

Granton gasholder project – council at “high risk” of overspend

The Granton Gasholder restoration is at “high risk” of overspending due to a lack of budget oversight, it has emerged.

Work to transform the landmark into a new public park and amphitheatre got underway at the start of this year but audit reports have revealed there has been little scrutiny of how the £17.6 million project is being managed.

Concerns have been raised that a failure to effectively monitor the budget and “key information and decisions” could lead to overspending or even “project failure”.

Funded through the UK Government’s ‘Levelling Up’ programme, the site’s redevelopment is central to the council’s £1.3 billion regeneration of Granton Waterfront, where 3,000 new homes are being built to create a ‘sustainable coastal town’.

The bell that floated up as water filled the gasholder was removed in August in preparation to begin restoring the blue frame to its former glory.

The space is then set to be landscaped with trees, shrubs and wildflowers and plans include ‘multi-sensory play zones, a dedicated space for permanent and temporary public art, a relaxation area, outdoor trails and tracks for exercise as well as a large outdoor space for sports, markets, seasonal events, community use, festivals, performance arts,

exhibitions and play’.

However doubt has been cast over whether the existing funding package – consisting of £16.4m from the UK Government and £1.2 million from The Scottish Government – will be sufficient to see it through to completion unless the council controls spending.

A report going before councillors this week said there was a “high” risk of overspends “if [the] budget is not monitored to sufficient level of detail”.

It noted urgent improvements were still required following an audit earlier this year, which revealed the cross-party group of councillors responsible for project oversight did not meet between March 2022 and April 2023.

This meant that for over a year there had been “no oversight or scrutiny of key information such as budget analysis, risks, supplier performance, or progress by members” risking “project failure if governance fails to adequately scrutinise key information and decisions”.

Furthermore, a review of meeting documents for the board overseeing the entire waterfront regeneration programme found that some “key information” relating to the Gasholder project such as the risks involved and budget analysis were “not routinely presented,” the May audit said.

It added: “We note that officers only report risks or issues arising by exception due to the volume of information presented and decisions taken. However, we consider the Gasholder restoration project to be a key element of the overarching Granton Waterfront Programme.”

The latest audit which maintains a ‘high’ risk of project overspends will go before the Governance, Risk and Best Value Committee on Tuesday.

by Donald Turvill, Local Democracy Reporter.

