EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Item no 8.6
Report no CEC/41/09-10/CD

# Update Report - Meggetland Section 75 Agreement with Applecross Properties Ltd

## City of Edinburgh Council

**20 August 2009**

## 1 Purpose of report

1.1 To advise the Council of the current position regarding the claim being made by the Council in respect of the £200,000 due in relation to the Section 75 agreement between the Council and Applecross Properties Ltd (Applecross), in relation to the Meggetland development.

## 2 Main Report

2.1 The Council entered into a legal agreement with Applecross on 15 October 2004, in connection with the planning permission for the Meggetland development. The agreement required Applecross to deliver major infrastructure improvements including improvements not only to Meggetland but other sports facilities including Colinton Mains Pavilion.

2.2 In May 2009, Applecross went into receivership. While the majority of the requirements in the agreement have been delivered by Applecross, a payment of £200,000 in lieu of works to the Colinton Mains Pavilion remains outstanding.

2.3 In June 2009, this matter was reported to the Council. The Council requested Council Officials to pursue the payment as soon as practical, to keep local elected members appraised of developments, and to report back in one cycle and to the next meeting of the Pentlands Neighbourhood Partnership with the updated position.

2.4 The receivers, PriceWaterhouseCoopers (PWC), have subsequently issued a claim form to the Council which has been completed and returned. At the time of writing PWC have been unable to provide any information regarding the time it will take to conclude the claim process or the likelihood of the claim being successful.

2.5 This reflects the formal position that Council officers have established in discussion which the authority is required to undertake with the receivers. In addition to this contact with the receivers, discussions with bankers are underway to consider the distressed assets of Applecross and other developers. The Director of City Development intends to ensure that outstanding Section 75 obligations are prioritised in these discussions.

## 3 Financial Implications

3.1 This report is for information only.

## 4 Environmental Impact

4.1 This report is for information only.

## 5 Recommendations

5.1 It is recommended that the Council note the current position in relation to this matter and request:

- a report on the outcome of the claim process or any other developments; and
- that this report be provided for the next meeting of the Pentlands Neighbourhood Partnership.

**Dave Anderson**
Director of City Development

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| Appendices | None |
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| Wards affected | 8 - Colinton / Fairmilehead, 9 – Fountainbridge /Craiglockhart |
| Single Outcome Agreement | N/A |
| Background Papers | None |