



## Chapter 3

### Selection of the Holyrood Site

#### Feasibility of the Old Royal High School Site

- 3.1 A submission about the accommodation aspects of a Scottish Parliament was put to Ministers by Mr Brown as early as 20 May 1997.<sup>89</sup> The speed with which this was presented to the new Ministerial team demonstrates the importance which officials attached to making early progress with the accommodation issue and meeting the demanding timetable set by Ministers. The submission sought Ministers' views on whether they wished to pursue the 'Scottish Constitutional Convention's proposal' that the Scottish Parliament should be located on the Regent Road site incorporating the Old Royal High School building. The submission also aired the possibility of alternative accommodation options, but stressed that alternatives would require additional time and would require temporary accommodation to be identified for the first two years or so of the Parliament's life.
- 3.2 Mr Brown's analysis in this significant document concluded that the decision of Ministers should rest upon their assessment of the political arguments for adopting the Old Royal High School site or seeking an alternative. He suggested that selection of the Old Royal High School would save considerable time and reduce uncertainty and scope for controversy. If

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<sup>89</sup> SE/2/156-163 – Minute from Mr Alistair Brown to PS/Secretary of State and PS/Henry McLeish, 20 May 1997

however, Ministers did not consider 'political considerations' to be overwhelming and were prepared to accept uncertainty about when a new Parliament building might be ready, then alternatives could be explored. The costs of alternatives were not estimated in the submission although it was speculated that alternative solutions might be cheaper than the Regent Road option, notwithstanding the need to identify temporary accommodation for the early life of the new institution. Even at this early stage, officials appeared to be aware that a decision to locate the new Parliament on a site other than on Calton Hill could be controversial and politically charged.

- 3.3 Upon receipt of this submission, as previously noted Donald Dewar undertook a formal visit to the Old Royal High School with a small group of officials and advisers on 30 May. This visit turned out to be a key event in the process of site selection. From the recollections of those who accompanied him, it was evident that the visit confirmed his doubts as to the suitability of the building to house the new Parliament. Lord Elder gave his impressions of the visit in evidence:

"I hadn't, until I went there, realised the complexity of the site: the number of separate buildings; the range of historic buildings, which there were reasons to keep; and thoroughly unhistoric buildings, which were not obviously useful. I do remember it being remarked that the main teaching block was a state of the art 19th century boys' school and it was not entirely obvious what the usefulness of that would be. I remember particularly as we were being taken round, we were being told what the plan had been in the 1970s; and as Donald, as I said to you, had been Chief Whip in the run up to the election, and was used to being able to see what was happening in the Chamber, walk out his door, be in Members' Lobby and get a grip on things in 15 seconds, the prospect of finding that the proposed place for the Whips' Office were the two little sub-temples at the far outreach from the main building. I'm afraid Donald did rather take a dim view of what it would be like going from there into the main building on a wet February morning to see what was going on. There were a lot of issues about unconnected buildings, with no pathways between them. None of them were particularly suitable certainly for disabled access; and the Chamber itself, whether you liked it or not, had remarkably little room immediately adjacent to it, which is really one of the requirements, I think, of a parliamentary building."<sup>90</sup>

- 3.4 Dr Gibbons confirmed the negative impact that the site visit had upon Donald Dewar:

**"Dr Gibbons:** He was also concerned about accessibility. He took us to the public gallery at the first-floor level, and showed how limited the sight-lines were down to see people speaking.

**Mr Campbell QC:** I wonder if you formed a view as to whether or not it would have lent itself to adaptation to accommodate the sort of apprehensions that the Secretary of State had?

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<sup>90</sup> Evidence of Lord Elder on 29 October 2003, Para 69

**Dr Gibbons:** Yes, it would have been very difficult to have dealt easily with the sight-line and access problems, because it was a very fine group of buildings, particularly the buildings that housed the Chamber. That certainly was going to be very difficult. The overriding difficulty that was in my mind at the start of the visit was that we knew from the drawings and the condition survey that it was something like 5,400 sq m, which is not a very large building.

The other difficulty with the configuration of the building was that it was a configuration of some very grand and some very large rooms, which would not have led easily to subdivision. Now we did not know at that stage the precise nature of what a Parliament was going to be, but it was clear that there was going to be administrative accommodation that was linked with it. That would have been difficult to have done within that range of buildings. I remember very clearly a discussion with Donald Dewar about dividing the building horizontally and the difficulties that that would have meant — aesthetic problems; problems in convincing Historic Scotland that that was an acceptable thing to do.”<sup>91</sup>

- 3.5 Following the visit, Donald Dewar commissioned further work by suggesting that, notwithstanding the ‘formidable difficulties about an alternative location’, Ministers would find it helpful to have a paper appraising various accommodation alternatives, to include the Old Royal High School site and a location in Leith near the Scottish Office building at Victoria Quay.<sup>92</sup>

