



Conclusions and Recommendations

Principal Conclusions

Donald Dewar was determined to provide a site and a building for the new Parliament as soon as possible. The timetable for construction dictated the adoption of a “fast track” procurement method entailing relatively high risk. The decision to adopt construction management was taken without an adequate evaluation or understanding of the extent of risk involved and without being referred to Ministers.

The figure of between £40 and £50 million originally put before the Scottish public was never going to be sufficient to secure the construction of a new Parliament building of original and innovative design.

Whenever there was a conflict between quality and cost, quality was preferred.

Whenever there was a conflict between early completion and cost, completion was preferred without in fact any significant acceleration being achieved.

Not until it was too late to change was there any real appreciation of the complexity of the Architect’s evolving design and its inevitable cost.

Tempting as it is to lay all the blame at the door of a deceased wayward Spanish architectural genius, his stylised fashion of working and the strained relationship between his widow and RMJM in Edinburgh, the analysis of the Auditor General is unimpeachable. Costs rose because the client (first the Secretary of State and latterly the Parliament) wanted increases and changes or at least approved of them in one manifestation or another.

Summary of Main Findings

The Incoming Administration

The experience of 1979 may have played some part in the subsequent determination of the incoming Labour administration in 1997 to ensure that its devolution proposals, including a building for the Parliament, were irreversibly established. If he had so chosen, Donald Dewar could have proceeded in a more leisurely fashion with the selection of a site for the Scottish Parliament without putting the Government's devolution proposals in their entirety at risk. (Para 1.2)

There was no reason for any expectation prior to May 1997 that an incoming Labour Government would do other than consider the Old Royal High School building as the preferred home for the proposed Scottish Parliament. (Para 1.11)

The White Paper

The £10 million figure referred to in the White Paper was intended to cover no more than a minimal refurbishment of the Old Royal High School. It would only have been sufficient to provide temporary accommodation for the Scottish Parliament and not a permanent home. By October 1997 it became an irrelevance when it was decided to pursue options involving extensive building work. (Para 2.23)

I am unable to conclude that the decision to adopt conventional funding, rather than resorting to PFI procurement, was wrong and was the cause of the delay and cost which has plagued this Project. (Para 2.51)

Timetable

Donald Dewar did not consider it appropriate to identify only a temporary location and leave the permanent location to the incoming Parliament. Those were matters for his judgment and decisions he was entitled to take at that time. (Para 3.12)

Site Selection

While Donald Dewar was very careful to keep the options open, it is difficult not to conclude that he and his political advisers did not favour the Calton Hill site. (Para 3.29)

There was no evidence before the Inquiry to suggest any covert arrangement between Donald Dewar and Scottish & Newcastle nor that Donald Dewar had reached an early conclusion favouring Holyrood before its candidacy was announced. There was hostility in Edinburgh to the Parliament being located anywhere other than centrally, thus eliminating Leith. Against this background the selection of Holyrood was obvious. (Paras 3.27 & 3.30)

Feasibility Studies

The costings of the feasibility studies were no more than indicative. They did not by themselves provide a meaningful basis for Ministers to reach decisions nor did they represent a sound basis from which to derive a realistic budget for the eventual Parliament building. (Paras 3.23 and 3.31)

Whitehall influence

The Inquiry found no evidence to substantiate the claim that, in selecting the Holyrood site, Donald Dewar was subjected to influence from senior members of the UK Labour Party. (Para 3.39)

Relative merits of sites

It is outwith the remit of the Inquiry to comment on the relative merits of the Holyrood site in comparison with the others under consideration. The evidence before the Inquiry gives no cause to disagree with Mr Spencely's opinion that the delays and cost rises that befell the Project at a later stage were not directly attributable to the Holyrood location. (Para 3.42)

Designer Selection Competition

The press release announcing the competition referred to an early time frame, value for money and quality. That was the architectural equivalent of motherhood and apple pie. Who would not want all these desirable architectural and economic virtues? It appears to me that Scottish Office officials were not slow in understanding their task. What they were to struggle with was where the priority lay: Quality? Cost? Or speed of the completion of the building? As events unfolded it appears to me that they understood their task to be one of trying to achieve early delivery of the new Parliament building, whilst maintaining quality. In my opinion that meant inevitably that whatever lip-service was paid to it, the cost of the building took a back seat. (Para 4.4)

Insufficient inquiry was made of the proposed joint venture between EMBT and RMJM Ltd. It is surprising that the architectural commission for the new Scottish Parliament building was let to a company with a nominal share capital of £100 and only £2 issued and fully paid up. There should have been a rigorous process of due diligence and collateral warranties should have been obtained from both RMJM Ltd and EMBT. (Para 4.33)

None of the finalists adhered to the User Brief or the budget. Consideration should have been given for the contract with the architect to incorporate fee-tapering or other incentive to keep costs down. (Paras 4.40)

I cannot and do not challenge the aesthetic judgement of any of the panel members in their unanimous selection of Enric Miralles. (Para 4.46)

The panel selected a designer, namely Enric Miralles, but the appointment was awarded to EMBT/RMJM (Scotland) Ltd. (Para 4.47)

The so-called budget, which never had any basis in reality, was not at the time of the designer competition set against even the most tentative of cost estimates. (Para 4.49)

Reliance was certainly placed on the assertions by the architectural joint venture at interview that the Project could be delivered within the £50 million budget and adapted to bring about additional cost improvements. It is difficult to see how that assertion could have been given conscientiously or taken seriously, given the embryonic state of the designs. (Para 4.51)

The competition process was in general a sound one. Some parts of the process, such as the evaluation of the Pre Qualification Questionnaires and the visits to the offices of competitors were, however, less systematic than they should have been. There should have been a proper documentary record of the conduct of the competition. (Para 4.52)

Building User Brief

Against the background of the extensive design development which took place from late 1998 to June 2000, no steps were taken to amend the Brief. It suggests to me that over that crucial period in the development of the Project, sight was lost of the terms of the Brief. If that is correct, much of the

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extensive design development over that period was not taking place against the background of the clearly formulated set of client or user requirements, which the Brief should have contained. (Para 5.18)

The Brief sent out strong messages to the Design Team as to the significance not only of the symbolism of designs for the building but also as to the high quality expected. The messages in relation to programme and, perhaps more significantly, in relation to budget are more muted. With the benefit of hindsight the Brief might well have sent out a more considered message to the Design Team as to the relative significance of cost in the Cost/Quality/Programme triangle. (Para 5.27)

