

MAYOR OF LONDON

Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Our ref: MGLA100214-8801

Date: 27 MAR 2014

Dear George

London Garden Bridge

I am writing in response to your letter of 7 February regarding the Garden Bridge. I am pleased that our officials have been working closely together to agree the principles behind our respective contributions and I believe we have an agreed way forward, which I thought would be helpful to summarise below.

The approach we have jointly agreed assumes contributions from both parties will be provided following completion of the business case in May this year. Our contributions of £30m each towards the cost of the Bridge will be made on a *pari passu* basis, with contributions provided in stages, with some prior to the award of contract and some during construction of the Bridge. In the event that there is no longer a requirement for the full £30m from each party, because there is a project underspend or because private donations have reduced the need for public funding, then the amount of Government and TfL contribution will reduce accordingly. However, if there remains a need for the full £30m from each party, then these funds will be available.

We have agreed the requirements that the Garden Bridge Trust will need to meet before TfL and Government funding for construction is released, which includes demonstrating that they have secured the balance of funds necessary for construction from other sources, and that they have sufficient ability to manage the risk of cost overruns.

In terms of the maintenance and running of the Bridge, there are a number of possible options and the final arrangements will be a matter for the Trust to resolve going forward. TfL is not in a position to take on this responsibility, nor is this the position that the Trust wishes to adopt at this stage. We are working closely together to examine all possible options and the Trust has my full support in this regard. I understand your officials are happy with this position and I suggest we keep the situation under review, working closely with the Trust at all times.

MAYOR OF LONDON

Finally, we are working towards submission of the planning application in May this year, which will be a major milestone and an opportunity for the Trust to move into the next phase of fundraising.

I look forward to taking forward this exciting work with you over the coming months.

Yours ever,

A handwritten signature in black ink, appearing to be 'Boris', written in a cursive style.

Boris Johnson
Mayor of London



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

7 February 2014

Boris Johnson
Mayor of London
Mayor's Office
City Hall
London
SE1 2AA

London Garden Bridge – Funding Terms

Thank you for your letter on the Garden Bridge. I am pleased to hear that good progress is being made towards the delivery of this project and hope that our agreement to provide financial support for the project will help with this.

While we agreed ahead of the Autumn Statement that TfL should take responsibility for the ongoing financial commitment to the bridge, I agree that if a source of private funding can be found that this should be prioritised. You mentioned the example of the City Bridge Trust and I would encourage you and the Garden Bridge Trust to approach them and any other potential sources of support to ensure this project is a success. However it is vital that the bridge is properly maintained and so if the necessary level of private support cannot be found I would encourage you to stand behind this small funding requirement.

I also agree with you that the Garden Bridge Trust should be responsible for raising the funds needed to construct the bridge and that they should take all reasonable steps to manage the risk that costs may increase. However if costs increase or funding is withdrawn this could present a significant risk to the success of the project. My position remains the same as that agreed with you in advance of the Autumn Statement, that you should stand behind this project to ensure the scheme continues as planned should financial support be required.

I was surprised by your proposal that TfL should offer to loan the Garden Bridge Trust £30mn rather than to provide this as a grant. I imagine that providing this support as a loan rather than grant will make the job of fundraising even more difficult which presents an unnecessary risk to the success of the project. I will therefore be paying the Government's contribution as a grant and believe that you should do the same.

My officials will continue to work with yours to ensure these points are reflected in the funding terms to be agreed with the Garden Bridge Trust.

I am copying this letter to the Secretary of State for Transport.

GEORGE OSBORNE

MAYOR OF LONDON

Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Our ref: MGLA111213-3973

Date: 28 JAN 2014

Dear George

Thank you for your letter of 8 December 2013 confirming the Government's support for the Garden Bridge project through the National Infrastructure Plan. I very much welcome this excellent news.

The project has the potential to make a very positive contribution to the future development of London and support the capital's role as a leading global centre for tourism and trade, while showcasing UK expertise in engineering, design and landscape.

I am happy in principle to match fund the Government's contribution of £30m. As you say, HMT and TfL officials are working together with the Garden Bridge Trust to finalise the formal scheme business case. As we discussed previously, I would like to see the fundraising activities of the Garden Bridge Trust continue beyond completion of the Garden Bridge to ensure that the public sector contributions are recovered over time.

From your letter there are two areas in particular that will need further discussion: maintenance costs and the risk of construction cost overruns. Discussions between TfL and HMT are ongoing but the following is my understanding of where we are.

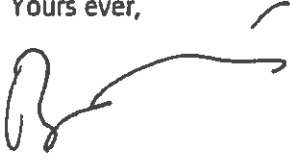
1. **Maintenance:** The maintenance of the Garden Bridge will be a core function of the Trust and I should clarify that I am not intending to underwrite maintenance costs. The Trust has recently obtained charitable status from the Charity Commission and will now develop its plans for the future operation and maintenance of the Garden Bridge. Of course my officials will be offering support to the Trust in developing these plans, and connecting the Trust with potential partners for funding and delivering the maintenance of the Bridge.
2. **Construction costs:** Management of the risk of cost overruns will also be the responsibility of the Garden Bridge Trust. This means TfL's total contribution towards the project will be capped at a maximum of £30m, as I imagine will be the case with the Government's contribution.

MAYOR OF LONDON

No doubt any remaining uncertainty can be resolved as HMT and TfL officials continue their discussions.

Once again, thank you for your support in helping to bring this fantastic project to fruition.

Yours ever,



Boris Johnson
Mayor of London

Can't we get the City
Bridge Trust to do
the maintenance?



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

8 December 2013

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

Garden Bridge for London

During our meeting on 21 November we agreed a funding package for the iconic new Garden Bridge that will connect Temple to the Southbank. Recognising the benefit this will bring to the UK by stimulating development on both sides of the river while reinforcing London's position as a global visitor destination and creative hub, I agreed that Government would provide £30 million towards the cost of the bridge. This commitment was announced in the National Infrastructure Plan on 4 December 2013.

You agreed to match fund this, providing £30 million from within your existing resources and made a commitment that TfL will fund the ongoing maintenance requirement. You also agreed to manage any risk that may result in costs increasing – for example through private funding being withdrawn or cost estimates increasing – from within the funding already available to you.

As set out previously, this will of course be subject to the provision of a business case, produced in line with standard Government guidance, that demonstrates that the investment satisfies government's requirements, including on value for money. I understand that our officials are already working closely together to develop the business case and I would encourage TfL to continue to work closely with them to ensure the project can progress as planned and be delivered on schedule.

I am copying this letter to the Secretary of State for Transport.

GEORGE OSBORNE

MAYOR OF LONDON

Rt Hon George Osborne MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Date: **07 AUG 2013**

Dear George

It was great to catch up with you last night, and I am glad we got a chance to talk about the Garden Bridge proposal.

I have asked my Office to speak to yours to offer you a presentation of the scheme if that would be of interest.

My suggestion would be that those already seeking to raise funding and procure the scheme continue to do so, though a government underwriting of around the £100m figure we discussed would be an invaluable contribution to what I think is a very exciting scheme.

Yours ever,



Boris Johnson
Mayor of London