

Housing, Homelessness and Fair Work Committee

10.00am, Tuesday, 9 May 2023

The EDI Group – six monthly update

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that Housing Homelessness and Fair Work Committee notes the report.

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Executive Director of Place

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Report

The EDI Group – six monthly update

2. Executive Summary

- 2.1 This report updates Committee on the progress of the transition strategy for The EDI Group Limited, which aims to close it and its subsidiary companies and bring their projects and assets into the Council.

3. Background

- 3.1 The EDI Group Limited (EDI) is an arm's length company of the City of Edinburgh Council.
- 3.2 On [7 February 2017](#) and [23 February 2017](#), Economy Committee and the Finance and Resources Committee respectively agreed to close EDI and its subsidiaries and bring certain activities and assets in-house.
- 3.3 On [2 November 2017](#), Housing and Economy Committee agreed a transition strategy for the closure.
- 3.4 The most recent annual update on EDI – including the audited accounts for the year ending 31 December 2021 – was considered by Housing, Homelessness and Fair Work Committee on [1 December 2022](#).

4. Main report

- 4.1 The transition strategy continues to be implemented. All ongoing projects are now delivered by Council officers and the majority of EDI assets have transferred to the Council or otherwise disposed of.
- 4.2 The EDI Board, comprising two elected members, continues to meet quarterly. A scheme of delegation has been agreed which enables minor and routine decisions to be taken by Council officers.
- 4.3 Appendix 1 provides an update on each remaining project and Appendix 2 sets out the residual property assets held by the EDI group.

5. Next Steps

- 5.1 The company activities will continue through to full corporate closure and update reports will continue to be provided to Committee.

6. Financial impact

- 6.1 The projected special dividend to the Council from closing EDI is currently forecast at £7.908m. This is a reduction on the projected figure of £8.288m reported on [1 December 2022](#). This reduction is due primarily to a decision by the EDI Board to provide the Council with £380,000 towards the costs of upgrading unadopted roads in the Craigmillar neighbourhood of Edinburgh to enable them to be adopted.

7. Stakeholder/Community Impact

- 7.1 Consultation and engagement with local communities and delivery partners is ongoing as part of individual projects.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Remaining project updates.
9.2 Appendix 2 – Residual property assets held by EDI.

Appendix 1 – Remaining project updates

40-52 West Harbour Road (Caledonia Waterfront (Harbour Road) Limited)	
Description Subsidiary company of EDI set up to hold land at Granton Waterfront in a joint venture.	
Position as of March 2023 Caledonia Waterfront (Harbour Road) Limited is a joint venture company that owns land at West Harbour Road in Granton, Edinburgh in which EDI holds a 42.5% interest. The joint venture cannot be dissolved at this time; it is proposed that EDI's interest in the joint venture could potentially be transferred to C. E. C. Holdings Limited to enable EDI to be closed down.	
RAG status	Amber
Brunstane (The EDI Group Limited)	
Description A housing development site with planning permission in place on land owned by EDI and option agreement in place with adjoining landowner. The Council also has an entitlement for profit share in relation to access rights.	
Position as of March 2023 The sale of the west field at New Brunstane concluded missives in mid-2021. The remaining land at New Brunstane (the east field) is currently being marketed. Following the sale of the remaining land, the closure of EDI can begin.	
RAG status	Green
Craigmillar (PARC Craigmillar Limited)	
Description Land and buildings at Craigmillar.	
Position as of March 2023 PARC Craigmillar Limited holds two remaining assets: the White House and the South Park at Greendykes. It is anticipated that these remaining assets will transfer to the Council during 2023 after which PARC Craigmillar Limited can be closed down.	
RAG status	Green
Joint ventures (New Laurieston (Glasgow) Limited)	
Description Inactive joint venture company establish to carry out private housing development.	
Position as of March 2023 New Laurieston (Glasgow) Limited does not hold any significant assets. Agreement has been reached with the Miller Group (the joint venture partner) to close down the company. This is expected to be completed during 2023.	
RAG status	Green
The EDI Group Limited (remainder of company)	
Description The parent company of all subsidiaries.	
Position as of March 2023 Other than New Brunstane and shares in the joint venture company Caledonia Waterfront (Harbour Road) Limited, no projects sit directly within the parent company. The projected company closure date is now expected to be 2023-2024 as some transactions will now complete during 2023.	
RAG status	Green

Appendix 2 – Residual property assets held by EDI

Asset	Owner	Status
Greendykes land at South Park	PARC Craigmillar Limited	Land at Greendykes, Craigmillar on which the South Park (a new park with SUDS infrastructure beneath it) has been developed. The land is planned to be transferred to the Council in 2023. It is assumed to have nil value.
White House, 70 Niddrie Mains Road	PARC Craigmillar Limited	A historic former roadhouse in Craigmillar, currently leased to Community Alliance Trading Enterprises Limited which operates as a restaurant and function space. On 27 April 2022, the Board approved in principle the transfer of the asset to the Council. The transaction is expected to take place in 2023.
Land at New Brunstane	The EDI Group Limited	The East Field at New Brunstane comprises approximately 51 acres of land of which approximately 35 are judged to be developable, with an indicative capacity of approximately 500 residential units. The site forms part of planning permission in principle 16/04122/PPP. EDI has appointed Justin Lamb Associates and Savills as joint marketing agents for the disposal of the East Field. Justin Lamb Associates and Savills brought the site to the market in January 2023, inviting potential buyers to submit notes of interest to receive full details of the sales process and the required form of offer. A closing date will be set for headline offers, following which shortlisted bidders will be invited to submit more detailed offers, with a view to identifying a preferred bidder later in 2023. While the marketing of the site is ongoing, work is being undertaken to assess any technical matters relating to the development of the site.
West Harbour Road, plots D & E	The EDI Group Limited	Brownfield development land at West Harbour Road in Granton Waterfront owned by the joint venture company Caledonia Waterfront (Harbour Road) Limited in which The EDI Group Limited (WEL) owns a 42.5% interest with the remainder being owned by Caledonian Regeneration

Asset	Owner	Status
		Investments Limited (CRIL). EDI has held discussions with CRIL around options for taking forward the development of the land. A potential option would be to transfer EDI's interest in the joint venture up to C. E. C. Holdings Limited to enable EDI to be closed if this matter cannot be resolved timeously; advice is being taken on tax implications.