Cairngorm funicular failure â?? economic consequences and way forward

Description



Aviemore businesses blast HIE who they say has abandoned them to...

This town, becoming like a ghost town...

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ALARM over "ghost town" fears have set Aviemore businesses against Cairngorm Mountain owner Highland and Islands Enterprise, which they accuse of "abandoning the town to its unenviable fate".

A spokesman for Aviemore Business Association confirmed this week a survey of local business, which has been left reeling after a series of winter setbacks, had been carried out to establish a clearer picture of the problem facing the local snowsports and tourist economy. "It's quite clear, from the evidence provided by 30 different businesses, that HIE are anonymous around here.

"There were some soothing words when the funicular failed and some 'talking shop' meetings – and that has been that. Aviemore has now been abandoned to its unenviable fate."

One of the survey team, Alan Brattey, said: "Business owners were quite open in their condemnation and several asked why it wasn't HIE which was going around and asking how it had been over the winter and what they could do to help?"Businesses covered by the questionnaire included major retail outlets and long-established accommodation providers, including, Ardlogie Guest House, the Old Bridge Inn, La Taverna, Blacks, The Coffee Corner, The Coffee Pot, MacDui's Restaurant, Walkers, The Aviemore Laundry, Ellis Brigham and Nevisport.

Mr Brattey (right with Ardlogie Guest House's Kevin Whyte, said: "In all this time of the survey we haven't found any business which has had contact with HIE. But they all remembered that HIE spoke of one-to-one advice and the possibility of providing loans to help businesses through the winter.

"We haven't found anyone who even knew that, far less anyone who took out a business

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The CairnGorm Funicular has been inoperable for the last 6 months and the economic impact of the closure was brought into sharp focus this week in an article published in the excellent Strathspey and Badenoch Herald.

Businesses abandoned by HIE

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loan via HIE. One company told us their occupancy rates were about 80 per cent down."

The association had contacted local MSP Kate Forbes wanting to know what the Scottish Government proposed to do to help "given that their development agency has failed to do so".

Ms Forbes told the Strathy: "There's no doubt the past six months have been extremely challenging for Aviemore businesses, not only because of changes on Cairngorm Mountain, but also because of a significant lack of snow.

"Support is available through HIE, but it is useful that Aviemore Business Association has been alerting local businesses to available assistance – and I recognise concerns that more could be done to communicate with businesses. Anybody is welcome to get in touch with me as the local MSP.

"I have spoken to Fergus Ewing and I know that he is following developments closely. HIE are working hard behind the scenes to turn the business on the mountain round. Of course so many businesses rely on the success of the mountain so it is critical that the business is a success.

"We have to be very careful not to spread negativity about Aviemore because that only turns more visitors away. Clearly the funicular's closure has had an impact, and I am not seeking to downplay that, but we also need to ensure that skiers further afield do not think that Cairngorm Mountain is closed for good. That would be disastrous."

■ A spokesman for HIE said: "We fully appreciate the impact the funicular problems are having on local businesses and share the frustrations around that. We are acting as fast as possible to find a solution.

"When the funicular was taken out of service by the previous operator, HIE set up the Funicular Response Group to bring together local stakeholders and agree actions.

"Aviemore Business Association (ABA) has been a key member of the response group since the outset, so it is very surprising that its members appear unaware. This is something we will raise at the next meeting.

"As agreed at the first meeting of the response group, Business Gateway has been leading on local business support, with support from HIE.

"Business adviser sessions took place at the end of October and beginning of November in the Community and Leisure Centre. Support was also provided on a one to one basis by the Investment Manager at Highland Council.

"Follow-up workshops were held in February and March. These focused mostly on digital marketing as that is what most businesses had expressed interest in. Both Business Gateway and The Highland Council are also represented on the response group, along with ABA, and Business Gateway provides business support updates as part of the agenda."

HIE added: "The funicular report is subject to peer review, which is under way at present, but will take several weeks to complete. The response group has been updated at every meeting. We will continue to keep stakeholders informed of developments as matters progress."