#### Four Site Options Considered

- 3.6 Mr Brown put forward further advice to Ministers in June 1997 in response to Donald Dewar’s request. The first of these submissions on 6 June<sup>93</sup> proposed four possible options for consideration. They covered a range of possibilities, from utilising the Old Royal High School or St Andrew’s House, to a site near Victoria Quay or a new-build on a greenfield site. It did not at that stage offer any estimates of the comparative costs of the various options. As Mr Brown explained,<sup>94</sup> the purpose of that exchange was to see if Ministers were interested in particular options that could possibly have been taken forward within buildings or on land which the Scottish Office either owned or controlled. Had they been, then officials took the view that it would have been possible to proceed in that direction without the delay of further detailed option appraisal work. A second substantial submission was put to Ministers by Mr Brown on 12 June.<sup>95</sup> This submission elaborated on each of the four options and suggested some initial general estimates of costs for each. These ranged from £27 million for an option based upon the adaptation and refurbishment of St Andrew’s House, to up to £43.5 million for a new-build solution in Leith.

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<sup>91</sup> Evidence of Dr John Gibbons on 24 November 2003, Para 67 *et seq*

<sup>92</sup> SE/2/151 - Minute from Mr Michael Lugton to Mr Alistair Brown, 2 June 1997

<sup>93</sup> SE/2/141–145A – Minute from Mr Alistair Brown to PS/Henry McLeish and PS/Secretary of State, 6 June 1997

<sup>94</sup> Evidence of Mr Alistair Brown on 6 November 2003, Paras 182 - 183

<sup>95</sup> SE/2/132-140 - Minute from Mr Alistair Brown to PS/Henry McLeish and PS/Secretary of State, 12 June 1997

3.7 Henry McLeish responded to Mr Brown's first submission with perceptive comments, noted in a minute from his Private Secretary.<sup>96</sup> He considered that it might be sensible to proceed on the basis of 'minimum expenditure on the Old Royal High School option, making a virtue out of that; and to leave open the possibility of the new Parliament deciding its own future'. He also observed that had the timescale and political costs been more favourable, he would have preferred the bold option of a greenfield site.

3.8 Henry McLeish suggested in his evidence to the Inquiry that he was concerned, firstly, that the accommodation arrangements for the new Parliament were not a priority among the many competing issues at the time but appeared gargantuan in terms of the time and consideration required<sup>97</sup> and, secondly, at the prospect of a "disconnect" between the Scottish Office Ministers and the ultimate users of any new Parliament building.<sup>98</sup> As he put it:

".....I did believe that the scale of the task was so significant that that should have been a warning to all of us that we maybe needed to proceed more cautiously and at the end of it give some kind of sharing of ownership to the Parliament".<sup>99</sup>

3.9 The same point was raised at a later stage by the former Lord Advocate, Lord Mackay of Drumadoon QC, in a debate in the House of Lords on 12 November 1997 when he said:

"If a decision were to be taken as to location and design, I understand that it would not be possible to have the building complete and fully operational by the date when it is anticipated that the new Scottish Parliament will start its work. For that reason, some temporary accommodation will be necessary and that will need to be fitted out to allow for a parliamentary chamber, committee rooms and all the ancillary offices required by a parliamentary assembly. I hope that the Minister will be in a position to confirm in his reply that that is likely to be the situation. If it is, I venture to suggest that another option ought to be considered; namely, to wait until the Parliament is up and running before any final decisions are taken, certainly so far as concerns the overall design of the building."<sup>100</sup>

3.10 There is no contemporaneous record to suggest that any serious consideration was given to either of Henry McLeish's proposals at the time. Henry McLeish told the Inquiry in his evidence that "*they* didn't think that was a runner"<sup>101</sup> by which he meant both Ministers and officials.<sup>102</sup> In relation to this proposal Sam Galbraith told the Inquiry that he had never heard it

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<sup>96</sup> SE/2/146 - Minute from Mr Alan Johnston to PS/Secretary of State, 11 June 1997

<sup>97</sup> Evidence of Henry McLeish on 29 October 2003, Para 161

<sup>98</sup> *ibid*, Paras 162 & 190

<sup>99</sup> *ibid*, Para 177

<sup>100</sup> House of Lords Hansard, Vol. 583, Col 218 (<http://www.parliament.the-stationery-office.co.uk/pa/ld199798/ldhansrd/vo971112/text/71112-09.htm>)

<sup>101</sup> Evidence of Henry McLeish on 20 October 2003, Para 177

<sup>102</sup> *ibid*, Paras 183 to 185

considered, and did not think Henry McLeish had ever mentioned it to him.<sup>103</sup> When questioned about the minute of 11 June 1997 Mr Grice said:

“I am not aware of... a follow-up. In my experience in the Civil Service, it would not be uncommon in other circumstances for such a memo to trigger a response from the Secretary of State saying: “Great idea, run with it”, or, “I am not interested”. I have not been able to find anything on the file which conveys a view one way or the other, and in the absence of that, I think you would not normally expect work to be triggered by such a memo.”<sup>104</sup>

- 3.11 Sir Russell Hillhouse indicated to the Inquiry that he had put the point in a private conversation with Donald Dewar in late July. According to Sir Russell, his thinking on the matter was:

“I ... did actually take the opportunity of a private informal conversation with Donald Dewar to put a very similar point to him because it was clear that there would be some controversy about the site if we didn't go to the Royal High School, and that there would certainly be likelihood that parliamentarians would turn up and have rather different views as to where it was they were, and what it was they were going to get. So I said to him, “Wouldn't it be better to go for a temporary solution and let the Parliament decide?” He said “Well” — I'm paraphrasing — “that, of course, is correct in principle, but my fear is that, unless we get ahead and do something now, the Parliament will find it extremely difficult to get round to it. There will always be something else that has higher priority for them, and I think it is my duty to endow them” — that was the word he used — “to endow them with really a good building which will be fit for purpose, and which will enable them to operate effectively.”<sup>105</sup>

- 3.12 The suggestion that a temporary location be identified and the permanent solution left to the incoming Parliament was a fundamental issue that did not appear to have been aired before this point. The evidence suggests that the requirement for a temporary solution did not carry any weight with Donald Dewar, who was insistent that progress should be made towards the delivery of a building for the new Parliament at the earliest possible opportunity. In my opinion, this was a matter for his judgment and a decision he was entitled to take at that time. The Inquiry has sought to identify the circumstances under which other new legislatures have secured their accommodation; whether by inheritance or by their own hand.<sup>106</sup> Unfortunately no directly comparable legislatures were identified in the study although it is notable that in relation to the Welsh Assembly, the decision on the site for the new Debating Chamber was taken by the Secretary of State for Wales in advance of the political ‘handover’ to the devolved Assembly.

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<sup>103</sup> Evidence of Sam Galbraith on 28 October 2003, Para 334

<sup>104</sup> Evidence of Mr Paul Grice on 5 November 2003, Para 123

<sup>105</sup> Evidence of Sir Russell Hillhouse on 30 October 2003, Para 269

<sup>106</sup> Study by DTZ PIEDA Consulting for the Holyrood Inquiry. Details available on Inquiry website.

- 3.13 Donald Dewar discussed these matters at a meeting with officials on 13 June 1997. Although he was aware that a detailed option appraisal of alternative sites would take time,<sup>107</sup> he was not satisfied with any of the options presented to him at that stage and wished further appraisals to be undertaken. Donald Dewar's reservations about the Old Royal High School were well aired at this meeting,<sup>108</sup> yet he did not wish to see it excluded from consideration.
- 3.14 It is legitimate to question why Donald Dewar wished to retain the Old Royal High School site as a potential candidate when he so clearly had major reservations about its suitability for purpose. In response to questioning on this point, Sir Russell Hillhouse proposed a rationale for Donald Dewar's position:

**“Sir Russell Hillhouse:** I don't think the Secretary of State or any of us could be at all sure that we'd get a better site, a better solution. Secondly, and it's quite explicit this from the papers I've been rereading, the Secretary of State was extremely conscious that a lot of people in Scotland had the idea that this was where it was going to be, this was the place it should be. And while this wasn't perhaps wholly logical because it was a matter of some chance that this had been fixed on in (*the 1970s*) when it had been refurbished in order to form the home of the Scottish Assembly that never happened, but there it was; it had become a kind of emblem for people of the aspiration for an Assembly or a Parliament.

**Mr Campbell QC:** But nevertheless, Sir Russell, we have the former members of the Scottish Grand Committee and Select Committee sitting there and grumbling about it. We have Lord Mackay of Drumadoon later on talking about his experiences, we have the Secretary of State's own visit and, no doubt, internal knowledge as well within officialdom about the limitations on the building. You go to the country, as it were, with a White Paper which puts it there in the front line.

**Sir Russell Hillhouse:** I think the reason the Secretary of State felt it was necessary to mention this, and he explicitly (*said*) it should be mentioned, was that he just didn't feel it could be ignored or dismissed. In fact, what he did at the meetings that took place in June, .... and I think this was all fresh thinking on his part at that time, .... was to set out the criteria which he thought ought to be used in selecting a site, and, indeed, going for an ultimate design, I suppose, and setting these out in the White Paper, and they came first in that part of the White Paper. And then he said “I would like you to remind people about the existence of the Royal High School site, but assess it against those criteria.” This was his way of trying gently to persuade people that maybe the Old Royal High School wasn't such a good idea after all, that there might be something better, and we would look and see if we could find something that might be better.”<sup>109</sup>

