

# **FINANCE COMMITTEE**

Tuesday 17 December 2002  
(*Morning*)

Session 1

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## FINANCE COMMITTEE

25<sup>th</sup> Meeting 2002, Session 1

### CONVENER

\*Mr Tom McCabe (Hamilton South) (Lab)

### DEPUTY CONVENER

\*Elaine Thomson (Aberdeen North) (Lab)

### COMMITTEE MEMBERS

\*Brian Adam (North-East Scotland) (SNP)

\*Mr David Davidson (North-East Scotland) (Con)

\*Alasdair Morgan (Galloway and Upper Nithsdale) (SNP)

\*Dr Richard Simpson (Ochil) (Lab)

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

### COMMITTEE SUBSTITUTES

Ms Wendy Alexander (Paisley North) (Lab)

Mr Keith Harding (Mid Scotland and Fife) (Con)

Mr Keith Raffan (Mid Scotland and Fife) (LD)

Andrew Wilson (Central Scotland) (SNP)

\*attended

### THE FOLLOWING ALSO ATTENDED :

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

Ms Margo MacDonald (Lothians) (SNP)

### WITNESSES

Robert Brown MSP (Scottish Parliamentary Corporate Body)

David Cullum (Scottish Parliament Non-Executive Bills Unit)

Sarah Davidson (Holyrood Project Team)

Stewart Gilfillan (Scottish Parliament Directorate of Corporate Affairs)

Karen Gillon (Clydesdale) (Lab)

Paul Grice (Clerk and Chief Executive, Scottish Parliament)

### ACTING CLERK TO THE COMMITTEE

David McGill

### SENIOR ASSISTANT CLERK

Terry Shevlin

### ASSISTANT CLERK

Gerald McNally

### LOCATION

Committee Room 2



## Scottish Parliament

### Finance Committee

*Tuesday 17 December 2002*

*(Morning)*

[THE CONVENER *opened the meeting at 10:05*]

### Items in Private

**The Convener (Mr Tom McCabe):** Good morning and welcome to the 25<sup>th</sup> meeting of the Finance Committee in 2002. I am informed that the meeting is quorate, although some of our colleagues are still struggling with public transport. I had thought that there were no apologies, but Jamie Stone has sent apologies.

The first item is consideration of whether to discuss in private some matters. I know that members want to discuss item 2 in private, but we must also decide whether to consider the draft report on the children's commissioner in private. Are members happy to do so?

**Members** *indicated agreement.*

**The Convener:** In that case, we will move into private session.

10:06

*Meeting continued in private.*

10:29

*Meeting continued in public.*

### Holyrood Project

**The Convener:** I wish the witnesses a good morning and thank them for coming along at relatively short notice. I hope that you appreciate that the committee was keen to see further evidence. There were two reasons for that. First, in the relatively short time since our last evidence-taking session, the situation seems to have changed fairly dramatically. Secondly—as I am sure you are aware—we are required to report to Parliament on the second stage of the budget process, which will be done later this week. Obviously the committee would like to explore a number of issues, but it might be that someone would like to make an opening statement. If that is the case, please carry on.

**Robert Brown MSP (Scottish Parliamentary Corporate Body):** It might be helpful to say one or two things just to remind colleagues of where we are. As the convener has implied, this report comes between the normal quarterly reports, the next of which is due in January or early February next year. This report follows the Presiding Officer's letter of 19 November.

First, I echo Sir David's comment that the timing of the letter vis-à-vis the press release was a matter of some concern. I was not involved in the administrative arrangements of that, but it was intended that the letter should be with the committee before the press release was issued. For some reason that did not happen—please accept our apologies for that.

As the committee will remember, the Scottish Parliamentary Corporate Body is concerned with strategic issues of cost, time scale and quality, and the Holyrood project group is in charge of the project at a more detailed level. We are grateful to the HPG for the extensive time and effort it has put into the report.

When we gave evidence in October, we were pointing to a cost of £294.6 million and a construction completion date of April 2003. We mentioned uncertainties that were the result of glazing and bomb-blast issues and which were causing us concern at that time. Another risk review is currently being carried out and we should be able to report on the outcome of that in detail at our next meeting. However, it is already clear that the earliest construction completion date is now August 2003 at best. That was reported in the letter.

As far as cost is concerned, we are at the point where any delay costs money. The best

information that we can give the committee is that the revised programme 6b will produce extra costs of £15.9 million, although some of that is already taken account of by the risk register in the figures that the committee has. That will bring the total cost up to approximately £310.5 million. Those figures should be firmed up in the January review.

I can give the committee one piece of good news. The bomb-blast test took place on Friday and was passed. We understand that the blast consultant is now satisfied with the way in which things are going and, as far as we are aware, there are no further blast issues to be dealt with. The issue is now about getting everything manufactured and organised on site. That is a great relief to the HPG, to the SPCB and—I hope—to the Finance Committee.

At the last evidence-taking session, the issue of Flour City Architectural Metals (UK) Ltd arose. The committee will recall that we had asked for detailed advice and guidance from Shepherd and Wedderburn Ltd. That advice is now available and the SPCB will consider it this morning. To say anything further about that at this point would prejudice the Parliament's legal and commercial interests and it is not in the Parliament's interests for us to do that. I hope that the committee will understand the position and not press us further on those aspects.

We are now in the position at which all the major construction packages have been let. The blast issues have been sorted out and we move on to the manufacturing, speed and other congestion issues on site. There will be an important date around the end of March, when the building will be wind and watertight. That obviously takes away the weather risk, barring divine intervention of some sort.

The committee might find it useful to visit the site. One or two members have already been; it is quite helpful to see what is happening on site against the background of what the committee is considering.

Around mid-January we will have to consider acceleration measures and make decisions on them. That is against the background of the cost of site organisation—that is the site itself with nothing happening on it—of £600,000 per month. Even if there are no further delays on contracts, further delays will still cost money and there is a balance to be struck between delay and the spending of a little more money. As I said, we will be able to give the committee a clearer view of the implications of that in the January review.

That is as far as I can usefully go in general terms. I hope that I have put matters in perspective for the committee. We are happy to answer questions on the details.

**The Convener:** The witnesses will be aware that Parliament authorised the Finance Committee to scrutinise the Holyrood project. It is neither an understatement nor an overstatement to say that there is considerable concern that the way in which information changes in short periods makes that job difficult. The committee is concerned that that situation will continue, if we are to report properly to Parliament.

Following that, it is fair to say that cost and completion dates seem to a considerable extent to be moving targets, which makes our job difficult. The papers that we have received show us that, until recently, the construction manager on the project advised that delays could be absorbed in the overall programme. It is clear that that is not now the case, but the same construction manager is still being asked for advice. Can you assure us that confidence remains that the advice from the construction manager—whoever it is, if indeed it is one individual—is adequate?

**Robert Brown:** It is fair to point out that the construction managers always said to us that they could not give total guarantees for finishing dates or costs because, as you rightly say, they are moving targets. In particular, until the blast proofing and glazing issues were resolved, they were major issues that had a potential impact on the whole programme. Happily, we are now mostly through that situation and—I hope—there will not be further problems of that kind. We have always said that the information would become firmer when we reached the later stages of the project. We are now arriving at that point.

I ask Sarah Davidson to say a little more on the issue.

**Sarah Davidson (Holyrood Project Team):** The job of programming the different contractors on site—there are about 30 to 40 at the moment—is one of the key tasks in the contract that we have with Bovis Lend Lease (Scotland) Ltd. Bovis is our construction manager, but a principal within that organisation normally advises the corporate body directly. We have always been aware that the task is highly complex and that, as the position shifts—or if any contractor's position shifts on any given day—a certain amount of resequencing must take place. As Robert Brown said, the advice that we have had from Bovis has always been given in the context of understanding the pressures on the programme and the logistical difficulty of managing the site. Bovis has always been open with us about the programme and given us a great deal of information to back up what it has said, which the project managers in my team scrutinise and advise us on. I have no reason to believe that the programme advice is not based on sound information that Bovis receives from individual package contractors.

**The Convener:** Yes, but if the advice was sound in the past, why did it change dramatically and why do you still have confidence in the people who supply the advice?

**Sarah Davidson:** As I understand the programming activity, it involves Bovis liaising all the time with individual package contractors and understanding what they can achieve against the overall targets for the programme. Ideally, a programmer starts off with a fair degree of float, which means that anything that happens in an individual package can be accommodated by rescheduling and resequencing; however, that can be done only up to a point.

When last we gave evidence to the committee, we were aware that the point was being reached at which we would no longer be able to reschedule and move around the logistics on site to accommodate delays. Had we stayed at that point, the overall programme could still have been achieved but, as we suggested at the previous meeting and as we now confirm, one or two key packages had the effect of bursting that situation. However, I do not think that that undermines the integrity of the programming. Our understanding of the impact of the individual packages on the overall programme helps us to work out dates. The situation does not give the project team reason to lack confidence in the advice that we have been given.

**The Convener:** Can you give the committee a clear assurance that the advice from the construction manager was to extend the completion date?

**Robert Brown:** That is the wrong way around.

**Sarah Davidson:** The construction manager did not advise that the date should be extended, but that it was no longer possible to achieve the original target date and that, if all things happened—

**The Convener:** With great respect, you are entering into semantics. If the construction manager says that the target date cannot be achieved, it follows that it must be extended.

**Paul Grice (Clerk and Chief Executive, Scottish Parliament):** The convener is correct. The advice that we have given to the committee is based on the construction manager's programme. On top of that, the corporate body must judge the additional period that is required to move the Parliament to the new building. Of course, the starting point for that decision must be the latest programme information from the construction manager.

