

A Scottish Fairy Tale – Bank of Scotland, Fergus Ewing and the funicular railway.

Description

“Claims that the funicular railway is reliant on public money are totally absurd and without foundation”

(Fergus Ewing MSP, 21 Dec 2000).

Perhaps the greatest skill possessed by Highlands and Islands Enterprise is their ability to dupe most of our politicians, of every political party, in the European Parliament, Scottish Parliament or Highland Council. Never in the history of Scotland has so much wool been pulled over so many political eyes by the fairy stories told by HIE.

In 1999 the Bank of Scotland had to decide whether to confirm its support for the funicular project being promoted by its client, the Cairngorm Chairlift Company and their backers, Highlands and Islands Enterprise. The Bank were aware of mounting public opposition. As head of the Ramblers' operations in Scotland I organised the “Funicular White Elephant” protest at the Bank's Annual General Meeting in Edinburgh. That protest led to discussions with the Bank's CEO, Peter Burt. The conclusion was that the Bank would reconsider its support for the funicular and instead propose a more ambitious project, involving new chairlifts and perhaps gondola uplift instead of a funicular, and would offer additional funding in support of this.

We agreed to put these proposals together to the Scottish Executive and a meeting was arranged with the relevant minister, Labour MSP Alasdair Morrison. At the last minute we were told that the minister was cancelling the meeting because the funicular was a “done deal”. We could therefore assume that planning approval was about to be issued and a modification of the funicular project was not possible. Being a “done deal” meant that the project had already been approved in principle as part of a secret list of projects that were going ahead. These “done deal” projects had been drawn up as part of the coalition agreement made between Labour and Lib Dem politicians as they established the Scottish Executive in the early weeks of the reconvened Scottish Parliament. Shortly after this the planning minister, Sarah Boyack, confirmed the planning approval and the First Minister, Donald Dewar, signed off £2 million in additional public funding support for the funicular.

In 2000, as the funicular was under construction, it was claimed by the development interests that less than £15 million of public money would be required and this would in effect be an “investment”, not a grant:

“the bottom line is that the money HIE have put into this project is an investment rather than a grant, so they will make money on this”

(Bob Kinnaird, newly appointed CEO of the Cairngorm Chairlift Company – this and other quotes below from the Strathspey and Badenoch Herald, 21 Dec 2000).

My view at the time was that a huge number of people, all the way from Chairlift Company staff to the

First Minister, had been duped by HIE. Massive amounts of public money had been approved in support of a project that was very high risk in engineering, operational and environmental terms, with none of those risks examined through public inquiry process.

In addition I knew, from my own skiing experience and contacts within the skiing industry, within Scotland, the European Alps and North America, as well as the local business community, that there were major doubts as to whether a funicular in such a location would actually benefit downhill skiing on Cairn Gorm. I said:

“It is vital that government ministers initiate an independent review of this project. Everyone needs to know how much more public funding will be needed on Cairn Gorm over the next 25 years, and where it will come from. Scottish taxpayers and Highland Council taxpayers are going to regret that HIE embarked on its wild adventure in the Cairngorms.”

At the same time the local constituency MSP, Fergus Ewing, said:

“Claims that the funicular railway is reliant on public money are totally absurd and without foundation...this is a commercial project and the chairlift company will have to pay substantial money back.”

Today his constituents in Badenoch and Strathspey are probably wondering why, as an opposition SNP politician, Fergus was not trying a bit harder to hold the Labour First Minister to proper account back in 2000. Perhaps he was also bamboozled by the HIE spin machine and had fallen for their fairy story. Today, 18 years later, the key questions are how much public funding in total has been paid to support the funicular planning, construction and operation and how much have the skiing operators paid back? One suspects the public funding deficit is enormous, and growing.

Ten years ago Ed Douglas, an investigative journalist, claimed:

“The funicular’s costs are now comfortably in excess of £30 million. That money won’t be recouped. Every year it remains open will add to that figure, unless the business can be turned around.” (TGO magazine – The Great Outdoors – Oct 2008).

Ten years later these public funding costs continue to rise. Meanwhile the three Directors of Natural Retreats, the operating company appointed by HIE to run the Cairn Gorm facilities, appear to be receiving annual payments in excess of £300,000 (in total) ([see here](#)) while over 50 local ski instructors and other staff have been told by Natural Retreats that they have no employment this winter. HIE’s fairy story has become a tragedy.

So, for any politician keen to ask the necessary questions today in the Scottish Parliament, the good news is that the person who has to answer is Fergus Ewing MSP, as the Cabinet Secretary responsible for HIE! Perhaps he can explain why, when everyone from the CEO of the Bank of Scotland to a ski instructor on Cairn Gorm, believed the funicular might well be a doomed project, he carried on dreaming. Now he and HIE are stuck on the mountain, deep in a cesspit, with little hope of rescue. Some ideas on how to escape from this nightmare would be appreciated, before the reputations of both HIE and the Cabinet Secretary are destroyed by the funicular millstone hanging around their necks.

Category

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