Construction Management

It verges on the embarrassing to conclude, as I do, that virtually none of the key questions about construction management were asked. Similarly none of the disadvantages of construction management appear to have been identified and evaluated. If the key questions had been asked and subjected to rigorous assessment, I cannot speculate whether the requirement for an early completion date would have been revisited, enabling a less risky procurement method to be adopted, or whether the construction management route would in fact still have been followed. It is, however, evident that the Scottish Office, while working to publicly declared fixed budgets and being highly “risk averse”, was preparing to follow a procurement route for which there could be no fixed budget and a high degree of risk would rest with the client. (Para 6.8)

Mr Gordon put up a carefully considered minute on 6 January 1998 in which he considered procurement by the PFI/PPP route as against what he described as a ‘conventional procurement’ route. He was more concerned to contrast PFI with conventional procurement than analyse the so-called ‘conventional’ options. It must be open to question whether there was a sufficiently thorough examination of the range of contract routes available at this stage, although I appreciate that the primary focus at that time was on the selection of a site. (Para 6.11)

This, in my view, is the point when the wheels began to fall off the wagon. Ministers had decided unequivocally that for the reasons given a PFI solution should not be pursued and a ‘conventional’ one should. The primacy of reasoning given for rejecting PFI was that such a course might cause unacceptable delay to the completion of the Parliament building. That was a political judgment Donald Dewar and ministerial colleagues were entitled to make and they did so without qualification. After the meeting on 14 January 1998 to consider Mr Gordon’s minute, inexplicably Ministers were never again asked to take a decision on the procurement route with senior officials arrogating that responsibility to themselves. (Para 6.12)

Nowhere does Mr Armstrong address or seek to compare the respective profiles in terms of client risk of construction management and management contracting. Significantly higher risk attaches to the former. While it may have been that the programme was a given factor for Mr Armstrong, and I do not disagree with his view that it dictated a “fast track” construction method, he might appropriately also have emphasised to Mr Brown, who was not a construction professional, that both construction management and management contracting necessarily entailed very significantly higher client risk than traditional procurement vehicles. Mr Armstrong’s advice was poor in this respect and betrayed either a surprising oversight, or at any rate a misunderstanding on his part. (Para 6.15)

On 5 March 1998 Mr Brown minuted that it had been agreed that traditional contracting was not feasible and that either construction management or management contracting would have to be adopted. It would be helpful, he said, in the three months before a decision had to be taken to see examples to illustrate the advantages and disadvantages of both methods. He also suggested that it might be helpful to have a presentation from a construction manager on the perceived advantages of the different

routes. There is no evidence that any examples were produced, or that his prudent idea of a presentation was followed up. (Para 6.16)

No consideration appears to have been given to the involvement of Ministers in the decision to adopt construction management or even to the possibility of informing them of it. I note that this is in the starkest of contrast to the approach adopted by Mr Gordon in relation to consideration of the possibility of PFI/PPP procurement where Ministers were fully involved and informed in relation to the decision making process. (Para 6.17)

The selection of Construction Management was the single factor to which most of the misfortunes that have befallen the Project can be attributed. Against that background I am highly critical of the failure of Mr Armstrong and Mrs Doig to ensure that there was an appropriate evaluation of the highly risky contract strategy that was adopted, particularly in view of the choice of Architect. (Para 6.22)

I regard the decision to adopt construction management without advising Ministers of the attendant risks and the inflexible insistence on a rigid programme as among the most flawed decisions in the history of the Project. It beggars belief that Ministers were not asked to approve the proposal to adopt construction management. Nor did they, as Lord Elder correctly points out, have the advantage of Treasury advice. (Para 6.24)

Appointment of Construction Manager

There was confusion in relation to certain aspects of the meeting to consider the construction manager applications on 2 December 1998. Mr Armstrong's understanding was that, while the outcome of the meeting was no more than a recommendation, EU procurement law and guidance on procurement required acceptance of the lowest tender and that there was no requirement for a further round of interviews. While Treasury Guidance on the appointment of consultants and contractors does not specifically envisage a post tender final interview, I do not read the guidance or understand procurement law to preclude such a step in the process. (Para 7.11)

While there may have been an absence of clarity in relation to the purpose of the meeting of 2 December 1998, I make no criticism of Mrs Doig's decision to revisit its conclusion as to the number of tenderers to participate in the final interviews. (Para 7.12)

Where I have greater difficulty is with Mrs Doig's decision to readmit Bovis to the process without also reconsidering the position of Tenderer 3. DLE had reported that Bovis was the highest of the four tenderers, after appropriate adjustments to ensure that like was compared with like. Their analysis of the figures appears to me to be correct. At the tender review meeting on 2 December Tenderer 3 had been excluded on cost grounds. Bovis had been excluded not only on cost grounds, including those related to the PCG, but also on account of the non-availability of Mr Richardson. The tenders of Bovis and of Tenderer 3 both exceeded the guideline of £5.5 million. Mrs Doig's minute of 15 December 1998 to Mr Armstrong indicated that Bovis' cost position did not in itself rule them out and that they should be probed further on the issue of the PCG and on their personnel. Her minute did not however suggest that these initial concerns had been resolved. Rather she chose to proceed on the basis of informal considerations. She referred in evidence to her "own informal networks" in relation to Bovis' performance on the Museum of Scotland contract. These included having "got some information from the press" and her awareness of how well Bovis had handled a great many site visits to the Museum of Scotland (designed by signature architects) in the year before its completion and the pressures of a fixed Royal opening date for that building. She was unable to provide me with any satisfactory reason for her selection of Bovis to be readmitted to the process. It did not occur to her that there might be legal considerations. While, as I have found in the preceding paragraph, Mrs Doig was within her rights

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to revisit the decision of the tender review meeting and to invite a third tenderer to take part in the final round of interviews, it is my view that such a decision is one which should only have been taken on the basis of a proper evaluation of the comparative positions of both of the two excluded tenderers and on a basis which provided a clear audit trail. In these respects her decision was flawed. (Para 7.13)

I have no evidence to suggest there was anything amiss in Dr Gibbons' relationship with Bovis as a candidate for the construction management contract. (Para 7.14)

It does however appear to me, on elementary considerations of fairness as between competing tenderers, that if one tenderer was effectively permitted to change a very material aspect of the financial basis upon which its tender was submitted that is an opportunity which should have been afforded to the others. (Para 7.15)

In all other respects the final interviews on 4 January 1999 appear to me to have been conducted in a way which was thorough, fair, and well documented. In this respect it can be contrasted favourably with the proceedings in the final rounds of the designer selection competition. (Para 7.16)

I am aware that in his 2000 Report the Auditor General made the very valid point that it might have been appropriate for the fees of the consultants, including Bovis, to have been tapered so that the percentage fee would reduce as a proportion of construction cost as that cost increases. I agree with that observation although, in the context of Bovis' appointment, it is not as significant as the possible conversion to a lump sum upon agreement of the Cost Plan. (Para 7.18)

