



The Scottish Parliament  
Pàrlamaid na h-Alba

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## **November's Holyrood Report to Finance Committee Published Today**

Presiding Officer George Reid today provided Parliament's Finance Committee with the latest information on the Holyrood project. Reports from Parliament's consultants continue to show the programme on target, and the costs unchanged from last month.

### **Cost**

The overall cost of the project is unchanged. Since October £4.2m has been moved from the risk reserve into construction commitment. This materialisation of risk is primarily a consequence of prolongation and delays previously announced.

### **Future programme**

The overall programme to completion continues to target July 2004, which would allow business to commence at Holyrood two months later.

### **Progress on site this month includes:**

- The last remaining scaffolding is now being removed from the MSP building and all floors are fully carpeted. Apart from some minor finishing, the building will be completed on target on 30 November.
- The next building on schedule to be finished will be Queensberry House. This will also be completed at the end of this month, apart from minor fit-out works in five rooms which will be finished by the second week in December.
- The first scaffolding below the Lobby rooflights has been dismantled and the engineering and design achievements of this complex structure can be seen and appreciated (images available).
- Interior fittings across Towers 3 & 4 are well advanced: the cellular offices are now largely in place and the raised access flooring and partitions are also well advanced.
- Steel flights for the public stair area are on site and ready to be installed. Glazing and steelwork has also begun in this very tight area of the site.
- The five main contracts covering provision of loose furniture and furnishings at Holyrood have now been successfully tendered and let. The Presiding Officer's letter to the Finance Committee details savings of £636,958 against budget.

Additional information on all the latest developments on site, plus this month's construction pictures, is available in Annex B to the Presiding Officer's letter.

Presiding Officer George Reid said:

"Another month of steady progress and we're closing in on target. We are within touching distance of the MSP building, Queensberry House, and in good shape going into 2004.

“The strategy is to close down areas of the site, reducing the number of ‘live’ work faces. The knock-on benefit of this is the opportunity to conclude individual works packages, move people off site and focus the remaining organisations on key areas.

“The completion of the MSP and Queensberry buildings is a significant step in that direction.”

## **Background**

There is no change in the overall cost reported last month. This remains at £389.4m, plus a programme contingency of £11.8m.

There is a degree of slippage being reported, but Bovis are working to accommodate this so that it does not impact on the overall target completion date of July. Achievement of a number of key milestones as detailed in the letter will provide a good indicator of the likelihood of this being achieved.

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## **Corporate Body Publishes October's Holyrood Report to Finance Committee**

Presiding Officer George Reid today gave Parliament's Finance Committee the latest information on the Holyrood project, which shows the programme on target and the costs unchanged from last month.

### **Cost**

Our cost consultants report no change to the overall cost of the project. Since the September report, £2.4m has been moved from the risk register into construction commitment, largely associated with prolongation of services packages.

### **Future programme**

The project remains on target for the overall programme to completion. Further details of this programme are available below in the background information.

### **Progress on site**

- Most scaffolding has now been removed from the east and west façades of MSP offices. Carpet is now being laid on level 5, and is ready to be laid on levels 3 and 4.
- With the installation of garden level windows in the MSP block, all glazing on the east and west facades is complete.
- Forty-three MSPs have now been on site to view their accommodation since May's election. These visits will help to inform discussions about the allocation of space at Holyrood, and the configuration of offices.
- Flooring and other fit-out works are now taking place across the top three floors of Queensberry House.
- Timber screens have been fitted throughout all the general office areas in the Towers and are complete in the stair wells.
- Scaffolding to Tower 1 has now been removed in the area around the South Lightwell. Scaffolding for Towers 3 & 4 has also started to be taken down, allowing increased access to the key North Lightwell area, where glazing has now gone in.
- All glass has now been installed for the extensive rooflights to the Debating Chamber.
- The first Caithness stone flooring has been laid for the public entrance below the Chamber.
- Setts and kerbs have been laid in Horse Wynd.

Additional information on all the latest developments on site plus this month's construction pictures are available in Annex B to the Presiding Officer's letter.