- 3.15 Some other key issues were discussed at the meeting on 13 June. It is recorded that Donald Dewar felt that ‘a new building would help to symbolise the new approach which was being

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<sup>107</sup> Evidence of Mr Alistair Brown on 6 November 2003, Para 184

<sup>108</sup> SE/2/126-128 - Minute from Mr Alistair Brown to Ms Thea Teale, 16 June 1997

<sup>109</sup> Evidence of Sir Russell Hillhouse on 30 October 2003, Paras 260-263



taken to Government in Scotland'. He also accepted that the Parliament would meet initially in temporary accommodation but permanent accommodation should be ready by Spring 2000 if at all possible. To meet this timetable he accepted that quick decisions would be required from all involved and there should be no substantive changes to specifications and designs once agreed. It was agreed that the White Paper should make clear that an assessment of sites in addition to the Old Royal High School was underway.<sup>110</sup> The Secretary of State hoped that a decision on the site for the Parliament could be taken before the referendum in September.

### Short-list of Three Potential Sites

3.16 The assistance of the City of Edinburgh Council was enlisted in the search for suitable alternative sites. By August 1997 an initial long list<sup>111</sup> had been whittled down to three short-listed areas with the potential to accommodate the Parliamentary complex. The Inquiry learned that the Holyrood Brewery site had been included on the long list but was dismissed as being too constrained. There was no realisation at that stage that the adjacent Queensberry House might be available for development as part of the site. The short list comprised the Regent Road/Calton Hill site, a site at Haymarket on Morrison Street and a site in Leith adjacent to Victoria Quay. Working to a set of criteria identified by the Scottish Office, the City Council provided further detailed information about each of the short-listed sites for more thorough consideration.

3.17 Mr Brown put forward further submissions to Ministers on 25 August and 4 September 1997 providing them with the information to assist them in reaching a decision on the preferred site for the Parliament. In the first of those submissions he advised against making a site announcement in advance of the referendum on 11 September (on the basis that to do so could compromise negotiations with private sector interests to achieve best value for money) and warned that the spring 2000 timetable was very tight. He offered the following prescient comment:

'Having more time to plan the Project properly and timetable in at least some of the possible hitches would reduce the risk of the initial specification having to be changed and of contractors holding us to ransom.'<sup>112</sup>

3.18 The 4 September submission presented the accommodation options in a balanced way to Ministers, without making a specific recommendation. The final choice of a location was seen as being dependent upon the weight which Ministers wished to give to a range of factors,

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<sup>110</sup> SE/3/207-208 - Press Release, 'Design Competition for New Parliament', 16 July 1997

<sup>111</sup> SE/2/343-344 - Annex C of Minute from Robert Gordon to Mr Alistair Brown, 4 September 1997

<sup>112</sup> SE/2/309-313 - Minute from Mr Alistair Brown to PS/ Henry McLeish and PS/ Secretary of State, 25 August 1997

among which financial considerations were important but not necessarily paramount. Mr Brown concluded:

“We believe that a choice of either Regent Road or Leith could be justified on the basis of the information available. The choice comes down to an essentially political judgment of whether public accessibility and visibility, combined with the re-use of existing buildings and the symbolism of building on public administrative tradition, is to be preferred over internal efficiency, lower running costs, and the symbolism of a new start and directions”.<sup>113</sup>

- 3.19 Donald Dewar and Henry McLeish met officials on 5 September 1997 to discuss these key submissions (with the referendum looming large only six days away). The meeting reached no firm conclusion but did commission further advice on the comparative costs of Regent Road and Leith from Doig & Smith. The meeting seems to have been the first indication that the Haymarket site was not a frontrunner in the Secretary of State’s mind. As Mr Grice put it in evidence to the Inquiry:

‘Haymarket was seen as perhaps the best of both worlds and perhaps turned out to be the worst of both worlds. It just did not quite cut it.’<sup>114</sup>

- 3.20 During the following weeks there was considerable public speculation about the proposed site and Scottish Office officials were lobbied by the representatives of various interested parties. Following competitive tender, the Scottish Office appointed Jones Lang Wootton, Chartered Surveyors, on 23 September to assist in assessing the acquisition costs and potential difficulties of the candidate sites from a commercial perspective. Assessments of traffic and environmental issues were also undertaken at this time.
- 3.21 It is apparent from the evidence that Donald Dewar took a close personal interest in all these matters; not just through the official papers that he was seeing but in informal conversations with the officials who were driving the site selection process. His Private Secretary, Mr Thomson, indicated to the Inquiry that Donald Dewar felt that he had to deliver the full devolution package, including the building, as he was well aware that devolution had floundered previously in the 1970s despite having had both a White Paper and an Act of Parliament in place. The drive of Donald Dewar seems to have impressed all those who worked with him. He had an undoubted ability to grasp the minutiae of the issues of the Parliament Project while simultaneously keeping abreast of the wider political priorities of his new administration.