Both in terms of EU procurement law and in terms of guidance, unsuccessful tenderers should be afforded the opportunity of a debriefing. I have been informed as to the specific circumstances that led to this administrative oversight in relation to McAlpine and, while I make no criticism of any individual in this respect, I am critical of the system which allowed it to occur and a legal requirement to be neglected. (Para 7.19)

It is my understanding that, despite the eventual offer of a Parent Company Guarantee by Bovis at no additional cost, in the event that offer was not taken up and had still not been taken up as recently as February 2004 when the point was raised in the Finance Committee of the Parliament and when the SPCB recommended that such a PCG should be obtained from Bovis. I understand that this may now have been done. While I recognise that Bovis is a major and reputable company, this is something that should have been done at a much earlier stage. (Para 7.20)

The Project Sponsor

The complexities of this particular project were such that even without the benefit of hindsight it should have been seen that any sponsor appointed should have had greater familiarity than Mrs Doig with either construction or the sponsorship of major construction projects. I do not underestimate the advantage of having someone who could work within an intricate political environment. Whether an individual with such a full range of skills existed within the Scottish Office at that time I cannot say. However, as Ministers were showing themselves more than willing to become involved, having the pragmatic advice of someone with construction experience to draw upon was more valuable than that of someone with political acumen. (Para 8.6)

Adequacy of the Budget

At no time before handover did the Project Team succeed in securing a design from the Design Team that could be delivered within budget. The client's increased requirements for space were a significant

factor in this situation but I have to question whether £50 million was ever a realistic budget figure and how effective the Project Team were in operating a genuine cost control process. (Para 8.13)

There seems to have been growing unease about the direction in which the costings of the indicative design proposals were heading. There does, however, appear to me to have been a reluctance to accept that costs could not be contained by 'cost reducing measures' or to report the deteriorating forecasts to Ministers. (Para 8.16)

Reporting to Ministers

Although grave reservations over the budget were being expressed within the Scottish Office as early as November 1998, neither Donald Dewar nor any of his Ministers were being given any warning of impending major cost rises. This makes it all the more surprising that in March 1999 when he was eventually first asked to approve a budget increase he was told it would be "prudent" to lift it from £50 million to £60 million! (Para 8.17)

It seems extraordinary that Ministers do not appear to have had any formal indication of the apparent threat to the agreed budget of £50 million during late 1998 and early 1999 when officials were evidently well aware of the evolving situation. Mr Thomson suggested that when an approach for an addition to the budget did eventually come forward, Donald Dewar would not have been taken completely by surprise as he would have understood the general direction of the Project from his informal exchanges. (Para 8.20)

Timetable

Although the timetable was developed by Mr Armstrong using his considerable experience of project management, it undoubtedly was driven by the political objective of early completion and occupancy of the Parliament building. It is ironic that throughout his involvement with the Project Mr Armstrong drove forward a programme that he had devised but which he felt did not incorporate sufficient time for the planning and design phases of the Project. (Para 8.21)

In his October 1998 Report Mr Armstrong appears to be reflecting the clearly expressed view that the timetable for the Project was tight from the outset and any delay would therefore jeopardise the ability to meet the wishes of Ministers to deliver the Project as early as possible. This urgency does not seem to me to have been echoed by the Project Sponsor who recognised that Enric Miralles "did not work in straight lines" but, instead, would have surges of creative input. She also spoke of the many other ways in which the lead architect was helping the client. I am unconvinced that the value of Snr Miralles' contribution to Edinburgh Festival events and public presentations was as critical as his personal input to the key design work at this crucial stage in the Project. (Para 8.24)

The Architectural Joint Venture

This does not sound like a joint venture company that had gelled particularly well at that point. Although Mr Duncan spent some time in Barcelona in an effort to improve communications and the difficulties surrounding a key presentation to Donald Dewar on 16 September 1998 were ironed out, the underlying questions over the ability of the Architect to deliver remained. (Para 8.23)

The two practices had very different cultures and ways of working and found it difficult to adopt a cohesive approach to design issues or resolving problems whilst working in separate locations and communicating mainly via fax. With Enric Miralles insisting on being personally involved in all design issues during these formative stages, there was inevitable delay and disruption caused by his geographical detachment. Although RMJM took steps to better integrate the practices, this was only

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partially successful. Communication issues have been evident throughout the life of the joint venture company. (Para 8.30)

The relationship between the Project Manager and the Architect is central. Mr Armstrong was an experienced professional project manager who understood better than almost everyone around him how to bring a complex construction project to fruition. He had a structured approach to his work and sought to impose that discipline on the consultants with whom he worked. It is clear from Mr Armstrong's reports that from the outset he was not succeeding in developing a constructive dialogue with (both arms) of the Architect. (Para 8.31)

The poor level of communication at this time is exemplified by the fact that RMJM and EMBT both submitted separate solutions to the Stage C difficulties to the Project Team; a course of events that exposed tensions between the two arms of the joint venture company. (Para 8.34)

Whether Enric Miralles fully understood at this time the political environment in which he was expected to work is questionable. He was clearly coming under pressure from the Project Manager and from his business partners in RMJM to work to a schedule in a way that he was unaccustomed to doing. It seems however that he felt strongly that the "gestation" of a project of this type needed time. (Para 8.35)

Fees were used by the client as a lever to encourage delivery by the architectural consultants. However, the way in which the issue was handled seems to illustrate the growing tensions in the relationship between Mr Armstrong and the Architect. (Para 8.36)

Resignation of Mr Armstrong

Surprisingly, Ministers were not informed of the resignation of the Project Manager until his departure was picked up by the media in January 1999. Given Donald Dewar's evident interest in all aspects of the Project, this seems inexplicable. (Para 8.42)

Design Information

The absence of estimates seems to illustrate the dearth of design information coming forward over this period and also the lack of adequate joint working between the Architect and the cost consultants. Whether this made any difference to the client is another question. When DLE did submit estimates they were either withheld from Ministers or altered. (Para 8.44)

Reporting Cost Information to Ministers

I do not challenge the principle that the Project Team could take a view on whether the risks identified by DLE could be avoided by client action. What I find more difficult to comprehend is why Ministers were not notified within the confidentiality of their exchanges with officials of the reported financial position and the management action taken to address the position. By omitting to inform Ministers of this highly relevant development, a risk was introduced that Ministers would take decisions on the basis of partial or incomplete information and might inadvertently make misleading statements in public or in Parliament. It is evident that DLE were not consulted over the accuracy of the 23 March submission but more surprisingly it does not appear that the Project Team undertook any exploration with them at this time as to the validity of the risks DLE were identifying. Professional advice appears to have been rejected without a proper consideration of that advice or challenge to it. The whole episode suggests to me that senior officials did not have a complete understanding of the advice that their professional consultants were offering them. (Paras 8.50 & 8.51)