Presiding Officer George Reid said:

"This report provides a detailed assessment of the latest work being carried out at Holyrood. It shows steady progress being made in all areas over the past month.

“As the scaffolding comes down and the windows go in, a remarkable parliamentary campus is beginning to emerge.

“My objective remains to get into a building of the highest quality, at the lowest possible price, at the earliest possible date.”

### **Target Deadlines**

- MSP offices and Queensberry House: completion by end of November 2003.
- Towers 1 & 2: by end January 2004.
- Towers 3 & 4: by end February 2004. The Chamber, the Press Tower and the Canongate Building: by end March 2004.
- Final handover of the complex: July 2004.
- Landscaping: by end August 2004.

Parliamentary business at Holyrood is then expected to start after the summer recess in September 2004.

[Presiding Officers letter to Finance Committee](#)

[Annex A: Financial Summary](#)

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## Parliament Unveils Plans for Holyrood Crèche Facility

Parents with young children visiting the Holyrood Parliament building on parliamentary business will be able to make use of an 8am to 6pm, Monday to Friday, crèche service it was announced today.

The facility and opening hours proposed by the Scottish Parliamentary Corporate Body will cater for pre-school children aged between 0 – 5 years. A contract is expected to be in place by the end of the year.

John Scott MSP, member of the Scottish Parliamentary Corporate Body (SPCB) who has been closely involved in the development of the crèche service said:

“It makes sense for the Holyrood crèche facility to start off specifically targeted at parents with young children, as this is where we can make an immediate impact in removing barriers to participating in Parliament’s work.

“The crèche arrangements that we intend to put in place should also allow us the flexibility to expand the service to include older age groups at a later date, should the demand be there. This is something we will monitor closely.”

The SPCB intends to launch the crèche facility with a maximum of 10 children at any given time, in line with the numbers predicted by the Parliament’s independent market research.

Fellow SPCB member Duncan McNeil MSP who has also worked closely on the crèche service added:

“ We understand that this will be the only public facility of its kind in Europe. The crèche is an important part of Parliament being open and accessible to the people of Scotland. For parents with young children, this service could be the crucial difference between making your views known to Parliament in person or being excluded from the democratic process.”

Last year the Scottish Parliament announced that Holyrood is expected to become Europe’s first Parliament to provide crèche facilities specifically for the children of visitors. Research conducted by the Scottish Parliament revealed that Germany, Greece and Sweden all had crèches, but were for Members and staff.

Visitors who are attending parliamentary business will be able to pre-book access to the crèche, but there will also be scope for ad-hoc admissions.

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## **“Holyrood - One of the Most Physically Accessible Parliaments in the World” Says Reid**

Holyrood will be one of the most physically accessible parliaments in the world, says Scottish Parliament Presiding Officer George Reid.

Speaking at the end of the Parliament’s Disability Week, he said:

“Physical accessibility has been integral to the Holyrood design from the very outset. Every effort has been made to ensure that disabled people will be able to access and use Scotland’s Parliament building with ease and independence.

“Disability issues are a matter of human rights and barriers to the democratic process are inexcusable. Our access consultants, who have worked closely with our design team, are confident that Holyrood will be one of the most physically accessible Parliaments in the world.”

Margaret Hickish of Buro Happold, the disability access consultants employed to advise on the design of the Holyrood buildings, said:

“The focus of 2003 - Europe’s Year for Disabled People, has been on design for all, and the new Parliament building has indeed been designed from the ground up, to ensure access for all to Scotland’s democracy. The European Union has in fact commented that it will be ‘the most accessible building in Europe.’”

### **Background Notes**

All areas of the new building will be accessible to disabled people. Every element within the new Parliament building has been considered from an access perspective, including the specifications for furniture, the height of surfaces in catering areas and the design of security screening equipment.

Features in the new Parliament building, which is expected to be completed by July 2004, include:

- a guarantee that carpets will have a short, dense pile to assist wheelchair users,
- the provision of “mega-loos” with space for an assistant and a changing bench,
- infra-red and induction loop sound enhancement systems available for use in all the working areas of the Parliament,
- six accessible parking spaces for disabled people in the Parliament’s secure car parking area for use by staff and members, as well as six similar parking bays on Horse Wynd for use by visitors to the Parliament, and
- lifts from the visitors’ gallery to ensure that disabled visitors can be evacuated safely and quickly should the need arise.

