas Heatherwick had had years?
- MD: It was a minimum of four weeks.
- MH: Two weeks, two weeks.
- MD: I thought we had four weeks. But effectively it was the Mayor wanted a bridge in the area --
- MH: I can understand that, I don't think there's anything wrong with that, you know, but what I'm trying to get at, you know, the contract wasn't that much money, 60 grand or whatever, but I don't know why you didn't just appoint them rather than go through this -- what seems to me --

MD: Because we would do a competition.

MH: How long was it?

CLAIRE HAMILTON (CH):

On 8 February TfL notified three firms of the upcoming tender

MH: Yes, but when did they actually issue the tender?

CH: It's formally issued on the 13th and the 25th was the date.

MH: 13th to the 25th.

MD: All right, okay.

MH: 12 days.

MD: But they were people that we'd worked with and --

MH: Yes, but they're not people who are going to do something, and they didn't know that the Mayor wanted a Garden Bridge, you didn't put that into the tender.

MD: No, we didn't, because we weren't prescribing it had to be a Garden Bridge.

MH: But you knew the Mayor wanted a Garden Bridge.

MD: We knew the Mayor liked that proposal, we knew the Mayor was interested in that proposal, but we had invited the designers to put forward other ideas, some -- there have been other --

MH: Twelve days. Twelve days.

MD: Well, actually, having been a consultant myself and spent most Christmases having to turn around a bid over the Christmas period, it's not unheard of. Quite often you get an invitation to tender on something like 23 December, putting a bid in 4 January, so effectively you worked over Christmas, so it's not --

MH: Twelve days to get -- that's unfair --

MD: But it's not unfair --

MH: If you're going to have a fair procurement.

MD: But it's not unheard of.

MH: A fair procurement and when the Mayor wants a Garden Bridge and you don't put that on to the tender -- you don't put that into the tender request and your note suggests that you found a mechanism, which allowed Heatherwick to be on that. I don't just know why you didn't appoint them, I think I'd have felt more comfortable, "Yes, Heatherwick, you've done all the work", and give them 60 grand to take this forward to the next stage.

MD: But we don't just appoint people like that.

MH: Well you do, but you make it -- you pretend it's something else, don't you?

MD: I don't think we seem to pretend it's something else. What if Wilkinson Eyre, who have worked with us, had come up with something actually which was much more exciting?

MH: But you knew the Mayor wanted a Garden Bridge.

MD: No, but Wilkinson Eyre could have come up with even -- prior to the Garden Bridge --

MH: They didn't know you wanted a Garden Bridge.

MD: Prior to the Garden Bridge, it was a bridge that the Mayor wanted, prior to that there had been an idea that had been put forward --

MH: How do you -- there's no other documentation that the Mayor wanted a bridge.

MD: There --

MH: There is plenty of documentation that said he wants a Garden Bridge. You show me one document where he says -- which is why I keep banging on about these minutes, if you show me one document where the Mayor says, "I don't mind what you do, I want ideas", and not, "I want a Garden Bridge". That will be incredibly helpful. I have not found one document that confirms that, not one.

MD: That wants what, that says, "I want a Garden Bridge" or "I want a bridge"?

MH: No, "I want a bridge". So he wanted a Garden Bridge, everything points to him wanting a Garden Bridge.

MD: But TfL wanted to find out if people had other ideas for a bridge, because what I was trying to say is, a few years ago, prior to Joanna having this dream, there had been a proposal for a bridge that was similar to the one in Florence, so it was a living bridge and it was called a living bridge then, and I think it was the Mayor's economic advisor at the time, not the one that he had in the second term, but there had been other proposals for exciting bridges that would link north/south Thames that were more than just a plain bridge, and so the Mayor did -- was excited by the idea of something other than just a straightforward metal bridge with two metal sides and therefore we wanted to see if other people had any other ideas.

MH: Why didn't you put some of that into the tender document? Why did you give them two weeks? Why do you set up a competition, which ensure that Heatherwicks is in there? And then when we come to the actual --

MD: Because there was an idea on the table, which was an exciting idea, for which he had the -- he had done designs on it, and if we were wanting to compare that with something else then we'd include him.

MH: And Paul, Paul Plummer, have you got that quote?

CH: Was it the email to Richard you wanted?