The Holyrood Inquiry

Sir Muir Russell took comfort from the observation in the Auditor General's Report that 'the particular risk items in question did not subsequently materialise'. However, it is not clear to me whether the risks concerning Mr Fisher were the same as the particular risks commented on by the Auditor General. As I read the Auditor General's observations in context, he is referring to those risks identified in Sir Muir Russell's letter of 4 April 2000 to Donald Dewar and not the broader range of risks that concerned Mr Fisher. (Para 8.52)

It has been suggested that the issue of risk allowances as opposed to contingencies must have been examined at the meeting on 2 June 1999 and it has been speculated that the content of the full DLE cost estimates may have been conveyed to Ministers at this time. I do not however find this supported either in the official record of that meeting or in the written evidence to the Inquiry submitted by Jack McConnell. (Para 8.56)

It was clear from the evidence of Mrs Doig, Mr Gordon and Sir Muir Russell that a conscious decision had been taken by civil servants that the majority of the risk items identified by DLE could be "managed out" and that it was not in the circumstances necessary or appropriate for Ministers to be informed. (Para 8.57)

It appears to me that the decision to increase the budget taken on 2 June 1999 had no legal basis. In terms of the Transfer of Property etc. (Scottish Parliamentary Corporate Body) Order 1999 all rights and interests in relation to the Parliament had passed to the SPCB on 1 June 1999. From that date the budget was a matter only for the SPCB and the approval of this increase in budget should have been sought from Sir David Steel and his SPCB colleagues. I can see that officials might wish to brief Ministers on the increases so that they were content with what was being proposed and as they were cost increases that had arisen while the Project was still under their stewardship but that does not deflect my concern that Ministers were purporting to take significant decisions in relation to a Project no longer within their remit. (Para 8.58)

It is astonishing that less than a month after Donald Dewar's speech to the Parliament officials knew the independent cost consultants were insisting that their figure was correct but at no time prior to Mr Spencely's Report was this drawn to Donald Dewar's attention. Nor indeed was it raised with Sir David Steel or the SPCB, although Mr Fisher stressed what the risks would be if he were to be questioned by the SPCB. (Para 8.60)

The Project at Handover

I accept that the Project at handover was within weeks of formal Stage D approval but only to the extent that the design requirements of the November 1998 brief were apparently satisfied. However the proper satisfaction of the requirements of RIBA Stage D should have included completion of the Brief and preparation of a cost plan within budget. (Para 9.6)

It was not suggested to the Inquiry that the requirements of the new Parliament, as they came to be articulated, were extravagant or unreasonable. (Para 9.7)

While those involved no doubt genuinely and with the best of intentions believed that the Project was, at the time of handover to the Scottish Parliament, on the threshold of a meaningful Stage D, the evidence before the Inquiry suggested otherwise. It is clear to me that the requirements of Stage D, particularly as regard the Brief and the Cost Plan, were not close to satisfaction at the time of handover. Accordingly, it cannot properly be maintained that the Project was close to a satisfactory Stage D. (Para 9.10)

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In my opinion, there was a failure at the stage of handover to appreciate sufficiently the extent to which the development of certain aspects of the design, such as the Chamber roof, were leading to a very high degree of complexity. There was also a failure to appreciate adequately the consequences of that complexity. The Architect clearly understood the complexity of the designs and articulated this to the client using all manner of presentation techniques. However, it is far from clear that the Architect had the budget clearly in mind when producing designs of such complexity. I would have expected Bovis to have appreciated the programme implications. Indeed all who attended risk management workshops should have been on the alert. (Para 9.13)

I am bound to conclude that:

1. The Brief was not up to date, and did not reflect the changes made since November 1998.
2. The Brief did not anticipate the requirements of the Parliament with the inevitable result that adherence to it would have produced an unsuitable building.
3. The budgeted construction cost of £62 million was flawed in that:
 - a there was inadequate accounting for risk, and the stated budget bore no relationship to a cost plan;
 - b there had been a failure to fully appreciate the complexity of the design; and
 - c account had not been taken of considerations of blast and security.

In short the Project was not in a viable and healthy condition when it was handed over to the SPCB on 1 June 1999. (Para 9.16)

Briefing of the SPCB

In my opinion, the briefing to the SPCB should have alluded to the difficulties that had been experienced with the Design Team and to the fact that the independent professional advice of DLE in relation to the appropriate figure for risk allowances had been disregarded in arriving at the construction cost budget of £62 million. Furthermore, the briefing paper makes no attempt to impart to the SPCB, none of whom had any significant construction or procurement experience, the risks inevitably involved in construction management as the selected procurement vehicle. In this respect the briefing did not present a fair and balanced picture of the state of the Project as it then stood. The terms of the briefing suggest that the Project Sponsor and Project Management were not themselves alert to the potential risks to the Project. (Para 9.23)

SPCB Minutes

It surprised me that the SPCB should have been advised and should have decided to make available to MSPs and the public only a heavily edited version of its minutes, going well beyond the necessary restraints of commercial confidentiality. I consider that the decision to withhold information on the Project from MSPs must to some extent have suppressed informed debate and was evidently a source of frustration. It is difficult to reconcile this practice with the CSG's stated principles of openness and transparency. (Para 9.27)

Clerk and Chief Executive

My overall impression from the evidence was that Mr Grice as the Clerk and Chief Executive was not, during this early period after handover, as personally engaged with the Project in his capacity as Project Owner as might have been expected. While Mr Grice was generally in attendance at SPCB meetings during this period the minutes do not record any significant level of contribution from him. Mr Grice described very fully, and with commendable frankness, the many demands on his own time and the

extent to which he was prepared to leave the running of the Project to Mrs Doig and her team. However, I have noted that the SPCB lacked the legal power to delegate other than to the Clerk. The delegation of responsibility for the Project to another senior official was accordingly not an option open to it. However, section 20(4) permits the Clerk to authorise another member of staff to exercise functions on his behalf. However, the HPG could never be described as members of his staff. (Para 9.32)

1999 Parliamentary Debate

It is not for me to speculate as to the future of the Project had the result of the June 1999 vote been different but Alex Salmond has argued strongly, and not without cause, that the new Scottish Parliament should have been fully appraised of all costs beforehand. Transparently, as the Inquiry has revealed, it was not. (Para 9.39)