**The Convener:** Can the committee be clear that the construction manager advised that the completion date would have to be extended?

**Sarah Davidson:** Yes.

**Alasdair Morgan (Galloway and Upper Nithsdale) (SNP):** At the committee's meeting on 8 October, Miss Davidson said:

"The most recent firm programme that the SPCB received from the construction manager envisaged building construction completion in April or May and occupation by the Parliament in September—as was discussed earlier. That was subject to Mero being able to provide the dates that were required in relation to specialist glazing.

It has been reported to us that most of the dates from Mero comply with the construction completion date. However, there are one or two outstanding dates about which Bovis is concerned."

She went on to say that

"It is fair to say that there is still a degree of uncertainty about the handover date". —[*Official Report, Finance Committee*, 8 October 2002; c 2243-2244.]

The tenor of that suggests that the project was basically on track and that, aside from one or two relatively small concerns, the project was nearing completion. The target date has now moved from a pretty definite April or May, with some risks, to an August "maybe". What will you tell the committee the next time that we meet? Will the completion date have moved from August to another "maybe" date? At this stage in proceedings, the completion date should be becoming more, rather than less, certain.

**Robert Brown:** That quote does not represent the thrust and tenor of the evidence that we gave to the committee on 8 October, which referred to the risks that the project team is dealing with and the difficulties that it is having with the glazing contracts and the blast-proofing issue. Sarah Davidson and I gave considerable evidence about the uncertainties that those factors created, which could not be put to bed until the bomb-blast test was completed.

**Alasdair Morgan:** If we assume that members accept those reasons, is August a very unlikely date? Is there a chance in hell that the project will be completed by August?

**Sarah Davidson:** There are associated risks, in the same way that there are risks with the finance for the project, which we have discussed with the committee. An outcome of last week's risk review is that Bovis will assess the likelihood that the target date will be met and we will report their findings at the next meeting. However, our working assumption—based on information that we have received from Bovis—is that it is unlikely that the project will be completed by August.

The likelihood that a target date will be met increases after key events have happened. The completion of bomb-blast testing to which Robert Brown referred is one of the key elements that remove uncertainty. Parts of the building will

become fully weatherproof in February and March, following which the likelihood of meeting a target date increases considerably. However, Alasdair Morgan is right; the target date at the end of August will be achieved if everything in the programme happens exactly as planned.

**Alasdair Morgan:** I find it difficult to understand why the target date has not only slipped three to four months since last you gave evidence on 8 October, but has become less certain rather than more certain.

**Sarah Davidson:** The current target date of best completion at the end of August, which means that everything will have happened to the best possible outcome, has the same status as the previous date of the end of April.

**Alasdair Morgan:** Do you have a worst possible outcome date?

**Sarah Davidson:** No.

**Alasdair Morgan:** What kind of Gantt chart is used? Some kind of worst-case scenario must have been considered.

**Robert Brown:** The object of the exercise is to finish the thing as quickly as possible—that is clearly what we are after and the progress group is keeping on top of the contractors to try to ensure that that happens. However, as we have already explained, the business of the glazing and blast proofing could have had a dramatic effect on the progress of the contract. Had last Friday's blast test failed, we would be coming to the committee today to report a serious situation; there are no two ways about that. Happily, the blast test was passed. Although we have to take account of the fact that the test had to happen in the first place, that is part of the risk review that is taking place at the moment. The major concerns that we would have had if the blast test had failed have not materialised. We are therefore able to come to the committee with good news on that particular point because passing the test removes what was probably the single biggest risk that remained on the contract.

10:45

**Alasdair Morgan:** What are the remaining risks that cause all the uncertainty?

**Robert Brown:** The risks are changing from the design and testing risks to the usual risks that would be associated with a building contract. Weather problems and other problems can hold up the work. Those risks are less significant than the ones that existed in the beginning—the major design risks about which the committee knew.

**The Convener:** With respect, you are in some danger of playing good cop, bad cop here. Ms

Davidson has portrayed a fairly depressing situation in which the August date that appeared soon after our last evidence-taking session is pretty uncertain. At the same time Mr Brown is telling us that there is good news on the glazing contract and that that is a reason for some optimism.

I do not think that it is enough to come before the committee and say that previous evidence was presented in a certain fashion. Members of the committee and members of the public now require more straight talking about the project. Everyone appreciates that the project is complex; there is no doubt about that. There is nothing wrong with being frank and up-front about the difficulties that you face, but there is a lot wrong with presenting dates that are right only for a matter of weeks before considerable doubt is placed on them. That leads only to further problems with the project, so I advise strongly that that sort of behaviour must stop now.

**Robert Brown:** I am sorry, but I am not prepared to accept that the information that the progress group and the corporate body has given to the committee has been anything other than frank and honest. The information was given to the best of our ability on a very complex project.

**The Convener:** A date of August 2003 appeared in the past few weeks, but considerable doubt has been cast on that date in the past few minutes. That is not under any circumstances acceptable.

**Robert Brown:** It is not acceptable to the corporate body, either. We have been trying as hard as we can to get clear dates and clear information.

It should be borne in mind that the Parliament took over the project against the background of a particular construction method that we do not have control over. That has led to the uncertainties over price and time scale that have bedevilled the project right from the beginning.

We are beginning to move into clearer waters. We are not quite there, but by the time of the January review—which will firm up the information that the committee is being given ahead of time—the final end point in terms of cost and time scale should be apparent. I hope we can give the committee a clearer picture at that time.

**Dr Richard Simpson (Ochil) (Lab):** I have a sense of déjà vu. Just over a year ago I was sitting here asking questions on the same subject, but we do not seem to be any more certain. That is really what we are talking about.

The HPG has an obligation to publicise what packages might still give rise to concern and to say what dates are uncertain. That would offer us



a degree of certainty. Otherwise, we will have to continue with the debate and the public will become more concerned. You referred to co-ordinating 30 to 40 contractors on the site; I understand the difficulties of that, because I was involved personally in building Heriot-Watt University, which was complex, but not as complex as the Parliament. I therefore understand these things.

By this stage of a project, one would have expected certainty to be outweighing uncertainty, but to be frank, today's report shows that that is not the case. I am concerned about the additional amounts involved in the programme 6b estimate, which are set at £12 million net and £15.9 million gross. I find it interesting that the difference between the net and gross amounts is so significant—almost 29 per cent in additional fees and VAT. That seems to be quite extraordinary.

The other thing is that, if the opening of the building is delayed beyond April, there will be savings in rates. I think that it was previously estimated that the rates might be about £6 million per year, so there would be savings of £0.5 million per month on rates, which should balance the £600,000 idling costs of the site that you gave today. There needs to be far greater clarity about forward budgeting than there was at the meeting of 8 October and than there has been today.

A year ago, we were told that the risk element in the contract was £42 million. We need absolute clarity as to the risk element in the package. In building construction programmes with which I have been involved, risks are broadly estimated at the beginning and the risk element reduces as one proceeds through the contract. In the contract in question, the risk element seems to increase rather than decrease. We need quantification of how much of the new estimate of £310.5 million is a risk element that may not materialise. Will any other unquantified risks suddenly emerge and give us yet more additional costs?

**Robert Brown:** I invite Paul Grice to deal with that question.

**Paul Grice:** I hope that I can answer most of the points that Dr Simpson raised. The corporate body and the progress group have agreed to get together in early January to look ahead to the final nine months or year of the project. Many issues that have just been raised will be considered. The idea is to try to anticipate the kind of questions that have been asked—for example, what are the major hurdles to finishing the project? We will have the benefit of the output from the risk review and it will be possible to provide a report to the committee that I hope will answer many questions. The risk in global terms and the types of risk could certainly be identified. Sarah Davidson might want to say more about that, but it is fair to say that the types of risk have shifted.

On the real risks that lie ahead, there is a manufacturing risk, but the greater risk relates simply to the complexity of pulling together all the packages. At the end game, approaching 1,000 people will be on site. There will be many trade contractors. From the Heriot-Watt experience, it will be understood that the biggest risk is that, if one contractor is delayed by a week, that will have a knock-on effect on all the other contractors. Under the terms of the contract, we would bear the risk for claims by those other contractors—that is the fundamental risk that we face.

After the meeting in early January, we should be in a stronger position than we currently are to provide information. I am afraid that there will not be absolute certainty, but I hope that there will be more certainty and clarity and that the requirements that have been requested will be met.

I did not catch Dr Simpson's point about rates. Would you repeat it?

**Dr Simpson:** If I remember correctly, you thought originally that the rateable value of the building might be about £6 million. Was that the annual rateable value?

**Paul Grice:** Yes.

**Dr Simpson:** I appreciate that perhaps that money comes out of a different budget but it comes, nonetheless, out of the Parliament's budget. If the building does not open in April, we will not pay rates, so there will be a £0.5 million saving per month to offset the £600,000 per month idling costs that you have reported today.

**Paul Grice:** That is a fair point, although I think that the rates estimate was £4 million—the figure is still an estimate at this stage. The money is still a significant amount. Richard Simpson is right—rates will not be paid until we take occupation and ownership of the buildings. On the other hand, we pay rates and other charges where we are at the moment. I think that there will be a net overall increase in that the rateable value will be higher than the collective value of the current buildings, but one would have to net the rates that we pay on the current buildings, which are still substantial—they run to millions of pounds. Therefore, there will not be a complete saving.

