



Des McNulty
Convener
Finance Committee
The Scottish Parliament
Edinburgh
EH99 1SP

21 June 2004

Dear Des

HOLYROOD REPORT, JUNE 2004

This is my tenth monthly report on Holyrood, providing the Finance Committee with the latest information on the Project cost and programme. This report deals with progress since the previous report on May 24th.

Progress on site this month has been intensive and impressive. The attached illustrated annex shows a Parliament building which is almost ready for occupation and as you know, arrangements are well in hand for the move in August. Recent press comment from architectural writers has been extremely positive and encouraging. By the time the Committee meets after the summer recess, it will be at Holyrood. This is therefore the last of the monthly progress reports in this style and my letter includes details of how the SPCB intends to report to the Committee on financial matters in the future.

Key points this month:

1. There is no change to the overall cost reported in May.
2. Since the May report, £4.8m has been moved from the risk and programme reserve into construction commitment. £1.8m has also moved from the landscaping reserve. These movements were all in fulfilment of anticipated commitments. Details of this are given in the attached cost breakdown at annex A.
3. There is no change in the overall programme. Occupation of the building will take place this summer.

Progress on site in June includes:

- Laying of the carpet in the Chamber is well advanced;
- 45 MSP desks are installed in the Chamber;
- Hard landscaping has started around the north lightwell and the formal entrance;

- The pavement has been completed along the length of the Canongate Wall;
- Landscaping of the Internal Gardens is underway;
- TV monitors are installed within the Chamber;
- Fit-out in Towers 1 and 2 is largely complete;
- The lower concrete pergola is fully glazed and the upper level of timber screening is well advanced ;
- the last Caithness cladding panels are being installed on the media tower;
- The majority of the Bovis site accommodation has been dismantled to allow the landscaping to progress south towards the Craggs.

Migration and Occupation:

Members will be well aware of the advanced plans for their own moves and similar arrangements are in place for staff. During July, the construction fit-out of the Towers and other areas will be completed and the remaining furniture will start to be delivered w/c 5th July.

Members move

Members have so far had two packages of information regarding pacing and arrangements for the move A final note will be issued towards the end of June.

Staff move

SPCB staff move into the building from 2nd August, although security and facilities management staff will have been present at the building for some time before this. Moving from the five existing locations presents its own problems from a Health & Safety perspective and this is why the move is phased over a 7 day period. The major parts of the move also avoid the beginning of the Edinburgh Festival.

Testing the building

A great deal of testing of the building services will be complete by the time staff move into the building. Plans are also in place to ensure that Parliamentary business and visitor management works smoothly. Staff and contractors will require training on voting, sound and broadcasting systems in the Debating Chamber and the Committee Rooms and this will include simulations of Parliamentary business in these areas. Management of an estimated 700,000 visitors a year requires significant preparation and setup of the public facilities including the reception, security, shop and education facilities. This work will be carried out by Parliament staff from the date of occupation on 2nd August right up till the first day of business on 8th September.

Contract mobilisation

Major contracts, including that for maintenance, have already commenced on site with others now making preparations for the move. This is a complex operation given the ongoing site activity. Major activities include setup of new catering, printing, webcast and crèche contracts as well as public information displays, the shop, mail services and numerous other contracted services that support our organisation. Many of these

contractors require considerable support from the Parliament's IT team who are also involved in setting up the new telephone and network services.

Occupation Certificate and Health and Safety

Moving into the building requires the granting of a building occupation certificate by the Parliament's building control consultants. This is a rigorous process which began some time ago and ensures compliance with building control standards and Fire regulations in order that the Parliament fulfils its duty of care to all those who use the building. Arrangements are already well advanced for making sure that the requirements of both building control and the fire inspector are met by the required dates.

As you would expect, the number one priority during migration, early operation and opening is the health and safety of the public, staff and members. Getting an Occupation Certificate in itself means that the major identifiable risks have been removed. Systems will of course be put in place to ensure that any risks posed by snagging and related ongoing works are carefully managed.

Snagging, defects and completion of works

It is normal practice for a building completion certificate to identify any aspects of work which have not been completed exactly as they should be. This could be either because they have not yet been finished off or because they have not been finished correctly. The process of resolving these is what is known as 'snagging'. While most snagging activity will be undertaken in August before the building is occupied by MSPs, a strategy is also in place to manage and rectify any outstanding problems during the first few months of occupation.

During September and October any such works will be carried out as far as possible outwith business hours, but during the August recess weeks it is expected that a considerable number of people will be working on snagging and defects throughout the building during normal working hours. Based on previous experience of projects of a similar scale, snagging and commissioning works are likely to continue in some form through until the end of the year and possibly beyond.

It is planned that hard landscaping work around all the entrances to the building will be complete by early September and the final landscaping work will continue into the autumn with tree planting planned for November, (the right time of year for this activity). The current programme was planned on the basis of post-fixing some timber louvered screens at lower levels at the rear of the Chamber and on Tower 4. This will probably be carried out either in the October or December recess and should have no impact on building users.

This full programme of work is illustrated on the attached programme in summary format at Annex C.

Future reporting arrangements:

I hope that the Members have found my monthly site progress reports useful this year. The time for these is evidently coming to an end and the SPCB has discussed how best to continue our reporting to the Committee until 'commercial completion' is reached. It is to be hoped that this stage will occur not long after the end of the defects liability period, (one year after practical completion of the building), at which point a definitive total project cost will be known.

We intend to submit to the Committee a financial monitoring report. This will set out clearly the total capital costs of the project and provide details of final accounts and claims as these are settled with the Trade Package Contractors. I anticipate that the Committee will receive the first of these reports to coincide with your initial meeting after the recess and thereafter every two months until the end of the year. At that point I suggest that we might review the frequency and if a significant number of accounts have already been settled, it might be appropriate for reporting to move onto a quarterly basis thereafter.

As members of the Committee will appreciate, we cannot tell at this stage what disputes may arise in the process of settling accounts or during the defects period. However, the SPCB will routinely be receiving reports on such matters and we would expect to report progress in resolving any financial disputes to the Committee in the context of the financial monitoring report.

In order to keep Members, staff and others in touch over the summer months, the SPCB will be producing a monthly 'migration bulletin' with up-to-date information about fit-out completion and move arrangements.


Other post-completion matters

I recently received a letter from John Home Robertson MSP in his capacity as Convener of the Holyrood Progress Group. He indicated that the HPG will continue to meet at regular intervals during the recess in order to maintain the necessary momentum and liaison with the principal consultants and with HPT during this final stage of completion and migration. The Group envisages holding its last meeting on 29th September and will formally be wound up on the date of the official opening.

In replying, I thanked the Progress Group and said that SPCB was extremely grateful to each member for having made and sustained such a level of commitment to the project.

One of the unique strengths of the HPG was the professional expertise and experience within its membership. The SPCB is therefore pleased that David Manson, Andrew Wright and John Gibbons have agreed to remain available to us and to the HPT in an advisory capacity after the building is complete. I anticipate that they will be consulted on such matters as the processes for the review, pursuit and defence of potential claims; our strategic approach in relation to specific disputes which may arise and any proposals for significant alterations or modifications to the building fabric which may arise. Of course, final decisions on all these matters will remain for the SPCB.

Yours sincerely



GEORGE REID

[financial summary annex](#) (pdf)

[Progress on site](#) (pdf)