

Executive Summary

Background

This report is the result of a commission by the Angus Mountain Bike Trails Association (AMBTA). The purpose of the study was to evaluate a potential mountain bike centre site in Angus at Glenisla.

Tourism Resources Company teamed with: Cycletherapy – trail design and mountain bike specialists; EKOS – economic consultants; and Doig and Smith – quantity surveyors to bring the necessary skills and expertise to the project.

AMBTA is a community organisation promoting participation in outdoor activities, particularly mountain biking. The development of trail facilities in the Angus area is a key priority for the Association. AMBTA are working toward this ultimate goal by striving to achieve the following key objectives:

- Creation of facilities for all that encourage all types of mountain biking and other outdoor activities;
- Creation / promotion of a network of trails throughout Angus and the surrounding areas;
- Creation / promotion a plan to encourage more participation in mountain biking and other outdoor activities;
- Support / promotion of projects that involve community groups and partnerships promoting healthy living for all;
- Support / promotion of projects to develop opportunities to allow people to learn about the region, land, environmental and access issues.

At present, a geographic gap exists in the Angus area relating to the provision of purpose-built mountain biking trail centres. An opportunity has arisen to fill this gap by developing a trail centre at Glenisla.

The team investigated the most appropriate elements:

- trail development, length and grade progression;
- car parking;
- built support facilities such as café, toilets, etc;
- bike shop; and
- additional leisure facilities such as nature trails, children's adventure play etc.

Market Overview and Scottish Context

These sections of the report provide an overview of the development of mountain biking, profile and trends in the sector across the UK and particularly as relating to Scotland.

Trends in the type of markets using built centres include:

- The main market for mountain bike trail centres is still dominated by a male cohort aged 18 to 40, mainly local residents living within a one hour drive time of a trail centre. However many users are prepared to travel two hours or more to visit a trail centre for a day visit;
- Previous consumer research has shown that the average mountain biker makes between six and seven trips to built centres each year of which four or five of these trips are day visits;
- There is evidence in recent years of greater use of trail centres by women, couples and the family market. Through the introduction of purpose-built trail centres, mountain biking has become less of a niche, high end activity and more mainstream. The introduction of a graded trail hierarchy, skills area and central facilities, ie cafés and bike retail have all helped to achieve this;
- The development of trail centres has led to new business opportunities for skill and mountain bike development coaching. The coaches run themed technical skill days which individuals can join, as well as offering private lessons. In some instances, more than 50% of demand for these coaches is from people living outside Scotland. The number of qualified mountain bike and cycle trail leaders has also grown;
- Weekend kids clubs are popular at trail centres and have come a long way since the 'full mental' club operating during the mid 1990s in Mabie Forest. Kids clubs are often oversubscribed (see Glentress);

- Glentress is still the main draw for visitors from the North of England and further South. A trip to Glentress is often linked with a visit to one or two other centres – Dalbeattie, Ae and Mabie in particular. The clustering of smaller centres has helped to create critical mass and increase the visitor draw;
- Kirroughtree is attracting groups of visitors from Ireland, both as day visitors and for short breaks. VisitScotland marketing and the promotion of cycling and mountain biking as a key product for Scotland has helped to attract visitors from outside Scotland;
- A large number of road cycle clubs around the UK have set up mountain bike sections. There is evidence of greater club and group use at mountain bike centres for both day and overnight breaks, particularly at weekends;
- By far the greatest use of mountain bike centres is by local residents with friends on day trips; The demand from school and youth groups is growing as Local Authorities are promoting and witnessing health and fitness, leadership and entertainment benefits due to the success of the Go Ride programme. Many schools have set up mountain bike classes and an increasing number of youngsters compete in competitions; and
- At present in Scotland there is little linkage between purpose-built mountain bike centres and general wilderness routes. In Wales, (mountain bike centres and mountain bike bases, eg the Brecon Beacons, are marketed to help attract a wider market, boost length of stay and encourage repeat visits). A centre in Scotland which can deliver this and use the trail centre as a wider base will have a unique selling point.

Stakeholder Consumer Research

Research was conducted among stakeholders, outdoor activity providers in the area and other tourism businesses locally to ascertain their views on the proposals.

