

CAIRNGORMS NATIONAL PARK AUTHORITY  
EXPENDITURE JUSTIFICATION

**1. Title**

Glenlivet Mountain Bike Trails

**2. Expenditure Category**

Operational Plan		Code	74105000	Project	✓
(goal description)				Grant	
Core or Project spend		Code		Consultancy	

Is this spend to be funded from an existing budget line, existing line with additional funds or is it a totally new spend?	£ 50,000	Existing budget	✓
	£	Additional budget	
	£	New budget	

delete as appropriate

**3. Description**

- Brief overview of project/activity including cost summary
- Specific elements for which support is sought (if not whole project/activity)

This project is to develop a regional scale mountain biking centre to enhance the local rural economy. The *overall* project will involve the construction of a network of challenging off-road and downhill routes in the Glenlivet forests, linking to the already established cross country trail network of cycle tracks *and the creation of a "hub" which will involve a bike hire/retail outlet and café.*

*The "hub" element of the project is excluded from this funding application as it is not eligible for European Regional Development Funds and funding for this aspect of the project will be sourced through Crown Estates. The overall cost of developing the new facility, excluding the hub, will be £717,000 of which £50,000 is being sought from CNPA.*

**4. Rationale and Strategic Fit**

- Objectives/intended beneficiaries
- Evidence of need and demand
- Fit with National Park Plan/Corporate Plan/other relevant strategies
- Linkages to other activities/projects

The project will involve the construction of a network of challenging off-road and downhill routes in the Glenlivet forests, linking to the already established cross country trail network of cycle tracks. Glenlivet Estate is in the Cairngorms National Park and comprises 23,000

hectares of upland livestock farms, forest and open moorland. A network of trails provides access for walking, horse riding, skiing and cycling. The area is a remote and peripheral part of Moray which has limited development opportunities and declining rural industries.

Tourism and recreation potential is significant but requires investment in new infrastructure to attract sufficient visitors to support existing enterprises, maintain sustainable communities and create opportunities for new business development. The Crown Estate has invested in the development of recreational access, tourism marketing and sustainable land based economic development projects and the estate has won several awards and acclaim for its approach to sustainable tourism and community development.

The existing trail network attracts small numbers of mountain bikers, but they are not of the variety or quality that attracts biking enthusiasts in the significant numbers that have contributed to the economic growth and regeneration of other communities in Scotland. The new cycle trail network will provide challenging and technical routes, attracting a wide range of cyclists. The new trails will link with existing forest roads and estate tracks. This project has the potential to add significantly to the area's popularity as a tourism and day visit destination.

The project will develop low impact, high quality bike trails that will attract visitors and act as an economic driver for the development of a forest 'hub'. A feasibility study/project plan has been completed, funded by The Crown Estate and HIE. The trail plan has been developed by a leading UK mountain bike trail designer. The terrain lends itself to cross-country bike trails with natural flowing singletrack, enhanced by a wilderness feel and stunning views. Above all, the trails have been designed to be accessible to a wide range of riders.

The project will provide:

- 3 new circular cycle routes of 8km, 10km and 21km.
- Preparatory works for a visitor 'hub' including leveling, car parking and landscaping. *It is envisaged that the costs associated with this element of the project will be around £80,000.*
- Upgrade of vehicular access to the forest 'hub'.
- Interpretation.

### **Evidence of demand**

Mountain biking in the UK has seen significant growth during the last 10 years. In 2001, it was estimated that 5.7% of the UK population participated in mountain biking, and by 2005 the figure almost doubled with 9.2 % (5.5 million people) riding off-road. It is estimated that 22 million people in the UK own mountain bikes, with over 2 million mountain bikes being sold in the UK every year (IMBA UK 2005). Greenwood & Yeoman predict that Mountain biking will continue to increase in the UK in the future (2006, Forecast for Cycle Tourism in Scotland to 2015).

