

News release

For immediate release

Sick Kids questions remain unanswered

Key questions around the delay to the opening of the Royal Hospital for Children and Young People remain unanswered, says the public spending watchdog.

The Auditor General for Scotland says the reviews to date have been unable to establish a number of issues, including:

- why specifications in the hospital's 2012 tender papers were inconsistent with national ventilation guidelines for critical care areas - an error that led to confusion
- and why a series of opportunities to spot the error - which caused the delay to the 2019 opening of the hospital - were missed.

The report sets out the facts as they are known and draws on the reviews already carried out by KPMG and NHS National Services Scotland, as well as NHS Lothian's annual audit report. It comes ahead of a public inquiry into the hospital project and raises broader issues for consideration, including:

- the clarity and application of the national ventilation guidelines, and how they were managed
- the effectiveness of the oversight and scrutiny of the project
- the role of all the parties involved, including project company IHSL's construction arm, Brookfield Multiplex, who also built the Queen Elizabeth Hospital in Glasgow.

Caroline Gardner, Auditor General for Scotland said:

"It's clear that the checks and balances around the construction of the new children's hospital didn't work, and the public inquiry may want to consider why that happened after similar issues had emerged around the building of schools in Edinburgh.

"It would also be beneficial to understand the role played by all the parties involved, and to explore why the issues that emerged at Glasgow's Queen Elizabeth hospital didn't prompt greater scrutiny in Edinburgh."

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Notes to editors:

1. The Auditor General for Scotland will monitor the progress of the various inquiries that are taking place and may, in due course, report again under section 23 of the Public Finance and Accountability Act 2000.
2. The KPMG independent review into the decision to delay the move to the Children's Hospital concluded that the issue was due to human error and confusion over the interpretation of standards and guidelines. And that opportunities to spot and rectify the error were missed on numerous occasions.

3. IHSL (Integrated Health Services Lothian) was the non-profit distribution model project company set up to design, finance, build and maintain the Royal Hospital for Children and Young People project. It comprised Macquarie Capital and Dalmore along with their contractors: Brookfield Multiplex, Bouygues Energies and Services and HCP Management Services Ltd.

3. The Auditor General has prepared the report on NHS Lothian's audited accounts for 2017/18 under Section 22 of the Public Finance and Accountability (Scotland) Act 2000. This allows the Auditor General to bring to the Parliament and the public's attention matters of public interest related to the financial statements of public bodies.

4. Section 22 reports are submitted to Scottish Ministers for laying in the Parliament along with the accounts of the relevant body. While there are statutory deadlines for these reports, the actual timing of publication is determined by when the report is laid in the Scottish Parliament by Scottish Ministers.

5. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
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