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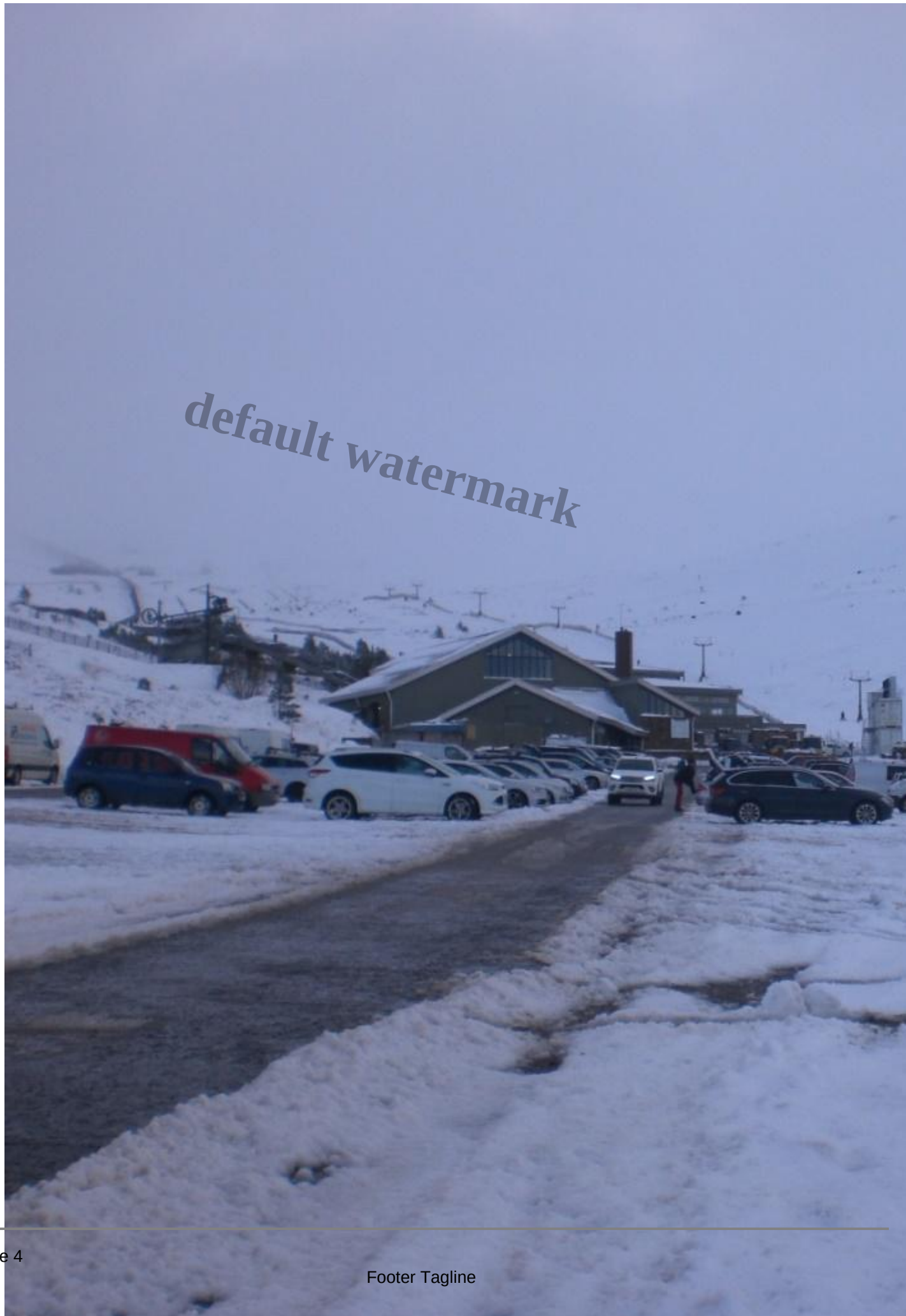
There has very clearly been a considerable negative impact and local businesses have expressed dismay at the lack of any input from HIE since their initial promises of assistance made in October 2018. It is to be hoped that the Scottish Government are listening and that helpful initiatives will quickly be forthcoming.

Quite how the winter business in Strathspey can bounce back unless considerable improvements are made to the CairnGorm Mountain business is very difficult to see. At present, nobody knows if the Funicular railway will operate during next winter because there has been no information from HIE. Without adequate uplift on the

mountain then it is very clear that snowsports customers will continue to go elsewhere. On Sunday 17 March, the upper Cas carpark was not even half full despite there being good snow conditions on the mountain. The slopes were very quiet and if customers arenâ??t coming to ski on CairnGorm then there are negative financial consequences for the local economy.