### **Questions and Answers on access to Holyrood**

Q - What expert advice was sought for planning for people with disabilities at the Holyrood building?

A – An independent company of access audit consultants, Buro Happold Ltd, was appointed to advise the Design Team on all matters concerning people with disabilities. Buro Happold was an integral part of the Design Team, working closely with the architects to create the fully accessible facility required by the Building User Brief.

Q – What consultation took place with disabled people and disability organisations?

A – A Parliament Building Consultation Group was set up to inform and support Buro Happold on all aspects of accessibility. Membership of the Group included people from a range of voluntary sector organisations covering physical, sensory and learning disabilities, as well as the needs of older people.

Equally, it was important for us to have a range of national groups included in the process, such as Disability Scotland, Age Concern Scotland, ENABLE and Spinal Injuries Scotland, but we also wanted a strong local presence. We asked all local access groups to nominate members to participate. On the basis of those responses we included:

- Disability Alliance Scottish Highlands
- Clackmannan Community Volunteers, Stirling and Falkirk Access Panels
- South Ayrshire Access Panel
- Aberdeen Disability Advisory Group
- West Lothian Access Committee
- Hamilton/East Kilbride Forum on Disability
- Edinburgh Access Panel
- Perth & Kinross Access Panel.

Q- Have you considered the safety of disabled people who will use the parking bays but have to cross a busy road to get to the Parliament?

A – A puffin crossing will be installed to improve safety and reduce delays in this area. The crossing will have detectors that can tell when people are waiting to cross. The detectors also ‘watch’ the crossing and control the light signals so that you have enough time to cross in safety.

Q – What about facilities within the Parliament Building itself?

A – As well as a significant number of accessible toilets throughout the campus for use by MSPs, staff and members of the public there will be two large accessible toilet facilities “mega loos” which will be located in the public and private areas. There will be space for an assistant and a full-length changing bench in each of the large toilet facilities. This provision will enable all wheelchair users to use a toilet regardless of the size of wheelchair or of their personal mobility, dexterity or strength.

Buro Happold has also provided advice to the client and the Design Team on many other issues such as the type of ATM equipment, crèche equipment, tea points, catering areas, furniture specifications, proximity readers and security screening equipment to ensure that the new Parliament building is as accessible as possible.

Q – Carpets can often cause problems for wheelchair users. Has the Design Team given this issue any thought?

A – The carpets being considered for the various areas of the Parliament Building will have a shorter and denser pile than traditional Axminster or Wilton's and will be adhered directly to the floor thus eliminating the possibility of rucking. This is intended to make access to the different parts of the building much easier for wheelchair users.

Q – How many spaces will there be for disabled visitors in the Public viewing gallery?

A – Within the gallery there will be permanent space provided for six wheelchair users plus one space in the VIP gallery and one space in the press gallery. That number can be increased (subject to health, safety and fire evacuation regulations) for special occasions, through planned flexibility, by the removal of seats to create additional space for up to a further seven wheelchair users.

Other disabled members of the public such as the visually impaired, hard of hearing and those with cognitive or mobility impairments will also be able to access many, if not all, of the seats in the public gallery.

Q – How many of the MSPs seats in the chamber will be fully accessible to wheelchair users?

A – Sixty-one out of 130 seats (there are 129 MSPs) will have full wheelchair access. This will ensure that a wheelchair user could easily take their place as a backbench Member, a Minister, as First Minister or the Presiding Officer.

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## **Corporate Body Publishes Third Monthly Holyrood Report for Finance Committee**

Presiding Officer George Reid today gave Parliament's Finance Committee the latest Holyrood information. Last month's report explained that moving to a new July 2004 programme would increase costs, but that figures were not yet available.