MH: Yes, thank you so much, thank you. Yes, it should be noted, this is an email on 8 March:

"It should be noted that Heatherwick have not accepted the terms and conditions and whilst I accept this is a contractual matter this does need to be resolved prior to award, given the main issues in relation to IP. [This is whether they should have the IP.] The other major issue with the Heatherwick submission is their expectation that they're appointed as lead designer throughout the whole process [which of course they were, they earned many millions after it] should the project be pursued beyond feasibility, which surely you cannot commit to. How was the commercial criteria scores, where each was given the range [I think this is typo] given the range of daily

rates submitted, how was the commercial criteria score -- how were the commercial criteria scores reached given the range of daily rates submitted? All three cannot have scored 15 per cent. I don't agree with the summary comments that I have seen suggesting rates are consistent across all three bidders. One of the submissions quotes hourly, not daily, rates."

So, you know, you had fantastic criticisms from your commercial guys. I've just got to then go through it, but I'd be much happier if you just said to me, you know, the Mayor wanted them, Wilkinson Eyre had built 20 bridges, referenced another 100 in their documentation, Marks Barfield highlighted 12 bridges, 5 of which had been built including Thames Gateway Bridge, Kew Garden Treetop Walk, Heatherwick, five bits of design including Expo Pavilion in Shanghai, yet, you know, and the short -- the bridge over the canal in Paddington, yet Heatherwick scored more than the other two on both relevant design and relevant experience. it can't be right.

MD: It was on the basis -- the Mayor wanted a bridge, the Mayor wanted an innovative bridge, Barfields had done the London Eye, Wilkinson Eyre had done the cable car, they were asked to put down ideas and they didn't.

MH: No, they were asked to tender for a bridge, you didn't make it clear, if that was what you were after and if you were not at that point committed to doing the Garden Bridge, your tender documents should have made that clear. Your tender documents said, "We want a bridge". But, you know, it could have been Waterloo Bridge.

MD: Well it could have been Waterloo Bridge, but these are innovative designers, these are people who do things that are different.

MH: They're experienced, they're experienced at building bridges.

MD: If you look at the --

MH: Which Heatherwicks had never done it.

MD: No, but if you look at the cable car, the thing about the cable -- well, whether you like it or not, ignore whether you like it, but if you look at the cable car the structure of the supports is magnificent, it's innovative, they're not just plain like things that look like electricity pylons supporting the --

MH: You gave them ten days, what they gave you is a process, you know, Heatherwick had had 12, 10 years, , you know, the commercial evaluation was done by Richard on his own. you yourself in one of your notes on that briefing note say, "Why not give it to Heatherwick?" You say that yourself. So somebody overruled you. Somebody overruled you.

MD: No one -- we would have, as I say, we went through the process of setting out the different ways in which we could take the procurement forward.

MH: Somebody overruled you. I've got to say it just doesn't rep -- what I want is the truth.

MD: Maybe I can't remember all the details, but I know that we -- the Mayor was certainly interested in the bridge, he was certainly excited by the Garden Bridge idea, and we set out clearly different ways in which we could take this forward because it ended up being what it is where the Garden Bridge Trust was set up and the Garden Bridge Trust has raised the money, et cetera. But when we first had the discussion about how we could take it forward it was on the basis we could do something similar to that that we did for the cable car, ie we'd procure a designer, we'd procure an engineer to do the work, we would do the sponsorship, we would get the sponsorship in, we would, subject to getting the sponsorship in, take the scheme forward. But no way would we be paying for the scheme.

MH: Have you got a structure like that of the Trust for the cable car?

MD: The cable car, no, it's set up differently. The cable car was --

MH: So who decided to go for a trust then?

MD: In terms of the trust, that came out from discussions between the Mayor's Office and Heatherwick and the design and some of the people who had expressed interest in putting money into the bridge in the first place.

MH: Why a Trust?

MD: Because it was a charitable trust, rather than the scheme be sponsored in a way that it was branded, so it had branding all over it in the same way as we've got for the Emirates Air Line, people would contribute towards the trust sums of money, whether they're members of the public or big sponsors, but it would just be into this charitable trust whereby they wouldn't get branding in return. So it was so that the --

MH: To stop the branding.

MD: It was so the bridge was viewed as being owned by everyone rather than it being a commercial thing, which is what the Emirates Air Line is. And that's what they wanted to do.

MH: Okay. And at one stage you suggested that you turned it into two bridges, because there's the idea of putting a bridge over, and why was that rejected?

MD: It wasn't so much rejected, it just wasn't taken forward.

MH: By whom, by the Mayor's Office?

MD: By the Mayor's Office, so we were doing two -- we were working at that time down at Vauxhall Nine Elms, there was a need for a bridge down there, people again wanted an innovative bridge, they didn't just want a straight old bridge going across, and we were thinking, well, if we're looking for ideas down there, why don't we procure two at the same time?

MH: And why did he knock it out, what was the rationale for knocking it?