It is unanimously considered that the attractive countryside and varying landscapes are the key strengths of the Angus Glens area as a tourism destination. This suggests that there is a strong opportunity to develop the area's outdoor recreation facilities in order to allow the enjoyment of these landscapes in a greater range of ways.

The local business tourism community would be supportive of any development which would bring tourists into the area, particularly out of the main season. Accommodation operators interviewed all expressed a willingness to work with AMBTA to develop the area as a destination and would gladly cater to the mountain biking market.

Benchmarking of Other UK Sites

For this study a high level benchmarking exercise was carried out to build on the team's considerable existing knowledge. The aim was to establish a possible modus operandi for the facility and to investigate possible capital funding sources.

The key lessons from the benchmarking are presented below:

- It is unlikely that a new mountain bike centre without central facilities, particularly one with beginner / family focus, would be sustainable. Particularly in a relatively remote rural area such as Glenisla. The centre needs to develop some sort of critical mass of facilities and links to other developments in order to attract visitors;
- For a site wishing to establish itself as a family tourism destination a café / visitor hub is generally considered essential. The addition of the café improves the visitor experience, creates more of a 'destination feel' and also increases the average visitor spend in the area. Other facilities such as short walks, children's play, etc are required if younger families are to be attracted;
- The team noted that visitor length of stay onsite is directly related to the range of facilities on offer. If a site wishes to encourage longer stays in the area and to encourage repeat visits a number of facilities and activities should be offered;
- Sites which are located within a recognised tourism destination inevitably attract more overnight tourists. Those not located within an established destination must work harder to create a destination themselves;

- A number of sites which have developed or undergone development in recent years have done so in partnership with a local community organisation. This is an increasing trend in order to gain local community support for the project;
- There may be further opportunities to help provide essential facilities / services for the local community such as shop but this is outside the scope of this study and would need further investigation;
- The majority of forest recreation sites charge only for car parking, not individual facilities. There are some exceptions to this rule where a private commercial business is involved, however, in this instance it is recommended that a car parking charge only is levied;
- Accessibility is an issue to consider – not only in terms of access to the site but accessibility of the facilities and product itself. Social inclusion is an increasingly important issue and site targeting family groups in particular must be sure to cater to all abilities.

More information on the benchmark examples can be found in the relevant section and Appendix II of the report.

Product Recommendations

Following the research phase of the study a SWOT Analysis was prepared leading to the product development recommendation appropriate to the proposed site. The following facilities are recommended for the development at Glenisla:

- Improved access to the forest via East Mill and the Freuchies – upgrade the access road with passing places and widen as necessary;
- Development of car parking (50 spaces) on land to the north east of the existing forest road. Some earthworks will be required to create car parking and central facilities;
- Development of a central services building with café, bike shop / hire, bike wash and shelter for groups / schools, etc. (Total covered built area 130m²) [Possible local shop / provision needs further investigation];
- Construction of a green beginners 1.25km loop (all single track) – this will be aimed at total beginners, young families and children on push-a-longs and parents with tag-a-long bikes;
- A total of 13.5km of blue graded trails – natural, flowing, views, downhill single track:
 - Construction of 5km blue loop (all single track) to a view point, picnic spot on the west side of Cairn Hill. All beginner routes will contour to the west side of Cairn Hill. This will include a flowing 2-3km descent, back to Trailhead;
 - This additional 5km blue loop will commence from the view point at Cairn Hill and contour round the Crock in both directions;
 - A further blue loop of 3.5km will take in Craigie Law;
 - A 6.5km red loop added to the blue trail (20km) on the east side of the Crock – a narrow tight, twisty trail, connoisseurs trail;
- Development of natural play for children aged 4 to 8 years;
- Development of adventure play for children aged 8 to 14 years;
- Development of a short interpretation walk aimed at families utilising the green trail –inclusion of geocaches along this route would add interest and increase demand.