Donald Dewar was evidently unaware of DLE's detailed advice on risk and I do not believe that he intentionally misled the Parliament in that respect. It is unfortunate, but perhaps not surprising so soon after handover, that the debate was dominated by the site selection issue and failed to address the significant issues in relation to design, budget and procurement method. The debate did not alter the SPCB's mandate nor provide it with any more precise direction or authority as to how it should proceed. It would have been desirable if, as a result of the debate, the Parliament had taken a greater "ownership" of the Project. However, I discern no part of the debate as focusing on that but what discussion there was sent very clear messages to the Design Team about quality. (Para 9.43)

Landscaping

Landscaping is a relatively small part of the ultimate budget but it demonstrates an unacceptable set of switches which must have been, at the least, confusing to MSPs. At the time of the critical debate these costs were not to be included but by the autumn of 2001 they were. Had I been an MSP alive to constituency concerns about ever-rising costs of the new Parliament, I would have been spitting tacks that yet another £14 million had been slipped under my nose with little or no notice. (Para 9.48)

Project Execution Plan

As highlighted in the September 2000 Report of the Auditor General, there was a failure by Project Management to finalise Mr Curran's draft Project Execution Plan. Evidence produced to the Inquiry reveals that as late as October 2000 this document was only available in the format of a third draft, and in fact I was unable to ascertain conclusively whether a Plan was ever finalised. I endorse the Auditor General's conclusion that the failure to finalise this key document was a significant shortcoming. (Para 9.52)

Design of the Chamber

Over the summer and autumn of 1999, and in relation to the revisions to the design of the Chamber the constituent parts of EMBT/RMJM Ltd appeared to be operating in a dysfunctional way. Snr Miralles appears to have been primarily motivated by the desire to insist on his design, disregarding the clear instructions from the SPCB and the Project Team to accommodate the required changes to the Chamber within the existing footprint. In short, the joint venture was a misnomer; in reality the picture discloses two teams, separated by geography, working in quite different ways. The consequence is that the overall performance of the Architect fell below what could reasonably have been expected. (Para 9.70)

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Overall and because of the extent of the wider redesign which emerged in early 2000 I do not consider that the problems with the shape of the Chamber had a major impact on either cost or programme. (Para 9.71)

Space Requirements

That a hitherto unforeseen increase in space of this order of magnitude, representing some 17% of the gross area of the building, excluding the car parking, could have “emerged” as a consequence of the “natural evolution of the design” seems to me to be extraordinary. It has to be strongly suggestive of a disregard by the Architect of the constraints of Brief and budget to which they were supposed to be designing. (Para 9.78)

Mr Mustard’s Review

It is noteworthy that Mr Mustard’s review takes on the DLE May 1999 figure of £89 million rather than the “budget figure” of £62 million. I cannot avoid the conclusion that the Project Team had never bought into the budget figure of £62 million and always regarded £89 million as a more realistic construction cost figure. (Para 9.86)

Mr Mustard’s review was perceptive; indeed it was a damning indictment of practically everything that was wrong with the Project at that time. As I accept that his Review was essentially accurate, the inevitable conclusion has to be that the Project was in danger of running out of control as early as August 1999. (Para 9.91)

The factors leading to that conclusion are rooted in the state of the Project at handover exacerbated by subsequent problems with the Chamber and lack of control by the Architect. The budget was seriously out of kilter with such cost estimates as were available and whatever actions were being taken to narrow that gap were subsequently unsuccessful. Mr Mustard regarded the position as recoverable, notwithstanding his damning indictment. I can only conclude that he was hoping against hope as was Mr Spencely some six months later. (Para 9.92)

Subsequent events reveal that the implementation plan did not achieve the anticipated result. (Para 9.93)

Feasibility Study

To support the view that the architectural joint venture started to work better after the Debating Chamber issue is the fact that the feasibility study instructed in November 1999, produced relatively quickly a lasting architectural solution to the requirement for additional space. On the other hand design delay remained an issue at this time, as it did throughout the Project. (Para 9.97)

Project Costs in late 1999

Mr Grice cannot avoid the earlier criticism for lack of openness with the SPCB. He may have been right in concluding that the estimate before him was one in which he had no confidence but the consequence of that was that he left the MSPs on the SPCB with a serious under-estimation of likely overall costs. As Sir David Steel indicated in evidence, had the SPCB been provided with DLE’s figures at that stage they might have instructed ‘the Spencely process’ earlier. (Para 9.102)

It is surprising to me that the Architect should claim such apparent astonishment at the news that their design had been costed at £53 million over the budget. Their professional experience should have given them more than an inkling of the likely construction cost of their design as it was developing. Indeed, Mr Duncan wrote on 1 September 1999 pointing out Mr Stewart’s opinion at a Project Team meeting that

the ‘currently declared budget of £62 million was inadequate and...created an extremely serious situation’. Equally, there can be no denying that the client had been making it abundantly clear since their appointment that there was a budget to which the Project had to be delivered. It is not credible that the construction cost figure of £115 million reported by DLE came as a bolt from the blue to the Architect and the client’s reaction must have been equally predictable. (Para 9.113)

Value Engineering Exercise

While there may be some uncertainty about the precise extent to which savings were realised as a direct result of the Value Engineering exercise, there can be no doubt that the exercise failed miserably to achieve its stated goal of achieving a £25 million reduction in the construction cost of the Project. (Para 9.117)

Balance Area

It was regrettable that no-one appears to have been aware that the correct approach would have been to deduct the 35% balance area from the gross figure rather than to add it to the net as both Mrs Doig and Mr Grice had done. To produce an additional net 1,684m² the gross requirement should have been for 2,591m² rather than 2,275m². (Para 9.118)

SPCB and Cost Increases

I have considerable sympathy for Sir David Steel and the SPCB in the latter part of 1999. They had been told that the construction cost budget of the new building was £62 million and that its gross area was 23,000m². On a “back of an envelope” calculation, increasing the size of the Parliament building to about 30,000m² left them comfortably under £100 million but, prior to that most uncomfortable of meetings with Mrs Doig in the spring of 2000, I have found in all that has been presented before the Inquiry that not even the single clang of a warning bell was sounded before that meeting. (Para 10.9)

The “Dutch Auction” in terms of which guarantees were being sought from Mrs Doig suggests a fundamental failure on the part of the SPCB, even by this time, to understand the nature of construction management under which no “guarantees” are possible. Notwithstanding my earlier expression of sympathy for their position, the SPCB are open to criticism for having failed to take the initiative at a much earlier stage to force the issue on costs; for example by asking for a meeting with their cost consultants, DLE. I sense that the management style of the SPCB was essentially reactive, in that it appears to have relied heavily on the information put before it rather than taking a proactive approach. (Para 10.15)