MD: Partly because the procurement of that and the payment for that would be covered by the -- there was what we call a development infrastructure fund study done down at Nine Elms and it was overseen by the -- I can't remember their exact name but there was a body set up to project manage the whole project and the bridge crossing was part of that project.

MH: It would be a 106 bridge.

MD: Well, in the development infrastructure fund, monies were identified that would come through section 106 payments and ultimately for the annalea(?) through the retention of business rates, the increase in business rates. And all these things that were needed in that area were compared against the total pot that could be raised in terms of monies. Top of the list was the annalea, but the pedestrian bridge was one of those things that potentially could come out of funding streams for the VNEB bridge, even though we did discuss what about if you could get additional sponsorship to move it forward, it just so happens with that bridge Westminster are just completely opposed to it landing on their side, so it hadn't moved forward.

MH: So it was because that hadn't moved forward. Did you look at things like improving Waterloo Bridge or something, pedestrianising that, did you look at any of the other alternative options, improving the pedestrian access and experience on Waterloo Bridge or looking at putting the pedestrian bridge between London and Tower Bridge?

MD: What we have subsequently done, because there was a debate about whether the bridge should be a bridge for pedestrians or pedestrians and cyclists, and --

MH: And who decided it shouldn't be cyclists?

MD: In terms of the bridge that was chosen to take forward and the style of bridge, because it ended up being a Garden Bridge, then it wouldn't readily accommodate cyclists. But because you needed to improve cycling crossing in that area, then the north/south super cycle route has subsequently been developed.

MH: Over Blackfriars Bridge?

MD: Yes, to enhance cycling.

MH: Should you not be improving Waterloo Bridge as a pedestrian bridge, a very wide bridge, the costs and benefits of that? Did you compare the Garden Bridge to other options like Waterloo or putting -- or whether or not it was located appropriately at what is on the south side, whatever you say, and probably congestion?

MD: Waterloo Bridge obviously carries a lot of people, but there's also a lack of connectivity in that part of the Thames between Temple and the south bank, so near the studios, so it was an additional crossing at an additional point. But what --

MH: Did you look at the alternatives?

MD: I'm just trying to remember if we did. I can't remember if we did or didn't but in the business case that we would have made to Government we had to demonstrate that we looked at alternatives and we'd have to demonstrate why we wanted this bridge in this location.

MH: Did you think the business case was convincing, for the class of infrastructure?

MD: It's one of those schemes where it's part transport, part economic development, and --

MH: But the big economic development figure was £84 million of uplift in property values in south, which now -- and slightly finger in the air figure anyway, so you could argue it's very congested, it actually might damage -- would you want to live there, it's a terrible area to walk through yet alone try and get anywhere in other areas. It looks to me a very weak business case and am I being unfair?

MD: Well I think you're being, not necessarily unfair, but I think the fact that it had to go through the BIC and the DfT DGs had a say whether or not it was a business case worth the chancellor supporting.

MH: Do you think it was really a transport infrastructure, or was it just a -- was it tourism, economic, what was the -- should it have been a tourism project?

MD: Because it was a cross between a transport project and an economic development project, and because it ended up also being public space, then that in part is why you also want a Mayoral Direction to cover you for things that aren't straightforward, a bit like cycle superhighways have Mayoral Directions for them. Then it was a combination and therefore the business case is one that --

MH: Which, as far as they do, why go there, it must be within the powers of TfL to do cycle lanes.

MD: Well they do have Mayoral Directions.

MH: Right.

MD: But in terms of the bridge, it was not a straightforward transport bridge, it was a transport/promoting economic development bridge and because it ended up not providing for cyclists then making improvements on Blackfriars was a necessary complementary measure. But the case that we put to BIC would be much more rigorous --

MH: Again, you see, it's entirely appropriate for any Mayor to have dreams of enhancing London, that's -- for somebody who was there, designing them there, that's precisely one of the benefits of having an elected Mayor, so it seems to me all of that was entirely appropriate, but it's what is a bit odd is me trying to trace through, and I

can't, how decisions were taken and who actually -- what was rigged, what was a real decision, and being -- you weren't more upfront about it, why don't you be upfront about it, this is what you wanted to do, he wanted to do, absolutely fine, I don't have a problem with it. I might disagree with it, I might like it, you know?

MD: Because we have to -- TfL have to go through a process, we have to check that --

MH: Yes, but the process has got to be true.

MD: No, but it is still true, we just didn't say, "Heatherwick, you alone do this and tell us how much money you want and we'll lob this money to you". You have to go through a process.

MH: Well you have lobbed over 2 million quid to them.