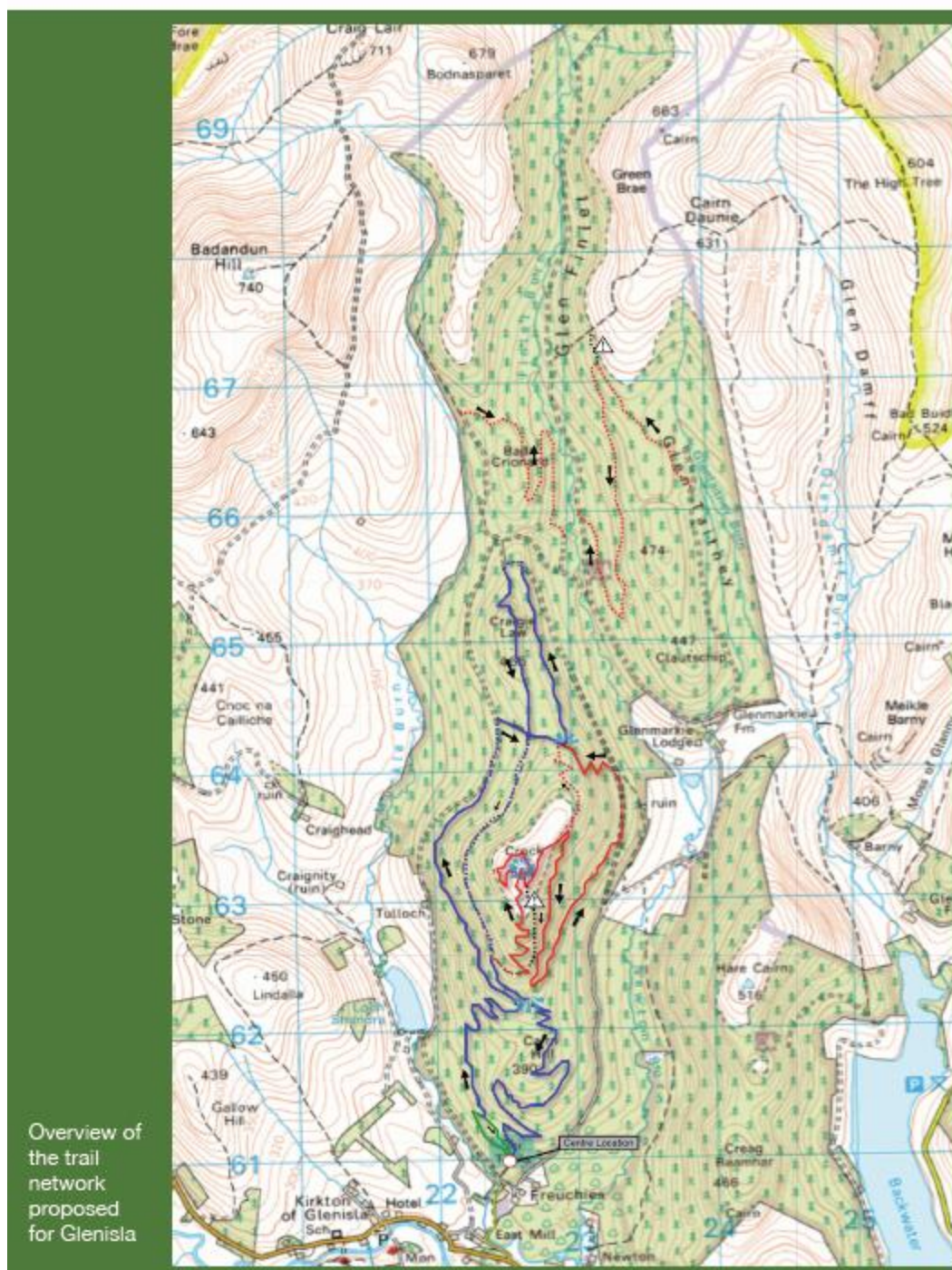
Once the core facility has been developed, further trail developments for advanced rider in the future could include (the financial projections are not dependent on these added facilities):

- There are a number of further options which could give alternatives and extend the red trail (see Cycletherapy Report);
- Expansion options for a trail phase two development –red trail extension on Bada Croinard and above Glen Taitney, but these have not been costed or included in this report. These routes would take the more adventurous rider more directly to the wilderness mountain routes of the Angus Glens;
- Routes for the more advanced rider.

The outline ground survey prepared by Cycletherapy aimed to identify a potential trail corridor, check gradients and distances measured.

An overview of key 'desire' points, such as good viewpoints, particularly interesting natural features, likely access points for machinery and any potential challenges / issues such as boggy areas, too steep terrain or environmentally sensitive areas were also taken into account. Below we provide a visual of the proposed routes.

