

West Somerset Steam Railway Trust

Business Plan 2018-2020

Introduction

This is the second business plan produced by the West Somerset Steam Railway Trust ('the Trust'). It covers the three calendar years 2018, 2019 and 2020. It will be rolled forward on an annual basis, for formal adoption at the Trust's AGM each year.

I. The objects and priorities of the Trust

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.

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."

These are broad objectives, and the Trust has three main current areas of activity:

- preserving and displaying heritage items relating to railways and the West Somerset Railway (WSR) in particular, and interpreting and curating all the heritage assets owned by the Trust;
- restoring the heritage carriages owned by the Trust for display and operation on the railway; and
- managing the museums at Bishops Lydeard and Blue Anchor.

The Trust has developed a mission statement for the Gauge Museum to support a revised bid for Heritage Lottery Fund support, which is: "To encourage and engage with visitors through interpretation of the social and economic and physical impact of the railway in Somerset and the West Somerset Railway corridor in particular. To inform and inspire the next generation, particularly through the STEM subjects, the science, technology and engineering of railways and its relevance to maths, as well as history, geography and economics." This mission statement can be applied to all of the Trust's activities.

The Trust's activities on the WSR are carried out in accordance with an agreement with the West Somerset Railway PLC which came into effect on 1 January 2017. This agreement includes sub-leases on the Blue Anchor museum building and the Goods Shed at Bishops Lydeard, and provides assurance about future access by the Trust to the railway both for the restoration of heritage carriages and the operation of restored carriages. In support of this cooperation, the Trust is a member of the WSR Partnership Development Group and its various subgroups, including the WSR Heritage Committee.

The Board of Trustees is chaired by Chris Austin OBE, and currently comprises a total of eight Trustees. Two new Trustees were appointed during 2017.

About 30 volunteers also work regularly on Trust projects, in particular on the restoration of carriages which takes place at Williton and stewarding in the museums. The Trust put a new Volunteer Policy in place in 2016, which was updated in 2017. 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.

Membership of the Trust is open to anyone donating at least £12 a year. There are currently 70 members.

2. Activities in 2017

The main change in Trust activities in 2017 has been taking over management of the Gauge Museum at Bishops Lydeard and integrating the Model Railway and its volunteers within the Trust structure.

Progress on carriage restoration continues, although at a slower pace than anticipated. This reflects both constraints on working at Williton (where 6705 has for most of the year been in the open, rather than under cover), and delays on the part of the external contractor re-upholstering the seats.

The main priorities and achievements during the year were as follows.

Preservation and display of heritage

- Identifying opportunities to acquire new artefacts where relevant;
- Following a targeted appeal, raising sufficient funds to acquire the Minehead Signal Box plate, which it is planned will be displayed at Minehead from 2018;
- Explaining the Trust's work to visitors to Galas and the Steam Rally, including opening sleeping car 9038 and carriage 6705 to visitors;
- Displaying sleeping car 9038 at Minehead during the filming of Antiques Roadshow, with some of the valuations filmed inside the vehicle;
- Developing plans to expand learning opportunities on the WSR in particular in the Trust's museums and heritage carriages; and
- Establishing a new Signal Box Heritage Fund, at the suggestion of a number of signalmen, to acquire heritage items for display in WSR signal boxes.

Heritage carriages

- Progressing restoration work on carriage 6705, which is expected to be complete in early 2018, and in particular engaging an external contractor to re-upholster the seats;
- Sourcing fireboard and completing the flooring with a protective fire-retardant layer, restoration of toilet fittings and internal panelling, luggage racks and pictures;
- Carrying out further protective work on a number of the other heritage carriages to limit further deterioration while funds are raised for their restoration;
- Paintwork repairs to sleeping car 9038 which was last painted 15 years ago;
- Entering into revised agreements with the West Somerset Railway PLC to ensure continued access to facilities at Williton.

Museums

- Opening the Trust's museum at Blue Anchor daily during Galas and on Sundays during the operating season, and also during the visit to the WSR of 'Flying Scotsman' in September 2017;
- As from 1 January 2017, managing the Gauge Museum at Bishops Lydeard, including the model railway (with the activities of the volunteers maintaining, developing and operating the model railway in the Gauge Museum now coming under the aegis of the Trust); refreshing some of the displays, including creating a temporary display relating to 'Flying Scotsman'; and providing stewards during Galas and other peak times to welcome visitors and open the 1897 GWR sleeping car 9038 owned by the Trust;
- Recruiting additional volunteers to enable this expansion of activities and responsibilities;

- Submitting an application to the Heritage Lottery Fund in February 2017 for a grant to develop use of the Gauge Museum in particular through employment of a Learning Officer and through enhancing the visitor experience with additional interactive exhibits and audio-visual displays; although the application was unsuccessful, the Trust has been encouraged by the HLF to submit a revised bid, and is working towards submitting this in Spring 2018.

