

Cairn Gorm and HIE's priorities for the Highlands in the aftermath of Covid 19

Description

Many of you might have missed an interesting article from the P&J dated 19 March ([see here](#)). This article revealed that HIE had allocated almost £2million to the Cairngorm Mountain ski centre.

Having read this article, I decided to check out what Highland and Islands Enterprise's currently published funding approvals were. The list of HIE's published funding approvals can be found [here](#). The latest quarterly published list is a list for October-December 2019 which includes all approvals as of 10 January 2020. An update is due to be published for January-March 2020.

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Highlands and Islands Enterprise

Approvals List October - December 2019

This approvals list for Highlands and Islands Enterprise provides details on financial assistance awarded to business partners and other organisations to deliver specific projects. The list also provides details on projects that are led and in partnership with other organisations.

Please note that the sums relate to approvals, not payments. The approval simply shows that funds have been made available until evidence is received which shows that the project or activity has gone ahead as planned. In addition, draw down is subject to appropriate legal terms and conditions being agreed between HIE and the applicant and satisfaction of any pre-payment conditions.

Business Unit	Client Name	Project Description	Number (€)
Argyll & the Islands	Lochranza Centre CIC	Lochranza Centre Upgrade Works	
Argyll & the Islands	Beinn an Tuirc Distillers Ltd	Visitor Facilities Expansion	
Argyll & the Islands	Tiree Community Development Trust	DRSG - TCDT Delivery Resource 2020 and 2021	
Argyll & the Islands	SAOS	Campbeltown Creamery Business Feasibility	
Argyll & the Islands	John Brown (Strone) Ltd	Succession planning	
Business Growth	Cowrie Associates	Innovation Knowledge Transfer 2 Small Innovation Grant Cowrie Sea-COSy	
Business Growth	Gaitar Ltd	Innovation Knowledge Transfer 2 Small Innovation Grant - Walking Aid for Parkinson's	

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It is worth noting carefully the caveats at the top of page 2 of 12 shown above. The list of funds made available for projects extends for 8 pages and at first sight appears quite impressive and comprehensive. However, the published list is not very user friendly; for example, the list is not totalled so it is not easy to find out the total funds allocated across the Highlands & Islands area. To enable some analysis of this long list I converted the downloaded pdf file into a spreadsheet. The results were quite revealing and alarming.

- There are 94 line items with funding allocations
- The total money allocated to these projects is £6,200,146

- There are three line entries for Cairngorm Mountain totalling £2,180,000

It is these three items on which I want to focus. They are:

Business Unit	Client Name	Project Description	Net GIA (£)
Communities & Place	Strengthening Communities Group	Cairngorm Mountain Professional Services Fees 2019-2022	1,330,000
Communities & Place	Cairngorm Mountain (Scotland)	Cairngorm Mountain - Repayable Grant - October 2019	600,000
Strategy & Regional Economy	Regional Development	Cairngorm - Property Related Costs	250,000

Together these three line items make up 35% of HIE's allocated funding programme – a totally inordinate amount given the huge and diverse area that HIE's programmes are required to cover. However, looking in more detail at the descriptions in the line items, this £2.2million of funds is only to manage the status quo. Namely:

- To cover HIE's legal and consultancy fees connected with Cairngorm Mountain over a 3 to 4 year period (£1,330,000)
- To subsidise the loss making wholly owned operator of the Cairngorm Mountain business – CMSL. Note this is a one off payment of £600,000. When will the next so-called repayable grant be needed to keep CMSL in operation?
- Property related costs of £250,000. Is this the cost of operating the Cairn Gorm Estate and what is the funding period? This might be for one year only.

The rest of HIE's area of the Highlands & Islands should be protesting loudly at this totally biased funding programme and demanding a more equitable spread of the available funds. I suspect that the reason why this is not happening is that no-one who could be in possible receipt of HIE funding support wants to rock the boat and incur the displeasure of HIE officials or the HIE Board.

Post Covid-19 we are living in very different times from that contemplated even 4 months ago. Huge numbers of highland businesses (both tourism and non-tourism) are currently closed and bleeding cash. There is unlikely to be any real tourism season this year, so at best the tourism industry will have to try to limp through to 2021 and hope it can get back to some kind of normality. Support for the stricken economy throughout the Highlands & Islands will need a total rethink by the Scottish Government and in particular HIE. There will not be unlimited funds for assisting the economy to recover from the Covid-19 crisis, and frankly, 'holy cows' like the Cairngorm Mountain business will have to (and quite appropriately need to) come under major scrutiny. The question needs to be continually asked, could money allocated to Cairn Gorm be better used elsewhere in the HIE area?.

There is one further highly alarming matter regarding the allocation of 35% of HIE's forward funding to one single small area of land – Cairngorm Mountain. NONE of this £2.2million will fund the necessary changes to the Cairngorm Mountain business to make it fit for a future with climate change, changing visitor patterns and of course the lasting effects of Covid-19. Yet HIE seems to be carrying on as if

nothing has changed. In mid March, HIE submitted a planning application for the repair of the funicular, which even at their optimistic estimates will cost £10million. HIE is pressing ahead with this despite supporting and funding a masterplan which is yet to report on the future of Cairn Gorm. At this stage we can only speculate what other developments and changes the masterplan consultants will recommend and what the extra costs of these will be. It is hoped that the CNPA Planning Committee will see sense and reject this application ([see here](#)).

Then in the Press & Journal dated 13 April, HIE announced a raft of further so-called improvements to address the challenges faced by the Cairngorm Mountain business ([see here](#)). It is not clear where the funding for these so-called improvements is coming from. Is money yet again being taken from valid and viable projects elsewhere in the Highlands & Islands?

What needs to happen now

1. HIE needs to halt all plans to repair or develop the Cairngorm Mountain business.
2. HIE needs to take stock of all the dramatic changes to the Highlands & Islands economy as a result of the Covid-19 crisis.
3. In the light of the Covid-19 crisis, the masterplan consultants should be asked to produce and gain approval for an updated masterplan programme to develop a revised masterplan for the future of Cairn Gorm.
4. The Scottish Government needs to temporarily put a stop on all HIE spending until at least an emergency review is conducted on what projects can and need to go ahead under the current crisis and in slower time force HIE to rework its future programme and re-justify its programmes and spend.
5. The Scottish Government, as a matter of urgency, should take all responsibilities for the running of the Cairn Gorm Estate, including CMSL away from HIE.

Category

1. Cairngorms

Tags

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2. CNPA
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