

# Caltongate no more...

The City of Edinburgh Council announced today that it was withdrawing its assets from the proposed Caltongate development as it became clear that the protracted negotiations between the Lloyds Banking Group and potential developers were unlikely to be successful.

This decision will enable the Council to look at other options for its properties within the proposed site, comprising the old Canongate School, the garage and arches on East Market Street and land off Cranston Street. These have remained in Council ownership while under offer to Mountgrange, with whom the Council entered into a sale agreement in 2006.

While Mountgrange had gained planning permission for the development, it failed to obtain the other necessary consents, with the result that the sale agreement was never concluded prior to the company being declared insolvent in 2009.

Although the Council has remained in constant dialogue with new owner Lloyds Banking Group's appointed administrator, Deloitte, it has concluded that negotiations are unlikely to lead to a positive outcome.

Councillor Tom Buchanan, Convener for Economic Development, said: 'The Council has worked for some time with the bank's administrator in order to assist it in realising the potential of the site, but it is now apparent that the proposed development will not go ahead.

'As a result, we feel it is in the Council's best interest to draw a line under this matter and exercise our right to formally terminate the sale agreement.

'Nevertheless, our ambitions for the area remain undiminished. We continue to believe that Caltongate presents a wonderful opportunity as an investment prospect and that it will improve

our historic Old Town. We will therefore continue to work with potential investors to promote the site to developers.'