



Parliamentary News Release

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CORPORATE BODY ISSUES FEBRUARY'S HOLYROOD REPORT TO FINANCE COMMITTEE

Presiding Officer George Reid today provided Parliament's Finance Committee with the latest information on the Holyrood Project.

Key Issues

- On 5 February Bovis presented revised programme 7B for the completion of the Holyrood campus by July of this year. The cost consultants DLE have estimated the extra costs at £20-£25m which, once VAT is included, represents an overall range of £24-£29m of additional expenditure. Due to fee capping, there are no fees payable on these additional costs.
- Included in these estimates are £2-£4m of non-allocated contingency funds to allow accelerated working, if required. The bulk of the extra costs are for delayed work under the original contracts, largely on glazing and stone cladding which, in turn, has caused delays elsewhere.
- Provided Bovis complete programme 7B on schedule, as the company is confident it can, this ought to be the last Holyrood cost increase.
- The programme remains on target for completion in July and for business to begin in Holyrood in September. Detailed plans for migration and occupation of the complex are now in place.

Programme

Long-standing difficulties arising from blast-proofing have led to delays in glazing, windows and cladding, with consequent delays in other areas of work. This revised programme will therefore include completion of commissioning and snagging work in some areas during July and August.

This is a tight programme, but Parliament's migration plans are being worked around the later areas to ensure that they do not delay entry and that migration can be completed over the July-September period.

If trade packages are not completed by the summer, there will be a further escalation in costs, and if the ten week recess period is not used for migration, entry could be delayed into 2005.

Cost

The gross contract costs of these changes and programme delays are estimated by our cost consultants as an additional £24m - £29m (including contingency). This takes the estimated final cost of Holyrood to £425m - £431m. The previously secured fee cap ensures no additional fee is payable on these additional costs.

In addition, £12.6m of the previously identified risk reserves have been allocated to committed construction costs.

Progress on site since the last report includes:

- Excellent progress in the lightwell/public stair area with extensive areas of glazing installed;
- Successful testing of the telephone system, following installation of 8500 phone and data sockets along with 58km of optic fibres and 570km of copper cabling;
- Final power systems are now up and running across the whole Holyrood site;
- Installation of lighting in the Chamber is well advanced and should be complete for the end of February;
- North elevation of the Canongate Wall is complete;
- The first area of site accommodation has been removed, and excavation works for Pond 3 are underway;
- The oak and glass screens in the public foyer have begun to go in, defining the layout of the shop, public cafeteria and classroom areas;
- The upper pergola over the public entrance has been delivered to site and will be erected early next month;
- IT and other fit-out works are progressing in Queensberry House.

Presiding Officer George Reid said:

"I deeply regret this further increase in costs to the public purse.

"Over the past month there has been major work completed on site, without which the cost rise would have been significantly higher.

"The vast bulk of the extra costs are prolongation costs due under the original contracts for delayed work, largely on glazing and stone cladding — which, in turn, have caused delays elsewhere. Additionally, we have now allocated £2-£4m contingency funds for acceleration measures.

"Bovis are confident that the programme will be completed by July. Provided that happens, this should be the last rise in Holyrood costs.

"We are now totally focused on completion on target, followed by migration over the summer and occupation of the new Parliament in September."

Background

The following associated documents are available on the Parliament's website:

- [Letter to Des McNulty, Finance Committee Convener.](#)
- [Annex A – Financial summary \(pdf file\)](#)
- [Annex B – Progress report and latest site images \(pdf file\)](#)

All the latest images from Holyrood contained in Annex B can be used by bona fide media organisations.