MD: No, in that first contract, which was capped at 60k or whatever it was

MH: Yes, then they got -- they were appointed as --

MD: And in fact Heatherwick didn't charge, so he didn't charge for his time.

MH: His company has earned over 2.3 million.

MD: Since then, since then.

MH: Well it's not a bad whack for an architectural purchase, a design purchase.

MD: Well I don't know all the fees for architectural purposes, but I think they -- different purposes and a different amount of money, some lots more and some obviously not as much. But if you go through a process, which you've got some rates and you can make some comparisons, so if they're coming up with stupid figures --

MH: But there's all this criticism, internal criticism, which you then ignored, so your design process, you don't give the others the time or the really brief so that they understand what you're after, your internal commercial people challenge the criteria, you only have Richard doing the assessment, nobody else, which is an odd way of doing it, and surprise, surprise, it comes up -- let's move on because I think we've probably -- unless there's anything you wanted to -- else you want to say about Heatherwick?

MD: No.

MH: If we move on to Arup, that then becomes even more questionable, you've drawn them down off your framework, which is fine, they appear very low, you nevertheless -- they too have done work before. You put them on the list. They then come in as very expensive. You ring them up and you don't ring anybody else, you lose the papers around the assessment, we all know that Arup have actually been putting in a lot of pro bono, on the basis that presumably they'll get the contract, over a long time into this. This is public money.

MD: This is public money and I think it's this part of the process where I think the criticism of Richard is completely unfair. So, in that process, people on our framework were invited to bid and they could link with whoever they liked and in the actual competition then people from planning, not Richard, Richard didn't do the scoring, the scoring from planning, our legal team, our commercial team, did the scoring --

MH: Richard was the one who ran it.

MD: Yes, but that was on the advice of the panel, so it wasn't Richard's decision.

MH: Well Richard should have realised that if you're ringing up one you ring them all up; you've all been around a long time in procurement.

MD: The decision of the panel, so the people who scored the bidders said, "Technically, Arup's way above the others but their price was too high", and even if the others had lowered their prices because of the differential in terms of technical quality and prices, then asking them to lower their prices further wouldn't have made them more attractive. So the panel, not Richard, the panel agreed that we should ask Arup to lower their prices. So Richard asked them to lower their prices. In hindsight, should have gone out automatically to all of them, but it wasn't Richard deciding to do that, the panel actually drew that conclusion, he asked them to, they lowered their prices. They were also technically much better and so they were appointed.

MH: Isabel's role?

MD: Isabel was not involved in the procurement, so Isabel was involved in wanting to progress the scheme and push the scheme forward --

MH: So she was ringing you up every day saying, "Well ..."

MD: She was ringing Richard up, she wasn't ringing me up, but she wasn't responsible for the procurement because that was a TfL activity, and it was an activity that commercial, legal and planning, were involved in, not just Richard. And then when the appointment was agreed, Richard came to me, explained the appointment, why we wanted to appoint Arups, and I said, "Fine".

MH: And were you involved in -- did they'd all gone off to -- and there were two other things, Arups at an early stage obviously went to -- you know, they were involved in discussions at the beginning, you must have talked to them before they were even considered because you went and showed them the ...

MD: Yes.

MH: So you knew they'd done all the work pro bono, but there's a quote where you say, "They've done it all pro bono, they won't carry on".

MD: Well they're not going to carry on just doing work pro bono.

MH: "So we'd better give them some money."

MD: No, it's not that, it's if they're not the right people to do the job you're not going to give them the money. But they're not going to just do the work pro bono forever, are they? There's lots of companies that do pro bono work on projects in the hope that they'll get the piece of work.

MH: No, if they do it pro bono and come in on the --

MD: Yes, but they don't necessarily get the job. Fosters did all that work pro bono on the airport stuff, if you think of all the stuff on the Isle of Grain, looking at the third London -- an additional London airport, they did tonnes and tonnes of stuff, they never got the contract, they never got any work, because there was no need to do anything, we were quite capable of doing all the work ourselves, and in that particular instance we were asked to do all the work ourselves.

MH: Just to absolutely clarify the document, you described in the tender documents a new footbridge across the Thames, that was what you actually ...

MD: From innovative creative designers.

MH: But you didn't ask for an innovative, all you asked for was a new footbridge crossing, across the Thames, and what the other two gave you in 12 days was a process.

MD: They just gave a process, but they could have illustrated, "We could do this".

MH: Yes, but you should have known that, you know. Why did you allow Richard to ring, who had worked at Arup, who went back to work for Arup, who -- why was Richard the one who rang them?

MD: Because he was in charge of the project.

