

## **West Somerset Steam Railway Trust**

### **Business Plan 2017-2019**

#### **Introduction**

This is the first business plan produced by the West Somerset Steam Railway Trust ('the Trust'). It covers the three calendar years 2017, 2018 and 2019. The intention is to roll it forward on an annual basis, for formal adoption at the Trust's AGM.

#### **I. The objects and priorities of the Trust**

- I.1. The West Somerset Steam Railway Trust Ltd is a charitable company established in 1972, and is one of two charities associated with the West Somerset Railway.
- I.2. Its charitable objects are "to promote education by furthering interest in and appreciation of railway lines, equipment, buildings, and construction and steam or other traction engines of historical engineering or scientific importance particularly by preserving and displaying the same."
- I.3. These are broad objectives, and the main activities of the Trust have been:
  - I.3.1. running the Trust's museum at Blue Anchor, which is open daily during Galas and on Sundays during the remainder of the operating season;
  - I.3.2. exhibiting the Trust's artefacts and archives at the Gauge Museum at Bishops Lydeard, including displaying sleeping car 9038;
  - I.3.3. progressing the Heritage Carriages project, focusing initially on restoration work on coach 6705, which is now approaching completion, completing essential safety work on 3639 to allow it to be moved around safely pending restoration, and carrying out protective work on a number of the other heritage coaches to limit further deterioration while funds are raised for their restoration;
  - I.3.4. explaining the Trust's work to visitors to Galas and the Steam Rally, including opening 9038 and/or 6705 to visitors, and promoting its activities through the website, which was renewed in 2016, and through a six monthly newsletter; and
  - I.3.5. working with other groups on the railway, and with the PLC, through the Partnership Development Group in particular to take forward plans for the 'Southern Gateway Project' at Bishops Lydeard, to incorporate covered storage for the Trust's carriages and an associated display and education facility; and
  - I.3.6. ensuring the Trust is effectively governed and run, including recruiting new Trustees and volunteers, ensuring sound finances, and putting in place appropriate agreements with the PLC and other bodies to ensure clarity about roles and responsibilities.
- I.4. These activities will continue over the period of the plan. However, the role of the Trust will develop over this period as it takes over full management of the Gauge Museum at Bishops Lydeard, and submits a bid to the Heritage Lottery Fund to improve the interpretation and curation of the exhibits in the museum.

- 1.5. The Board of Trustees is chaired by Chris Austin OBE, and currently comprises a total of six Trustees. One Trustee resigned and two new Trustees were appointed in 2016. The two new appointments were confirmed by members at the AGM held in April.
- 1.6. About 20 volunteers also work regularly on Trust projects, in particular on the restoration of carriages which takes place at Williton. The Trust put a new Volunteer Policy in place in 2016. This covered both recruitment and induction and the requirements of the PLC in respect of training and assessment to ensure compliance with safety legislation. All Trust volunteers are required to hold a valid PLC staff card (which among other things ensures that appropriate insurance is in place), and those working in the workshop at Williton are required to hold a Personal Track Safety certificate.
- 1.7. Membership of the Trust is open to anyone donating at least £12 a year. There are currently 54 members.

## **2. Current financial position**

- 2.1. Currently, the Trust's income derives entirely from membership subscriptions, from other donations for example at Galas, and from small-scale retail sales in the Blue Anchor museum.
- 2.2. Some of the Trust's income and reserves are restricted to specific purposes. These comprise:
  - Museum Fund £17,000
  - 3639 £6,000
  - 9038 £1,000
  - Horse box £1,000.
- 2.3. In addition, the Trust has unrestricted reserves in the General Fund of £24,000.
- 2.4. At the end of 2016, following a request from signalmen, the Trustees agreed to establish a further Restricted Fund in respect of heritage artefacts for Signal Boxes.
- 2.5. Income, including recovery of Gift Aid, was about £12,000 in the last financial year (ending 30 September 2016). Set against this is routine expenditure (carriage storage, museum rent, insurance, accountancy fees etc) of about £6,000. This resulted in a net income available for capital projects of about £6,000 a year. (Donations and profits on retail sales broadly balanced costs in respect of the Blue Anchor Museum.)
- 2.6. The Trustees have established a Reserves Policy, with target minimum reserves of £10,000 for the Museum Fund, and £5,000 (increasing to £10,000 over a five year period) for the General Fund. (The target level of general reserves by 2019 will therefore be £8,000.) The Trustees will review this policy each year, in particular given that the current target reserve levels take no account of the impact of taking on management of the Gauge Museum.