### **Cost**

The information now available from our cost consultants is that the programme to completion published last month will lead to the following increases in risk:

- £15m has been estimated as the prolongation costs of the revised programme targetting completion in July 2004,
- £2.6m of VAT is expected to be payable on the above figure,
- £2.5m will be needed for additional site organisation costs,
- £11.8m (including VAT) has been set aside for the cost of possible disruption.

£15m of the increase has been clearly identified by the cost consultants as prolongation costs arising from workers being on site for up to a further five months; site administration over that period; extended use of cranes; scaffolding and subsequent knock-on costs.

The additional risk figure for disruption of £10m (£11.8m inc. VAT) identified in the report is the cost consultant's estimate of costs arising when more complex work patterns are required to allow elements of the programme to be resequenced.

These sums are an estimate of what may be required to cover financial risks at Holyrood. Provision for risk does not mean that any contractor is automatically entitled to more money. Each and every claim will be rigorously examined, and payments will only be made where absolutely justified.

### **August/September key progress**

- Significant elements of the east façade for MSP offices are now complete and substantially revealed.
- The north elevation of Queensberry House is almost completely revealed.
- Timber flooring, painting and decorating and other fit-out works inside Queensberry House are now underway.
- Members' Offices are now ready for carpets to be fitted.
- Work on the exterior of the Canongate building is proceeding well, and the first distinctive trigger panels have been revealed.
- Two of the six vaulted Committee Room ceilings are now complete, with significant progress being made to the others.
- Installation of timber panels to the ceiling of the Debating Chamber has begun.

### **Drawn Metal meeting targets**

August's report set out Drawn Metal's difficulties with the installation of the glazing around the Committee Towers. The latest programme to completion requires these windows to be fitted at a rate of 12 per week. This rate has been achieved over the last month in line with the programme requirements.

### **Completion schedule**

The MSP block is on schedule to be the first part of the site to be completed at the end of November 2003.

The MSP accommodation is now at such an advanced stage to allow the parties' business managers the option of identifying space at Holyrood.

The following completion dates continue to be targeted:

- Queensberry House - end of November 2003.
- Towers 1 and 2 - end of January.
- Towers 3 and 4 - end of February.
- The Debating Chamber, Press Tower and Canongate Building - end of March.
- Lightwell and public stair - early July 2004.
- Final handover of completed complex - July 2004.
- External landscaping - end of August 2004.

### **Future programme**

We remain on target for the most recent overall programme to completion. Critical areas remain the fit-out work and zones around the chamber, most notably the north lightwell and public stair.

Additional information on all the latest developments on site plus this month's construction pictures are available in Annex B to the Presiding Officer's letter.

### **Financial background and settlements**

It remains the case that each and every claim by a contractor for additional payment for any reason will be stringently examined. There is no absolute entitlement to additional money for any contractor on site.

As an illustration of this, the Parliament recently negotiated a final account with one contractor down to £4.2m, £1m less than the contractor had claimed for, and £450,000 below the cost consultant's estimate.

The cap on fees for the key Holyrood consultants, announced last month, also means that no additional fees will be incurred on any of these construction costs. As Parliament's Corporate Body recently set out, the full amended contracts for these consultants will be published once the final documentation has been exchanged.

Presiding Officer George Reid said:

“Our cost consultants have now produced the latest projected costs based on the new programme information we received last month.

“We will continue to claw back every penny on final account settlement and fiercely guard the contingency which is built into the July completion.

“The programme itself is moving along swiftly and we expect to see parties opening discussions about the allocation of office space in the coming weeks.”

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## Transcript of Sir Sean Connery's Views on Holyrood Site Visit

'A great building for Scotland' - Sir Sean Connery's view of the Holyrood building project following a site tour of the new Parliament building today with Presiding Officer George Reid.

Sir Sean commented on the progress made on site saying there had been "enormous change" and that he was "marvellously impressed".



*Sir Sean Connery visits Holyrood*

He added that he was taken by: "The surprise elements, the roofs, the detail of light, the ceilings for example have got this hieroglyphics look and when you look closer you get a different light, you get a different angle, its like a different colour.

"I also like the fact that they have not gone crazy with lots and lots of different woods and stayed with the basic two. The joinery work is fantastic.

