

## Cairn Gorm and the funicular – unraveling HIE and CMSL’s latest spin

### Description

#### ‘Time to draw a line under past’

I WOULD like to make a few points in response to the comments attributed to the Cairngorm Mountain [Scotland] Ltd CEO that were published in the Strathy on Thursday 10 November 2022.

The CEO called for a line to be drawn under the past without any contrition for the part that she has had to play in what has been a disastrous period in the history of the hill business.

To claim that Natural Retreats were appointed using a ‘market tested solution’ says nothing of the fact that this turned out to be an extremely flawed method of appointing a new leaseholder nor of the fact that the present CEO was one of the two people who were principally responsible for NR being handed the lease.

The HIE Board meeting minutes from that time reflect the fact that Charlotte Wright [CEO of HIE at the time] and Susan Smith were actually congratulated for bringing NR to Cairngorm. That says a lot about the HIE board, at that time.

Additionally, the claim that “HIE interceded....and thankfully they did....” Does not reveal that fact that HIE only interceded following the failure of the funicular and the leaseholder going bust.

There were opportunities to intercede long before the Autumn of 2018. Four members from the Save the Ciste campaign met with

Ms Smith in the summer of 2015.

It was impressed upon her that the business was failing and that the Cairngorm share of the Scottish Snowsports market was in decline. She denied that was the case although the STC campaigners had irrefutable evidence from all five Scottish snowsports areas that proved that Cairngorm was losing market share.

The opportunity to intercede at that point in time was therefore not taken. Three members from The Aviemore Business Association travelled to Edinburgh and met with Fergus Ewing MSP, the cabinet secretary with responsibility for HIE, at that time.

It was impressed upon him that the leaseholder was doing a very poor job and that the business was failing. He failed to heed the warning and the opportunity to intercede was lost, once again.

It has been clear for a number of years that HIE’s complete obsession with the funicular has been a roadblock to any redevelopment within Coire na Ciste: That remains the position today: ‘My board have certainly not given me any indication that there is to be development in the

short-term in Coire na Ciste.’

The claim that “we have made the building safe” does not stand up to any scrutiny. There is no evidence that anything has been done to the building and the ‘unsafe building’ signs remain in place today.

The building was surveyed by Graham and Sibbald in 2020 and found to be basically sound. ‘The main roof structure and roof covering is in good order. This has substantial remaining life.’

There have been enquiries made to HIE from parties interested in taking over the Ciste building but these have been swiftly batted away. Here we have a national development agency that prevents development.

Given the fact that we now have a public declaration that the Ciste side of the hill will not be subject to any development by HIE/CMSL then the time is now right for the local community trust to make an asset transfer request to HIE and have this area given over to the local community.

It can then be incrementally redeveloped in whatever way the local community wish.

Finally, the comment that ‘people will vote with their feet if they want to come

skiing and snowboarding at Cairngorm’ is exactly what people have been doing... and deciding to go to Glencoe and Glenshee in particular, rather than Cairngorm.

That isn’t about to change for one very simple reason.

No customer based business can be successful by focussing on what the business wants to provide if that isn’t what the customer wants to buy.

Regrettably, that has been and will continue to be the case on the hill.

A line will only be drawn under the past when HIE and everyone closely associated with the so-called development agency has been removed from the hill and it is under the ownership and control of the local community trust although HIE must retain all financial liability for their funicular.

**Alan Bratley  
Aviemore.**

#### Contact the Strathy

Letters should be emailed to [editorial@sbherald.co.uk](mailto:editorial@sbherald.co.uk). Please include your address and a daytime telephone number. You can also tweet us @StrathyHerald or comment on Facebook @strathspeyherald



Letters Strathy 17th November

On the 11th November the Strathy published an interview with Susan Smith, Chief Executive of Cairngorm Mountain Scotland Ltd (CMSL) ([see here](#)) Highland and Island Enterprise's subsidiary that manages Cairn Gorm. This week they published an excellent response from Alan Bratley, sometime contributor to parkswatch (see above). This post picks up on some of the claims Susan Smith made on behalf of HIE/CMSL in the Strathy article which Alan was not able to fully address.