Scotland is generally regarded as a world-class mountain biking destination. Particularly recognised are the 7 Stanes sites in the Borders, which are managed by the Forestry Commission Scotland (FCS) in cooperation with a number of national, regional, and local organisations, and is co-financed by the European Union (FCS 2005). By 2007 the seven locations were attracting almost 400,000 visitors a year with a net impact to the economy

of £9.2m and 205 full time equivalent (FTE) jobs. Glentress, one of the sites, attracts over 250,000 forest visitors and at least 150,000 mountain bikers every year (FCS 2005). Of the visitors, 80% are non-local and an increase in the number of nights, length of stay and daily spend are cited for driving increased incomes. ([www.forestry.gov.uk](http://www.forestry.gov.uk))

The Laggan Wolftrax trails near Aviemore and Golspie Highland Wildcat Trails are more similar in type and scale to the proposed Glenlivet trails. In 2006 and with just 18km of trail aimed at more expert riders Laggan Wolftrax received 16,000 visitors generating a net increased revenue of £280,000 (£390k net revenue increase in the wider Highlands area) and 6.9 FTE jobs to the local area (9.6 FTE jobs in the wider Highlands area) (FCS - Laggan Wolftrax Evaluation). Since 2006 the site has responded to demand by creating additional trails aimed at a wider range of riding ability, with the effect of broadening its accessibility.

### **Fit with National Park Plan and other strategies**

This project provides a strong fit with the following Park Plan strategic objectives:

- Encourage people of all ages and abilities to enjoy and experience the outdoor environment;
- Plan for future outdoor recreation needs and opportunities in a co-ordinated way across sectors;
- Promote opportunities for economic diversification across all areas of the Park;
- Promote 'green business' opportunities.

The Outdoor Access Strategy recognises that Glenlivet and Tomintoul is not well known about as a possible destination for outdoor activities. This project will help address this shortcoming through promotion of the new facility and its links to the excellent existing networks of paths in the area. Specifically, the project will address the following policy:

- More promoted, off-road and traffic free cycling opportunities are required (both functional routes and for recreational purposes), within, between communities and in to the wider countryside. There requires to be a co-ordinated approach to network development and promotion.

## **5. Option Analysis**

- Are there other ways in which the above objectives could be achieved?
- If so, why is this the preferred option?

The Crown Estate is the land owner and has developed a funding package that is able to deliver the objectives of the project. There is no likelihood of another organisation coming forward to take such a project forward. As such, it is not apparent how such a project could be delivered other than in a multi-agency approach.

The timeframe will ensure that current ERDF sources can be accessed. Trying to develop the project over a longer time-frame would mean losing some or all of their funding.

## 6. Risk Assessment

- Are there risks to the CNPA in funding this project/activity?
- Are there risks in the project/activity not being delivered to required timescale/quality?
- Comment on the likelihood of such risks occurring, their potential impact, and (where appropriate) any action that would be taken to mitigate the risks.

CNPA will incur some risk in providing support to this project as the funding position for the organization is not yet known for the 2011/12 and 2012/13 financial years. The funding commitment of £17,000 and £16,000 respectively in each of these financial years therefore is being sought without the comfort of knowing CNPA's available resources. The level of support requested however is considered to be of a scale that can be managed within a reduced allocation.

*The creation of the hub, whilst not part of the funding proposal, is critical to the success of the overall project. Without it there are limited commercial opportunities and therefore no rental return to The Crown Estate. If there is any doubt that the hub cannot be developed then they are unlikely to invest significant money in the project. They have indicated that they need to have a private sector partner lined up and willing to invest before proceeding. Because of this the development of the trails is unlikely to go ahead without a commercial partner in place.*

## 7. Costs and Funding

- Detail the financial costs of the project/activity
- Detail the sources of funding
- Justification also needs to be given if the CNPA is the major funder
- Detail any non-monetary costs to the CNPA (such as Member or staff input)

The Project will be completed in 3 phases:

### **Phase 1: April 2010 – March 2011**

- Completion of all planning applications and permissions and community consultation.
- Tendering process and selection of contractors/project supervisors
- Construction of Route 1.
- Preparatory works for forest hub, creation of car park and ground preparation works for Phase 2 construction.
- Upgrading of access to 'forest hub'.

This will deliver the first of the forest trails and ensure there is car parking and access available for cyclists using the existing routes in the woodland and the newly constructed trail. Promotion and marketing activities will be undertaken to raise awareness of the trail development to attract visitors once the first route is completed. The development will be featured in the Mountain Bike UK magazine as it progresses to build the profile for the project and promote its use.

### **Phase 2: April 2011 - March 2012**

- Construction of route 3.
- Construction of Forest Hub **(Not part of the funding application and taken forward exclusively by Crown Estates without any further CNPA funding)**

This will deliver the 2 principle forest routes which will ensure the trail network is of sufficient length and challenge to attract more cyclists. Riders already using route 1 will be attracted back to use the new route which will help the centre's reputation to grow. The

development of the forest hub (not part of this funding application) will ensure facilities are in place to meet cyclists' requirements for refreshments and other services.