"It's seriously, marvellously impressive. And the height which I'd felt was going to be kind of minimised because of the Craggs and the surrounding places and everything, it's got its own position and sense, and the place out there with the upturned boats and everything. A lot of marvellous imaginative stuff in it and it's increased, what was it, going to be 12 000 square metres and what is it 33,000 now?

"It's great, it's great for Scotland, it's great that we have this and I can't wait for it to be finished. I'm not the only one, I know a lot of people are feeling the same way."

Referring to the opening of the Holyrood building he said: "Oh yes, I will certainly be here. It's next year and we will be here without question, whatever I am doing, once we know what the date is I will make my plans around it."

Speaking after the visit Presiding Officer George Reid said:

"Sean was very enthusiastic about the design of the building and the quality of materials used throughout.

"I was heartened that he recognised the Holyrood building as 'great for Scotland' and was clearly enthused by the architecture.

"I very much look forward to welcoming him back for the opening."

Broadcast video footage of Sir Sean touring the site and speaking with George Reid is available on request from the Parliament. Stills photographs are also available

## **Background**

Sir Sean Connery and his wife Micheline today received a guided tour of the new Scottish Parliament building from the Presiding Officer George Reid.

The two-hour tour began at 2.00pm at the bottom of Holyrood Road in the new Parliament Building Information Centre. Later, on site, Sir Sean's tour took in views of the Parliament's dramatic glazed public foyer area, the new Debating Chamber, the Committee Rooms and a 5th floor MSP's office.

The idea for the tour was suggested to Sir Sean by his friend, film-maker Murray Grigor. Mr Grigor's film on the work and inspirations of Catalan architect, Enric Miralles, can be viewed at the new Parliament Building Information Centre.

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## **Corporate Body Issues August Update on Holyrood**

The Presiding Officer today wrote to the Finance Committee with the latest information about the Holyrood Project. The letter represents the second of the Scottish Parliamentary Corporate Body's monthly reports as agreed with the Finance Committee in June 2003.

His letter confirms:

- Final completion is now July 2004. This represents an extension in the programme from the end of November 2003, principally caused by a delay to one critical and complex area.
- Successful completion of negotiations to finalise the cap on fees for all five principal consultants has resulted in a reduction of £4.6m in the estimated cost of the building.
- This £4.6m saving, as announced today and agreed by all consultants, secures cost certainty in this area as fees are now capped to the end of the project. There will be no fees on additional construction costs from now until completion.
- There will be cost implications arising from this report and it is anticipated these will be detailed in the September update.

### **Programme information**

The outstanding information from the July report is now available:

- MSP office accommodation and Queensberry House - unaffected and remains end of November
- Towers 1 and 2 - end of January
- Towers 3 and 4 - end of February
- The Debating Chamber, Press Tower and Canongate Building - end of March
- Lightwell and public stair area behind the Chamber - early July 2004 including a period of 22 weeks for follow-on work after completion of the glazing components.
- Final handover of completed complex - July 2004
- External landscaping - end of August 2004

### **Why the delay in programme?**

At the time of the last monthly report, the two most complex parts of the site where programme information was still outstanding were the glazed public stair to the rear of the Chamber and the adjacent lightwell.

Further information on this area is now available and the latest programme has been amended to reflect the difficulties being faced with the north lightwell and elements of those buildings which interface with it.

- Meeting the blast criteria is resulting in major problems for fixing of windows. Bolt holes have had to be re-drilled, which is time-intensive and this has required the removal of some cladding elements.
- The windows for these areas are being produced by Drawn Metal. Initially, it was estimated that 24 windows per week would be fitted. Under the latest proposals, this figure is down to 12 windows due to the construction implications of the additional blast proofing requirements.
- The delays to the Tower windows has the greatest impact since scaffolding was required to resolve the issues, there was a knock-on effect to works around the Chamber, as it prevented Mero – the specialist glazing contractor - having access to the same lightwell area.
- The design, manufacture and installation of the blast doors for the building have also generated difficulties. Each door is individually made and now requires substantial fixings and frames which had not been incorporated in the original design.

Further details can be found in the Technical Annex to the Presiding Officers letter.

## **Fees**

Since the July report, negotiations to finalise the cap on fees have been successfully concluded. Following hard work from everyone involved, the Parliament's five principal consultants (EMBT-RMJM; RMJM Services; Ove Arup; DLE and Bovis Lend Lease) have now agreed to convert their percentage fees to a "once and for all" lump sum at an agreed level.

The Presiding Officer today wrote to the Finance Committee with the latest information about the Holyrood Project. The letter represents the second of the Scottish Parliamentary Corporate Body's monthly reports as agreed with the Finance Committee in June 2003.

## **Impact on costs**

On cost, the Presiding Officer's letter sets out that:

- As a result of the fee negotiations, the bottom line of the project budget contained in this report has reduced from £373.9m to £369.3m from June to August
- £3.2m identified as risk in the last report is now identified as committed construction costs, largely associated with delays on site and blast-related difficulties in some areas.
- There will be cost implications arising from this report and it is anticipated these will be detailed in the September update.

## **Migration to the building**

The reported delay presents the Parliament with a number of issues if migration to Holyrood is to be postponed until Summer 2004 recess.

Starting business at Holyrood remains a top priority and the implications of this are now being examined as a matter of urgency by officials.

The basement and Towers 1 and 2 will be available for Parliament staff to gain access for familiarisation, training and systems testing in January, with Towers 3 and 4 following in February.

The Parliament's Presiding Officer, George Reid, said:

“ The total immediate saving associated with the comprehensive cap is £4.6m.

“For the first time in the project there has been a real cut in cost. But it is to be regretted this comes simultaneously with an increase in time which will have financial implications.

“My guiding principles remain transparency, a commitment to the public purse and access to a building of quality at the earliest possible opportunity.”

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## Corporate Body Issues First Monthly Report on Holyrood

In line with the commitment in June to the Finance Committee to provide monthly reports about Holyrood, the Presiding Officer today summarised the main developments over the last month.

His letter confirms that:

- Holyrood's estimated final cost remains at £373.9m.
- £4.46m identified as risk in the last report is now identified as committed construction costs, largely as a result of previously reported delays on site, and some elements related to blast.

Advice from Parliament's construction managers, Bovis Lend Lease, is that they are scheduling rolling completion of major parts of the complex as follows:

- October will see the MSP office accommodation substantially completed. The final exterior detailing will be completed in November.
- Queensberry House is also expected to be fully commissioned in November.
- Fitout and service completion across the east end of the site, including the Committee Towers and the Debating Chamber targets Christmas.
- As each area becomes available, Parliament staff will move in to start installing IT and bedding in Facilities Management. Members of IT staff and their contractors will be working in the building from early December.
- Bovis continue to seek to incorporate the detailed programme for the two glazing packages covering the east end of the site into the overall programme. Bovis have allocated additional staff to these two contracts, but definite completion dates have yet to be finalised.

On fees, the Presiding Officer's letter sets out the good progress that has been made with the Parliament's consultants, although EMBT failed to meet a deadline of this Monday to respond formally to Parliament's proposals on this matter.

The Scottish Parliament's Presiding Officer George Reid said:

"We have been engaged with all our consultants in very constructive discussions on fees until Benedetta Tagliabue failed to respond to Monday's deadline. I am determined to continue to apply pressure on this matter in order to protect the public interest, and hope we can all put it behind us soon.

"I am reassured, however, that there is no increase in the overall cost as the financial movements we set out today have previously been accounted for. Nevertheless, it is still unfortunate that more than £500,000 has been required to cover blast proof doors across the site.

"On programme, Bovis continue to work hard on our behalf to secure the best dates for completion across site. In particular they are focussing on the work of Drawn Metal and Mero, two of our specialist glazing contractors, and Bovis staff have been directly

seconded into these companies' teams on site to secure comprehensive programme information by August.

“Our commitment to provide such a detailed monthly report on Holyrood should leave no doubt about the importance we attach to transparency, monitoring progress and controlling costs where possible. In addition, this new reporting arrangement will assist everyone connected with Holyrood to identify any problems as far in advance as possible.

“The drive now is to close out areas of the complex in turn, which will allow an efficient move down to Holyrood. I am reassured to see that work to enable that move is expected to begin in December. We continue to focus on completion across Holyrood, and I look forward to the work of devolution beginning to bed down in the Parliament's permanent home.”

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## **Parliament Secures Consultants' Agreement to Cap Holyrood Project Fees**

Consultants working on the Holyrood project have today agreed to cap the overall level of professional fees associated with the completion of the new Scottish Parliament building.

The news follows a meeting between the Parliament's Corporate Body and the main Holyrood consultants, at which the Presiding Officer George Reid called for the external professionals to consider a reduction in the monies they receive as a matter of responsibility to the public purse.

The outcome of today's meeting was stressed as being only the first stage in a detailed process that must take account of legal obligations entered into by the Scottish Office. However, the Scottish Parliamentary Corporate Body has stated in a letter to the Finance Committee this evening that its aim, before Parliament rises for summer, is to have in place a clear and robust position on cost, fees and programme.

The text of the Presiding Officer's letter to the Parliament's Finance Committee is as follows:

"As you know, the Corporate Body met this morning to consider the Cost Consultant's latest report on the Holyrood project. We examined the issues carefully and sought detailed answers from the Construction Manager, Architect, and, of course, the Cost Consultant. I am therefore now in a position to make an initial report to the Finance Committee.

The last report to the Committee, (made in February), reflected the Construction Manager's confidence about the team's ability to achieve a target completion date of November 2003. The Committee should be aware that the programme has continued to target this date ever since, up to and including the most recent report received by the Holyrood Progress Group last Wednesday. What is clear, however, is that this target relies on considerable adjustments made to the original programme sequence in order to maintain the pace of delivery. To date we have only been able to discuss these changes at a strategic level with the Construction Manager, but I anticipate that we will be able to provide the Committee with more detailed information very shortly.

We did determine from our discussions this morning that the additional estimated costs result from the ongoing complexity of the building work now underway on site, principally the need to compress and re-sequence tasks to respond to difficulties which arise.

In detailed terms, in the light of today's discussions led by the Corporate Body, I am able to report the following. The £37.7m increase in the overall target figure reported last week comprises £18.75m of predicted construction cost; £6.1m of fees; £8.25m for site running and construction management costs; and £4.6m of VAT on the above.

The £18.75m construction cost element includes £600,000 which is an anticipated increase to the separately funded landscaping works, again due to delays. Of the remaining amount, £9.95m has been allocated to specific trade packages to cover the

costs of compressed working, disruption on site and prolongation of contracts associated with re-programming works. A further £5m has been identified as an additional contingency that may be required to resolve issues associated with the complexity of the design during the final stages of construction and £1.7m is reported to be required to cover the longer presence of tower cranes and scaffolding on site as a result of resequencing as well as additional general builders' work. Prolonged working in Queensberry House and MSP accommodation accounts for the final £1.5m.

Given the link between the projected increase in cost and programme, the Corporate Body sought advice, (as it has previously), on whether delaying completion would help reduce costs. The unequivocal advice from the construction professionals is that further delay would in fact exacerbate the problem. The Corporate Body has therefore instructed the Project Team to proceed in line with the latest Bovis programme. However, the complexity of the task in hand and experience to date indicate the need for ongoing caution in relation to the programme. We will be continuing to monitor the situation closely in conjunction with the Progress Group.

Members will share my anger, not only at the scale of the increase but the manner in which it has emerged: in a period of less than five months since we heard such confident assurances from our key consultants on both cost and programme. As the Committee is aware, the method of construction chosen at the outset by the Scottish Office requires the programme and cost risks to be borne by the client, namely the Scottish Parliamentary Corporate Body.

The Holyrood Project Team, members of the Holyrood Progress Group and Corporate Body continue to work extremely hard within the terms of the contract arrangement to keep costs to a minimum, bearing in mind the need to preserve quality and the fact that they do so against the backdrop of a highly complex building design.

The Committee will note that a significant part of this additional reported cost is fees. We have today secured the agreement of all the consultants to cap their fees to the end of the project, in the public interest. That cap will include a reduction in fees in respect of the latest projected increase in cost. We will report to you in more detail on the progress of these negotiations at the earliest opportunity.

These recent developments add further weight to the First Minister's call for an inquiry. I certainly support the need to examine and learn lessons from the Holyrood project. We must also ensure that the building is completed as quickly as possible and to move in as soon as practicable thereafter. That is the best way to contain continuing uncertainty over costs. The final push to completion will require all the resources available to the project team, construction manager and design team to be focused completely on the job. The challenge is therefore to meet the proper demand for transparency and scrutiny without jeopardising the completion of the project.

This letter provides Committee members with the first update on negotiations on fees that are now underway following today's SPCB meeting. The Corporate Body will meet again within the next two days to analyse further the information received today from the consultants. Following this, I will write again to the Finance Committee.

The Corporate Body fully recognises the great importance of this issue and the right of the Finance Committee to take evidence on recent developments and we would like to arrange this at the earliest opportunity, at a time to suit your Committee.

My overall aim is to have a clear and robust position on cost, fees and programme before the start of the Summer recess. Only once that is established will we have a clear way ahead to the completion of the project.

I am copying this letter to the Finance Minister.

Given the considerable interest in this matter, I am sure you will understand why I feel that it would be appropriate to release the text of this letter to the media.”

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### **Further Holyrood Costs: Reid “Furious and Dismayed”**

The Scottish Parliamentary Corporate Body tonight received a report that the cost of the Holyrood project could rise by a further £37m taking the total projected cost to £375m including the landscaping costs.

The Presiding Officer George Reid said:

“I am furious and dismayed at this latest report, especially in view of the assurances given to the Corporate Body only four months ago that the estimated completion costs were £338m.

“I share the anger and frustration which MSPs and the Scottish people will understandably have at news like this coming out of the blue.

“All the key members of the design and construction team have been summoned to a meeting with the Corporate Body on Tuesday.

“I have demanded a full breakdown of the reported costs and the current programme. There are questions which require immediate answer including why our professional advisers failed to spot, and report the increase sooner.

“The Corporate Body has agreed that, after Tuesday’s meeting, we shall write to the Finance Committee with a full report on the latest position.

“I shall, of course, make that letter public.”

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## SPCB Gives Finance Committee Latest on Holyrood Project

The Scottish Parliamentary Corporate Body (SPCB) has today written to the Finance Committee with the results of the latest review of the Holyrood Project. This updates the provisional results given to the Finance Committee in December, and sets out the increased confidence that this review affords the SPCB.

The Parliament's cost consultants then advised that variations and delays to some packages might have exceeded the overall allowances made at the previous risk review. Following the completion of the latest review, November 2003 is now identified as the likely latest completion date, alongside an increase to the overall target cost for the building from £310.5m to £323.9m.

This review concludes that progress on site enables Bovis Lend Lease, the Parliament's construction managers, to confirm that the construction and internal fit-out of the majority of the complex is now on target for completion between the end of August and the end of October 2003.

Bovis have also confirmed that the debating chamber and the boundary wall are unlikely to be complete by that time, but have assured the SPCB that the building is likely to be handed over in its entirety in November 2003.

Today's letter also details increases to the expected costs of individual packages, to fee costs and to site running costs identified since the last full review.

The total cost increases of £13.4m gross break down as follows.

- £6.5m is attributable to direct cost increases to work on site, including to roofing and glazing to the debating chamber and fit-out packages across the site.
- £6.9m is attributable to increases both to fees and to the site running costs primarily associated with the expected move to a later completion date in November 2003.

These additional figures result in a revised overall target figure of £323.9m excluding landscaping costs, and the cost consultant advises that he is confident that this estimate is likely to represent the funding now required to complete the project in the light of the known risks and expected completion dates.

Sir David Steel, the Parliament's Presiding Officer, said:

"The SPCB welcomes the fact that this review allows us a much greater certainty over cost and programme as we approach the expected handover of the building in November this year, and we will continue to monitor progress closely over the coming months."

[Link to the SPCB's letter](#)

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