

HIE commission review of infrastructure at Cairngorm

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(Notice issued by Scotland Contracts Portal)

On Friday 30th November, following the public row about their removal of old ski infrastructure from Coire na Ciste which forced the Government Minister Fergus Ewing to get involved ([see here](#)), Highlands and Islands Enterprise issued a tender on the Scotland Contracts Portal for a “Review of Cairngorm Ski Area Uplift Infrastructure” with an allocated budget of £75-80k.

In one sense this is welcome and not before time, the obvious question being why did HIE not commission this review BEFORE removing any of the lift towers in Coire na Ciste? The Coire na Ciste group has long argued that winter activities are crucial to Cairngorm while concerns about the neglect of winter sports by Natural Retreats has helped prompt the creation of the Aviemore and Glenmore Community Trust. This post considers how the commissioning of this study relates to Natural Retreats' disastrous management of Cairngorm and the proposed bid by the Aviemore and Glenmore Community Trust to takeover the Cairngorm Estate from HIE.

The implications of Natural Retreats change of ownership

First though a crucial piece of information about the reason for Natural Retreats UK's change of name ([see here](#)) to the UK Great Travel Company Ltd which comes from the tender documents:

In June 2014, following a public tender process to find a new operator for Cairngorm Mountain, HIE sold its shares in the operating company, CML, to Natural Assets Investments Ltd. CML is now operated by a Natural Assets subsidiary, UK Great Travel Company Ltd. CML was granted a 25-year lease (running to 2039) and entered into an operating agreement with HIE. The assets leased from HIE comprise the funicular railway and other ski-tow infrastructure, all buildings, car parks and service infrastructure. CML, as Tenant, is responsible for maintenance of all the facilities.

Natural Retreats UK had been owned by Natural Retreats LLC, based in the notoriously lax tax jurisdiction of Delaware, in the USA. What appears to have happened is that Natural Retreats UK has now been bought by Natural Assets Investment Ltd (NAIL), the same company that owns Cairngorm

Mountain Ltd, and its name changed as a consequence. There is still nothing about this on the Companies House website which claims that the controlling interest in the UK Great Travel Company Ltd is unknown. This is despite the fact that according to HIE that controlling interest is NAIL and its ultimate owner therefore is almost certainly David Michael Gorton, the hedge fund manager:

THE UK GREAT TRAVEL COMPANY LIMITED

Company number **07232597**

Overview

Filing history

People

Officers

Persons with significant control

0 active persons with significant control / 1 active statement

Statement **ACTIVE**

The company knows or has reasonable cause to believe that there is a registrable person in relation to the company but it has not identified the registrable person

Notified on
22 April 2017

Companies House extract as it appeared 5th December

So now the company that provides services to CML, as well as CML itself, is owned by NAIL. In December 2016 NAIL had net liabilities of £29,380,827. Those liabilities are likely to have increased further through the purchase of Natural Retreats. That has implications for both HIE and Cairngorm – the risk of the whole financial pack of cards collapsing would appear to have increased further.

The Review of Ski Infrastructure and Natural Retreats' plans for Cairngorm

Its worth recalling a few claims from HIE's news release ([see here](#)) on the sale of Cairngorm Mountain to Natural Retreats in 2014:

- *"Natural Retreats are renowned for offering customers and guests high quality tourism based experiences in some of the most dramatic natural locations around the world."* Comment. Most if not all of those international connections have now gone. Its now just the UK Great Travel Company.
- *"Natural Retreats are revealing a £6.2m five-year investment plan which will secure the future of the Resort for the next 25 years."* Comment. And how much of this has been invested to date?
- *"Alex Paterson, Chief Executive at HIE commented: "Natural Retreats has the vision, ambition and experience to enable the resort to fulfil its potential as a world-class visitor destination. Their plans include the further development of snowsports and diversification of the business into a high quality, year-round attraction."* Comment: if Natural Retreats had so much expertise and such great plans, just why is HIE needing to spend £80k on a new study of what to do at Cairngorm?

Seen in this context, the commissioning of this Review is in effect an admission from HIE that Natural Retreats have failed to deliver at Cairngorm. Instead, however, of terminating their lease, HIE is paying for work that Natural Retreats should have done and indeed be doing. To add insult to injury, the tender documents require the contractor to work closely with Natural Retreats. So, how independent will this study be?

The proposed study will be neither neutral nor "independent"

The tender documentation states the study will be overseen by a steering group comprising HIE, CML/Natural Retreats and the Cairngorm Mountain Trust. The Cairngorm Mountain Trust was almost defunct until earlier this summer when it was resuscitated, almost certainly at the prompting of HIE, as a tame vehicle to represent the local community and enable "consultation" boxes to be ticked. Unless things have changed, the CMT have fewer than 40 members, whereas the Aviemore and Glenmore Community Trust now has almost 400 members all within the PH22 postcode (and that despite staff working at Cairngorm being too scared to sign up in case they lose their jobs).

