

REVIEW: THE VERDICT ON HOLYROOD

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The Holyrood Inquiry: a report by Lord Fraser of Carmyllie QC on his inquiry into the Holyrood Building Project, Edinburgh: Scottish Parliament paper 205, 2004, 267pp. £15, ISBN 1 4061 0013 7

It would have been apposite if the price has been £43.10, to be a neat 0.00001% of the project cost, rather than the more than affordable £15. As Lord Fraser says, he brought in his report on time and within budget and it is handsomely produced. The distillation of the evidence is in basically chronological form. It needs to be read in conjunction with the Auditor-General's report of June 2004 (**Management of the Holyrood Building Project**) which has important technical and construction detail to the limits of commercial confidentiality in a project whose final bills have yet to be settled. While Fraser offers a reasonably complete narrative up to mid-2001 it then becomes more fragmentary in the subsequent period that encompasses the majority of the life of the project and of the cost escalation. During this period the cost and completion estimates of Bovis proved to be woefully inaccurate and the MSPs on the Holyrood Progress Group fought successfully to ensure that the quality and finish of the building was not compromised. At this point even friends of the project found it hard to say that the building justified the price. Perhaps this imbalance in the report was caused by a lack of time, but it does tilt the scrutiny to decisions taken at the start of the project when the weight of hindsight distorts.

The report invites comparisons with the Whitehall mega-reports – Scott, Hutton and Butler. We must feel vast gratitude that they have secured the release of very recent papers that blow apart previous conventions about

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government secrecy. The Fraser evidence at www.holyrood inquiry.org (we should have a CD-ROM so that it can never be expunged) enables us to compare the style of pre- and post-1999 communications with ministers and trace the gestation of the Devolution White Paper from even before the 1997 election. More analytical than Scott, less uncritical than Hutton, like Butler it reflects very aptly the personality of the author, a more-in-sorrow-than-in-anger type writing with clarity and elegance and sometimes with wit and charm. Fraser is a Scottish Conservative, not afraid to tell us on p. 10 that his party accepted devolution after 1997 and there was no need for Donald Dewar to build facts on the ground to cement it in place. The occasional notes of asperity – he would have been ‘spitting tacks’ at the way that the landscaping costs were merged into the budget (p. 130) – come over with force. The acknowledgments page is a delight, especially where he thanks his star QC, John Campbell, while extending even warmer praise to Campbell’s junior.

Many will turn to the verdicts on individuals. Fraser is a lawyer, and he does seem to favour those who made a good impression in the witness box, especially if the written documents reveal their lucidity and grip. Among the officials, Robert Gordon and Sarah Davidson emerge better than once seemed likely. Staff who left and then were taken up as media heroes – Bill Armstrong and Alan Ezzi – get their wings clipped for their actions while on the job. Sir Muir Russell is evaluated with a suggestion that his effortless rise to the top of the Scottish Office was not matched by an engaged performance on this issue (p. 7). Paul Grice had an impossible task of titularly running the project as well as everything else in the Parliament and can say that he survived the project and the report. Barbara Doig was particularly vulnerable as the lead project administrator (or ‘sponsor’ in the evasive civil service terminology). Fraser shows that while the choice of Bovis as construction manager was properly documented, its reinstatement on the short list despite what looked an uncompetitive bid was not. The choice of manager was not a straightforward lowest-price matter but Doig has to take the fairly sharp criticism that, when Bovis but not another tenderer was readmitted, ‘her decision was flawed’ (p. 93). The way that John Gibbons, the Scottish Office’s chief architect, played various roles in the project is understandably queried. George Reid is implicitly (but not explicitly) praised for getting a grip on the fees after becoming presiding officer; he deserves great credit for driving the project forward to autumn 2004 occupancy. Fraser does not make judgments on aesthetics and it is hard to discern whether he likes the building.

The initial choice of site continues to be controversial. The Royal High School option was effectively a St Andrew's House option – in the 1970s as members' offices and in 1998 as a site for a newly-built debating chamber as well. This would have required a knock-on relocation of ministers and officials and so was a more complicated proposition for them than Holyrood – an additional element to set alongside Donald Dewar's reported comments that St Andrew's House was 'somewhat fascist' (p. 44) and Calton Hill where the school was located a 'nationalist shibboleth' (p. 45). Fraser makes a great deal of Dewar's ignorance of the construction management method that had been chosen ('it beggars belief' (p. 86)) but it is hard to know what difference a fuller consideration of it would have made. If any situation called for a fully flexible contract mechanism, this was it. Politicians may not have appreciated that the contractual link was directly with the trade suppliers and not with the construction manager, Bovis, who supplied what in the event was a disappointing service of control and scheduling. But they were scarcely in a position to do it any other way or concede in advance that the public authority would be a weak and inconsistent client. The real problem was the complexity of the interfaces between part of the building and different trades, which at times made the project resemble a line of stationary taxis all with the meter running.