Spencely Report

Mr Spencely agreed in examination that he had not highlighted the need for a pause in his Report, for example by placing a recommendation to that effect in a list of conclusions. I prefer the view that he was suggesting that a pause would have been beneficial, but that the political imperative of speed intervened to make that a practical impossibility. I am unable to speculate as to whether a pause would indeed have been beneficial. (Para 10.27)

Role of Dr Gibbons

I have to question the arrangement with Dr Gibbons, which to my mind raises substantial issues of governance. I find it difficult to understand that Dr Gibbons could properly act as both the de facto leader of the Holyrood Project Team and sit as a member (even a non-voting member) of the body whose role effectively was to oversee him and his Team. There was no evidence that he abused his

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position, but it unsettled others and it is another example of the blurred lines of communication that have plagued this Project. (Para 10.45)

Role of the HPG

While the carefully crafted Memorandum of Understanding emphasised the purely advisory role of the HPG, it is interesting to note that the wording of the minute of the meeting of 8 June 2000 is strongly suggestive of a more hands-on managerial role. (Para 10.49)

The scheme of delegation set out in the Memorandum of Understanding represented an ingenious solution to the constraints imposed by section 21 of the Scotland Act. At the time this arrangement was set up, no-one was interested in questioning its legality and even now that would appear to be the case. However, to the extent that the HPG assumed a decision making role when under statute decision making power could not be delegated to it, leads me to a conclusion that s. 21 of the Scotland Act might be reviewed as regards the powers of the SPCB to delegate. (Para 10.56)

Stage D

Two necessary elements of a robust Stage D are to be found in the agreement by all parties of a Cost Plan and in the existence of at least a preliminary structural design by the structural engineers. Neither had been achieved by June 2000. (Para 11.3)

The Bovis advice to DLE to check, prior to package tenders being invited, whether a trade package was within the target cost plan was, in my opinion, sound and well-intentioned but there remained the essential incompatibility that if the drive was to early completion, cost was not and could not be containable. (Para 11.12)

On the question as to whether there was agreement to the Cost Plan, I note that the Auditor General in his report of June 2004 considered that there was at best only “qualified agreement”. On the evidence before me I am in agreement with that analysis. (Para 11.14)

With regard to the adequacy of design Mr Kinsley wrote to DLE on 10 August 2000 expressing his opinion that there had “been sufficient architectural information in place for some time now to allow a good Cost Plan to be prepared.” In my view that has to be a questionable assumption particularly with regard to the state of the design at the east end of the site. (Para 11.15)

On the evidence before me I conclude that the Stage D report and the Cost Plan later developed on the basis of it did not provide a robust foundation for the future of the Project. I note that as early as November 2000 DLE were reporting from a risk workshop a nominal design and construction risk exposure, exclusive of inflation, of some £28.7 million, putting the total construction cost significantly well over the Cost Plan ‘budget’. (Para 11.19)

Guaranteed Maximum Price

The HPG’s decision not to move to a Guaranteed Maximum Price at this time was, in my view, entirely appropriate. Whatever may have been the wisdom of the initial decision to adopt construction management as the procurement vehicle for the Project (which I have already questioned whether it was properly explained), the contractual position in that respect was inherited by both the SPCB and the HPG. The contract with Bovis made no provision for the change of their consultancy role as the Construction Manager to any other role such as that of management contractor or works contractor. (Para 11.24)

The Architectural Joint Venture

While the Project had lost its creative and charismatic principal architect in Enric Miralles, the design to his concept should have reached a sufficiently advanced stage for the Project to continue in his absence. His death, however, gave rise to a substantial period of disharmony within the architectural Joint Venture and the only conclusion can be, sadly, that it caused further delay. (Para 11.29)

On one view, leaving Snr Miralles as Principal Person was an expedient fudge by the HPG which left the Design Team as something of a rudderless ship. On the other hand Snr Miralles had not been doing much to 'direct and control .. overall performance by the Architect'. He was always a concept designer rather than a manager and it may have made little difference to the practical arrangements. However, I have a sense that the subsequent problems might have been avoided if a more robust stance had been taken by the HPG at the time. (Para 11.30)

Donald Dewar

I knew Donald Dewar well, having been on the Select Committee on Scottish Affairs early in the 1979 Parliament when he was Chairman of it. I was well aware from at least that time of his commitment to the establishment of a Scottish Parliament. He enjoyed very considerable political influence at Westminster and Scotland which should not be under-estimated. All the comment to me has emphasised that it was his drive and determination that caused the new Parliament Building Project to go forward. (Para 11.33)

It is more difficult to assess whether he could have or should have asked more searching questions on costs prior to the handover in June 1999. His Special Adviser Lord Elder talked of his unease over the figures being supplied to him but there was no evidence before me that he sought any appraisal of the costs from, for example, the independent cost consultant Mr Fisher of DLE. (Para 11.34)

It comes as no surprise that Donald Dewar contemplated resignation on the basis that he had misled the Scottish Parliament. Donald Dewar was steeped in the Westminster tradition that there is no greater democratic misdemeanour than misleading Parliament and he clearly carried that with him when he became First Minister in the Scottish Parliament. However, there was no evidence whatsoever to suggest that he deliberately or knowingly misled MSPs. He relied on cost figures given to him by senior civil servants. As it turned out, he should not have done so but he did not conceal figures that he knew were a better assessment. In the event he did not resign and in my view was correct not to have done so. (Para 11.35)

Auditor General's Report – September 2000

What is incontestable is that the Project did not proceed smoothly to the conclusion that was anticipated and many of the shortcomings identified in the Auditor General's 2000 Report have persisted until the present day. (Para 11.41)

It is not difficult to conclude that by the end of 2000 the Project was in serious trouble despite the best efforts of the HPG and Project Management. As it progressed into 2001 and beyond those difficulties would increase. (Para 11.45)

Alan Ezzi

Mr Ezzi appears to have wrestled with the challenge of imposing a discipline on the Design Team to deliver design information to the agreed programme and to design to a budget rather than simply to a concept. Mr Ezzi had been appointed to be a "bruiser" over rising costs but whenever he attempted to fulfil that role he was left without support or had his proposals countermanded. (Para 12.22)

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Mr Ezzi grappled largely unsuccessfully with the complexities of working for a political client in the shape of the HPG. There does however seem to have been a failure on the part of the HPG to appreciate the difficulties which their actions placed upon the ability of their Project Director to perform his role. (Para 12.23)

The Budget 'Cap'

Tellingly, Ms Davidson observed that “under construction management the notion of a cap is somewhat misleading anyway”. I have to question whether in approving the £195 million ceiling on costs in April 2000 Parliament fully understood the nature of the Project it was considering or the procurement route that had been selected for it before its inception. Although the HPG gradually developed an understanding of this key facet of construction management as it grappled with the complexities of managing risk and design development, this does not appear to have been shared by other MSPs until a surprisingly late stage. (Para 12.38)