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<sup>113</sup> SE/2/302-308 - Minute from Mr Alistair Brown to PS/ Henry McLeish and PS/ Secretary of State, 4 September 1997

<sup>114</sup> Evidence of Mr Paul Grice on 5 November 2003, Para 182



- 3.22 Mr Brown put forward yet more advice on 8 and 15 October in advance of formal presentations to Donald Dewar from Forth Ports Authority and EDI in relation to the Leith and Regent Road sites. Donald Dewar accepted advice to postpone a decision on the site selection issue until the end of the year to allow design feasibility studies, environmental, and traffic impact studies of the three site options to be completed and for more information to be collected on 'the likely costs to the public purse of providing accommodation for the Parliament'.<sup>115</sup> He recognised that this timetable could push occupation of the new building back into 2001, depending upon the eventual option chosen. In the press announcement at the time, the Secretary of State spoke of the importance of making the right choice rather than taking a quick decision.
- 3.23 Different architectural practices were chosen to undertake the feasibility studies which were carried out during October and November in advance of presentations on each of the options to the Secretary of State planned for 15 December 1997. The Inquiry has seen all those feasibility studies. It is important to understand that they assessed only architectural feasibility, and were costed in only general terms, using standard rates for standard buildings. By no stretch of the imagination could the studies or the tentative costings be described as in any way definitive, and indeed the costings themselves are expressly stated to be indicative.

#### **Inclusion of the Holyrood Site on the Short-list**

- 3.24 On 3 October 1997 Dr Gibbons received a letter from DM Hall, Chartered Surveyors, on behalf of Scottish & Newcastle plc drawing attention to the availability of the Holyrood site, including Queensberry House.<sup>116</sup> This approach, the Inquiry was told, resulted from Mr John Clement of that firm having engaged in a discussion with civil servants on a train returning from Glasgow about their frustration in locating a suitable site for the Parliament. Mr Anthony Andrew, Chief Estates Officer, was one of those civil servants and confirmed these events to the Inquiry. When the DM Hall letter was received there was initially some uncertainty as to whether the site had been considered previously as part of the long list proposed by the City Council. When it was established that the addition of Queensberry House made the size of the whole site potentially viable, work was taken forward speedily.
- 3.25 Mr Andrew's initial assessment of the new entrant from Mr Brown was unenthusiastic:

'It is not really attractive unless Calton Hill and Leith fail, in which case you could pitch this site — poor communications, good ambience, against Haymarket — good

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<sup>115</sup>SE/2/605-619 – Minute from Mr Alistair Brown to PS/Secretary of State and PS/Henry McLeish, 8 October 1997

<sup>116</sup> SE/2/590-590a – Letter from Mr John Clement to Dr John Gibbons 3 October 1997

communication and poor ambience. ... The short answer is no, it is not a contender at present.<sup>117</sup>

- 3.26 It has not been established exactly when Donald Dewar was first informed of the emergence of a possible fourth contender, but it is understood that he may have taken an early informal visit to the site to establish for himself whether it could be a serious candidate. Although his initial reaction to the Holyrood site was apparently not that it was ideal or “trumped all the others”,<sup>118</sup> Mr Thomson articulated how the Secretary of State later perceived its benefits:

“He later thought that it offered in some ways the best of both worlds in that it offered the chance of a modern building on a city-centre site, those being two of the criteria that he was quite attracted to in looking at the two, then three, then four sites. He was attracted by it partly because of the symbolism of the Parliament being juxtaposed with the Crown in the shape of Holyrood Palace, and partly also the symbolism of the Parliament being next to a mountain and open country. Around this time Ministers were developing their proposals for land reform and the idea that Scotland is all like the middle of Edinburgh, or that the Parliament should be a classical temple, were certainly not things that he thought. Those two things were the attraction of the site. He recognised also its constraints, the fact that it was in the middle of a cluster of new buildings or building sites, the fact that there were traffic issues around it, the fact that the site would be less predictable and controllable in terms of costs because of unknown ground conditions, things of that sort. I am trying to think of his early thinking on the site before the later investigations had been done.”<sup>119</sup>

- 3.27 Other Ministers saw the emergence of the Holyrood site as a potential solution to the perceived inadequacies of the other contenders. In evidence, Lord Sewel spoke of it as “an answer to all our prayers”.<sup>120</sup> Work continued throughout October and November towards producing final reports on the three principal sites and officials worked on building up an informed view on the suitability of the Holyrood site in comparison to the other three candidates. It was not until 8 December 1997, however, that an announcement was made that Holyrood would be added to the short-list and design and cost feasibility studies undertaken. Consideration of the Holyrood site had been kept out of the public domain because of the commercial risk to the site owners (Scottish & Newcastle) in securing an alternative site for their headquarters, should an intention to dispose of it become widely known. Others did not see it that way but I have seen or heard no evidence to suggest that there was some covert arrangement between Donald Dewar and Scottish & Newcastle nor that Donald Dewar had reached an early conclusion favouring Holyrood before its candidacy was announced. In response to Alex Salmond’s