MH: Oh dear. Do you think, out of all that, and then we'll move on, do you -- did you know they were going to America, by the way, to raise money for it?

MD: We were aware that they were going to go to America but we didn't provide briefings, we didn't go, we weren't involved.

MH: None of you were involved?

MD: No.

MH: So that was just ...?

MD: No, none involved.

MH: Okay. And did you believe at the time, Michele, when you were doing all this work and they were -- did you think that it could raise the money privately when you looked at the business case and when you progressed this? I know that, you know, Boris did a deal with Osborne and got the money, did you think this is going to -- this is going to - - we're going to manage this, having done the cable car?

MD: I personally think, had it been sponsored, people would have put more money in if they could have their name on it.

MH: Yes.

MD: Because why would you -- I suppose why do people give money seemingly for no publicity? But obviously people have, people have put money in there, you've got a

lot of people who support such initiatives, but to me it seemed that a better way of raising money would have been to have got a sponsor, someone who could name it.

MH: Okay, so were you confident that the route down they were going down would not involve TfL or GLA in extra capital funding?

MD: In terms of the Trust route?

MH: Yes, and without a sponsorship. Would you -- presumably at some point you were asked to give advice as to whether this would incur any extra money, what happens if you have a half-built bridge, you don't leave a half-built bridge.

MD: We were pretty clear this is not a bridge that we were going to pay for to be built, there was no money from TfL; that we were asked to provide the planning advice, so monies were spent by TfL, which then ultimately contributed to part of the 30 million that Boris committed. But TfL was not going to be paying for the bridge; TfL was not going to be paying for the maintenance, ongoing maintenance of the bridge, it would have to be through third-party raised funds.

MH: But you -- that's what you've said.

MD: That's the --

MH: Were you confident that that would happen or as a responsible person in TfL what did you think would actually happen with halfway ...

MD: I think it would have to have happened because we wouldn't have put in the planning permission without knowing that there was a --

MH: You wouldn't have put in the planning?

MD: We wouldn't have put in the planning permission without knowing how it was going to be funded. So, if there was no clear --

MH: Given the planning permission?

MD: No, but we weren't responsible for raising the funds, so the Garden Bridge are responsible for raising the funds and getting the money and building the bridge. We're not responsible for building the bridge. If we, as with the cable car, were

responsible for building the bridge, we'd need to know that we could fund it and the way we went down that one was through the sponsorship route because people were attracted to putting money in because they were getting something out. But, with all the Trust approach where you're relying on these charitable donations, then unless you get millions of very small donations there aren't -- I personally wasn't convinced you'd get big donations. people have donated obviously, but I'd always want to know why.

MH: So do you think that -- did you have any role -- did TfL have any role in authorising the signing of the contract with Belishe(?)?

MD: No, that was done --

MH: Did anybody at -- was Richard around then?

MD: No, because that was the Garden Bridge Trust.

MH: Informal, if not formal? Because there must have always been you were standing behind it, somebody must be -- you know, they couldn't have committed to -- it started off 159, 160 million, you know, now and rising and rising and rising.

CH: And this is one of the questions that's been raised is that the funding agreement had conditions before the money that is stated in the contract can be drawn down, so people have argued that, even if they didn't get to TfL about authorising the contract, there were still conditions associated with that funding coming, and I think that's -- because it was the next stage of it that's Margaret's enquiring about is there were all these conditions attached and it doesn't look like they were particularly well enforced.

MD: But the conditions that were attached, there was some additional funding drawn down -- this was after I left, so this is what I've since asked about this, and there was some additional monies drawn down to ensure that the work of the Garden Bridge Trust would continue post the Mayoral election.

MH: I'll read you what -- if I can find it. It's the letter from -- you haven't got it there?

MD: But what Peter made quite clear is we weren't paying, we weren't paying for this bridge. We'd support the bridge --

MH: Yes, I know he said that, but what it then said -- what the letter from the Department says is the 30 million ...

MD: They gave us 30 million, they gave it to us for us to manage, yes.

MH: I'll get it for you; I'll read it to you if I can find it. Okay, letter from Robert Goodwill on 20 November 2014, facilitating note, £30 million grant from Government:

"The contract for construction of the bridge should be let under an open competitive tendering process ..."

I haven't got the rest, it would be really interesting if you just prepared me the -- have you found the rest of that letter? Brilliant. It's in there; don't worry, so just in this lot. You know, never mind. So that suggests to me that a condition of the £30 million contract is that you should have oversight over the tendering process for the actual -- because the Trust is using -- but it's one of these -- when you've got hybrid organisations it is much more difficult to follow the public money.