The Foyer Roof

Mr Ezzi suggested that this scrutiny of preliminary design proposals for the Foyer roof was proof of the design process working. Having been alerted to an emerging problem at a very early stage in the design process, he suggested that DLE and the Project Team had acted quickly to bring it back on course. That may have been their intention but whatever actions were taken at those early stages, they clearly did not succeed in producing a design proposal that could be constructed for anything approaching the original anticipated figure. (Para 12.43)

The HPG seemed to be placed in a position where it was required to take decisions at a stage in the process when it was too late to recommend or affect any meaningful change to the outcome. (Para 12.47)

The evidence does suggest that levels of communication among key players were extremely poor on occasions, of which the Foyer roof is a prime example. Although I heard evidence of a visit to Barcelona by a member of the DLE team, I am not convinced that there was an appropriate level of interface between the Design Team and the cost consultants on this issue. While my primary criticism is of the Architect, DLE might also have taken a more proactive role in identifying that designs were being developed outwith the Cost Plan and drawing that to the attention of the client. As it was, the HPG inevitably felt bounced into approving actions with significant cost implications in view of the implications on programme (and to an extent on quality) if they were to do otherwise. (Para 12.48)

Clearly communication channels were hampered by the fact that the principal work on the Foyer roof took place in Barcelona. Notwithstanding the presence of EMBT staff in Bells Brae, I am tempted to conclude that this design work was not undertaken in a co-ordinated fashion, as it is apparent that the production of the finalised design took almost everyone by surprise. This was wholly unsatisfactory, particularly in respect of such a significant part of the building. I cannot exclude from criticism the Project Team who did not have an effective monitoring system in place to ensure that such surprises were avoided. Whether this could have been avoided by the strengthening of Project Management as has been suggested I am unclear, but I have found that this incident demonstrates a major failure of management and a loss of control over the process. (Para 12.49)

Kemnay Granite

The consideration of Kemnay granite suggests to me that even at this stage the client, expressing its will through the HPG, was placing greater store on the issue of aesthetics/quality than on either cost or programme. (Para 12.51)

Fee Capping

It is difficult to assess whether the early reliance on a wholly unrealistic budget led first the Scottish Office and then the SPCB to regard consultants' fees as relatively minor or whether there was an unwillingness to raise the issue of fees when it was becoming obvious that costs were escalating as that would highlight the array of problems still unresolved. In any event, there was a protracted period during which the issue of consultants' fees remained unresolved although overall construction costs clearly had increased. It was only when the present Presiding Officer personally intervened that fee caps were finally established. (Para 12.67)

Queensberry House

From the evidence provided to me, Sir David Steel's criticism of Simpson & Brown's finding that the building was "fundamentally sound" is misleading when read in the context of the full report and from subsequent advice provided to him by the Project Sponsor at the end of 1999. (Para 13.17)

Although the question of the amount of floor retention in Queensberry House remained contentious there was no evidence to suggest that this adversely affected the timetable or overall costs. (Para 13.50)

I am bound to conclude that Historic Scotland sought to revisit the issue of the Belvedere Tower with a view to its restoration, as opposed to retention, but ultimately conceded on the point. (Para 13.59)

It is obvious that the issues of retention against restoration and the Architect's plans after handover to demolish part of the existing Belvedere Tower led to unnecessary delays in obtaining listed building consent and added to the cost of the Project. Whilst the costs incurred are minimal when compared with the cost of the Project as a whole, this delay could and should have been avoided. It was irksome and in some respects irrelevant, but it took up an inordinate amount of time and involvement. Even the Secretary of State was involved in protracted negotiations over a matter which should have been effectively dealt with by the Holyrood Project Team. Historic Scotland were understandably picky, but it might be argued that that is their role. What appears to have gone wrong is that the HPT placed undue reliance on the opinion of Mr Hume, the former Chief Inspector. (Para 13.63)

I do not find that the enfilade issue contributed to time or cost delays, although the new foyer resolved upon as a better solution by the Architect contributed significantly to both. (Para 13.68)

It has proved to be the case that Queensberry House, in terms of cost per square metre, has turned out to be the most expensive part of the entire Project. Nevertheless, the overall cost, when viewed in light of the full cost of the Project currently at £431m, can be viewed as comparatively minor. (Para 13.75)

It is clear from the evidence presented to me that the arguments surrounding the treatment of Queensberry House as part of the Holyrood Project were protracted and convictions were strongly held almost from the Project's inception. (Para 13.76)

There is no doubt that by having to focus on specific recurring themes in relation to Queensberry House, the HPG and the Project Team found it difficult to make progress and that these issues were discussed at the highest level by the First Minister and Presiding Officer to try and find a resolution. Crucially, however, it is to be noted this did not cause any delay to the overall programme, as Queensberry House was never on the critical path. At the same time the costs of Queensberry House have been significantly greater than anticipated at the outset. (Para 13.77)

Programming

It is a matter of judgment whether the decision of the Project Team not to pass Mr Briggs' report to Bovis was the correct decision, in light of the evident delays which had occurred up to that point. I am bound to be circumspect in reviewing the decisions of professional people who had an intimate acquaintance with the Project, which had by then developed its own unstoppable momentum, but I am not able to resist the impression that there was a cautious approach by Project Management to this difficult subject. (Para 14.17)

I have no doubt that much difficulty was experienced in achieving a flow of design information consistent with the optimistic programmes prepared by Bovis. I am also in no doubt that the design flow was from time to time a source of serious frustration. However, I am far from clear that "design flow" as described to me by Mr Mack, Mr Curran and Ms Davidson was achieved any less quickly than it could ever have been, given the complexity of the designs with which all concerned had to grapple. In consideration of this problem, the tension among time, cost and quality is very well illustrated, in that it is plain that if the time criterion is set too tightly, it is likely to follow that the design flow will fail to meet expectations. In addition, if as a result of time parameters having been set too tightly, construction cannot proceed in accordance with the programme, then there will clearly be a cost penalty, as has been the case. (Para 14.20)

The expected design flow failed to keep pace with the programme demanded by the client and proposed by Bovis. Some such failures were the responsibility of the Architect, and arose in my view from the indifferent co-ordination and communication between Edinburgh and Barcelona, which was uneven, working well at times but poorly at others. It ought to have been more completely understood by the client that high quality design work takes time, and that the programme itself was unrealistic given the complexities of the design, especially after Mr Briggs' report in February 2002. Bovis too should have understood that. By the same token, the Architect should not have signed up to programmes which it could not honour and ought to have been more vociferous in relation to the time needed to achieve designs which could be programmed accurately. The programme was propelled by the client obsession with early completion. It appears not to have been completely grasped throughout the Project that if the quality and unique complexity of the building was of overriding importance, the programme and the timing of completion would be affected significantly and extra cost inevitably occurred. (Para 14.26)