## Susan Smith's call for unity

**Strathy** "The boss of Cairngorm Mountain has called for unity as the first green shoots of recovery start to be seen at the key attraction for Badenoch and Strathspey."

**Comment:** two days later Winter Highland pointed out in a facebook post that CMSL had recently pulled out of the arrangements for the Scotland all area ski pass:



### Winterhighland Ltd

November 12 at 10:04 PM · 🌐

It takes some cheek for Susan Smith to call in the Strathy for unity in Scottish Snowsports and for everyone to back CML...

<https://www.strathspey-herald.co.uk/.../cairngorm.../>

Meanwhile [Cairngorm Mountain](#) and [Highlands and Islands Enterprise \(HIE\)](#) as public sector entities immune to the reality of financial gravity, have been actively working against the four commercial snowsports areas, by torpedoing long standing agreements between the Scottish Ski Areas.

By collapsing the full ALL AREA season pass, the principle funding stream for Ski Scotland marketing has been badly undermined.

As a consequence of CairnGorm's actions, with no guarantee the Funicular will operate this winter, there will not be the fall back for CairnGorm season pass holders of 30% of day tickets at the other four snowsport areas.

Meanwhile Glencoe, Glenshee, Lecht and Nevis Range pass holders will continue to enjoy the reciprocal day ticket discounts at each others mountains.

Winter Highland got one thing wrong, a week later the estimated repair bill for the funicular had risen to £25m!

This exposes the hypocrisy of Susan Smith's call for unity. Calls for "unity" or "to work together" – the chair of HIE called for this after the launch of the masterplan last year – are always on HIE's terms and little more than a tactic to try and silence criticism. There never will be any truth and reconciliation at Cairn Gorm, so long as HIE is in charge and HIE has always put its own interests at Cairn Gorm before the wider public interest.

## Climate change and the masterplan at Cairn Gorm

**Strathy summary** "Work is currently progressing on new uplift – two magic carpets – on the lower slopes ahead of new bike trails opening around late Spring.

It is the first part of the 25-year masterplan to climate proof the business whilst the funicular is scheduled to be back on track early next year after an absence of more than four years on safety grounds."

**Comment:** a week later the Strathy ran another article on the soaring costs of the funicular repairs (see below) which stated: "HIE has revealed now that it has reallocated uncommitted funds from the wider Cairngorm masterplan capital investment package to meet the additional costs". Where does that leave the masterplan then? And as for the masterplan, how does creating a beginner's ski area at the bottom of the mountain and moving the snow factory slightly up from the car park at enormous cost help climate proof the business ([see here](#))?

## A different business?

**Strathy:** “the appointment by resort owners Highlands and Islands Enterprise of private holiday rental company Natural Retreats in 2014 to run the business turned into a corporate disaster.

The public agency had to pick up the pieces after the previous operator went into administration a short time after the funicular was closed in September 2018.

Ms Smith said: “We are different now. We are a private operator run by a commercial board owned by the public sector.”

**Comment:** as Alan Bratney pointed out in his letter, Susan Smith and Charlotte Wright were the two members of HIE staff primarily responsible for the appointment of Natural Retreats – I have lots of correspondence and documents on file to prove it – yet neither have ever acknowledged let alone apologised for their role in the debacle or the cost to the public purse. A small illustration of this is that having sold Cairngorm Mountain to Natural Retreats in 2014 for the knockdown price of £231,239 they then bought the bankrupt business back from the receiver for £447,540 in December 2019!

Susan Smith’s claim that CMSL is a private operator while 100% of its shares are owned by HIE is complete tosh. Far from being run commercially it is now totally dependant on HIE for grant funding and its accounts are a charade ([see here](#)).