The fall from grace of what was once Scotlandâ??s Premier Snowsports destination has been quite extraordinary in its magnitude.

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A half empty upper Cas Carpark on Sunday 17 March 2019

How HIE intends to address this ongoing disaster remains unclear.

In 2017 they announced that they would engage an external consultancy to examine the business and make proposals for its future re-development.

The consultants completed their overview by September 2018 and their proposals were subsequently published. There were several ideas put forward that have been met with an unenthusiastic response.

The failure of the Funicular showed that their proposals for **2 multi seat high speed chairlifts** in Coire Cas are unworkable because even if they were already in situ they would do nothing to enable non snowsports customers to reach the Ptarmigan building because there is no connectivity between the proposed chairlifts. Even lower ability skiers and boarders would not be able to reach the Ptarmigan due to the lack of connectivity between the Chairlifts. These chairlift proposals do little to ensure that the business can continue with uninterrupted trading whenever the Funicular fails to operate or when it is late in opening due for example to snow accumulations at the tunnel mouth.

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A Zip Line was proposed to start at a point above the level of the Ptarmigan building. That idea can be discounted because it is too exposed at that height and a Zip Line couldnâ??t be used in the frequently windy conditions. The icing that would accumulate on the ropes in winter would certainly mean that they would require to be taken down and spooled up between late October and mid May, approximately.

A â??best in classâ?• learning area with a â??Magic Carpetâ?? for uplift was proposed for the area between the Daylodge and the base of the Fiacaill Ridge. This winter has shown that there isnâ??t enough space here for a learning area of any decent size and the gradient is too steep for complete beginners unless considerable snow is used to build it up at the bottom.

A considerably expanded snow making system was also proposed but this winter has also demonstrated that snow cannons alone cannot produce sufficient snow during the cold spells to get through the warm spells. The production costs suggest that a large snowmaking system may not be commercially viable and that smaller scale targeted snowmaking might prove to be a better option.

The Consultants ruled out the development of uplift from the Ciste carpark on the basis that the hill business does not have sufficient scale to justify 2 separate entry

points. However, there was little in the way of supportive analysis and they failed to make any detailed examination of the revenue streams that would accrue from fully developing this area rather than simply installing uplift.

The one glaring omission from the consultantsâ?? report was the absence of any significant customer-based market research. If customers are not consulted about what they would like to use on CairnGorm into the future then there is a good chance that they will not return in the numbers necessary to make it a success, if any changes do not provide what they would like to use. The Aviemore and Glenmore Community Trust made a commitment, at their AGM in November 2018, to consult widely with customers with respect to their views on returning mechanized uplift to Coire na Ciste. It is to be hoped that they will honour that commitment and publish their findings, soon.

Building uplift from the Ciste carpark to the Ptarmigan Building has multiple benefits and it could be done without any disturbance to the present business operation in Coire Cas. Furthermore, it would provide for business security with continuous trading when the Funicular cannot operate.

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A Gondola/Chairlift hybrid combination would allow uplift to the Ptarmigan for tourists and snowsports users alike.


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Sunday Riv

Coire na Ciste could then be developed as an **adventure zone** as was previously proposed by CairnGorm Mountain Ltd around 2012.

The lower Coire na Ciste offers an excellent area for the creation of a largescale learning zone in a place that is very considerably more sheltered than outside the Ptarmigan or Daylodge and it also has the potential to incorporate a sledge park which can bring in significant revenues. The picture gives some indication of the length and width thatâ??s available.

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The lower Coire na Ciste

It is many times the size of the area outside the Daylodge in Coire Cas being both longer and wider. Another advantage being that it has an angle of slope that is much more suited to the needs of absolute beginners through to 2nd/3rd day learners. One small sized snowfactory should be able to produce sufficient snow to enable continuous operation throughout the season from December to April as is already the case at the Lecht Snowsports Centre

A couple of magic carpets and perhaps a rope tow would provide adequate uplift within the learning zone view that a Terrain park with a variety of features suitable for novices through to experts is something that all aspirational snowsports areas must have as part of their offering to customers.



