Whatâ??s going on at Cairngorm doesnâ??t look good

Description

default watermark



default watermark

Pile of debris and burnt out skip posted on CairnGorm Facebook 17th February. HIE needs to ask â legal way to dispose of waste.

I have been engaged in constructive correspondence with the HIE Chief Executive, Charlotte Wright, about what is going on at Cairngorm. While I welcome her willingness to engage, so far this has done nothing to prevent the mismanagement of Cairngorm Mountain continuing, while there is now significant circumstantial evidence suggests that â??Natural Retreatsâ?• are heading for financial meltdown. Despite this HIE are still treating â??Natural Retreatsâ?• as a fit partner to operate Cairngorm and handing over yet more public monies.

The operation and clear-up of the ski area

Despite all the snow, Cairngorm Mountain has been shut more often than not over the last few weeks, either because of high winds or because the access road has been blocked. Part of the problem is that skiing is now entirely based around Coire Cas and the Ptarmigan bowl rather than the more sheltered Coire na Ciste. It was ironic then that at the end of February HIE announced that it would take advantage of all the snow to bring in tracked excavators (see here) to break up the old concrete lift plinths in Coire na Ciste after it had removed the lift towers there without consultation (see here). At least this should remove the health and safety hazard that have been left in place for almost six months.

default watermark


default Watermark

How good a job has been done remains to be seen.

In response to the large quantities of snow, HIE announced that significant amounts of publish cash have been forked out to enable â??Cairngorm Mountainâ?• to keep the ski road to Coire Cas open more often (see here):

> *Operator, CairnGorm Mountain Limited (CML) has purchased a snow blower, gritter and snow chains after securing a Â£33,000 grant from Highlands and Islands Enterprise (HIE)*
>
> *CML now also has access to a Â£124,700 Mercedes Benz Unimog, purchased by The Highland Council with support from HIE.*

What HIE has not made clear is whether Cairngorm Mountain (or whoever owns it or whoever now operates it) had invested ANY of their own money in this equipment. You can purchase a used plough and gritter for cÂ£20k, the cost of snow blowers depends on the size but small ones are just a few hundred quid and, as for chains, why would HIE need to grant aid such pifling sums? Regular readers will recall Natural Retreats was supposed to bring international expertise and significant sums of investment capital to Cairngorm but instead all the associated companies have large net liabilities. My suspicion therefore is HIE has met the bulk of the cost of this equipment so this is yet another example of â??Natural Retreatsâ?• failing to invest in Cairngorm.

default watermark

Worse, grant aiding Cairngorm Mountain Ltd to buy their equipment rather than buying it directly and then lending it, as Highland Council has done, seems highly unwise given Natural Retreats financial circumstances. The risk, and it appears very high, is that CML goes bust and the assets are then sold off to meet what is owed to creditors. So much for HIE safeguarding public funds but then they are still proposing to lend cÂ£4m to develop the Ptarmigan so what is another Â£33k.

Changes in control of Cairngorm Mountain and other NAIL companies

I posted at the end of January about how, after the break up of Natural Retreats, it was not clear for a time who owned or operated Cairngorm Mountain (see here) but that this had been clarified on 22/1/18 when NAIL was registered as having significant control. To complicate matters, notice was then given on 26/01/18 that the person with significant control of NAIL, David Michael Gorton, had themselves withdrawn.

However, on 9th February, I then received this notification from Companies House:

> *You have been sent this email because you are following CAIRNGORM MOUNTAIN LTD. (SC043599)*
>
> *The following information is available from the companyâ??s filing history.*