The Cairngorm Mountain Trust though is not just on the steering group overseeing the work, it has been given the key role among all the stakeholders whom the contractor is required to consult:

"C, In addition to the inception meeting by the end of February, not less than 2 meetingsbefore submission of the first draft, will be required with The Cairngorm Mountain Trust, a charitable company, who have a historic interest in the Cairngorms and can bring to bear a range of experience and who are going to be on the steering group too."

By contrast just one meeting is required with the Aviemore and Glenmore Community Trust who are listed along with various skiing stakeholders both local and national, Mountaineering Scotland and the

North East Mountain Trust. Other conservation organisations which have taken a keen interest in Cairngorm, such as the Cairngorm Campaign and Badenoch and Strathspey Conservation Group are omitted. A truly independent study would be allowed to identify stakeholders and engage with them to the degree of what they have to contribute. It appears HIE is not going to allow that to happen at Cairngorm.

An alternative approach, which might have supported local people rather than city financiers, would have been for HIE to have commissioned an independent report to explore further (much work has already been done) the viability of the options being proposed by the Aviemore and Glenmore Community Trust for Cairngorm. Its significant, I believe, that HIE has chosen NOT to spend its £80k on that.

The scope of the Review and its place in wider plans for Cairngorm

One good thing is the tender shows that HIE at long last acknowledges that the funicular has been a disaster for skiing at Cairngorm:

When there is insufficient snow cover at Coire Cas car park level to allow operation of the lower Coire Cas ski- tows (Fiacaill Ridge, Car Park and Day Lodge ski-tows) the funicular is the only access to the upper mountain. This results in significant operational inefficiencies in running the funicular, notably a reduction in the hourly capacity, due to the need to make mid-station stops, queuing and customer frustration and dis-satisfaction.

Nothing is said in the tender documentation about the current status of HIE and Natural Retreats “agreed masterplan” for Cairngorm which was intended in part to retrieve the disaster created by the funicular. That “plan”, announced earlier this year ([see here](#)), consisted of a proposed dry ski slope and upgrading the Ptarmigan Restaurant (both to be funded by HIE). Now, you might argue that none of those “masterplan” proposals count as proper ski infrastructure, but the scope of the “Review of Ski Infrastructure” is much broader than its title suggests:

Suggest options for product diversification to enable the resort to become a more attractive year round destination. Information will be provided to the supplier on schemes which have been previously evaluated including an alpine slide, zip wire, “reduced risk” facility and mountain biking trails.

Moreover, the following clause suggests that HIE is at long last considering the development of an overall plan for Cairngorm, as required by the Cairngorm and Glenmore Strategy agreed with the Cairngorms National Park Authority last year:

It is anticipated that this review will make a very significant contribution towards a 5-10 year long-term strategy for Cairngorm ski area, which will be a separate document produced by CML and HIE and which falls outwith the scope of this review.

Unfortunately, the scope of the clause on the environment in the tender is very weak and makes no mention of evaluating environmental impacts of the options for developing or extending ski infrastructure that might be identified in the Review:

19. Environment – Consider opportunities to actively improve the natural heritage, particularly to improve regrowth of native trees to encourage additional natural retention of snow for winter sports ('natural snow barriers').

And the tender shows that HIE remains wedded to neo-liberal ideology which holds that the only option to enable development to take place is outsourcing:

36. Comment on the business model that would be required for any proposed changes, outlining the impact on P&L, cash flow and operational requirements; outline the potential return on investment required to support commercial borrowing for redevelopment of Coire na Ciste and the period over which this may be achieved; and the practicality of securing commercial funding for a capital investment of this nature.

Just why HIE is requiring the consultants to look at “commercial” funding when it has been prepared to commit £4 million of non-commercial loans to Natural Retreats is unclear. Alternative methods of financing are possible but to allow for that would be to allow for a community take-over.

What needs to happen

The first thing HIE needs to do is to correct some of the biases in this supposedly independent Review. Under the procurement rules public authorities can during the tender process clarify contract requirements and HIE could use this facility to correct some of the biases created by the wording of the tender documents. For example, the tender is open about whether further interest groups should be consulted and HIE could therefore, if they wish, add the Badenoch and Strathspey Conservation Group, Cairngorm Campaign and RSPB Abernethy to the list (as each consultation has a cost) and that could strengthen the role of conservation organisations in the process. Similarly, HIE could indicate that because of the size of the Aviemore and Glenmore Community Trust more meetings with them might be required.

The second thing HIE need to do is clarify publicly how this Review of Ski Infrastructure fits with the other plans floating around Cairngorm. While the tender says the Review will inform a longer term strategy, it fails completely to say anything about the plans for a dry ski slope where the planning application was withdrawn. I believe HIE should confirm that these proposals have been shelved until the Review Report has been produced. If they did that this Review could help pave the way for a proper plan for Cairngorm, as was intended by the Cairngorm and Glenmore Strategy, particularly if HIE was also prepared openly to review the way the environment has been managed at Cairngorm.

Category

1. Cairngorms

Tags

1. CNPA
2. HIE
3. Local communities
4. natural environment
5. natural retreats
6. planning

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