### 3. Future activities

- 3.1. All the current activities of the Trust will be continued over the period of the business plan.
- 3.2. A new activity, reflecting the Trust's role in the Southern Gateway project, and consistent with its focus on heritage and education, will be taking on management of the Gauge Museum at Bishops Lydeard in place of the West Somerset Railway Association. This change is expected to occur in January 2017.
- 3.3. Priorities for 2017 will therefore be:
  - 3.3.1. **Completion of restoration of carriage 6705.** The remaining work is mainly in respect of completing work on restoring the compartments, including re-upholstering the seats. Most of this work will be undertaken and managed by volunteers, with some costs for materials. Replacement of upholstery will be contracted out. The total cost of completion is estimated to be about £5,000. Timescales depend on both the availability of volunteers and any unexpected problems. In parallel, the Trust will negotiate an agreement for use of the carriage on the West Somerset Railway by the PLC. Our aim with 6705, and future restored carriages, is to secure sufficient income for both routine maintenance and creation of a reserve for periodic overhaul.
  - 3.3.2. **Completion of work on the Sleeping Car 9038,** in particular to re-install the wash basin taps. This will be undertaken by volunteers, with minor further expenditure required. The remaining funds in the Restricted Fund will be used to meet the costs of insurance and maintenance, including the possible need to revarnish the whole of the exterior. For the present, further contributions will not be actively sought for this Fund.
  - 3.3.3. **Starting the next carriage restoration project.** The Trustees' current view is that the next carriage to be restored should be 3639, converted to an ambulance coach in the First World War. Some initial work was undertaken dismantling components in 2008 but ceased subsequently, while in 2015 work to enable the carriage to be moved, and some funds (including some current donations) are restricted to the restoration of this carriage. A detailed plan will be developed for restoration, including an assessment of likely timescales and costs.
  - 3.3.4. **Developing the management of the Blue Anchor and Gauge Museums.** This will be a major focus of activity in 2017. With the retirement of Pete Treharne as Curator of the Blue Anchor museum, new arrangements are being put in place to ensure regular opening of the museum in 2017, using volunteers, to curate the collection and ensure effective handling of donations and income from sales. Similar arrangements will be developed in respect of the Gauge Museum. Taking responsibility for the management of that museum will add to the costs of the Trust, for example in respect of insurance, and the Trust will seek to increase the level of donations from visitors to the museum to cover these. (As a charity, the Trust can benefit from Gift Aid under the Small Gifts scheme for such donations, provided they are properly accounted for.)
  - 3.3.5. In anticipation of the Trust's role in the major Southern Gateway project (see 3.3.7 below), the Trust has developed a proposal to re-present the Gauge Museum, with financial support from the Heritage Lottery Fund's 'Our Heritage' scheme. This application will shortly be submitted, and a response is expected in May 2017. If

successful, the Trust will contribute around £10,000 from its own resources to add to the grant, which will provide for some changes to the layout of the museum, new interactive displays to increase the attractiveness to visitors (both adult and children) and to employ an education officer for a period of two years to develop links with local schools and other bodies. This will be done in a way which enhances support to the volunteers running the model railway. Experience from this project will provide valuable lessons for subsequent full Southern Gateway funding bids.

- 3.3.6. In parallel, the Trust is working with the Somerset Museums Service to understand the requirements of accreditation under the Arts Council scheme, and a decision will be taken in 2017 as to whether to start this process formally.
- 3.3.7. **Taking forward proposals for the Southern Gateway Project.** The Southern Gateway project is a major proposed development of the whole Bishops Lydeard site, which will include covered storage and display facilities for the Trust's carriages (both restored and unrestored). It is being led by a Project Board chaired by the PLC, of which the Trust is a member. Given the likely cost (of the order of at least £15m), it will require significant external funds from Trusts, major donors and the HLF. A master plan for the site has been developed, and funding applications are being developed.
- 3.3.8. Although major expenditure is unlikely within the period of the plan, the Trust will if appropriate contribute towards bid preparation costs given the major benefit that will accrue to the Trust from completion of the project. The Trust will also, if appropriate, be the lead organisation for the bid for HLF funding, given its charitable status.
- 3.3.9. Development of a safety management strategy, reflecting the greater number of volunteers now working on projects, and the wider responsibilities of the Gauge Museum. We will also document existing safety procedures and ensure they fit with the PLC's overarching safety management policy.
- 3.3.10. **Administration of the charity, including recruitment and retention of volunteers.** Priorities for 2017 will be deciding whether to re-tender the role of independent examiner for the Trust's accounts, which has been undertaken by B J Dixon Walsh for a number of years, ensuring sufficient volunteer numbers to undertake both carriage restoration and manning of the museums and providing appropriate training and induction, and continuing to develop Trust policies both for its collections and administration. In parallel with developing this first business plan, the Trustees will also establish a risk register which will be reviewed regularly. The Trustees will also seek to conclude negotiations on a new over-arching agreement covering all its relationships with the PLC before the start of the 2017 operating season.
- 3.3.11. The Trustees will continue to develop effective communication with members and with stakeholders, and will consider whether a campaign to increase the number of members should be launched, to support the broader role it is taking in respect of heritage and education on the railway.
- 3.3.12. The Trustees will seek to develop during 2017 evaluation procedures to check the effectiveness of the Trust's work in delivering its objects. This will be reported in the next business plan.