And so one of the questions in the NAO report is that they signed this contract without having the money. Actually the NAO doesn't say that. I'm looking at that. The NAO says they didn't meet the conditions, didn't have Coin Street, you've dealt with Coin Street down the years, they take forever, every time.

MD: Well they're difficult, but they have a valid position.

MH: Yes, so your memory, you had no input whatsoever?

MD: I personally had no input.

MH: Richard's well into it?

MD: My understanding was that we didn't have an input in the contracting of the bridge. We had advised on the procedures, so in terms of understanding what you might do to take forward a contract and how you might procure things, and obviously Garden Bridge Trust could procure in a different way to TfL, so they would have sought our advice, but they had Paul Morrell as their director who is experienced in those areas. But the contracting of the bridge was for the Garden Bridge Trust.

MH: Okay. By the way, just the interesting thing about the Air Line visit, just a quote here, Richard sends you an email:

"Visit to the Air Line has been arranged with Thomas and Joanna. I have also been in contact with Arup to see what technical information is already available on design, costings, feasibility."

So they were well in there doing the work before they were ever taken off the framework and asked to tender and then rung up and told to reduce their rates if they wanted it. Of course they were technically, given that they'd been doing the work, their technical competence would inevitably be fine.

MD: Their technical competence as a company is very high anyway. Arup's generally put in fairly good bids.

MH: Who else bid on it, do you remember?

MD: In terms of the --

MH: Bidders.

MD: No.

MH: And they were 7th out of 13, am I right?

MD: In terms of cost.

MH: No, they were 7th on the evaluation, it wasn't just cost.

CH: I think that's overall.

MD: But in terms of technical quality they were first.

MH: Well they had been doing the work, Michele. You know, you're talking about public money here, if it was a private company -- I like Arups, I think they're a good company, but this is public money and you're pretending to use processes, which have got to be rigorously used.

MD: And part of that process, and where we acknowledge that we need to -- that wasn't following due procedure, was just asking them to revisit their rates so that we would

get public value for money, and they did. And it's something that we do do when we get bids in is ask people to reconsider their rates.

MH: Yes, all people, that's what you have to do, all people. Is there anything you want to say to me on the contracting that you think you would do differently?

MD: In terms of the overall process?

MH: The whole of the processes.

MD: I think, in hindsight, what we might have done is been more explicit about saying we want a bid for a bridge and we want a bridge that's an innovative bridge and we want you to consider different ways in which you could deliver something innovative in this location. That's one thing you could say in hindsight.

I don't think on the -- and on the engineering side, I think, as you say, is going back to all of them and asking them to reconsider their rates, but I don't think that would have made any difference to the result, but that said we should have gone back to all of them to ask the rates.

MH: And do you think the delegations to TfL are appropriate? I think this never went to the TfL board, did it?

MD: No, but the -- lots of things don't go to the TfL board in terms of --

MH: But over 4 million, the Arup contract.

MD: We've got delegated authority for procurements for 5 million procurement contracts, 25 million, so there is a delegated authority.

MH: Say that to me, and so 5 million?

MD: 5 million for us, we can sign off projects up to 5 million, but we have to have a business case, we have to go through a due process to demonstrate these are valid and that we can procure things up to, in my case, 25 million.

MH: And procure what, capital projects as well?

MD: Yes. So --

MH: So, when you do that, just take me through that, what are the checks and balances on you?

MD: To go through commercial procurement, so we have a central procurement process, so we have assurance processes in place, we will say we want to procure this contract, this is the process that we want to go through, this is our procurement strategy, these are the services that we want, we agree that with procurement in terms of that approach, and then we establish how we're going to undertake procurement and commercial are part of that procurement process and sign it off.

MH: So it's an internal check?

MD: It's an internal check but there's also an assurance process within TfL, what we call a level 2 assurance process that's run centrally.

MH: And who carries that out?

MD: Michael Bridgeland.

MH: It's called an assurance group?

MD: Yes, it's an assurance process

MH: Okay, so this particular -- on the Heatherwick, which I think is minimal, they ignored the commercial, so what happens when they ignore? What happens if you -- it's again you've got Sadiq said to you, "I definitely want to get Margaret Hodge to build an Eiffel tower for 25 million and that's what I want".

MD: If someone said, "TfL, I want you to do that for 25 million", we would go through the due process to be able to justify we'd spend something for 25 million. We were committing to some design work.

MH: But if commercial then say to you, "Hang on a minute".

MD: We were committing to some design work, we weren't committing to building a bridge.

MH: I know, but you then -- no, under your current delegated powers, you could give M Hodge 25 million to build an Eiffel Tower.

MD: No, not without due checks in place.