This is just another attempt to cover-up what is going on, like the false information on the Companies House website that claims there is no person (a legal term that includes both individuals and organisations) with significant control:

# CAIRNGORM MOUNTAIN (SCOTLAND) LIMITED

Company number **SC614703**

Follow this company

File for this company

Overview | Filing history | **People** | Charges | More

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 no registrable person or registrable relevant legal entity in relation to the company

Notified on  
**26 November 2018**

Screenshot from Companies House 19th December

The Directors of CMSL are appointed by HIE and totally at their beck and call. As an illustration of this, it is HIE which issues “news” about what CMSL is doing at Cairn Gorm ([see here](#) for a recent example).

## Creating a better place?

**Strathy:** “Cairngorm Mountain (Scotland) Ltd boss Susan Smith said she wants to create a destination that the local community can be proud of.”

AND

“I am passionate about leaving here a much better place than I found it. I spend 14 to 15 hours every day listening, caring about what we do...”

**Comment:** reinforcing what Alan Bratney says in his letter about Coire na Ciste, Susan Smith would



appear to be too busy listening to step out of the door of her office and look at what is happening on her patch:



North east corner of the shieling. Photo credit Andy Cloquet 5th November 1922

OR





Mess around the upper section of the funicular. Note too the broad band of ground that has been disturbed by the repair work, the grey green re-seeding pellets and bright green grass, a product of the earlier use of these pellets. It appears that almost none of the original vegetation has been saved, as specified in the planning application. Photo credit Andy Cloquet 5th November 2011.

## **Lip-service to the local community?**

### **Susan Smith as quoted by the Strathy:**

“We care about the local community; we care about offering good employment to local people.

“We want to sell this mountain as a place to live, work and play.”

**Comment:** Susan Smith appears to have been carried away by her own spin – does she really want to sell Cairn Gorm as somewhere to live?

In terms of caring for the local community, it was Susan Smith who decided on the advice of EY, her

“commercial advisers” to exclude the Cairngorm Ski School, an excellent local business, from bidding for Cairngorm Mountain Ltd as it then was in 2013 and instead awarded Natural Retreats, a company with no track record and whose owners were based down in England, the contract.

The most recent minutes of the Cairngorm Advisory Group ([see here](#)), a body totally dominated by HIE and CMSL staff, show that in March HIE – with Susan Smith involved – was once again considering outsourcing the business. To his credit, Grant Moir the Chief Executive of the Cairngorms National Park Authority, cautioned against this. Meantime, Susan Smith and HIE continue to shut out the Aviemore and Glenmore Community Trust from taking over the business as Alan Bratney explained in his letter.

## **The skills required to manage Cairn Gorm?**

**Strathy:** “Ms Smith confessed she now understands the business much better than she did in her first year at the helm”.

**Comment:** this is very helpful as it explains how Susan Smith and HIE thought eight years ago it was a good idea to outsource Cairngorm Mountain Ltd to Natural Retreats – they really had no understanding of snowsports at Cairn Gorm or what was required. Eight years later and after serving a time as acting chief executive, Susan Smith was appointed Chief Executive with the Chair of CMSL claiming she was an excellent leader ([see here](#)). You can judge that for yourself, but by her own admission she clearly had a lot to learn.

## **And finally**

Just as with its original construction, the repair costs for the funicular have mushroomed:



‘Put trust  
in charge  
of the hill’

# Funicular repair bill soars by £9m

THE Save the Ciste campaign said it was astonished at the considerable cost overrun to repair the funicular.

Spokesman Alan Bratley said: “The final cost of around £25 million makes a complete mockery of HIE’s ludicrous claim that repairing it was the cheapest option.

“The business plan that calls for an annual public subsidy must now be discarded.

“When the public finances are struggling to provide decent wages for public sector employees then it is unthinkable that further public money should be provided to this ailing business.