- 3.4. The Trustees envisage that the activities described above for 2017 will continue in subsequent years. Priorities for 2018 and 2019 depend crucially on the pace of progress with the Southern Gateway project. The financial projections in the next section assume that there is no major expenditure on that project with the period covered by the plan.

#### **4. Risks to delivery**

- 4.1. Delivery of the priorities set out in the previous section depend on a number of factors, many of which the Trust can only influence to a limited extent.
- 4.2. The pace of progress depends critically on the availability of resources, both financial and manpower, including:
  - 4.2.1. donation income being maintained at least at current levels, and if possible increased;
  - 4.2.2. the number of volunteers being maintained;
  - 4.2.3. major development costs being incurred only when resources are available or promised;
  - 4.2.4. unexpected costs being contained, and in particular administration and other running costs being contained broadly at current levels; and
  - 4.2.5. grants and related expenditure such as acquisition of artefacts for the museums being determined on a basis which matches income.
- 4.3. Other risks considered by the Trustees include:
  - 4.3.1. effectiveness of systems to ensure compliance with legal requirements, in particular in relation to safety and occupational health; and
  - 4.3.2. compliance of administration systems with company and charity law requirements.
- 4.4. As indicated above, a formal risk register will be developed in 2017.

#### **5. Financial projections**

- 5.1. The financial projections set out below are based on the following assumptions:
  - 5.1.1. a modest increase in membership and donation income;
  - 5.1.2. the grant application in respect of the Gauge Museum being successful, with the associated expenditure (which includes employing one member of staff) spread over 2017-2019, but with capital costs mainly incurred over the winter 2017/2018 period ;
  - 5.1.3. completion of work on 6705 and the Sleeping Car in 2017, with some of the initial work on 3639 being contracted out; and
  - 5.1.4. a modest level of grants to other projects on the railway, including from the new Signal Box Fund, with the donation made in previous years in respect of heritage aspects of the Williton Loop project (£2,000) being paid to the PLC in early 2017 (if not paid in 2016).

	2017	2018	2019
<b>Income</b>			
Donations, including Gift Aid recovery	£14,000	£17,000	£20,000
Grants, legacies etc	£30,000	£24,000	£6,000
<b>Total income</b>	<b>£44,000</b>	<b>£41,000</b>	<b>£26,000</b>
<b>Expenditure</b>			
6705	£5,000		
Sleeping car	£500		
3639	£5,000	£15,000	£15,000
Carriage insurance and storage	£2,500	£2,500	£2,500
Blue Anchor Museum	£1,500	£2,000	£2,000
Gauge Museum	£50,000	£15,000	£12,000
Southern Gateway bid preparation	£1,000	£1,000	£1,000
Administration	£1,000	£1,000	£1,000
Grants	£2,500	£1,000	£1,000
<b>Total expenditure</b>	<b>£69,000</b>	<b>£37,500</b>	<b>£34,500</b>
Opening reserves	£49,000	£24,000	£27,500
Closing reserves	£24,000	£27,500	£19,000
Minimum target reserves	£16,000	£17,000	£18,000

- 5.2. On the basis of these assumptions, the current reserve levels will fall to the minimum target levels set by the Trustees at the end of the plan period. Additional expenditure will therefore be dependent on developing new income streams, whether from grants or donations.

## 6. Evaluation and review

- 6.1. The Trustees propose to review and roll forward this plan annually, and to use that review as the basis for reporting to members at the AGM. In particular, the Trustees will want to ensure that:

Consultation draft

- 6.1.1. the activities of the Trust are the most appropriate way of delivering its aims, consistent with its charitable objects;
  - 6.1.2. that projects are delivering the best outcome in terms of those objects; and
  - 6.1.3. that the allocation of financial and volunteer resource is consistent with this.
- 6.2. Evaluation methodologies will be developed in 2017 to facilitate reporting of delivery against plans in future business plans.