

Alarm bells amid the rising cost of revamping Edinburgh's George Street

“Alarm bells” are ringing loudly amid the rising cost of revamping Edinburgh's George Street, councillors have said as they fear a repeat of the city's botched tram project.

It's now projected work to transform the city centre thoroughfare into a cycling and pedestrian zone will cost just under £40m – up £7m from the last estimate and significantly higher than it's original £28m price tag.

Councillors said they felt “increasingly nervous” about further rises and agreed to “pause and take stock” before putting spades in the ground at the transport and environment committee on Thursday, May 23.

Officials argued the scheme was “great value” as around £30m would have to be invested in maintenance of the street even if the planned public realm enhancements – which include wider pavements, trees and cycle lanes – were cancelled.

They said “value engineering options” would be presented to councillors later this year in a bid to bring costs down.

Project manager Jamie Robertson said most of the added £7m was related to diverting underground utilities – a complex part of the construction process which was poorly managed during the

city's trams fiasco and contributed to costs spiralling out of control and huge delays.

Conservative councillor Marie Claire-Munro said: "My concern is, as we've seen with the tram costs which escalated once the project got underway, where are we getting the money from and do we have the money if suddenly this starts getting really, really expensive? Because it already is."

Around 70 per cent of the funding is expected to come from external sources such as Transport Scotland, while the remaining 30 per cent will have to be met from the council's own resources.

Cllr Kevin Lang, Lib Dem group leader said: "Somewhere between £9m and £12m of that £40m is going to come from the council, so I just think we need to pause and take stock."

He said the increased cost projection "has backed up the alarm bells which we began to ring last year about the cost of this project," adding: "Those alarm bells are ringing louder today than they were last summer."

"At every stage when this project has come to us the figures have changed.

"The trajectory is clear, and I don't sit here with the confidence that it's going to cost £39m. I think it's going to cost a lot more than that.

"As this scheme is evolving I'm a little bit worried it's becoming a Frankenstein project and it will actually end up pleasing nobody.

"I do worry as we go forward this will become a massive sink-hole for active travel and other budgets.

"I think it is significant there is a growing number of members of this committee who are looking at this and getting increasingly nervous and increasingly worried about it."

Danny Aston, SNP, said the George Street redesign was a “fantastic concept” but “money is an issue”.

The project was more centred around “placemaking and economic development rather than primarily relating to active travel,” he said, “yet the funding for it is coming from active travel streams”.

He added: “I do also have some concerns the active travel benefits this project would bring are gradually being watered down with the hotels getting coach access.

“I think we should pause now and I think there are more fundamental questions here we need answers for.”

Conservative group leader Iain Whyte said: “When we had the tram, at this kind of stage things jumped by the time we went to contract.

“The trajectory is clear, and I don’t sit here with the confidence that it’s going to cost £39m. I think it’s going to cost a lot more than that.

“We’ve heard officers are optimistic about this scheme . . . my problem is I’ve seen this approach before, and I can’t be as optimistic as is being suggested.

“We have lost of other things to do in this council and we have no money. It’s time we stopped this, it’s time we had a full review of the scheme.”

Transport convener Scott Arthur, Labour, said doing “nothing” on George Street “isn’t really an option”.

He said: “Inevitably there was always going to be some crunchy bits we were going to have to work our way through before we press the button on this. We’re not quite there with that yet.

“I think we all understand the benefits to the businesses

there, the residents there and also the city.

“George Street is right at the heart of the city, but is also at the heart of our plans for the city centre.

“I absolutely acknowledge the pressures on funding and I don’t take them lightly. But I’m reassured we’re going to get a further report on that before the end of the year.”

By Donald Turvill, Local Democracy Reporter