MH: Yes, but if you then -- if commercial said to you, "Hang on a minute, this woman doesn't know what she's talking about", you could ignore it.

MD: No, I wouldn't ignore it.

MH: But you did ignore it here.

MD: I didn't ignore that.

MH: Richard did.

MD: I wasn't aware of that. I didn't ignore that and I don't know that Richard ignored it. It says that it wasn't taken on board, I don't know. That's what someone has said, but if someone says to me, "You can't do this for this reason", I'd want to understand why I can't do it.

MH: Who do commercial report up to?

MD: They report in to Ian Nunn who is the head of -- the chief finance officer, and before the --

MH: And who do the other group -- your other group that you just mentioned to me, who do they report in to?

MD: I think it's Ian Nunn as well, but through different reporting lines. It was Steve Allen.

MH: Yes, okay.

MD: And then there's also independent assurance processes as provided by --

MH: Internal.

MD: -- IIPAG.

MH: IIPAG?

MD: IIPAG is an independent assurance group that was established between the Mayor and the Secretary of State when we were -- in the business plan for ten years and it's to ensure that the procurement processes within TfL, the delivery of the major projects, was providing value for money.

MH: And who are they, are they external?

MD: Independent.

MH: Independent, what, consultants and things?

MD: Yes, they're people who have experience in delivery of projects in different aspects.

MH: And when you were at the final thing then, because commercial -- but when you were assessing the maintenance of this, so the annual maintenance, the idea there was that they had this scheme of raising money, did you question that at all in terms of value for money really? If that's what they said they wanted to do, were you convinced that it was viable or when you were then forced to get a Mayoral Decision, the Mayor sitting behind it through GLA, did you think actually it's going to (Several inaudible words) this stuff?

MD: In terms of the maintenance, part of the discussions about maintenance were whether or not the maintenance of the bridge could or couldn't be covered by the City Bridge Trust, which maintained other bridges, and whether --

MH: They said no.

MD: And they said no, but a cost-effective way --

MH: Would have been through them.

MD: -- would have been through them, but because of the planting, because it, you know, it won't be a very nice bridge if it isn't properly maintained, then there were different skill sets, it's not just cleaning it and making sure that the -- about the structures, it is actually maintaining gardens. So it's a different level of maintenance and our view was that the monies that they raised would have to cover the cost of maintenance and --

MH: Did you think it was realistic that they could raise those as annual coverage of costs?

MD: I --

MH: Or did you feel that was above your pay grade and that was what the Mayor wanted and you had to do it?

MD: I think in terms of the maintenance costs associated with the bridge that there was an uncertainty as to how much they would cost because it would depend on what they put there, what they planted, and the care with which they needed to be maintained. And therefore I don't think we were in a position to advise on that, they needed horticultural advice, they needed specialist advice, and certainly it wasn't maintenance that we would do. Therefore, if they were going to go down that route, they would need to make sure that the costs for looking after the bridge were raised through the Trust and they had this notion that they could keep on collecting money, so --

MH: Did you think that was realistic?

MD: I personally thought sponsoring it was a better route, but that was my personal view. Given people don't usually give you money for nothing and if you look at other organisations who put money into things and then they do get the publicity for it. But they have raised money and obviously there are people who will give them money and it might be, I don't know, it might be that they could have raised all the money had it not been for the adverse publicity that they've received over this period. So, I don't know whether or not their ability to raise further monies has been halted in any way. No one will know that. And that they might well have proved everyone wrong and got to the full amount that was required. I don't know that.

MH: You've been really helpful, so is there anything that you think that I should have -- that you wanted to say that would help me, just on the process, anything you would change in the process for future? I know this is a smallish scheme in relation to the whole.

MD: I think another thing in hindsight, it would have been easier if we'd owned it and done it rather than part --

MH: Hybrid.

MD: -- the hybrid, because, if it had been owned by us completely, I think we'd have taken it forward in a different way.

MH: Do you think you could have raised the money through sponsorship?

MD: I think through sponsorship that you would have got wider interest because of the naming, the naming rights. Because, as I say, Santander, very keen to do the cycle hire, the Emirates Air Line, people are keen. Others were keen on the Emirates Air Line, so it's not like there aren't people keen to have their name out there. But I can't criticise the Garden Bridge Trust because I do feel that they haven't been able to prove themselves because of the process that we're in at present and there are enough national treasures supported by people who want to keep them going. And I suppose in some ways it would be good to see the Garden Bridge go ahead now and it have a positive effect that it's predicted it would have. Now, whether it will or won't, I don't know, but I think it would be a major tourist attraction. Obviously you can walk across it, but it would end up being a major tourist attraction.