**Brian Adam (North-East Scotland) (SNP):** Will you give us your thoughts on the process of construction? You expressed concerns about the management of the contract and you now have considerable experience.

I presume and hope that the SPCB will not have to manage a contract of this size ever again—or certainly not in the foreseeable future. Do you plan to make any recommendations to the Executive which will require to undertake many projects in

the future, about the management of such major contracts? Have the major slippages that have taken place, in terms both of cost and of time, told you anything about the value or otherwise of the way in which this particular major public procurement has been managed?

**Robert Brown:** The members of the corporate body are obviously not experts on construction methods; we take guidance from officials on this kind of thing. My view of the construction method is, to be frank, slightly jaundiced because of our experience of the project.

There is a balance to be struck between moving forward with the uncertainties that we are aware of and moving forward without the thing being fully designed. We would need a fairly in-depth view of the whole project by people who have professional expertise.

I understand that the method that was recommended by the United Kingdom Government when the project began—it was Treasury advice that dated, I think, from June 1999, which was shortly after we took over the project—has ceased to be the method that is recommended for public sector contracts. That said, my understanding—from a layman's point of view—is that the method that has been used in this case is used not only in the public sector but, in certain instances, in the private sector. Whether the method is suitable for a contract of this complexity is a matter for debate and analysis later on. It would be well worth learning some of the lessons of this project with a view to establishing how such projects should be dealt with.

**Brian Adam:** I hope that the SPCB might, at the conclusion of the process, make recommendations to the Executive on the method that has been used. It has clearly not been possible to estimate risk using that method and the risk has been more than fulfilled in many aspects. The financial position report states:

"We are aware that it is possible that variations and delays to some packages may have exceeded the overall allowances against individual packages made at Risk P".

That is something of an understatement, given how the costs have escalated.

**Robert Brown:** I have some sympathy with that. It is probably a matter for the auditors and the Audit Committee to examine in due course. I am not sure that it is necessarily our job to make recommendations to the Executive, but in the interests of the Parliament, I hope that our experience will be of use to our overall knowledge although I hope that we, as individuals, do not have to repeat it.

**Brian Adam:** I hope that the SPCB will take a view and pass it on to the Executive.

Why cannot the migration take place over the coming summer if the risk involved is to do with glazing on the chamber and with safety issues around that? The chamber is only one small part of the site. Why is everything being held up on the basis of one part of the site?

**Robert Brown:** I accept that point. The corporate body has considered the issue and is yet to make a final decision. The provisional view is that it is probably not good to move part of, rather than the whole, operation at once. There are issues of double working and so on if the Parliament is partly in one place and partly in another, which would cause difficulties. Against the background of the dates that we are now considering, the corporate body will examine the situation again nearer the time with a view to making a final recommendation and a decision on the best way forward.

**Paul Grice:** The matter of glazing does not just concern the chamber; there is also a key glazed stairway, which provides public access to the committee rooms. The corporate body's judgment was about how much of the site would be usable at that stage. It felt that, on balance, if it would be difficult for the public to get to the chamber and committee rooms, it would be harder to justify moving down the road at that time.

We have to let many service contracts in parallel. Trying to get an end date for the delivery of furniture or catering is a real difficulty for us when we are not certain when the building will be ready. That is an enormous problem for the organisation that I look after. The SPCB must make the best judgment that it can on when we can reach some certainty. As Robert Brown indicated, we are keeping the matter open, although once we move into the new year—in January, February and March—we will have to start to make some decisions about when we want those contracts to be delivered.

11:00

Many of the contracts are let and we have kept open the delivery time for them. That is not a problem up to a point but there will come a time when we have to decide when we want the furniture to be delivered and the catering contract to go live. The SPCB took the view that it was too risky to plan on the basis of a summer move, which would mean beginning the move in June or July. The danger is that, if we were to move then and the building were not ready, we would end up with no place to put the furniture or, more likely, a catering contract under which we would pay for staff but not use the service.

Those are the issues with which the SPCB has been wrestling but about which it has not come to a final view. The instruction that it has given to

officials, which is the right one, is that we should delay for as long as we can the decision on the delivery dates for those contracts. That would allow us the greatest certainty about the programme, with the greatest likelihood that we will get the contracts right and not face penalty clauses or end up paying for services that we will not use. We are right in the middle of that process, which I expect to firm up throughout January, February and March. We will let contracts only at the last moment so that we have the greatest certainty about our programme.

**Mr David Davidson (North-East Scotland)**

**(Con):** I accept Robert Brown's comments about inheriting a system that he had no part in designing. As I said in my report for the Finance Committee, it is beginning to come through clearly that there is huge uncertainty at every stage of the contract process.

I will ask a simple question to start with, based on your evidence this morning and the written responses that we have received from David Steel. Have you asked the programme manager to stand up and give you a date by which he can guarantee that the building work will be complete? I presume that, if you could get such a date out of him, you would be able to put everything else into a time frame, which would allow the SPCB to decide whether to move during term time or during a recess. Have you asked for such a date?

**Robert Brown:** Yes. The SPCB met the contract manager a little while back with a view to pressing him on many such questions. The answer boils down to the same answer that I gave earlier. Until some of the uncertainty is out of the way, the contract manager will not guarantee a final date. Nobody could possibly do otherwise in such a situation.

I will give an example. If the bomb-blast test had failed, the contract would probably have been delayed for a number of months—such a situation could not be accommodated in other ways.

**Mr Davidson:** However, you now have the information from that test.

**Robert Brown:** I hope that we can become a bit clearer about that. We may wish to meet the contract manager again soon with that issue in mind. The progress group has more detailed involvement, but the SPCB will want to know what the position is.

**Mr Davidson:** If the bomb-blast testing has been sorted out, another big uncertainty is out of the way. If you ask the project manager for a date, I presume that he could give you one and tell you what he is concerned about. Surely, given his experience and the stage that the project has reached, the project manager could give you the safety lead times that he would need to be able to

deliver, encompassing the matters with which he thinks there might be difficulties, and you could make a decision based on that information. Is that a fair comment?

**Robert Brown:** Yes, but the question goes back to what was said about the current review of the position. If you follow my point, a contract such as the Holyrood project is full of little decisions—and bigger decisions—that have an impact on issues such as reprogramming or who is on site when. We must consider that impact, which Sarah Davidson mentioned earlier.

The exercise that is being undertaken will enable us to be as clear as possible about where the project is in cost and time terms, following the decisions that were made and the successful outcome of the bomb-blast test, for example. By January, we should have more clarity about that. The bomb-blast test took place only on Friday, so the committee is receiving new information. The corporate body is increasingly pressing for information about that and will want to ascertain the situation in its own interests.

**Mr Davidson:** Will you answer another fairly simple question? Have you had any notification that remedial work requires to be done to complete contracts? It is normal for such work to come along at this stage in a contract. Are any contract plans being pulled together to deal with such situations, or have they been dealt with?

**Sarah Davidson:** Contract plans are not involved, but I understand that, as individual packages are completed, the work is checked for matters such as the need for additional services and intrusions. No package of works has been let for major remedial work.

**Mr Davidson:** Are there no alignment issues to deal with in the building?

**Sarah Davidson:** I am not aware of any.

**Elaine Thomson (Aberdeen North) (Lab):** I am interested in your comments on the recent article in *The Scotsman* that estimated a completion date of August 2004.

What is the impact of the situation on migration into the new building? It has been said that you cannot let many contracts because of the uncertainty over the completion of construction. I am interested in your comments on that. Migration costs were to be £2.7 million this year and £3.3 million next year. How will those costs be affected? When will we have definite information about that?

I return to an issue that was raised at the beginning of the meeting. Project timetabling seems to be operating on the basis of critical paths, so if one bit slips, the whole lot slips. Have

you put back in a bit of time for the rest of the project, or are you continuing to operate on the critical path, so that any slippage will impact immediately on completion dates?

**Sarah Davidson:** I will pick up the last point, which is important, and Paul Grice will deal with the other issues. We have been advised that there is more or less no slack in the programme, which has a completion date of the end of August. That programme assumes that every contractor exactly hits its date, which is why we feel considerably uncertain about the situation. Bovis has advised us that individual contractors might have hidden a little slack in their programmes, but if they have, Bovis cannot clearly see it. Having worked that out, one can see that site logistics are tight and, as Paul Grice said, could have significant knock-on consequences.

**The Convener:** The view that every contractor will hit their target seems optimistic, to say the least. Are you convinced that a scenario is not being created that will automatically add cost to the project? Normally, major construction projects are so vulnerable to a programme that if any contractor does not fully meet its deadlines, that has a knock-on effect and considerable cost implications, although that does not happen in the normal course of events. Given that this is a major public sector project, are you concerned that some contractors are—I will put it kindly—taking advantage?

**Sarah Davidson:** We are conscious of the risk to a major construction project at this stage of contractors recognising that their client is over a barrel. Bovis is employed to examine closely on our behalf all claims for additional money. We authorise such claims only if we are fully satisfied that the work for which a claim has been made has been done and that the delays were not the contractor's fault.

At their previous two meetings with the cost consultant, the progress group and the corporate body pressed him hard on the point that you made about the financial implications of such a tight programme. The consultant's advice, some of which is reflected in the Presiding Officer's letter to the convener, is that the best way to limit the client's exposure to financial risk is to finish the project as soon as possible. We will look for further advice from him to back up that statement in the light of the most recent risk review. His professional advice that the best thing to do is to finish as quickly as possible is on the table and we must consider and respond to it.

**The Convener:** I do not think that that advice is rocket science, mind you, even though it is professional advice. Do you remain confident in the advice that you receive from Bovis?