THE ROUTES



Capital Costs

The estimated capital costs based on the initial trail survey prepared by Cycletherapy and the Quantity Surveyors' (Doig and Smith) report are summarised overleaf. These separate documents should be read in conjunction with the main report. The total estimated design and build cost to construct the trail network is estimated at just over £550,000.

SUMMARY OF ESTIMATED CAPITAL COSTS						
Section	Meterage (Km)	Contractor Cost	Materials	Design Costs	Interpretation	Total
		£000	£000	£000	£000	£000
Green	1.25	25.0	7.0	3.8	2.0	37.8
Blue	5.1	81.7	10.0	13.7	0.5	105.9
Blue	7.7	123.1	15.1	18.8	2.5	159.4
Red	6.6	171.9	As Dug	25.0	1.8	198.7
Total	20.65	401.7	32.1	61.1	6.8	501.8

Quantity Surveyors Doig and Smith have prepared a cost estimate for the central facilities, improvements to the access road and infrastructure requirements, etc. This cost estimate has been summarised below and is detailed as a separate report in Appendix IV. The total capital cost for the complete development is estimated at £1.4 million. This estimated cost excludes inflation to construction, VAT and building warrant fees. The overall cost of the site works is considerable and amounts to £376,000 and includes an allowance to upgrade the existing access road at £105,000 and provide car parking for 50 cars) and site access at £72,500. These costs are also subject to 5% contingency and 15% professional fees, which is in addition to these itemised costs, but included in the overall cost schedule. The Base Building comprises 140m² of built space as a single storey timber framed structure, plus an external deck. The building area is broken down as follows:

BASE BUILDING	
Facility	Area m ²
30 Seat Café, Kitchen & Servery	45
Bike Storage	20
Bike Shop / Workshop	45
Toilets / Showers	15
Secure Storage	5
External Deck	10
Total	140

The base building concept needs to be simple, functional and sustainable. The capital cost estimate for the building is £237,000 plus 5% contingency and 15% professional fees.

Demand Quantification

The team quantified the likely level of demand for the proposed single track mountain bike facility at Glenisla. This quantification was prepared using drive time isochrones of one and two hours and a penetration analysis of population and overnight visitors - a tried and tested method of estimating demand in new visitor facilities. Experience has shown that many users will travel on average up to between one and two hours to visit a mountain bike facility for a day trip.

The consultants estimate a total mountain bike visitation of around 22,550 per annum could be achieved from local resident visitors. This is equivalent to a penetration rate of 0.9% of the two hour population catchment, similar to the comparative analysis highlighted in the main report.

From the UK Tourism Survey that there were about 428,400 leisure tourist visits made by UK residents to accommodation within the 60 minute drive time of this site and of these 10% cycle. This means a Centre at Glenisla has a relatively modest 43,000 visits to penetrate for mountain biking. TRC estimate a penetration rate of 8% to be reasonable, given the visitor destination profile of the wider area. This equates to an estimated 3,440 visits per annum by overnight UK residents.

In addition there may be some visitors who accompany mountain bikers but do not cycle themselves. We have assumed that these visits could amount to an extra 50 people per week or 2,500 per annum. Therefore the total site visitation / site visitation is estimated at 28,500 visitors per annum once the stabilised position is achieved.

Modus Operandi / Governance

TRC are of the opinion that AMBTA needs to take specialist advice at the appropriate time in terms of setting up a Charity or CIC Development Trust or another form of community type development vehicle.

Leases

TRC envisage that the Forestry Commission would grant the Development Trust use of the land encompassing the car park, facilities building and the trail bed for a 'peppercorn' rent. It is envisaged that the liability for all the facilities should lie with the Development Trust. Whilst this will not waive all the landowner's liabilities it should minimise them. The Development Trust will need to take out the appropriate insurances, to cover Public Liability, trail design, etc. The café and the bike shop need to be commercially operated and managed. The consultants have assumed that a professional business would be engaged. It is proposed that the Development Trust grant a commercial rent to a third-party business.

Funding

The consultants have investigated potential capital funding avenues, based on our research of other facilities and through discussions with Angus Council. A number of potential sources exist that could contribute to a 'cocktail of funding'. There is little doubt that this type of facility has to be publically funded and cannot support any significant level of commercial debt (even assuming it could be secured). The benefits of a development such as this are economic, health and social rather than financial. The aim of the development is to improve and develop the community assets of rural Glenisla and provide inspiration and activities for young people. The wider benefits include the opportunity to increase the enjoyment of the natural environment and to increase the sustainability of tourism businesses in the Glenisla area by extending the season and attracting more visitors.