Much play has been made by the Executive of the line that the report was right to reveal faults but that these have now been corrected. Certainly there is now a more transparent and relaxed general atmosphere around St Andrew's House, but Fraser shows how close the working was between Dewar and his officials on the location issue. In this situation officials pick up a good sense of what their minister does or does not want to be kept informed about. What the Fraser report, and the debate it has prompted about the civil service, understates is the position of officials as promoters of the political perspectives of the ministers they serve. Before and after devolution, they are not in the business of providing ammunition for the opposition. Unless we want a model in which officials work for all parties equally rather than serve ministers, this will be the prevailing mentality. In this case the tone was set by Donald Dewar's entirely perceptive feeling that the Parliament itself would find it difficult to make up its mind on anything to do with the building (even whether it should be in Edinburgh) and he had to take a flyer on the project. Until the project was handed over to the parliament, cost estimates could hardly be inconsistent with those quoted when the site was selected in January 1998. When the new Parliament considered the project on 17 June 1999 and Donald Gorrie put forward his totally reasonable amendment calling for a

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pause (the one that lost by three votes) the further element in play was that the set-up on the Mound was proving surprisingly suitable as a temporary location. The Church of Scotland and the University of Edinburgh could hardly have resisted a demand to make it the permanent one. This was a tough vote to win and the usual political task of cajolery and selective information was needed.

The officials were being unduly kind to Dewar in giving him deniability about knowledge of the full cost discussions; but, as Robert Gordon's evidence quoted on p. 111 suggests, all that was needed for fairly effective protection of them was a note to ministers that alongside the construction estimates the cost consultants wanted to include provision for various pessimistic contingencies that officials recommended for exclusion from the budget. In any case, it is likely that even under a transparent regime much of this information would have been protected as commercially confidential. It took months after the handover to the Parliament for the budget based on notional space and cost estimates to be related to the expensive reality of the Miralles design. Unwarranted optimism was rampant, and officials got caught up in it, partially obscuring their natural caution that is also evident in the Fraser material. They knew that the Donald Gorries and Fergus Ewings could be relied upon to supply pessimism whatever was happening. Certainty would have required political input to be shut down, but politicians do not necessarily make the wrong decisions about political buildings. Was Dewar not right to feel that the continuity and change inherent in devolution could best be expressed by a new design on an historic site? Does not the beautiful shape of the debating chamber gain from the requests of the politicians that frustrated and delayed Miralles? Could anyone have been truly happy in the long run if the granite facing of the buildings had come from Portugal and not Aberdeenshire, as the progress group of MSPs insisted?

At the end of the day the **Daily Record**'s marvellous headline 'A Big Civil Servant did it and ran away'(16 September 2004) set the tone for a blaming of officials. The Executive's permanent secretary John Elvidge wisely allowed this debate to run, but it would be hard to find a basis for disciplinary action against any of them. They behaved in a normal civil service way – happily, no fraud or corruption – but sometimes fell short of their time-honoured professional skills of leaving explanations, self-protection and political cover on a record now so mercilessly exposed. They were treated fairly by Fraser and their present ministers; protection of their morale and reputation should hardly be taken further. It would be comforting to imagine

that this will never happen again, but there is a type of British public project often found in defence or information system procurement that has regularly wasted hundreds of millions in a similar way. It is characterized by a leap to an imaginative and sophisticated outcome in order to justify the novelty of the project. Politics is about wishful thinking and hoping it will be all right on the night; it is a slow battle to get realistic ideas of risk into the policy process. Fraser alerts us to the need for this and the Executive will find it harder to ignore professional caution in future. But the basic imperative on officials to drive forward their ministers' line has not altered – maybe even intensified – after devolution and it would be wrong to imagine that Fraser's strictures will readily be remembered when officials are constructing a case under strong parliamentary and media pressure.

Holyrood was a long-running political coup that secured a building that would not have been approved by our elected representatives on a full understanding of even the foreseeable risks, let alone those that emerged. Premiums of hundreds of millions of pounds have been paid both for the intricacy and ambition of the design, and for faults in project management. It was as if the superego of the Scottish political system achieved an outcome that could not openly be desired. If you think this is an outrage the Fraser report will give fuel to your sentiments. Personally, remembering how much has been truly wasted on the procurement of strike aircraft or government computer systems, I am glad that at the end of the Royal Mile we find this extravagant and seductive building rather than a hole in the ground. What has proved to be an admirable working legislature has achieved its deserved physical embodiment.

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