**Sarah Davidson:** I have no reason not to be confident in it.

**Paul Grice:** I want to answer Elaine Thomson's question on migration because I recognise that it is of particular interest to the committee. The global amount that we spend on migration will be relatively unaffected by when we migrate, although it is likely, given the latest uncertainty, that the move will fall into the next financial year rather than the present one. When we know more, we will try to give the committee a more precise estimate.

There are some key, almost political, issues around migration in relation to the business of the Parliament. The reason why we focus so much on the summer is obviously because that is by far the best time to move and it is very annoying that we might not be able to move then. Finding a time to move will require discussions at a political level in the new session. There might come a time at which we are ready to move, but which is not a sensible time to move because of other business considerations. Those factors must be weighed up. The key point is to move with the least disruption to the business of the Parliament. If we cannot move in the summer recess, we must think hard about when would be a sensible time to move.

We have a sophisticated plan for the migration, which, in a sense, could be applied to any completion date, although we must consider issues such as Christmas, which might fall in between. When we report again in January, I would be happy to share some of the details of the plan with the committee, which would give members an insight into our thinking on the migration. The key point is that the total cost of the migration should be broadly the same, whenever we migrate.

**Alasdair Morgan:** Is the plan contingent on the number of weeks of recess?

**Paul Grice:** If we move entirely during a recess, the process will be faster, for obvious reasons. If we are not in a recess, we can carry out testing of the chamber and other systems at weekends. However, I strongly advise that a period of recess—at least a couple of weeks—is required for the flit. My advice is not to attempt the move while Parliament is sitting. However, provided that we carry out testing at other times, we probably need only two to three weeks for the move. Those points might affect the date on which we decide to move. Although the corporate body has not decided the issue yet, we might not move in as quickly as possible because it might make sense to move over a longer period in order to continue the business of the Parliament. That judgment can be made only in the next session, when we will have a clearer idea of the matter.

**The Convener:** As someone who used to be responsible for the business of the Parliament, I appreciate your point that a key issue is to migrate in a way that best suits business. However, as the cost of the project is causing increasing concern, I suggest, with respect, that a key issue is to migrate in a way that minimises escalations in cost, which are becoming regular. I appreciate your point, but it could be misunderstood easily.

**Paul Grice:** I agree absolutely.

**The Convener:** The committee also agrees with the sentiment that the key issue is to try to minimise costs. Politicians would be prepared to put up with discomfort if it saved the taxpayer at least some money in the project.

**Ms Margo MacDonald (Lothians) (SNP):** I do not seek a long, philosophical answer, just a brief one. Why do the people who are charged with managing the project on behalf of the Parliament have such confidence in the guarantees that have been given by the Bovis construction manager, rather than in the advice of John Spencely, who said that he thought that the Parliament would be ready for entry in January 2004? If we consider all the difficulties associated with migration, such as testing, one can understand why Spencely said that at the time of his report. The matter might have become a bit clearer for all of us since then.

To pick up on something that Sarah Davidson said, I will ask the question that Richard Simpson was going to ask. How many times have you refused to endorse a request from Bovis to pay one of the package contractors?

It has been stated—I think by Robert Brown—that the design risks are now finished. If that is the case, we have nothing more to worry about. For example, we have no need to worry about leaks from the complex roof, which is an untried and unique structure. Our experience might be completely different from that of Scottish Widows, which found that its big glass roof leaked a bit. However, we might be unlucky. I am concerned that arrangements should be in place, in case we are unlucky.

11:15

That takes us back to what Sarah Davidson said about not much thought having been given to any remedial work that might be required. EMBT/RMJM is a shelf company—a £2 company—and its articles state that it will cease trading on the day of completion. Given the fact that Flour City did not have a parent company guarantee, I am interested in what parent company guarantees have been obtained with regard to the designers of the project. I am also interested to find out whether Hovis—sorry, Bovis; I am thinking of warm bread and cuddly

mummies—is providing any guarantees. Is the company a guarantor for any of the packages? We seem to be heavily reliant on Bovis's judgment. The issues are to do with the after-effects and whether the Parliament has sufficient guarantees about the work that has been done.

Finally, I ask you please not to move us into a building site. The insurance costs would be enormous—especially if I got paint on any of my good coats; that is, if I were there, of course.

**The Convener:** If any of us were there.

**Robert Brown:** Margo MacDonald raises several points. I ask Paul Grice to deal with the RMJM point first, as that stands apart from the rest.

**Paul Grice:** I should preface my answer by saying that I will check the detail when I go back—if I have got it wrong, I will obviously put it right. You are right to say that EMBT/RMJM is a company created out of RMJM, an Edinburgh-based company, and EMBT, a Barcelona-based company. The four original directors were the two directors from RMJM and two directors from EMBT, one of whom—Enric Miralles—subsequently died. The company now has three directors.

If you say that that is what the articles say, I cannot—

**Ms MacDonald:** I assure you that it is. I have them in front of me.

**Paul Grice:** The key issue is that, when the contract was originally let, we were required to take out public indemnity insurance lasting a long period of time. In other words, if, for example, after the contract has finished, one of the designs turns out to be faulty—although I have no reason to believe that that would be the case—there will be PI insurance to claim from, which will last well into the future.

The other point concerns the way in which the building is put together, which depends on the individual package contractors. We will keep the standard retention—about 3 per cent of contract value—and there is a standard warranty of about a year on all the work. That is my understanding, although Sarah Davidson may be able to say more about that. If a design issue arose, the claim would be against the PI insurance of the design team. If a workmanship issue arose, the claim would be against the relevant package contractor.

**Ms MacDonald:** This is an important issue. EMBT/RMJM, the joint company that was created specifically for this contract, has no money and it is arguable whether it should be trading.

**Paul Grice:** I do not think that that matters. The public indemnity insurance is in place and is

carried by RMJM principally. I have asked that question and have been assured categorically that PI insurance is in place for the circumstances to which you allude. There is a risk, but a high level of PI insurance—several millions of pounds for each individual claim—is in place and will last well past completion. I give the committee a categorical assurance that, if the joint companies ever wound up, the PI insurance would still be in place. I will double check that point and if I have misled you in any way, I will write to you to clarify the situation.

**Ms MacDonald:** May I ask whether there is money for accelerated working?

**The Convener:** You have asked a number of questions and other members have questions to ask.

**Sarah Davidson:** I repeat what Paul Grice said. The standard warranties and the defect liability periods will be for a year. There is also a retention. If, for example, a roof leaked, it would have to be determined whether that was a fault of the contractor or a fault of the designer. As Paul Grice said, the PII would cover any issues that arose in relation to the design of the building. Bovis is responsible under its contract for a duty of care to the client. It is therefore Bovis's job to ensure that the contractors that it manages on our behalf are fulfilling satisfactorily their contract terms at the various stages of the contract. If concern were expressed about whether Bovis had done that satisfactorily, we would have recourse under the original contract.

**Ms MacDonald:** I am sure that Sarah Davidson knows about more of the building mistakes that contractors have made than I do, although I know of some. In instances in which mistakes have been made, were the contractors not paid or was some sort of penalty clause imposed? That question relates to one that I asked previously about whether you had refused to endorse any of the recommendations for payment that Bovis had made to you.

**Sarah Davidson:** I do not know off the top of my head whether any payments were refused. None has come to my level of attention, but that does not mean that there has not been dialogue. I would expect that, if any refusing were to be done, Bovis would do it before it got to our level. I can check that and inform the committee on that point. I am not sure that I caught the first part of the question.

**The Convener:** I think that the reply covered the question.

**Ms MacDonald:** I have a quick question about accelerated working. As far as I can work out, the figure for that is about £20 million. Living in the south side of Edinburgh, I see the site at times that others perhaps do not. As far as I can see, there is

not all that much evidence of weekend or night working. How much of the money that has been allocated for accelerated working has been spent?

**Sarah Davidson:** Because of the reduced amount of daylight at the moment, there is less night working than there was in the early part of the autumn when working hours were extended. Individual contracts have been subject to acceleration and, in relation to programme 6b, the figure is in the tens of thousands of pounds. I can make that evidence available to the committee. I meant to bring it with me today, but I forgot to do so.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** I wish to ask about Flour City, but my questions are not about the advice that Shepherd and Wedderburn has given in relation to the prospect of court action against the company. My questions relate to the circumstances prior to the formation of the contract, so I hope that we can have dollops of the frankness and honesty that have been talked about. Did Bovis take up references in respect of Flour City UK or its parent company from any other person or company outwith the Bovis group before Flour City UK was awarded the £7 million contract?

**The Convener:** Before you answer that question, Mr Brown, if at any time you feel, on the basis of advice that you have received, that an answer would compromise the legal position of the Parliament, I would be obliged if you would make that clear to the committee.

**Robert Brown:** I am certain that I cannot give an answer to the level of detail in Mr Ewing's question. As the question is slightly off the main thrust of the Finance Committee's current focus, I am not certain whether we have the full detail with us to answer the question. We are well aware that Mr Ewing has asked an enormous number of parliamentary questions on the matter. As far as I am aware, he has received an enormous number of answers. I am not sure whether Sarah Davidson can respond.

**Sarah Davidson:** I do not have all the papers on Flour City with me today. I would not therefore want to run the risk of misleading the committee by giving information that I cannot be 100 per cent certain of.

**The Convener:** You can, however, supply the information at a later date.

**Sarah Davidson:** Yes.

**Fergus Ewing:** I ask that the answer be supplied in relation to clients of Flour City UK and its parent company, bankers and suppliers, by which I mean the people from whom the Flour City group of companies bought goods.