Central Facilities Financial Illustration

Based on assumptions detailed in the main report, a summary of the potential income streams for the Glenisla site operator (of Café and Retail) and for the proposed Development Trust in the stabilised trading year has been calculated. In terms of the Trust the summary is detailed in the table below.

SUMMARY OF TRUST INCOME AND EXPENDITURE	
	Stabilised Trading Year £(000s)
Car Parking	20.5
Café Rental	6.2
Retail Rental	11.2
Total Income	37.5
Trail Maintenance	12.6
Adventure Play Maintenance	2.5
Trail Refreshment Allowance	7.4
Trust Administration	7.0
Total Costs	29.5
Annual Trading Loss / Surplus	8.0

In the theoretical stabilised trading year, the Trust would generate approximately £37,500 in income including car parking, shop and café. [The revenue and profit of the retail element could be higher than forecast if internet sales and a wider community (local shop) remit are forthcoming. The rent payable to the Trust could therefore be higher than forecast]. This income would be used for upkeep of the Trail Centre building although the Trust will receive a contribution towards building maintenance, insurance and rates from the key tenant(s). It is estimated that this annual income would cover the following annual costs for the stabilised trading year and ongoing – trail maintenance and refreshment, etc.

Based on the above income and expenditure schedule the Trust makes an operating surplus of around £8,000 each year. This allows for a margin of safety each year to build up if visitor numbers were to fluctuate year on year in the future due to the vagaries of the weather, etc.

It should be stressed that the projection of profit and loss has been prepared to a theoretical stabilised trading year. As part of any funding or Trust business plan / cash flow due diligence, a sensitivity analysis should be prepared on the illustration. The above demonstrates that the visitor facility model, as described, could break even in the theoretical stabilised year and ongoing.

Economic Impact Assessment

The economic impacts have been assessed by EKOS on the basis of net additional:

- expenditure; and
- employment.

The assessment has been undertaken at the Rural Tayside geographic level. The impacts have been assessed on the basis of the stabilised trading position. The net annual additional expenditure is estimated at approximately £0.38 million at the Rural Tayside level and 6.7 FTEs.

Conclusion

There is a good opportunity to create a sustainable mountain bike trail centre at Glenisla. The consultants consider that a full mountain bike destination must be created if is to attract the beginner and family markets.

There is definitely a geographical gap in the supply of purpose built mountain bike facilities in the Wider Tayside area. Strategically a competitive facility if developed in the A9 corridor near Pitlochry or Dunkeld would command a higher number of users and a greater number of overnight visitors and visitors from outside Scotland than a development at Glenisla. A small well-targeted facility at Glenisla however, would be sustainable operationally as a standalone development and will be important socially and economically to this small rural community. It is important to recognise the wider potential of creating a cycling cluster in Tayside as this will help increase participation in the sport and also strengthen the demand for Glenisla. If eventually a development goes ahead in the A9 corridor then a critical mass of cycling facilities will increase the visitation at Glenisla and increase the proportion of overnight visitors.

It is recommended that the facility at Glenisla is developed with a high proportion of natural single track and a high proportion of trails aimed at beginners and families. These facilities undoubtedly add to the overall capital costs but are essential to the development. The consultants consider that the products recommended in this report must be delivered as a single phase.

It is important that the Angus Mountain Bike Trail Association constitute themselves as a Development Trust either with charitable status or as a community interest company, but further advice should take on the best strategy to help deliver and managing this project. Undoubtedly this study is only the beginning but if the various hurdles can be overcome there is an opportunity for a sustainable mountain bike facility in Glenisla targeting beginners and families as well as mountain bike enthusiasts.

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The Angus Mountain Bike Trails Association wish to acknowledge the support from the following organisations in taking this project forward.



ANGUS COUNCIL:
through the
Angus Council Community Grant Scheme



LEADER PROGRAMME:
THIS PROJECT IS BEING PART-FINANCED BY THE
SCOTTISH GOVERNMENT AND THE EUROPEAN
COMMUNITY RURAL TAYSIDE LEADER 2007-2013
Programme