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<sup>117</sup> SE/2/592 - Annotated comments from Mr Anthony Andrew to Mr Alistair Brown, 8 October 1997

<sup>118</sup> Evidence of Mr Kenneth Thomson on 3 February 2004, Para 137

<sup>119</sup> Evidence of Mr Kenneth Thomson on 3 February 2004, Para 167

<sup>120</sup> Evidence of Lord Sewel on 30 October 2003, Para 150

accusation that “you do not include a new candidate site unless you want it to win”, Mr Thomson commented:

“I think you do not include a candidate site unless you think it has a chance of being a winner, and therefore, it is worth doing the work. If you thought it was definitely going to win, then why have the process of examining the other sites? I am clear from my recollection of Mr Dewar and his views at the time that what he was doing was adding a runner to the race, not declaring that the race was over”.<sup>121</sup>

- 3.28 On the assertion that the Secretary of State had decided upon Holyrood before the public announcement, he had this to say:

“Certainly all the dealings that I had with him suggested to me that Mr Dewar regarded the decision that was eventually taken on 6 January as being a decision among four sites. By January 1998 I think he had narrowed it down in his mind to two sites — Regent Road and Holyrood. I distinctly recall in this period of late 1997 that he was genuinely torn between the Regent Road site as worked up by Page & Park and the potential at Holyrood. If he had made some earlier commitment to Holyrood, he was going well out of his way to disguise it from me, for whom there was little purpose in him doing that. I find it really quite hard to believe that that was the case”.<sup>122</sup>

- 3.29 It is true that the Secretary of State was very careful to keep the options open but it is difficult not to conclude that he and his political advisers did not like the Old Royal High School in isolation or in association with St Andrew’s House. As Wendy Alexander pointed out, Donald Dewar wanted the executive arm of Government separated from the parliamentary arm.<sup>123</sup> Hence, perhaps, his unwillingness to see St Andrew’s House used for both functions. Dr Gibbons provided an interesting insight into Mr Dewar’s thinking, telling the Inquiry Mr Dewar did not like the architecture of St Andrew’s House which he thought “somewhat fascist.”<sup>124</sup>
- 3.30 Haymarket was never a runner and he correctly sensed there was a real hostility in Edinburgh to the Parliament being located anywhere other than centrally, thus eliminating Leith. As Alex Salmond correctly predicted, against this background the selection of Holyrood was obvious.
- 3.31 The Inquiry learned that RMJM Ltd (who had earlier been commissioned to undertake the design feasibility study of the Haymarket site) were given (at most) one week to conduct a feasibility study of the Holyrood site. The case was presented to me that RMJM Ltd had a running start in that they were familiar with the content of the Building User Brief from their Haymarket experience. I am of the view that the Holyrood feasibility study was only marginally less detailed and of no significant qualitative difference from the studies for the

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<sup>121</sup> Evidence of Mr Kenneth Thomson on 3 February 2004, Para 179

<sup>122</sup> *ibid*, Para 149

<sup>123</sup> Evidence of Wendy Alexander on 29 October 2003, Para 302

<sup>124</sup> Evidence of Dr John Gibbons on 24 November 2003, Para 714

other site options. However, the merits of these studies as a tool for comparative decision-taking must be questioned. Although operating to a standard design brief, three different architectural practices interpreted that brief in different ways. I am unconvinced that the cost studies of their work provided a meaningful basis by themselves for Ministers to reach decisions. Nor have I been persuaded that the costings for these schematic designs were a sound basis from which to derive a realistic budget for the eventual Parliament building. As speed was regarded as being of the essence, it was probably inevitable that three different practices would be involved, but it was as difficult then, as it is now, to be confident that like was being compared with like.

- 3.32 Ministers received presentations on the design feasibility and estimated construction costs of the four site options on 15 December 1997. The presentations were informed by a compendium submission from Mr Brown summarising the results of the comparative studies.<sup>125</sup> Leaving aside the cost of staff relocation, the construction cost for the Regent Road/St Andrew's House site was calculated at £65 million plus fees and VAT; Leith was costed at £59 million plus fees and VAT; Haymarket was costed at £53 million plus fees and VAT, together with site acquisition costs of £6 million, whilst Holyrood, excluding Queensberry House, was costed at £49.5 million plus fees and VAT, together with site acquisition costs of £5 million. All these estimated costs were significantly greater than the figures contained in the White Paper published only five months earlier.
- 3.33 At a meeting on 15 December 1997 Donald Dewar felt unable to reach a final view, although the note of the discussion<sup>126</sup> suggests that he had narrowed the options down to a choice between Regent Road and Holyrood. Cost considerations do not appear to have featured in the discussion, which focused primarily on issues of feasibility and potential public reaction. To assist him with that final decision, he requested that further information on some specific aspects of the Holyrood site be presented to him in the New Year. By that stage a target had been set to make a site announcement before the key political milestone of the Second Reading of the Scotland Bill which was scheduled for 12 January 1998.<sup>127</sup> Mr Gordon proposed that there was a wish to avoid the wider devolution debate being distracted by the site issue.
- 3.34 The Inquiry heard various pieces of evidence arising from a press item that appeared in *The Herald* at this time.<sup>128</sup> The article maintained that Donald Dewar was of the view that Calton Hill was a "nationalist shibboleth" and on that basis he would be dismissing it as the preferred