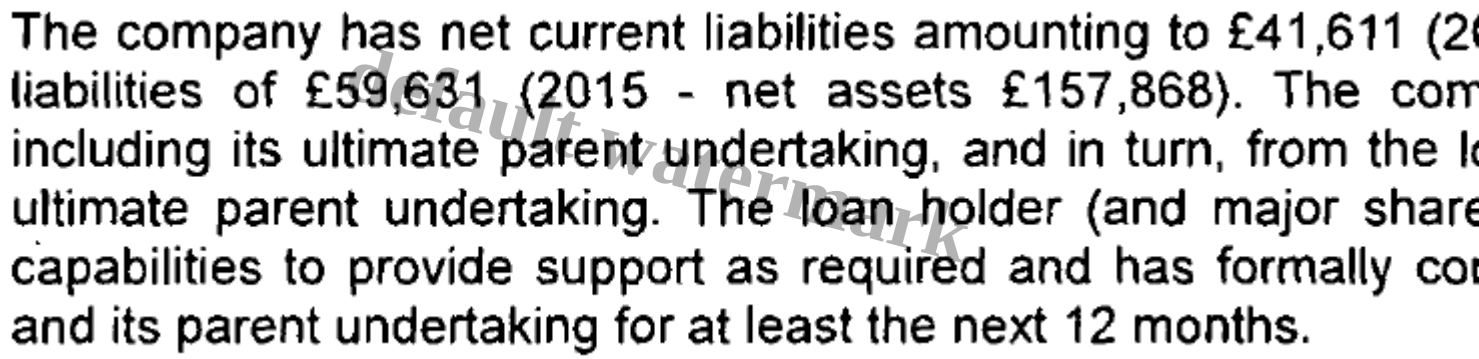
Date	Form	Description

9 Feb 2018	*PSC09*	*Withdrawal of a person with significant control statement on 9 February 2018*

I have written to Charlotte Wright at HIE asking about what this means but so far not had a response. It however suggests Natural Assets Investment Ltd might no longer own Cairngorm Mountain Ltd and while NAIL appears no longer owned by David Michael Gorton it is possible he could have taken direct control of Cairngorm Mountain and not reported it.

Then, on 5th March, a suite of other NAIL Companies provided notifications that about the person with signficant control had withdrawn: Natural Land 3 Management Ltd, Dol Park Ltd, NA Lews Castle Ltd (also part funded by HIE), Natural Outfitters Ltd and Fistral Beach Ltd.

This matters, and here is the reason why:



This example is taken from the Lews Castle accounts, but similar statements occur in the accounts of almost all the NAIL subsidiaries and they show these companies are ONLY a going concern, in other words not effectively bankrupt, because of guarantees from its main shareholder and loan holder who was then David Michael Gorton, a hedge fund manager. Those guarantees were given from the year ending December 2016, that year is now up and what Companies House information suggests is that the main guarantor of these companies is now no longer there. What this means is EITHER David Michael Gorton, the said guarantor, has sold these companies OR they are about to collapse.

These concerns equally apply to Cairngorm Mountain because its accounts showed it too was dependent on David Michael Gorton:

The company has net current liabilities of £1,693,540 (2015 - £
(2015 - £776,328), and is reliant on group support to cover its w

The company has support from related parties, including its ulti
the loan holder (and main shareholder) in the ultimate parent
shareholder) is considered to have adequate capabilities to pro
confirmed that he will support the company and its parent under

Given these circumstances one might have thought HIE would have taken a prudent approach and tried to find out what is really going on at Cairngorm. Instead they have decided to give Cairngorm Mountain a grant of Â£33,000.

It was little compensation that in mid-February I did get an admission from Charlotte Wright, HIE Chief Executive, that there had been a mistake in the tender for a review of ski infrastructure (see below):

default watermark

> *The HIE tender for the uplift review at Cairngorm Mountain, published in November 2017, had a factual error in that it reported that CML is now operated by a Natural Assets subsidiary, UK Great Travel Company Ltd. This is erroneous. The UK Great Travel Company is not owned by NAIL, but is owned 100% by The Great Travel Company Ltd.*

Unfortunately, that is no longer the case! Yesterday there was also a notification that the person with significant control of the UK Great Travel Company, the new company name for Natural Retreats, had also been withdrawn. That person was Matthew Spence, who controlled the UKGTC through the Great Travel Company, which he still apparently owns, and whose original family business was Yorkshire Dales Ltd which became part of the NAIL suite of companies.

If that is not sufficient evidence for HIE to act, I donâ??t know what is. It appears HIE really donâ??t have a clue about what is really going on behind the scenes at Cairngorm Mountain and have their head stuck firmly in the sand.

Evidence that the previous owners of NAIL and UK Great Travel Company may be in financial trouble

Unfortunately, company regulation is so poor in this country that its impossible for the public to tell what is really going on. When a company notifies Companies House that a person with significant control has withdrawn, there is no effective mechanism to ensure that who or whatever has replaced that person or the Company itself records that information. It is impossible to find out directly what is happening which is why its so important that HIE, who has a contractual relationship with Cairngorm Mountain, demands to know from them what is going on and makes this public. Should whoever controls Cairngorm Mountain fail to do so, that in itself should be reason enough to terminate the lease

of the ski area and hand it over to the local community to run.

However, there is some evidence that the previous owners of the NAIL suite of companies may be in serious financial trouble. Assets managed (the ownership is uncertain) by Yorkshire Dales Ltd, the only other company in the NAIL suite of companies apart from Cairngorm Mountain which had significant turnover and once appear to have been controlled by Matthew Spence, have been put on the market (see here) under the name of Natural Retreats. And the financial press have reported that David Michael Gorton, the person who used anyway to control Cairngorm Mountain and the other NAIL companies, is involved in a signficant law suit (see here) relating to a carbon trading scheme he invested in for tax purposes. If Gorton is in financial difficulty that could explain why he has apparently getting out of these companies.

The ski uplift review at Cairngorm

default watermark

Readers' letters

Decade of neglect at ski resort

default watermark

I'VE been moved to bring a few facts to the attention of your readers in relation to Highlands and Islands Enterprise's (HIE) appointment of external consultants to review the uplift infrastructure on CairnGorm.