Having considered all the programming evidence, it is my view that Bovis, in constructing its programmes, probably appreciated as well as anybody the buildability consequences of the highly complex and non-standard designs which were emerging from the Design Team. In my view, their programmes reflected the political imperative for early completion. Bovis reported to the client with a degree of optimism which was often not justified. The Auditor General's assessment was that "the main cause of the slippage is delays in design of a challenging Project delivered against a tight timetable, using an unusual procurement route." I agree. (Para 14.27)

Security

Security was evidently a consideration from a very early stage and was identified as such in the earliest versions of the Building User Brief in 1998. The cost and programme implications of security measures had been under-estimated by everyone, including the client. The events of 11 September 2001 were not the catalyst to a wholesale review of the security requirements. (Para 15.2)

Where relaxation might have been considered in the past, after 11 September 2001 this was no longer permitted. This approach was succinctly if rather clumsily captured in a minute of a meeting in October

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2002 where it was noted that “the impact of 9/11 was not to introduce any new measures or guidelines but to make all the measures recommended over the past five years more mandatory.” (Para 15.6)

The earlier cost estimates and ambitious programmes appear to have had a myopic approach to the security issue. I have seen little evidence to suggest that its full implications were foreseen by either the client, the Design Team or their advisers. (Para 15.7)

It has been suggested that the full extent of the additional costs attributable to security may have amounted to as much as £100 million. It has also been speculated that the understandable but not fully understood requirements of “security” are a convenient scapegoat for uncomfortable cost rises. (Para 15.8)

Mr Fisher suggested a total of £29.11 million. A sum of £17.54 million was identified as the net additional cost of the consequences of the design of anti-blast measures. A second element is a sum of £11.57 million attributable to the cost of delay associated with blast. (Para 15.9)

On the evidence I am persuaded me that suggestions that the cost of security measures for the Holyrood building could amount to £100 million were wholly inaccurate. (Para 15.10)

Recommendations

I do not envisage another Parliament building will be constructed in Scotland in my lifetime or for many years after that and the circumstances of the Holyrood Project might accordingly be regarded as wholly exceptional. However there are a number of recommendations that I might usefully make. Some I am conscious may already have been implemented since the Holyrood Project began or during my Inquiry and I acknowledge that. Where they have been, it may nevertheless be helpful if on the basis of evidence before this Inquiry, I indicate my approval of the changes.

1. Where a competition is held for the selection of a designer, consultant or contractor for a public building project, **I recommend there should be:**
 - a) **An orderly evaluation of the Pre-Qualification Questionnaires.**
 - b) **A consistency of approach and common membership of those making visits to the offices of candidates.**
 - c) **A full and transparent record of all aspects of the competition from start to conclusion.**
2. Where the best design solution is seen to be one of an internationally renowned 'signature' architect linking with a Scottish based practice, **I recommend a full and rigorous evaluation should be undertaken to confirm a compatibility of working cultures and practices.**
3. Construction Management as a procurement route should be used sparingly for any public building project. All risk lies with the client and ultimately the taxpayer. Current Treasury Guidance could not be clearer. It is a procurement route of last resort. **I recommend civil servants or local government officials contemplating construction management for a public project should reflect long and hard on the advantages and disadvantages of such a route and should set before the political leadership a full evaluation of the risks.**
4. The United Kingdom, including Scotland, is a member of the European Union and is bound to observe all the procurement rules from advertisement in the Official Journal through to the debriefing of unsuccessful candidates. Not all those who appeared before the Inquiry appeared to have a necessary familiarity with these rules. **I recommend that no-one should be put in charge of any public project without a demonstrable appreciation of what is required under EU procurement rules.**
5. **I recommend that where independent professional advisers have been retained, their views should not be filtered by the Civil Service but should be put to Ministers alongside any disagreement officials may have with the judgements expressed by those advisers.**

6. **I recommend that where civil servants are engaged on public projects, governance should be as clear as is now required in the private sector.**
7. As I have expressed in the body of my Report, the lawyers for the Scottish Parliament were ingenious in their side-stepping of the maxim, *delegatus non potest delegare*. If there had been a legal challenge to their solution I would not have been confident that it would have survived. The Clerk and Chief Executive, Mr Paul Grice, nodded an understanding of the problem. Accordingly **I recommend that Section 21 of the Scotland Act 1998 should be amended to give the SPCB wider powers of delegation than exist at present.**
8. After 9/11 and other more recent events, the security and safety of our public buildings has become paramount as much to protect the innocents as those who work within them. I am aware from the evidence heard in camera what steps have been taken to secure the integrity of the Parliament building and the safety of those who occupy it and I am impressed by that without revealing detail. Nevertheless **I recommend that the considerations of the security and safety of public buildings should not be regarded as late 'add ons' to the design but primary integral parts of the User Brief and the assessment of any proposed design.**
9. The previous Presiding Officer, Sir David Steel, expressed in his evidence his frustration and that of other MSPs that the procedures of the Scottish Parliament did not allow for oral questioning of the Presiding Officer. My understanding is that since 13th February 2004 the Standing Orders of the Parliament have been altered to allow such questioning. **If that change had not been made since I embarked on this Inquiry, I would have wanted to recommend the change and, with respect, commend the Scottish Parliament for making it.**
10. The Auditor General for Scotland in his June 2004 Report records at page 27 in relation to the Flour City contract:

“In September 2002 I informed the Accountable Officer of what I considered then were the key concerns emerging from the work. He accepted that some interim contracts were allowed to continue long after trade contracts should have been finalised and that there were significant delays in obtaining some performance bonds and parent company guarantees. Fortunately, except in the Flour City case, none of the risks implicit in this situation appeared to have crystallised. Following my audit the Accountable Officer took action to ensure that where necessary full contracts, bonds and guarantees were put in place and to prevent similar risks arising again.”

Once again, with respect, I agree with this careful analysis by the Auditor General for Scotland.

Conclusions and Recommendations

In the light of his recommendations I trust this to be an unnecessary recommendation but nevertheless I advise: **Where an architect, consultant or other contractor is comparably employed, on his own account or as part of a joint venture, full contracts, guarantees and bonds should be secured at the outset to prevent risks to the public purse emerging.**

Since early 2004 RMJM Ltd have been offering the necessary undertaking. That should be accepted forthwith but it should not have been incumbent upon them to have taken the initiative.