<sup>125</sup> SE/2/1071-1080 – Minute Mr Alistair Brown to PS/Secretary of State and PS/Henry McLeish, 12 December 1997

<sup>126</sup> SE/2/1253-1255 - Minute from Mr Kenneth Thomson to Mr Alistair Brown, 16 January 1998

<sup>127</sup> Evidence of Mr Robert Gordon on 4 November 2003, Paras 170 - 172

<sup>128</sup> Article in *The Herald* by Mr Murray Ritchie and Ms Catherine McLeod, 7 January 1998

site for the Parliament. Although several witnesses were asked about this colourful phrase, no-one could confirm either its origins or whether it had ever been uttered by Donald Dewar himself. The issue went some considerable way towards souring the consensual relationship that had been developing between Donald Dewar and Alex Salmond during the referendum campaign and the relationship was to positively curdle when Alex Salmond was informed that Holyrood had been selected as the location.

- 3.35 In early January, Donald Dewar was presented with the final pieces of information with which to make his decision. Central to these was a cost report<sup>129</sup> by DLE on each of the earlier feasibility studies. As noted above DLE, assessing construction cost only, costed the option at St Andrew's House/Regent Road at £64.8 million and the option at Holyrood at £49.5 million. The report stated carefully that these figures were based only on indicative build costs. Their conclusion, based on the feasibility studies, was that a realistic budget for a 'conventional' building of about 16,000m<sup>2</sup>, using conventional and contemporary construction costs, would be between £50 and £55 million at March 1998 rates. In light of later developments, one has to wonder at the usefulness of such an estimate. Officials and Ministers might reasonably have anticipated an unconventional solution from the designer competition they already had in mind. The political balance may well have been between a budget which was sufficiently realistic, having regard to professional advice, yet sufficiently low to allow for its political acceptability.
- 3.36 It is to be noted that the DLE costings were based upon a building at Holyrood totalling 20,070m<sup>2</sup> while that for Regent Road/St Andrew's House totalled 24,806m<sup>2</sup>. As, fundamentally, area was the key determinant in the DLE costings, a disparity between the costs for these two sites was perhaps inevitable. Given the later increases in the space requirements of the new Parliament, it is tempting to speculate on how these increases might have been accommodated on a different site - but I shall with hesitation desist from so doing. In presenting the comparative costings of the two sites to Ministers, Mr Brown's eve of decision submission of 6 January 1998 contained the following annex: <sup>130</sup>

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<sup>129</sup> SE/2/1349-1494 – DLE Feasibility Report and Site Feasibility Estimates, 12 December 1997

<sup>130</sup> SE/2/1316 Submission from Alistair Brown to Ministers, 6 January 1998

## Selection of the Holyrood Site

	Regent Road	Holyrood
Site Cost	£0 million	£4.5 million
Estimate building cost	£65 million	£50 – 55 million
VAT and fees	£26 million	£17.5 - 19 million
Building running cost (20 years)	£106 million	£91 million
Consequential estate costs (capital)	£5 million (inc First Minister's Office)	£15 – 20 million (1)
Consequential estate running costs (20 years)	Reduction of £14m	Reduction of between £14m and £23m (2)
<b>Total (20 years)</b>	<b>£188 million</b>	<b>£155 – 175.5 million</b>

(1) Assumes SAH is refurbished for civil service use at a cost of £15m-£20m and would provide accommodation for the First Minister and their Office; costs of Queensberry House conversion not included.

(2) Depends on what office buildings are retained by The Scottish Office estate; assumes SAH is retained.

3.37 The Inquiry heard detailed evidence on the validity of this cost comparison, specifically from Mr Gordon. While Mr Gordon's oral evidence on this point left me in some doubt,<sup>131</sup> he subsequently provided a supplementary statement which explained matters much more fully.<sup>132</sup> At this stage it appears that a decision remained to be taken on whether a refurbished Queensberry House would be required as part of the Parliamentary complex, should Holyrood be the preferred site. Ministers had been informed that the cost of restoring Queensberry House up to a fully adequate standard was likely to require up to £6.9 million including VAT and fees. It was suggested that this figure was excluded from the cost comparison in view of the uncertainty. Mr Gordon confirmed that under the Holyrood option as it was envisaged at that stage the First Minister's accommodation would have been in St Andrew's House. This would undoubtedly have had knock-on cost implications for the public purse but was presented to the Inquiry as a separate decision relating to the civil service estate. I see it as a further cost of the new Parliamentary building (on whatever site) that was not clearly and explicitly declared at the time of the site announcement.