### Phase 3: April 20112- March 2013

- Construction of route 2
- Completion of all interpretive works

This will complete the development of the 3 routes enhancing the opportunities for the Centre, ensuring it is of a scale and challenge to meet the target market requirements, thereby ensuring it establishes itself as a regional centre for mountain biking within Moray and the Cairngorms National Park

The expenditure and funding sources are detailed in the two tables below:

#### Expenditure

Year	Amount
2010	140031
2011	335176
2012	178638
2013	63155
<b>Total</b>	<b>717000</b>

#### Funding

Source	Amount
The Moray Council	30000
Crown Estates	200200
SNH	150000
CNPA	50000
ERDF	286800
<b>Total</b>	<b>717000</b>

CNPA's contribution to the project will be phased over the 3 financial years. The percentage of CNPA funding to total project costs is 7% which provides very good leverage. Details are shown in the Table overleaf.

#### CNPA Contribution

Year	Amount
2010/11	17,000
2011/12	17,000
2012/13	16,000
<b>Total</b>	<b>50,000</b>

Quarterly monitoring visits will be organized between the funding partners to formally discuss progress with the project and CNPA staff will monitor the delivery of the works to ensure grant funding conditions are met.

## 8. Funding conditions

- Detail the project specific conditions that need to be included in any contract for services or grant offer letter in order that CNPA obtains the intended outcomes and Value for Money
- In the case of grant offers, our Financial Memorandum requires that SEERAD agree these conditions in advance of the grant offer being made

*In addition to the Standard grant conditions it is proposed that funding be conditioned on the hub going ahead.*

## 9. Deliverables/ Impact Assessment

- What end products/outputs will be delivered?
- How will success be measured?
- How will the project be monitored and what will be the feedback to the CNPA?

The project will provide:

- 3 new circular cycle routes of 8km, 10km and 21km.
- Preparatory works for a visitor 'hub' including leveling, car parking and landscaping.
- Upgrade of vehicular access to the forest 'hub'.
- Interpretation.

Prior to the development of the project an evaluation framework / plan will be established which will involve the collection of baseline data on mountain biking in the Glenlivet area, followed up by subsequent visitor surveys and economic studies to measure the impact of the project on the local economy.

## 10. Value for Money

- In view of the costs, do the deliverables appear to offer value for money? (consider cost of comparable projects, where available).

Construction of bespoke mountain facilities are expensive. The costs associated with this project are in line with similar works that have been undertaken elsewhere in Scotland.

This project will create a new facility in Glenlivet. *An economic impact assessment has been done of the proposed development which estimates that after displacement has been taken into account net impact of the Forest Hub is likely to be £336,000 and 6.4 FTEs in Tomintoul and £500,000 and 9.5 FTEs in the Highlands and Islands. Estimated visitor numbers are expected to be between 13,500 and 18,500.*

The project therefore offers very good value for money.

## 11. Exit or Continuation Arrangements (where applicable)

- If this is not a discrete, time-limited, project or piece of work, what are the exit/continuation arrangements for when CNPA support ceases?

N/A

## 12. Additionality

- Does this work/project substitute for or duplicate work being carried out or proposed by others?
- What would be the effects of the CNPA not supporting the project? Would it proceed without CNPA support?

The work does not duplicate any other work in the area. Lack of CNPA support would reduce the scale of works being proposed and would have an impact on the overall attractiveness of the facility for mountain bikers.

### **13. Stakeholder Support**

- Have the organisations and/or communities that would have an interest in this work/project been involved, and are they supportive?
- If supporter are also not funders an explanation may be required.

Crown Estates have undertaken a public consultation exercise. The results of which indicate a clear majority in favour of the proposals. The full results are shown in Annex I to this document.

### **14. Recommendation**

It is recommended that CNPA award a grant of £50,000 towards the Glenlivet Mountain bike Trails.

Name: Bob Grant      Signature: \_\_\_\_\_

Date: 6 November 09

**15. Decision to Approve or Reject**

**Head of Group**

Name:	Signature:	Date:
-------	------------	-------

**Chief Executive**

Name:	Signature:	Date:
-------	------------	-------

**Management Team**

Name:	Signature:	Date:
-------	------------	-------

**Finance Committee**

Name:	Signature:	Date:
-------	------------	-------

**Board**

Not applicable – below approval limits		
Name:	Signature:	Date:

**SEERAD**

Not applicable – below approval limits		
Name:	Signature:	Date: