Press release: Garden Bridge project was a 'failure for charity' that risks undermining public trust

The Charity Commission has published a <u>concluding report on the Garden Bridge Trust</u>, which confirms the regulator's findings on the management of the charity, and sets out wider lessons for charities, the Commission itself and those making public policy decisions that involve charities.

The report acknowledges that over £50m of public funds were spent by a charity without producing demonstrable public benefit, and concludes that this represents "a failure for charity" which risks undermining public trust.

It concludes that the trustees of the charity fulfilled their legal duties in their decision making and that the charity was not mismanaged. However the report is critical of the charity's approach to transparency and accountability.

Londoners and taxpayers will legitimately feel angry and let down by the waste of millions of pounds of public money on a charitable project that was not delivered. I understand that anger and am clear that this represents a failure for charity that risks undermining public confidence in charities generally.

While the charity was not mismanaged, the public would also expect, as I do, that the right lessons are learnt from this case, so that we don't see a similar failure arising in future.

Lessons from this case

The Commission's report sets out a number of lessons for different actors to draw from this case, including:

- The Commission advises that policy makers "think very carefully" before setting up an entirely new charity to deliver a singular public project or purpose. The regulator says it considers it "unlikely that the public would expect risks that are inherent in a major public infrastructure project to be outsourced to such a charity."
- The Commission will update its approach when it receives applications from charities established for the sole purpose of delivering a publicly funded infrastructure project.

The regulator says it will engage with those seeking to establish charity

wholly or mainly to deliver a publicly funded project to ensure they understand the consequences and responsibilities that follow, including the need to meet the public's expectations around transparency and financial stewardship. The regulator makes clear that this change will not affect the status of such organisations as charities, which is determined by the law.

• Trustees of charities that receive public funds to deliver public services or projects should demonstrate scrupulous accountability and a spirit of transparency and openness to the public.

The report makes clear that "the legal minimum set out in the accounting framework should be viewed as just that: a minimum, not an aspiration."

Baroness Stowell added:

The Charity Commission's purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society. In order to deliver on that purpose, we need to understand the wider context in which charities work and to help shape and update the environment in which they operate — and we need to be driven by the public interest in charity.

That is why our report today goes beyond setting out our regulatory findings regarding the management of the charity in this specific case and looks at the wider circumstances that led to the project's collapse, and at the lessons that should be learnt as a result.

The report complements the regulator's 2017 regulatory report into the management of the Garden Bridge Trust, and sits alongside reports by the Rt Hon Dame Margaret Hodge MP and the National Audit Office, which have examined the project with different expertise and from different perspectives.

The full report is available on gov.uk.

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