“The Scottish Government are duty bound to ensure that doesn’t happen.

“An entirely different strategy is necessary and the local community should now be invited to take over the Cairngorm Estate with HIE retaining all financial liability for their precious funicular.”

Dave Macleod, head of property and infrastructure with HIE, said earlier: “The funicular re-instatement programme is undoubtedly one of the most challenging

THE final repair bill for the Cairngorm funicular is expected to be in the region of £25 million – nearly £9 million more than first estimated.

The figure was revealed on Tuesday as one of Scotland’s most complex and challenging civil engineering projects of recent years enters its final stages.

Contractor Balfour Beatty, working on behalf of estate owner Highlands and Islands Enterprise (HIE), is nearing completion of the programme of works required to strengthen the viaduct that supports the 2km track, and is currently demobilising from the mountain.

HIE said significant cost inflation in the construction sector and the weakness of sterling in international exchange rates have led to the huge hike in the repair costs.

The original projection was £16.16m budgeted as part of a wider capital investment package approved by the HIE board and the Scottish Government in 2020.

Scottish ministers already allocated £7 million additional funding in June, earlier this year.

HIE has revealed now that it has reallocated uncommitted funds from the wider Cairngorm masterplan capital investment



IN NEW COLOURS: A peak glimpse of the funicular before its relaunch.

package to meet the additional costs. The Strathspey and Badenoch Herald asked the agency if this would impact on other aspects of plans to create a year-round resort.

An HIE spokesperson said: “HIE is committed to play our part in delivering the Cairngorm masterplan and will appraise future investment proposals in line with our usual procedures.

“Having a dedicated Cairngorm budget has meant that we’ve been able to allocate additional funding towards the funicular reinstatement while still maintaining our commitment to support projects and programmes across the whole of the Highlands and Islands.”

HIE is currently pursuing legal action against the funicular’s original designer and construction

contractor in the Court of Session, in a bid to recoup public funding. The spokesman said: “The legal cases are currently in the procedural phase, with a further hearing planned in the Court of Session on December 14.”

The focus of the project now turns to engineers from Swiss company Garaventa/Frey who are installing a new control system to ensure safe operations once the funicular comes back into service early in 2023.

Over the coming weeks they will lay fibre optic cabling and test the system repeatedly in live conditions.

This means that Cairngorm Mountain trains will be running on using the track again for the first time in four years. Testing is expected to continue into December. Safety certificates from the Department for Transport will be required and HIE expects these will be obtained early in the new year.

The funicular carriages also have a new livery with the previous blue Coire and Cas carriages replaced with a light green hue and rebranding.

■ Read more on this story at [www.strathspey-herald.co.uk](http://www.strathspey-herald.co.uk)

This was quite predictable. When HIE put their business case to repair the funicular, they never explained why the towers supporting the railway had started to lean. Graham Garfoot covered the possible reasons in a series of posts that asked whether the repairs will work ([see here](#))?

HIE has still not come clean about the reasons the funicular became unsafe, but it appears Balfour Beatty has during the course of the repair work developed an understanding of the problems because there has been a lot more work on the funicular than originally planned:



Metal braces to strengthen the concrete beams. Note there are seven braces on the beam in the foreground but only six visible on the one to the rear.

All this explains the vast increase in costs and provides further proof that HIE's business case for the repair of the funicular was fundamentally flawed ([see here](#)) and ([here](#)). The financial disaster at Cairn Gorm is entirely down to HIE's failures and Susan Smith's claims in the Strathy that this was down to factors like the weather is completely misleading.

One hopes now that the railway safety inspectors will demand a full explanation of what the engineers believe has gone wrong and how the repair work will address the problems before allowing the funicular to re-open.

### Category

1. Cairngorms

### Tags

1. Cairn Gorm
2. HIE



3. Local communities
4. natural environment
5. natural retreats
6. planning

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