MH: We'd all go there.

MD: Lots of people would go to it, it would open up the whole of that Aldgate, that Aldgate area.

MH: Did you really think -- through the development of the north side -- through this?

MD: Yes, because --

MH: We've been unable to talk to all of them, the north.

MD: On the north side, well if you go to the north side you can see it's a bit dead, isn't it? people might like it dead, some people might prefer it like that.

MH: Well I think the Aldridge, all you've got to do is redo the bloody Aldridge, that's --

MD: Yes, but also the general routing through there.

MH: the Aldridge is you just know it's not -- you can't be a pedestrian in the Aldridge, you've got to -- so I think you've got to --

MD: The crossings are difficult.

MH: It's a traffic management thing.

MD: Yes, one of the things that we did think at the time was it would be nice just to come down that street from the Aldridge and just cross as part of the redevelopment. So, because they were redeveloping that area, it's almost a pity the launch pad for it couldn't have been incorporated within that development and take you straight over so there's a more direct link to the Aldridge than in the current proposal. But those development agreements have been made, so it was a shame that that wasn't incorporated, but certainly Westminster and Lambeth were very keen to see the bridge taken forward at the time they said they were.

MH: Yes, at the time.

MD: At the time they said they were.

MH: At the time.

MD: Yes. And it was only with that support it went anywhere.

MH: Thanks so much for your time, Michele, thanks for agreeing to come here.

MD: A pleasure.

MH: So your current job is you're ...?

MD: Crossrail 2.

MH: Brilliant, that's a really fun job.

MD: Yes, that is a lot of money, that's 30 billion.

MH: Yes, and how much of that has to be raised privately?

MD: Not privately, but in -- well contributions from private sector, half of it.

MH: And how much did we do on Crossrail 1?

MD: Two-thirds, but it cost a lot less, it cost 15 or 14 billion, and TfL's debt and the GLA's debt was non-existent. Now we've got those debts and therefore our borrowing capacity is more limited now, but we have said to Government that, of the 30 billion bill, we can raise half of that through community infrastructure levy, which was set up for Crossrail 1, the continuation of the 2p in the pound business rate, which was set up for Crossrail 1, through the operating surplus, but also to do more on the development in terms of the opportunities associated with that.

So, over the life of the project, we can raise half the funding, but what they're asking us is can you raise half of it during construction? Well that's much harder because we haven't got the funding streams against which to raise that debt because they're currently committed to Crossrail 1.

So, if we were having to raise the monies during construction, we would have to look at additional funding streams and the sorts of areas where lots of people are looking, but it's difficult to understand how palatable they would be is more land value capture. And some of the areas where people benefit from the scheme, there's a a - - I would call it a ring-fencing of land value capture that the Government gets, which is stamp duty, so you make an area better, house prices go up, the incremental increase in stamp duty goes to Government. So we had argued, "Well you're going to get 20 billion more anyway; that can count as part of our contribution". They didn't accept that argument.

So we've had to think, are there additional betterment levies that could be imposed?

MH: On who, on developers?

MD: Not everything can be on the developer because sometimes it is the individual and doing anything on the individual is always going to be difficult, so the --

MH: Stamp duty was George's really clever word.

MD: Yes, stamp duty is you're not doing anything.

MH: I know.

MD: But things like -- the obvious things are fares, but no one wants the fares increasing, road pricing, but no one seems to want to do that, and I also think it's a potential good source. Additional like betterment levies that you apply to someone moving to the area because they know, if they move there, they've got an additional betterment tax to pay, so it's not something imposed on you because you live there, it's because you move there.

MH: But then that's a dis ... yes.

MD: But people can make that choice. But these are -- because the funding part is a certain size and if the Government wants to spend things on all these other areas, including on Northern Powerhouse and Midland Engine, et cetera, for London to move some of these things forward we've got to see if we can increase the size of the funding pot. And that's our big challenge and if we can't convince the Secretary of State that we can do that then he's --

MH: Well they've got to give you the permission, haven't they?

MD: They've got to approve the business case and they've got to give us permission to go - - well they actually have to submit the hybrid bill, that's for them to do, but we do work for them.

MH: What's the timeframe you're after?

MD: If we get a positive response, then the timeframe would be to get a bill submitted by 2019 and Royal assent 2021/22, the thing built by 2033 in time for HS2 phase 2 to open at Euston and Crossrail 2 help disperse the passengers. So, whatever it is now, 16 years.

MH: God, beyond my lifetime.

MD: No, everyone's going to live far longer. I thought you were going to say, "Are you going to have an eastern extension out to" --