3.38 In reaching the decision announced on 9 January 1998<sup>133</sup> to proceed with the Holyrood site Donald Dewar also had in front of him a report by Simpson & Brown, Architects, on Queensberry House, prepared in a week over Christmas and New Year, and providing cost estimates *inclusive* of fees and other extraordinary items, and a detailed transport assessment completed by Scott Wilson Kirkpatrick.

3.39 It was suggested to the Inquiry by Mr David Black that Donald Dewar may have been subjected to influence from senior members of the UK Labour Party, specifically from Peter

<sup>131</sup> Evidence of Mr Robert Gordon on 4 November 2003, Paras 396 to 440

<sup>132</sup> WS/19/001-004 – Mr Robert Gordon's Second Witness Statement

<sup>133</sup> SE/3/011-012 - News Release, 'Scottish Parliament to be Built at Holyrood', 9 January 1998



Mandelson, in reaching his decision on a preferred site.<sup>134</sup> The Inquiry found no evidence to substantiate this claim. The Inquiry has received an assurance from Mr Mandelson that he ‘played no role and exerted no influence in relation to the siting of the Scottish Parliament.’<sup>135</sup> All the other evidence leads me to accept his assurance.

- 3.40 Although I have some reservations about the value of the cost information presented to Ministers, it was certainly comprehensive. Furthermore, under the constitutional arrangements that existed at the time, I am in no doubt as to Donald Dewar’s right to come to his decision. Alex Salmond acknowledged this point in his evidence:

**“Mr Campbell QC:** Well, would you agree with me .... then that what he did was legitimate in all the circumstances, since it is the job of the Secretary of State, ultimately, to take a decision?

**Mr Salmond:** Under the terms of the Secretary of State, he was entitled to take that decision. Even the peremptory consultation that we had on this issue was greater than consultation on many other social and economic and political issues in Scotland. However, in the atmosphere of Scotland having regained its first Parliament for 300 years, in the atmosphere of a consensus established in the referendum campaign, and in the atmosphere of consensus that was being built about how the Parliament should be run in terms of its Standing Orders, then it was not the correct decision to make that decision as Secretary of State, because it cut against that grain of democracy and consensus.”<sup>136</sup>

- 3.41 Donald Dewar undoubtedly led the site selection process personally from the front. Mr Brown again:

“It was really Mr Dewar who was the captain of the ship. We absolutely realised that the devolution project, in political terms, was clearly his. And, both in theory and in fact, we were there to make sure that what he wanted done was done. If there were insuperable obstacles or problems with that, it was up to us to come and tell him that and provide advice.”<sup>137</sup>

- 3.42 I do not propose to comment on the merits of the Holyrood site in comparison with those of the other site contenders, as these are matters outwith my remit. I do not have the benefit of detailed comparative evidence in relation to the other sites to enable me to make this judgment. My investigation of the subsequent events gives me no cause to disagree with Mr John Spencely<sup>138</sup> that the delays and cost rises that befell the Project at a later stage were not directly attributable to the Holyrood location.

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<sup>134</sup> Evidence of Mr David Black on 5 December 2003, Paras 549 to 570

<sup>135</sup> MS/27/002 - Letter from Peter Mandelson to the Holyrood Inquiry, 2 March 2004

<sup>136</sup> Evidence of Alex Salmond on 13 November 2003, Paras 289 to 290

<sup>137</sup> Evidence of Mr Alistair Brown on 6 November 2003, Para 75

<sup>138</sup> Mr Spencely’s Report, Section 6.6.1 ‘Changing the Site’

- 3.43 Throughout the site selection process, the Inquiry has heard of the requirement at every turn to take decisions promptly, so that subsequent stages could be embarked upon and the Parliament Building could become a physical reality. There is an abundance of documentary evidence of officials warning Ministers of the consequences of over-hasty decisions. It is perhaps easy at this distance to underestimate the political momentum that had been generated in the wake of the 1997 General Election. I conclude that Donald Dewar was entitled to take the decision on the Holyrood site and to take the political risk of alienating a number of prominent politicians in Scotland, including Alex Salmond, Margo MacDonald and Donald Gorrie, who considered the Calton Hill site was a preferable one or who took the principled view that this was a decision for MSPs to take. Whether he was wise to do so is open to question. As I understand it, apart from the other considerations already mentioned, Donald Dewar did not want the new Parliament to spend its early years squabbling over the location or cost of a permanent home. If that was his worthy ambition, by following the course he did, he has patently failed.