HIE have owned the estate and fixed assets since saving the business from bankruptcy in 2008.

They've had almost a decade to formulate a medium-term to long-term business strategy for the area

that HIE
their acti
the deba
re-develo
simply c
strategy
railway.

In add
their ten
construc
to the Da

The lo
could be
future up
and HIE
consulta
come for
taking pl

Most
new surf
White La
by the Sc

HIE ar
which ha

Criticisms of the uplift review were well put in a letter to the Strathy from George Paton

At the beginning of February, HIE announced the outcome of the tender for a review of ski infrastructure at Cairngorm (see here).

SE Group has extensive experience helping ski resorts around the world improve their operations through new opportunities and addressing some of the challenges associated with weather- dependent businesses. We are delighted to be able to bring their international expertise to Scotland to support us in getting this important review underway.

Commentary: if this sounds familiar, it is because it echoes HIEâ??s original justification for appointing Natural Retreats to operate Cairngorm, a company it claimed had international expertise in ski areas!

â??Over the coming months we are very keen to engage with interest groups, local communities and businesses and get their input and views as part of the review.

Commentary: so why then has HIE so far lamentably failed to engage with the Aviemore and Glenmore Community Trust which wishes to take over the ski area and has lots of ideas for how it could be improved?

default watermark

â??Cairngorm Mountain is a major part of the sustainable tourism offering in and around Aviemore and Strathspey. It is important to develop this key visitor attraction in a way that will increase visitor numbers, generate year-round income and provide employment.

â??The uplift review will be a very valuable exercise focused on achieving those aims and will contribute significantly to the long term strategy for the ski area, which will guide future investment priorities for HIE and CML.â?•

Commentary: how does the uplift review then fit with HIEâ??s announcements that it wishes to redevelop the Ptarmigan and install an artificial ski slope?

(For full news release (see here)).

What I was interested to find out through a Freedom of Information request into HIEâ??s relationship with the Cairngorm Mountain Trust â?? which Cabinet Secretary Fergus Ewing appears to have been instrumental in resuscitating so that HIE could avoid talking to the Aviemore and Glenmore Community Trust while still claiming to engage with the local community â?? is that they were equally critical of this Review and of HIEâ??s plans for the mountain. Here are some extracts of what they said to HIE back in November:

Comments on the Plan to conduct the suggested Review
As a group we have reservations that going ahead with the plan to find consultants and conduct a review of infrastructure on Cairngorm is the best way forward in terms of the information that would be provided and the resources that would be used to put the review together. We would suggest that there is unlikely to be a consultant out there who can answer such a broach range of questions and that the results and information produced would be so broad that any management team would have a hard time delivering everything suggested,

and in the end, the objectives will become unreachable. The time it takes to make the report, at least 6 months, might also be more effectively used to put positive actions in place and make changes on the ground using the broad knowledge base we already have available within HIE, NR and CMT. We believe that this knowledge base is likely to be better than any consultant can deliver but also acknowledge that there will be specialist areas where consultants will be needed for discreet pieces of work. We feel that identifying those areas and directing any consultancy work towards them would be more beneficial.

We would suggest that the working group, over a series of meetings, agrees on what changes are needed and how to prioritise them (low hanging fruit) and focuses on how best to deliver those while also identifying areas where extra expertise is needed with a view to seeking that knowledge via consultants.

AND

General comments
In short my concern is the review in tackling the uplift does not consider the whole picture. The uplift should service skiing and the people engaging with the mountain and hence these elements need to be considered for any uplift to be effective. The review does touch on skiing but this should be the first point of consideration followed by the thought of the social cultural impact of Cairngorm Mountain. It is the focal point of local community economically and socialâ??cultural. Skiing on Cairngorm birthed Aviemore and freesport culture in Scotland with Aviemore being unique in Scotland as a â??resortâ?• town. This status has aided both performance and professional attainment of local people. Many local people have been given opportunity to excel in sport and profession by the opportunities Cairngorm Mountain has produced of a consequence of its being! This is the very reason we are seeing such engagement of the Cairngorm from the local community, they are see it as precious commodity that effects their daily lives!

default watermark

While the use of the phrase â??my concernâ?• suggests the â??adviceâ?• had been drafted by one person, the full email, which is worth reading (see here) does make clear there had been some wider discussion. It is pretty damning of the way HIE has managed Cairngorms for skiers, with references to the funicular not being much use and support being given to the idea of developing Coire na Ciste. Implicit in this is that HIE and â??Natural Retreats'â?• plans to develop the Ptarmigan are NOT what is needed on the mountain.

Time for the Cairngorm Mountain Trust, Save the Ciste Group and Aviemore and Glenmore Community Trust to get together and develop a new plan for Cairngorm.

Category

1. Cairngorms

Tags

1. Freedom of Information
2. HIE
3. natural retreats

Date Created

March 6, 2018
Author
nickkempe

default watermark