The Lower Aonach has the potential to provide everything necessary and more besides. There is sufficient width to accommodate multiple features in areas for novices through to experts and there are differing angles of slope as well as plenty of length. This area is very well sheltered from the wind and consequently there is much less drifting here than at the top of the Ptarmigan which has been used as a terrain park for years. In turn, that means much less work is required to dig out the rails and boxes etc each day thereby reducing labour costs. The very large kickers that have been a feature in the

Ptarmigan bowl could continue to be built there if and when there is sufficient snow.

Mountain Biking has been proposed from the Ptarmigan Building down into Coire Cas and beyond.



An analysis of whether it might be better suited in the more sheltered area of the Aonach Bowl, adjacent to the M2 ski piste should be done. A starting point at the level of the Coire na Ciste T-Bar loading area where a Gondola/Chairlift could have an upload/download station incorporated might be better than the much more exposed Ptarmigan building area. Gondolas and Chairlifts can both take bikes up on attached bike carriers, unlike the Funicular Railway thatâ??s unsuited to the carriage of bikes. Trails could be constructed all the way down to Glenmore.

The hill business has now gone bust twice in the last decade and it is abundantly clear to anyone who takes an open-minded look at the future possibilities that radical change is necessary. To simply continue with the failed strategies of the past will just lead to the same outcome and neither the hill business or the wider local economy can afford for that to happen.

The Coire na Ciste carpark has the potential to accommodate 24 Micro Lodges outwith the parking area and around 20 Campervan Hook ups too.

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The hill business must look at the possibilities of diversification if it is to become self-financing and not reliant on periodic life support grant funding from the public purse.

24 Micro Lodges attracting 50% occupancy over the year would bring in around 250k of Nett revenue and have a payback period of <2 years which makes them a fantastic investment.



The spend in an adjacent cafÃ© would be considerable. On Saturday 16 March 2019 there were around 50 customers in the Glencoe Mountain Resort cafÃ© at 19.51hrs. That was almost 3 hours after CairnGorm Mountain [Scotland] Ltd had packed up for the day and gone home. It is very clear which area is prospering and which is failing.



Further evidence of the failure of the Cairngorm Mountain Snowsports business can be found in the market share data: CairnGorm had an average of 40% of the Scottish Snowsports Market in the 10 years to 2013 while Glencoe had just 8.5% market share during the same time period. Fast forward to the 2017/18 season and the CairnGorm market share had collapsed to just 23.9% while at Glencoe it had risen to 16.6%

The number of Campervans on the road is increasing year on year and there are plenty of them parking in the Ciste carpark, particularly but not exclusively, during the Spring, Summer and Autumn seasons. Putting in 20 Hook Up points would not be difficult to do and the provision of services and an adjacent cafÃ©/bar would be sure to lead to a worthwhile revenue stream that is, at present, untapped.



The views from the Ciste carpark are much better than from the Cas Carpark and who wouldnâ??t want to stay up there when you can look at the fantastic scenery through Ryvoan Pass, up onto Meall a Bhuachaille and down to Loch Morlich.

Ryvoan Pass

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Meall aâ?? Bhuachaille

Loch Morlich



Consideration could also be given to the provision of interpretative walks within the lower Coire which could link to an Environmental Education Centre [used as a ski school meeting room in winter] that would incorporate a Turbine unit for Hydro Electric generation as well as toilets and a small scale servery. These would all be located in the floor of the Coire around 600m form the carpark and be central to a snowsports learning zone.

What has to happen now

An open-minded, unblinkered look at all of the possibilities on CairnGorm is a prerequisite of future success. That should involve all interested stakeholder groups and individual members of the local Community. It should be led by the Aviemore and Glenmore Community Trust so that the Community has ownership of the final plans that emerge from the consultations. HIE must step away from this process because there is no faith or trust in their ability to deliver what the community and wider snowsports community desires on CairnGorm Mountain and because there is no future in their continued ownership of the CairnGorm Estate and CairnGorm Mountain [Scotland] Ltd.

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What cannot happen now

Any continuation of HIEâ??s Funicular centred strategy where every effort is concentrated on the maintenance/enhancement of the numbers that use the Funicular. It is understood that HIE intend to take the Ptarmigan building expansion plans forward to the CNPA Planning Committee for determination in either April or May. You do not begin the redevelopment of a mountain business at the top of the mountain and HIEâ??s plans give every indication that they have learned nothing from their past strategic failures. Itâ??s beyond the time now for the Scottish Government to intervene.

Time is of the essence and progress needs to be swift.

Category

1. Cairngorms

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