Information has come my way that few or no references were obtained by Bovis. That is despite

the fact that Flour City UK was a shell company with assets of £2 and that it was being awarded a £7 million contract. It is also despite the fact that Flour City had a bad debt judgment against it dating from September 2000, which was several months before the contract was awarded. That information could have been obtained at a cost of £4.50 had a credit reference check been obtained. I have confirmation of that judgment.

If no references were obtained other than perhaps from Bovis, was that a one-off failure or are you concerned that it was part of a serial failure that Bovis made in its dealings with other prospective contractors?

**The Convener:** With respect, Mr Ewing, that is a hypothetical question. The answer to it would depend on an answer supplied later. I do not think that the question is entirely fair at this point.

**Fergus Ewing:** In that case, I will give the document headed "Prequalification Questionnaire: SECTION 1 COMPANY DATA" to the witnesses and they can take it away with them. I also have copies for the members of the Finance Committee. The questionnaire is a Bovis Lend Lease document. As I understand it, Bovis requires every potential contractor to complete the questionnaire before business can be considered and before any tender can be put forward. I understand from the Presiding Officer that one such document has been completed, although I point out that the document that I have supplied is only section 1. In reply to a question that I lodged, requesting that a copy of the completed document be placed in the Scottish Parliament information centre, I was informed that that could not be done.

I draw members' attention to page 3 of the document. Question 1.13 asks for details of experience. It asks Flour City:

"Please provide details of four recent contracts/commissions for clients other than Bovis".

It is my understanding that there may have been one piece of business for UK clients other than Bovis, yet that company was not asked to provide a reference. Will you check whether Bovis sought references? If it did not do so—as I said, my understanding is that it did not—will you provide an explanation? Will you state whether that was a one-off event or whether it was a serial deficiency?

**Robert Brown:** I am fairly certain that we will not think it appropriate to give the committee answers to some aspects of that question at this stage. All that I can undertake to do is to have officials look at Mr Ewing's questions, which will be on the record, and to reply to them as far as we can. If issues arise from that, we are happy to respond to those as far as we can.

**Paul Grice:** If I could add to that, convener—

**The Convener:** Before you go any further, I should point out that there is a question mark over the issue that Mr Ewing has raised. I appreciate that you are trying to be helpful, Mr Ewing, but it would have been more helpful if the paperwork in your possession had been supplied to the committee before the meeting. That would have allowed officials, members and those who have come to give evidence the opportunity to peruse the documentation and give more precise answers. I do not know how useful it is at the moment to continue to discuss a piece of paper that no one has had the opportunity to read in any great detail. I suggest to the witnesses that, if they wish to take the opportunity to read the paperwork that Mr Ewing has supplied, they give us their thoughts on it in writing.

**Robert Brown:** I think that that would be the right thing to do.

**Paul Grice:** I will take your steer, convener. I assure the committee that the auditors have considered the entire process and have had access to all the papers. That is the proper and right procedure—we are still in the middle of that. The Auditor General and his staff have had access to information and have received co-operation in examining the whole way in which the Flour City contract was let. If there are lessons to learn from that, they will be learned.

**Ms MacDonald:** Excuse me, convener, but I have to leave now and attend another committee meeting.

**The Convener:** That is fair enough. Thanks very much.

**Fergus Ewing:** In a letter that the Auditor General wrote to me, he stated:

"Insufficient financial information was obtained from contractors and those contractors who were invited to bid were not subjected to detailed pre-tender financial analysis."

The concern is whether that is a one-off case or a serial failure. If it applies just to Flour City, further questions require to be answered.

Sarah Davidson was good enough to inform me about this in writing some time ago. I asked why Flour City was ever involved in the first place. Ms Davidson explained that Bovis Lend Lease, being an international company and global megaplayers, was able to locate suppliers such as Flour City throughout the world and to secure what she termed at that point "good VFM"—which I believe means value for money. Instead of that, we face a possible £3.8 million loss.

Flour City was brought in by Bovis Lend Lease late in the day. I understand that it was not brought in until some time around summer or autumn 2000. My information is that, prior to that, Scottish

companies had been substantially involved in dealing with Bovis and other members of the project team with a view to their getting the work for the MSP block—for the windows and cladding—but that, when Flour City came on the scene, those companies were suddenly left out in the cold.

Are the witnesses satisfied that they have received an explanation from Bovis for Flour City's sudden emergence? Can they confirm that more than one Scottish company spent a great deal of time and money on trying to obtain the work but, suddenly, an iron curtain fell down and those companies were out?

**Robert Brown:** I am bound to say that that falls within the worries that I described at the beginning of the meeting. We will examine such detailed questions and do our best to respond as far as we can. In fairness, it would have helped to have had notice of some of these questions, if they are the committee's major concerns today.

11:30

**The Convener:** I appreciate that fully. However, Mr Ewing has offered the questions.

**Robert Brown:** We will do what we can to answer them.

**The Convener:** I am sure that you will do your best to find answers to supply to him and the rest of the committee.

**Fergus Ewing:** That would be a first.

**Alasdair Morgan:** I will go back over some ground that has been covered, to make matters clear in my mind, at least. Did you say that a successful bomb-blast test was a necessary condition of keeping the project on track for a completion date of August, but certainly not a sufficient condition? Will you tell us the other main necessary conditions for meeting that date? As the Christmas and new year holidays fall between now and early January, I am a bit puzzled about what will happen in that time to bring more clarity to the situation, because I expected Bovis to be in a position to say, "If the test is passed, such-and-such will follow."

**Robert Brown:** The situation is not as simple as that. The date is late January, not early January, so that does not cover just the Christmas period.

**Sarah Davidson:** I understand that the hurdles that remain to be crossed and the matters that pose risks to the project are the possibility of contractors being unable to manufacture to the programme that is on the table and the possibility that, once things come to the site, those components cannot be installed to the planned programme, through the fault of that manufacturer or another trade that it follows.

Much of that requires Bovis to perform quite a complicated logistic task. It also requires every piece of the jigsaw to fall into place at the right time. Now that the design risk has largely passed and matters such as bomb-blast tests, which can be identified as one-off difficult issues, are behind us, the risk is that manufacturers will be unable to comply. Bovis has a package manager, who is dedicated to knowing every package and every manufacturer, so that they can alert the team as quickly as possible to something that has gone wrong. In a way, that returns to a question that Dr Simpson asked. In the next month or so, we hope to identify which of those contractors might cause more concern than others. That is why we should be slightly better able to answer the question then.

**Alasdair Morgan:** Surely such considerations were always going to exist. That risk always existed, so does that not imply that the previous date that we were given—April—was, equally, a best-possible date, which would not have been met unless no one had slipped?

**Sarah Davidson:** That was a best-possible target date. It might have involved slightly more fat in the individual contracts than the current one does—I do not fully know the answer to that. As has been said, such target dates are met if everything falls into place. As the end becomes nearer, our understanding of how likely everything is to fall into place becomes much better.

**Alasdair Morgan:** What will happen between now and late January, given that August is the completion date? Why will the situation be much clearer in late January?

**Sarah Davidson:** The risk review to which the Presiding Officer referred in his letter took place last week. I was present for a small part of it, but it lasted a whole day. It involved every package manager and representatives of the architects and of the cost consultants going through every package and sharing all their knowledge of the outstanding issues associated with the packages.

The cost consultants and Bovis took that down in great detail. They will go away and analyse that to say what it all means not only for each package, but for the whole programme—that is to be on my desk by the end of the first week of January. As soon as the corporate body and the progress group have had a chance to see that, we expect to report to the committee. I clarify that I expect from that the usual revised risk register, which is reported to the committee, and a risk register that is dedicated to the programme, which should give the likelihood of completion by August and of completion at slightly later dates.

**Mr Davidson:** I have a question about risk registers. This morning, targets and target dates for completion have been discussed. I presume



that a risk register is based on worst-scenario planning and that matters with which you may have difficulties have been accounted for. If those difficulties are passed, they will drop out of the risk register. What is the worst scenario in respect of the move that has been put in the risk register? Is there such a scenario in the register at this stage?

**Paul Grice:** We have two approaches. There is the long-standing risk approach to the building. A worst-case scenario is not used; instead, I understand that risks and the probability that such risks will materialise are identified. The costs of such risks materialising are identified. Essentially, the two figures are multiplied together to produce the numbers in the risk register—that is a tried and tested method.

A week or so ago, a team of staff considered move scenarios. Various possibilities, such as a move in September or October, were considered and scenarios were planned. The team explored the challenges around such possibilities and issues relating to the normal running of the Parliament. What would be the risks of doing everything at weekends, for example? That is a different matter, but when there is greater certainty about the completion of the building, the exercise will help the corporate body to decide on a sensible moving date to recommend to the Parliament.

Those are the two risk-based approaches that we are using to try to marry the completion of the building with the move of the organisation and all its associated services.

**Mr Davidson:** What figures have been used for migration and dual-site costs beyond August 2003?

**Paul Grice:** I think that Elaine Thomson referred to our budget. Such costs are in the budget for next year. The global sum should not significantly change. To say that most of the costs are most likely to fall in 2003-04 as opposed to straddling the two financial years is not rocket science. I would not expect much, if anything, to fall into 2004-05. However, it should be borne in mind that the terms of the leases of some buildings require us—as they normally do—to put things back and there may be associated works in respect of the General Assembly hall, for example. Such costs are part of the same global sum, but might fall in a future year.

The global amount that relates to migration should not be greatly affected by when we migrate, but the year in which costs fall might change. At the moment, I expect the bulk of those costs to fall in the financial year that begins next April. Some costs might spill over into 2004-05 for reasons that I mentioned. When we return in January, I would be happy to give the committee

more precise estimates on the basis of the latest information.

**Dr Simpson:** David Steel's letter of 10 December mentions the risk review exercise on 11 December and the cost consultant's advice that, by failing to keep up pressure for completion, we would incur further costs. It seems extraordinary that we are sitting here only a couple of months after the previous review in October when an April or May completion date was suggested with the bomb-blast problems still outstanding. I accept that there was considerable uncertainty. Since the letter, the major bomb-blast problem has been solved, but you are presenting us with not only a further three-month delay, but increased uncertainty. I simply do not follow that. We are supposedly within eight months of the completion date, and would have been within five to six months of it, yet the level of uncertainty is increasing. I find that totally incomprehensible.

We should see the key packages, key dates and where the problems are. You said that the design elements are now behind us, so only the manufacturing elements remain. You have just given the manufacturers an extra three months for completion, taken the pressure off them and said that you propose to take even more pressure off them.

**Paul Grice:** That is a fair point, which the corporate body has wrestled with all the way through. If we set targets that are too optimistic, we end up in the position that we are arguably in now. If we set targets that are too pessimistic, arguably that takes the pressure off. We have wrestled with that issue. We want to keep the pressure on by setting tight targets but we need to realise that there is a risk of missing them. That is a genuine issue.

We are not saying that the risk is getting worse; we are saying that it has changed. Dr Simpson said that the only issue now is manufacturing, but the concern is not simply whether the individual manufacturer can hit a manufacturing date, although that is important, but whether all the people who are working on site—working almost on top of one another—can deliver those packages in time without suffering further delays. That risk is just as complex and possibly even greater. If one contractor is a week late for whatever reason—if it fails to manufacture a window or is unable to install it quickly—that has a consequential impact on all the other elements.

When we come back to the committee in January, I hope that we will have more certainty and that we will at least be able to give members greater clarity about the issues that we face. I hope that we have not left the committee with the impression that we will come back with less to say.

**Dr Simpson:** We need to see the key packages and the key areas in which there are still fault lines and problems. In addition, we need to see a list of the contractors' deadlines and the penalties involved. I assume that there are penalty clauses for contractors who fail to manufacture or fail to install. Why are we always paying out for those penalties, while nobody else seems to be? Indeed, are there any penalty clauses? In January, I would like to see all the remaining contractor issues and design faults laid out before us so that we can get a degree of certainty. We need to see the full risk review.

**Paul Grice:** For reasons of commercial confidentiality, it may not be possible to provide the committee with everything, but the corporate body will certainly look to give whatever information it can and try to meet those points. There certainly are penalty clauses for non-compliance but, as in all these things, one must establish who is at fault.

**Dr Simpson:** We would like to see which contractors have been penalised.

**Paul Grice:** As members know, we bear the entire risk of the construction management. That is just the nature of the contract that we have.

**Karen Gillon (Clydesdale) (Lab):** Forgive me for taking a simplistic view but, having sat through today's meeting and having followed the issue prior to today, I find it remarkable that we are getting no real answers. We are no further forward than we were. Day in and day out, we MSPs are required to provide answers for the people to whom we are accountable on what is happening with the building. I find it remarkable that, although it is now December 2002, we will still not know until the end of January 2003 the estimated completion date for the building.

Forgive me for sounding simple, but I would have imagined that, while all the bomb-blast stuff was going on, all these other things would have been taking place so that we would be ready to go. I would have imagined that, as soon as the bomb-blast proofing was agreed, the contractors would have been in doing X, Y and Z. Perhaps I am just being stupid in not understanding that there is something more to it than that. However, surely to goodness the contractors are working to a time scale. We should not need to wait until the end of January to know whether they are meeting that time scale. We should know today what is still to be done, when it will be done and what the likely date is.

I find it remarkable that, despite having so many consultants and other people working on the project, we cannot get an answer on how much the building will cost and when it will be finished. Those are the two questions that I want answered

now. I am facing pressure from the public on why we are spending so much money, but you cannot tell us the end cost or when we will be in the new building.

**Robert Brown:** I am sure that the members of the corporate body and of the progress group would be delighted to change places with members of the Finance Committee to give them an insight into all of this. Sarah Davidson will deal with the aspect that Karen Gillon has raised.

11:45

**Sarah Davidson:** As well as responding to that point, I will pick up on what Dr Simpson said. When we report back in January, I think that we will be able to show that there is a high degree of certainty about the completion of a great deal of the complex. We have a high degree of certainty that Queensberry House and the MSP building will be entirely complete by dates in, I think, March and April next year. It is highly likely that those time scales will be met. There is also a very high likelihood that the dates associated with the completion and fitting out of most of the towers will be met.

The risk lies with the final completion date of one or two areas associated with the debating chamber and the public stair. We are entirely aware of and sympathetic to the point that has just been made that, at this stage of the contract, construction management does not give any certainty about costs and the programme itself. For that reason, it is very difficult to report on the matter.

**Karen Gillon:** I have two very brief follow-up questions. We were given confident assurances two years, 18 months and a year ago, so you will forgive me if I am a bit sceptical about your confidence that we will receive a final date at the end of January. Do you have an estimated ballpark figure or not? Do you know the amount of money that you are working to or do you need to keep coming back to Parliament for more? After all, there are other pressures on the budgets.

**Robert Brown:** I entirely accept that point. You have raised no questions that the progress group and the SPCB have not already looked at in considerable detail. I am sure that members will accept that nothing would delight us more than being able to tell the committee that we have reached the end of the ball game and are finished with the matter.

The position is as we have stated before: the level of certainty is increasing. With the January review, which will take on board the implications of the glazing and the bomb-blast requirements, we should be able to provide a reasonably high degree of certainty about where we are going. In fairness, we were not able to provide that

previously because the complexities of design still lay ahead of us.

Obviously, the Finance Committee can form a view on all that when the information comes back. However, I should stress again that the paper before the committee today is an in-between review. It comes halfway between the October review and the current on-going review, and we will do our best to give the committee as much information as we can before the current review is completed to ensure that committee members know exactly where they are in their consideration of the matter.

It is worth saying that, at this stage, we are not bidding formally to the Finance Committee for a change to the financial arrangements. It is fairly likely that, by the time all the bills come in, there will be implications for the budget in a subsequent year. However, we should know that much more clearly by the end of the review and the report back in January. I am sorry that I am not able to give the more definitive, black and white answer that Karen Gillon and indeed all of us would like to have.

**The Convener:** I think that that completes the questioning. In summing up, I want to express the committee's concern about the job that has been placed on both the Holyrood progress group and the SPCB. We are aware that you have faced—and are facing—an extremely difficult task that originated in a set of circumstances that were outwith your control.

That said, I hope that you understand that the Finance Committee has been given the task of scrutinising the project—indeed, in a previous life, I might even have suggested that that should happen. We are concerned about the inability to carry out proper scrutiny of costs and completion dates. As a result, I advise that, when you return in either late January or early February, you should desist from offering dates without qualification, because that only increases scepticism among MSPs and the general public, and from offering figures about which you have no certainty.

Although I recognise the very difficult job that faces the progress group and the SPCB, I should point out that there is now a worrying level of scepticism about the project's costs and completion dates. Even offering dates that disappoint or figures that cause more concern would be a better course of action than giving a drip feed of continually changing information. I hope that we will find ourselves in the position that I have advised when we speak again at the end of January or in early February.

11:48

*Meeting suspended.*

11:55

*On resuming—*

## **Commissioner for Children and Young People (Scotland) Bill**

**The Convener:** We move to item 4, which is consideration of the financial memorandum on the Commissioner for Children and Young People (Scotland) Bill. We have with us Karen Gillon MSP, the convener of the Education, Culture and Sport Committee, and David Cullum, who is the clerk team leader for the Scottish Parliament non-Executive bills unit. I have no doubt that someone will want to make an opening statement before we move to questions.

**Karen Gillon:** I welcome the opportunity to address the committee this morning, and to answer any questions members might have. It might be helpful to outline how the main costs of the bill arise, and the overall implications for the Parliament.

The financial memorandum to the bill sets out full details of the costs that are likely to arise from the bill, which seeks to establish a commissioner for children and young people in Scotland. The Education, Culture and Sport Committee anticipates that the appointment will be made on a full-time basis, and that the main costs will relate to the recruitment budget and the annual staff budget that will be required by the commissioner to carry out his or her duties. Those costs have been estimated at £150,000 and £650,000 respectively, based on a staff of 15 people. That is the number of staff that is judged necessary, having considered other models at home and abroad, to allow the office to have the full range of expertise that is necessary to fulfil its functions.

Certain judgments have had to be made regarding the salary level of the required staff. The total bill is not expected to exceed £1.217 million per year. In addition, start-up costs will arise, relating mainly to the recruitment of the commissioner, the cost of advertising and interviewing, and the higher cost of publications in year 1. Those have been estimated at around £323,000.

The commissioner will be a royal appointment, similar to the Scottish public services ombudsman and the Scottish information commissioner. Funding for those offices is channelled to the office holders through the Scottish Parliamentary Corporate Body's budget, but there is one main difference between the arrangements for this appointment and those for the public services ombudsman and the information commissioner: this is a committee bill and not Executive

legislation. Officials from the non-Executive bills unit have liaised closely with Executive officials over the past six months. The Executive is aware of the costs and has made appropriate allowances in departmental budgets to fund the SPCB.

I would be happy, along with David Cullum, the head of the non-Executive bills unit, to answer any questions from committee members.

**The Convener:** I will begin with an opening question. I know that other members have questions.

I am glad that you mentioned the public services ombudsman and the information commissioner. Earlier in the year, we discussed the funding for those posts with the SPCB, which explained to the committee that those posts were funded by transfers from the Executive. The SPCB indicated that it wants to remain "neutral and independent" with regard to monitoring the posts. As you will see from later committee questions, there is concern about some of the costs. It seems that the postholder will mainly be left to determine their own financial requirements. Do you have any thoughts on who will eventually monitor the on-going cost of the post?

**Karen Gillon:** The Education, Culture and Sport Committee's view was that monitoring would be carried out by one of the Parliament's committees, either by the Education, Culture and Sport Committee or by the Finance Committee. That would be absolutely proper.

**Dr Simpson:** I have a couple of questions, the first of which is specific. The financial memorandum states:

"Pensions and National Insurance contributions will account for around a further 30% of the salary paid."

First, the word "around" means that the figure could be even more than that. Secondly, even given the problems with pensions today, the sum seems high. If the employer's contribution for national insurance is 11 or 12 per cent and the contribution for pensions is around 8 or 10 per cent—which is high for public service employers—the figure of 30 per cent seems high.

My second question relates to the total cost of the bill, which is about £1.5 million for the first year and will then drop to £1.2 million. My colleagues will ask more detailed questions about the costs, but have you estimated the savings that will be made as a result of there being existing work, which I presume will not be duplicated? For example, I am thinking of the social work services inspectorate's work on children's services. The inspectorate requires local authorities to produce a wealth of information as part of the normal reporting systems. I hope that that work will not be duplicated, which will mean that there will not be additional cost on local authorities.

The financial memorandum states that

"It is not anticipated that the provisions should impose any direct costs on local authorities"

and I presume that work will not be duplicated at the national level either. There should be a reduction in the work of departments or inspectorates, but that is not taken into account in the memorandum.

12:00

**Karen Gillon:** The figure of £490,000 for salary costs for the commissioner's staff that is quoted in paragraph 97 is approximate. The figure of about 30 per cent has been rounded up and encompasses national insurance and pension contributions, including those for the commissioner. The actual figure is between 27 and 28 per cent, which, I am advised, is in line with other organisations. I can check the figure and come back to the committee with further information, but that is the information that I have.

**Brian Adam:** Given that national insurance contributions are 11 per cent, the figure suggests a pensions contribution of the order of 16 per cent, which is unbelievable.

**Karen Gillon:** I will check with David Cullum. That is the figure that we have been given.

**Dr Simpson:** Perhaps the figure of 27 per cent includes employees' contributions, which would mean that there has been double counting. Otherwise, the figure involves pension contributions of 16 or 17 per cent. The only other organisation that does that is the Scottish Prison Service. Perhaps the costs are so high because the pension system will be non-contributory.

**The Convener:** In any event, the associated payroll costs seem quite high. I ask Karen Gillon to break down the figures for us.

**Karen Gillon:** We will do that.

In reply to Richard Simpson's second question, I refer him to section 7 of the bill, which states in relation to the work of the commissioner that

"the investigation would not duplicate work that is properly the function of another person."

We took a considerable amount of evidence on the matter. Initially, there was scepticism, not least from me, about the commissioner's role and work. It was thought that other people already carry out the work, but the clear evidence that we received from children's organisations, children and the Executive was that there is a gap in the current provision. Children and young people fall through the net and their rights are not properly taken into account and adhered to. The commissioner would not duplicate work, but would be a new post that is created specifically to consider such issues.

**Dr Simpson:** I accept and welcome that point, which is clear in the bill. Clearly, the Education, Culture and Sport Committee addressed the matter closely. It seems, however, that a number of the duties placed on the commissioner by section 4, which is on promoting and safeguarding rights, are already undertaken. For example, the inspectorate system is supposed to review

"policy and practice relating to the rights of children and young people with a view to assessing the adequacy and effectiveness of such law, policy and practice"

and promote

"best practice by service providers".

We must watch out for duplication.

**Karen Gillon:** We must watch out for it, but the clear evidence that we received was that although such work happens in some places, it does not happen in others and that there is a need for an all-Scotland approach.

**Brian Adam:** The first paragraph of the financial memorandum states:

"The costs associated with the provisions of this Bill will fall largely upon the Scottish Parliament."

That implies that some of the costs will fall elsewhere, but I could not find any indication of that in the memorandum. Could you comment on that?

My second question relates to paragraph 96 of the memorandum, which suggests that 10 per cent of the overall budget will be required for recruitment and that that will mean £150,000 in the first year. Paragraph 95 suggests that 15 staff will be employed. Do you not think that the recruitment cost is rather high? Can you give us a breakdown of why it will cost so much to recruit 15 people? A substantial human resources department could be run for a year on £150,000.

**Karen Gillon:** I will take you through that, Brian. On your point about the memorandum's first paragraph, I am advised that a standard form of wording is used in such instances. In the initial transitional period there will be Executive funding, then the money will be transferred to the Scottish Parliament, by which I mean the Scottish Parliamentary Corporate Body.

In relation to the recruitment costs, the experience of setting up the Welsh commissioner's office was that approximately 10 per cent of the annual budget was spent on recruitment. We used that model because Welsh economic conditions are close to those of Scotland. However, before we used the 10 per cent figure we costed advertising in the national press and factored in development costs for job descriptions and other necessary preliminary work. It is envisaged that part of the drawing up of

the job descriptions will involve young people. That will obviously have implications in terms of having professional assistance to ensure that young people can do that work meaningfully and that their involvement is not tokenistic.

The combined advertising and development costs would be in the region of 10 per cent. Advertising in national newspapers and using recruitment consultants are the most costly methods of recruitment. However, we feel that they would be justified to ensure that the best quality staff are found. In addition, the commissioner will have to factor in staff time for sifting applications, putting together an appropriate selection panel, interviewing and the follow-up time involved in checking references and security clearances. However, those processes are difficult to quantify in terms of staff costs.

I can provide more details about the costs of advertising in the national press, if that would be helpful.

**Brian Adam:** It would be helpful if you could give us a breakdown of the advertising costs as opposed to the recruitment, training and vetting costs because even if half of the costs were for advertising, £150,000 is still a substantial amount of money. For such a figure, an HR professional could be recruited for a year. I cannot see, with the best will in the world, how that amount can be justified for recruiting 15 posts.

**Karen Gillon:** I will take you through the details. A full display advertisement in *The Herald* recruitment section is £72 per single column centimetre. Standard advertising rates for an advertisement detailing a position such as the commissioner would equal £3,024 per newspaper. It would be reasonable to assume that where a number of posts are on offer they would be contained within one advertisement. For that reason a multiplier equivalent to half the number of staff to be recruited was used. Thus, the total for advertising in *The Herald* would be £22,680. It is likely that the posts will also be advertised in *The Scotsman* to ensure national coverage, and in specialist publications if specialist skills are required. That would bring the total costs for advertising to £68,040.

**Brian Adam:** Some people might take the view that if you advertise only in *The Scotsman* and *The Herald* you are not looking beyond the central belt.

**The Convener:** Do not increase the costs any further, Brian, for heaven's sake.

**Brian Adam:** My point is a valid one about something that has been a matter of concern for some time.

**Karen Gillon:** Right. Can I clarify that? My reference to *The Scotsman* and *The Herald* was an example. Obviously, a newspaper such as *The Press & Journal* would also be considered. One issue that came up in relation to the Education, Culture and Sport Committee's evidence is that we want to ensure that the commissioner is responsible for and accountable to the whole of Scotland. Therefore, advertising in newspapers that have much higher circulations in north-east Scotland than *The Scotsman* and *The Herald* would be important. I gave you a round figure for newspaper advertising costs as an example, but it does not quantify all the newspapers in which we would consider advertising.

**Brian Adam:** So about half the recruitment cost will be for advertising.

**Karen Gillon:** Yes. That surprised me too.

**Alasdair Morgan:** I want to ask about the paragraph that is headed "Publications, events, marketing, public relations". The financial memorandum says

"He or she will likely need to undertake substantial promotional work".

However, the publications costs of £325,000 in the first year and £200,000 a year after that sounds like an awful lot of promotion. The Executive is already being criticised for the number and cost of the various publicity campaigns that it undertakes. It is our duty to decide whether such campaigns provide value for money. Are we not giving the proposed commissioner the licence to promote himself beyond belief? I know that the commissioner's job is to promote himself, but is this not going too far?

**Karen Gillon:** It will be helpful to take you through the reasons. I have one specific example. Parliamentary question S1W-29707 from Adam Ingram reads:

"To ask the Scottish Executive how much the children's panel recruitment campaign cost in total, detailing the amount spent on (a) advertising, (b) literature and (c) staffing."

The answer, given on 1 October 2002, was

"The cost to date to the Scottish Executive of the children's panel national recruitment campaign is £395,000."—[*Official Report, Written Answers*, 1 October 2002; p 1756.]

**Alasdair Morgan:** Was that a relatively unsuccessful campaign? There are many vacancies in the children's panels.

**Karen Gillon:** That campaign was to try to improve the take up and use of the children's panels. The figures are for 2002 so the campaign is on-going.

The commissioner would require a high initial budget in order to generate widespread awareness of his or her existence and functions

among children and young people as well as adults and any service provider to whom the work will be relevant.

The need to promote is key to the commissioner's functions. The publications budget is seen to be central to the ability of the office to fulfil its function. Without wanting to prescribe how the commissioner will act, a starting point would be to consider the cost of distributing leaflets, posters and so on in schools, colleges, after-school clubs, leisure centres and other places where young people and children normally gather.

In order to attract a young audience at first glance, that material will have to be eye-catching and colourful. All of that comes at a price. For example, there are 1 million children under the age of 18 in Scotland. The total cost of producing five leaflets per child would be £323,500.

That figure is only indicative because the commissioner might want to use other media, including radio or television advertising, internet advertising and so on. There are approximately 2,200 primary schools in Scotland. If each school was to receive two A1-sized posters it would cost £1,127. It would be reasonable to multiply that figure by 10 to enable distribution to primary and secondary schools, nurseries, after-school clubs, libraries, sport and leisure centres, doctors' waiting rooms and so on. The cost would then be in the region of £12,000.

That does not include the costs involved in designing the leaflets in the first place. Such a promotion would only cover a fraction of the audience that it is intended to reach. The budget is not for publications alone and it will extend to events, because accessibility and involving children are key concepts of the commissioner's work.

The commissioner might stage events throughout Scotland in order to engage as many children and young people as possible. That will involve hiring hall space, attracting guest speakers, the cost of equipment, catering, publicising the event and other related matters. In relation to ongoing costs, we have noted that similar voluntary organisations spend approximately £200,000 on that function and we have used that figure as a baseline for the future.

It is not for us to develop the commissioner's marketing strategy. Rather, we have indicated the likely scale of expenditure that we believe would be necessary given the bill's emphasis on promotion, accessibility, consultation and participation.

**Alasdair Morgan:** I am not going to quarrel about the detail of that. The commissioner will certainly be putting out more leaflets than I will be next May.

You said that it would be appropriate for one of the committees to scrutinise the commissioner's budget. If that committee was the Finance Committee, would it be within our power to say to the commissioner "No, your budget is too much. It is going to be x instead of the y that you asked for. Go away and do whatever you want for that amount." If the Finance Committee will not be able to do that, who will?

**Karen Gillon:** I am informed that the Auditor General would do that kind of thing. That is dealt with in paragraphs 11(1) to 11(4) of schedule 1 on page 9 of the bill.

**Alasdair Morgan:** Paragraph 11 of schedule 1 is about keeping accounts. Who will set the commissioner's budget for the coming year?

**Karen Gillon:** The Scottish Parliamentary Corporate Body will set that budget.

**Alasdair Morgan:** The SPCB has said that it wants to be neutral on that—whatever that means. I am not sure how one can be neutral in setting a budget.

12:15

**The Convener:** That was the point of the first question. There is concern that the commissioner—whoever that might be—will be handed a blank cheque.

**Karen Gillon:** That is not our intention. That is why the financial memorandum that we have given to the committee gives a detailed account of the costs that will be involved. The Parliament will have to agree to that.

**The Convener:** That is what the question is about.

**Alasdair Morgan:** We want to know what the mechanism will be for that to happen. Who will say, "This is becoming ridiculous—you must keep your costs within a certain amount"?

**Karen Gillon:** It is my understanding that the SPCB would do that. It would negotiate the funding in the same way that it does for every commissioner that it funds.

**Alasdair Morgan:** That fills me with confidence. Never mind.

**The Convener:** Funding for the commissioner would come back to the Finance Committee for approval, as part of our approval of the accounts.

**Karen Gillon:** Yes.

**Elaine Thomson:** Given that we are talking about a parliamentary appointment, the funding will come out of the SPCB's budget. I wonder whether there are opportunities for the Parliament to supply some of the services that the new body

will require. We have mentioned the recruitment costs. Do opportunities exist for using parliamentary human resources? You mentioned the creation of a website, which will require information technology support. Have you thought about minimising costs through the joint use of resources or by examining the operation of similar organisations to assess whether there is scope for sharing facilities and resources?

Although the financial memorandum lists rental costs as being £40,000, there is no mention of insurance, rates, heating and telephone costs and so on. Are such office costs included with the rental costs?

**Karen Gillon:** I understand that all such office costs are included under the rental costs heading. We can give the committee more detail, if it would like. Rent will make up a fifth of the costs; the associated costs will make up the rest.

Although advice on sharing resources would be available, the Education, Culture and Sport Committee is keen for the commissioner to be independent of the Executive and the Parliament. The commissioner should be able to determine their agenda for working with children and young people. It would not be helpful if the Parliament led them by the nose in relation to what they could produce and when they could produce it. The kind of material that the Parliament produces is not child friendly. The Parliament does not have the kind of information and expertise that the commissioner would need to draw on. In spite of our best efforts, the Parliament is bad at being children and young-people friendly. It would be more appropriate to draw support and advice from other organisations, rather than from the Parliament.

**Elaine Thomson:** I accept your points about the independence of the commissioner and the need to be child friendly, which demands colourful and imaginative materials to attract children's attention. Nevertheless, there are a number of back-office functions such as HR and IT support, to which the need to be child friendly is not relevant. Consideration of the best use of resources is relevant in that context.

**Karen Gillon:** Before we can consider sharing parliamentary resources, we need to ensure that parliamentary resources have sufficient capacity. In my experience, the Parliament is not able to cope with its own work and would therefore not be able to cope with any extra burden. I would be reluctant to place the burden of the children's commissioner on parliamentary resources. The fact that the Parliament is already overstretched means that there could be no effective sharing of resources.

**The Convener:** One of the problems is that there is a perception that we are very good at

spending other people's money. A fear is that we are creating posts such as this without any on-going control over their financial expenditure. That is a worry.

**Karen Gillon:** I fully appreciate and understand that.

**Mr Davidson:** You have described the mechanism by which the legal aid system works—it is not cash limited. I am not sure that the corporate body would want to be anywhere near such a mechanism.

You have said a lot about access to the system and information going out. Access to the system is a key point, yet you are making a single office the site for the commissioner. Will provision be made for regional contact points within the £325,000 for publications, events, marketing and public relations? One of the major issues is how people get in touch with the commissioner locally.

**Karen Gillon:** We have not set a single office cost; there is a budget for office costs. That does not necessarily relate to one office; there could be more than one office. We have deliberately not prescribed where the commissioner should have his office or offices. The committee felt that having an office in Aberdeen would be no more accessible to somebody in Wick than having one in Edinburgh. The arrangements for being accessible to children and young people are slightly different to those for being accessible to adults. We need to consider imaginative ways of providing accessibility. That is not to say that the commissioner cannot have an office in the north of Scotland or would not want to have one there. There is scope within the budget for them to do that.

**Mr Davidson:** Paragraph 99 of the financial memorandum states:

"the Commissioner will have one office base."

Are you using some of the £325,000 to make the process accessible throughout Scotland?

**Karen Gillon:** We discussed that there would be one office base, wherever that may be, but that does not mean to say that there are not sub offices. That is similar to what has happened with the care commission. The commissioner could use joint premises with other organisations such as local authorities, so that they would be accessible and not have huge additional costs. There could be sub offices around Scotland if that was deemed to be appropriate. It will be for the commissioner and their staff to determine how best they get out and about around Scotland. Whether they have sub offices is one of the decisions that they will have to make.

**Mr Davidson:** On the basis of the financial memorandum, you are assuming that there will be

one head office. You are saying that within the budgets that are listed, finance will be available to do what you talked about to take the commission out and about. I presume that that will come out of the £325,000.

**Karen Gillon:** Yes.

**Mr McCabe:** Are you confident that after a year or two of the operation of this post there will not be a request for a substantial increase in the budget?

**Karen Gillon:** No. I cannot determine what the Parliament will deem as necessary in future or what the commissioner will ask the Parliament to provide funding for. It will be for the Parliament to make a decision on the budgets. Future developments might mean that more or less money is necessary. I do not want to give you a definitive answer—as others have done previously—and live to regret those comments. It would be improper for me to do that. It is for the Parliament, through the corporate body and the Finance Committee, to determine whether any funding application would be supported and whether money would be made available to the commissioner.

**The Convener:** I asked the question because I detect an increasing concern that we legislate without taking proper account of on-going costs. From this morning's evidence, I do not have great confidence that the figures that are outlined will remain intact for long. I think that the budget will grow considerably. People should know that when we legislate on matters such as this there can be considerable cost to the public purse.

That completes the questions. Thank you very much for your attendance.



## Work Programme

**The Convener:** The next item is the committee's future work programme. Is everyone happy with it?

**Brian Adam:** The programme for 25 February looks a bit heavy, but good luck with that.

**The Convener:** I have a feeling that the meeting might centre on a particular building, but I might be wrong.

**Dr Simpson:** We are obviously going to have the HPG and the corporate body back to consider Holyrood but, if we feel that it is appropriate, what about getting Bovis to come to a different meeting—either before or after? The convener might want to consider that. It seems to me that we are not getting to the contractor and addressing their management of the subcontractors.

**Alasdair Morgan:** There is a very strong case for that.

**The Convener:** I can see the point. I would like to get some information. I hope that the progress group does that type of thing regularly, but I do not know whether that is the case. I appreciate that we have a responsibility from Parliament to scrutinise the project. It is also important that we look at what other people are doing. I take the point.

**Alasdair Morgan:** Another point is that we meet in public, whereas the other groups meet in private.

**The Convener:** That point is noted. Is the work programme agreed?

**Members** *indicated agreement.*

*Meeting closed at 12:26.*



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