

HOLYROOD INQUIRY – PUBLICATION OF LORD FRASER’S REPORT

I am told that it has been a poor summer out there although with the writing of this Report I have not seen much of it.

I am however pleased to say my Report has been delivered today to the First Minister and the Presiding Officer of the Scottish Parliament by its due date and within budget.

It is not my intention to rehearse in detail the contents of this Report extending as it does to some 300 pages. However it might be useful if I explain the scheme of it. After some very sincere acknowledgements for the outstanding work done to support this Inquiry over 49 days of Hearing and almost as many subsequent to that, I have an Introduction to the report in which I offer some general comment and observations.

There then follows the main body of the Report supported by copious footnotes. In the main these relate to the evidence and documents which can be read on the Inquiry website – details of which are set out on the inside cover of the Report. Thus available for all is the entirety of the relevant oral and documentary evidence before the Inquiry – with the notable exception of the evidence heard in camera on security and blast. It is no part of this Inquiry’s remit to provide those who might wish to damage the building or injure its occupants with any detail that might assist them in criminal activity.

There is, however, a chapter on blast and that is included to identify in broad outline the cost of blast provision and the contribution of that provision to prolongation and extra cost. While it is not an insignificant cost at about £29m, it is very significantly less than some claims have been made for this element of the cost of the building.

The Report concludes with a long Summary which covers, if not all, most of my opinions and some essential facts. It is not designed to be read on its own giving as it does references back to the main body of the Report for those who wish to check back to the factual basis for my conclusions.

There is, then, also a set of recommendations – some of which may be surprising not least in that I urge extension of the powers of the Scottish Parliament with a view to securing greater clarity and definition. I trust that these recommendations are helpful and far from being disappointed, if I am advised some of them have already been implemented since the Inquiry exposed shortcomings, the value of this extended exercise would appear to me to be confirmed.

The scope of the Inquiry has been to examine issues prior to the 1997 General Election through to 2003 and beyond. It would not have been difficult to have conducted an Inquiry that took at least as long to finish as the building itself, and there is ample precedent for that!

The greater task has been to condense 7 years activity into a Report that did not dwarf “War and Peace” but nevertheless to identify the main themes and factors which have led to these inordinate delays and massive cost overruns.

I believe this Report achieves that but I have to recognise that neither the first principal client, the late Donald Dewar, nor the signature architect, the late Enric Miralles, could give their own evidence and to that extent I have had to rely on my own interpretation of evidence, some supposition, and my own best judgment.

As I have said in my Introduction, while I have a number of sharp criticisms and recommendations to make on matters which ought to have been much better understood, there is no single villain of the piece. There were, however, some catastrophically expensive decisions taken and principal among those was the decision taken – not cleared with Ministers – to follow the procurement route of construction management. I have very real doubts if the extent of the risk remaining with the public purse was properly understood at the time it was adopted and I remain concerned that it was not clearly grasped by the Scottish Parliament for nearly two years after the Project was handed over to the SPCB when the Parliament gave up trying to have a “budget” for the building. Any building constructed under the procurement model of construction management costs what it costs.

HM Treasury are very slow to advise resort to this form of contract and as Mr Carter of Gardiner & Theobald pointed out in evidence:

So far as the Holyrood Project was concerned, if it could go wrong, it did go wrong.

I deal with this aspect of the Project in some detail as it seems to me to have been critical to the manner in which cost escalated.

It is true once the Parliament came into existence in June 1999 their requests and requirements added significantly to the costs. They added about another 47% to the area of the Parliament. But it seems to me that they were entitled to determine how they would conduct their own business. Those on the SPCB and later the HPG may have added to the overall costs when almost inevitably they would prefer the more expensive quality of the Scottish product but it would not be fair to conclude that they demanded “add-ons” that were frivolous or unnecessary.

It still astonishes me that first Scottish Office Ministers and later the SPCB and HPG were kept so much in the dark over the increases in cost-estimates. It would have seemed to me to be axiomatic that those who are democratically accountable for public expenditure should be kept advised of looming increases. And for year after year they were not.

This unique one-off building could never ever have been built for £50m and I am amazed that for so long the myth has been perpetuated it could.

As it is now completed the building was bound to have cost in excess of £200m and that could or should have been anticipated at least from the time of the Spencely Report. It is difficult to be precise but something in excess of £150m has been wasted in the cost of prolongation flowing from design delays, over-optimistic programming and uncertain authority. That is an exceptionally regrettable and an uninspiring start for a new Parliament. However I trust that the exposure of my Inquiry has exhaustively given to these issues will have had the necessary cathartic effect that the Presiding Officer sought.

I have now written to both the Presiding Officer and the First Minister concluding for them as I conclude now:

“The Scottish Parliament, has a building that meets the vision that I believe Donald Dewar and his colleagues set for it. I express the hope shared by many that the excellence of the parliamentary activity within the building will reflect the quality of the structure, and that the painful lessons of its procurement are not lost on those privileged to serve there as representatives of the Scottish people.”