As the Gauge Museum is not generally manned, visitor numbers are not available, although the number of visitors to the model railway is counted when it is operating. A visitor survey has also been carried out, on a sample basis, during 2017 and the results are being analysed.

Visitor numbers in 2016-17 were as follows:

| | Blue Anchor | Model Railway |
|----------------|-------------|---------------|
| 2016-17 | 2,423 | 12,628 |
| 2015-16 | 2,482 | 13,162 |

The decline in numbers in 2017 can largely be attributed to the reduced number of opening days, given the decision of the WSR not to operate the Spring Steam Gala in March as in previous years.

Trust administration

The Trust has developed and reviewed its policies during the year, including improved documentation of procedures in relation to Restricted Funds. These documents, and minutes of Trust meetings, are published on the Trust website. A new safety policy is under development.

Two member newsletters have been published, and the website is regularly updated with news of Trust activities.

New leaflets have been produced for the Gauge Museum, and a new volunteering and membership leaflet has been developed with the aim of increasing both the number of members (now 70) and volunteers. It is hoped that this leaflet will be included with the PLC AGM mailing in 2018.

Following discussions with Monahans (formerly B J Dixon Walsh), the cost of the independent examination of the Trust's accounts has been reduced significantly, and the Trustees therefore decided not to put this out to tender at present. Although a formal risk register has yet to be developed, this is a priority for 2018.

3. Current financial position

In previous years, the Trust's income has derived almost entirely from membership subscriptions, from other donations for example at Blue Anchor Museum and Galas, and from small-scale retail sales in the Blue Anchor museum. This has been augmented in 2017 with donations made by visitors to the Gauge Museum, and to the Model Railway. This income has been credited to the Museums Fund (which is a Restricted Fund), although the management accounts show figures separately for the three museum activities.

As at 30 September 2017, the balances in Restricted Funds were as follows:

| | |
|-------------------------------------|---------|
| Coach 3639 Restricted Fund | £6,079 |
| Coach 9038 Restricted Fund | £580 |
| Horse Box Restricted Fund | £1,262 |
| Museum Restricted Fund | £19,937 |
| Signal Box Heritage Restricted Fund | £169 |
| | £28,027 |

In addition, the Trust has unrestricted reserves in the General Fund of £28,703.

Income, including recovery of Gift Aid, was nearly £21,000 in the last financial year (ending 30 September 2017). This was a significant increase from the previous year, reflecting two legacies received during the year, and the additional income from donations made at the Gauge Museum and Model Railway. Although current expenditure also increased, reflecting in part the additional costs associated with managing the Gauge Museum, the net income available for capital projects doubled from the previous year to over £13,000.

The Trustees have reviewed the Reserves Policy, and in the light of better understanding of liabilities connected following finalisation of the operating agreement with the PLC agreed that target minimum reserves should remain at £10,000 for the Museum Fund, and £5,000 for the General Fund.

4. Future activities

All the current activities of the Trust will be continued over the period of the business plan.

Particular priorities for 2018 are as follows.

Preservation and display of heritage

Working with the PLC to develop longer term proposals for under-cover storage and display facilities for the Trust's carriages.

Developing proposals for the display of the Minehead Signal Box plate at Minehead.

Developing the Trust's activities in respect of learning about heritage, through the revised HLF bid and other opportunities, in collaboration with both the West Somerset PLC and West Somerset Railway Association.

Heritage carriages

Completing restoration of carriage 6705 and reaching a commercial agreement with the PLC for it to run on the West Somerset Railway. Remaining work includes completion of toilets and guard's van internally, corridor panelling, gangway doors and painting/varnishing. 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.

Starting restoration of Toplight carriage 3639, which the Trustees continue to believe should be the next carriage to be restored. Although delays in completing work on 6705 have meant that little progress has been made in 2017, a detailed plan will be developed for restoration, including an assessment of likely timescales and costs and options for carrying out the work, for presentation at the AGM.

Final work on the Sleeping Car 9038 such as installing the wash basin taps and minor routine maintenance and repair to internal fittings.

With the PLC and the Association, seeking to provide adequate covered accommodation for all the railway's historic carriages including researching the use of redundant historic railway buildings moved from elsewhere in the country.

Review of the safety management of carriage restoration to align with the PLC's Safety Strategy Management System.

Museums

Continuing to refresh and enhance the displays in the Trust museums, for example installing lighting in the sleeping car in the Gauge Museum, and to improve storage facilities at the Gauge Museum, in particular for archives.

Developing use of the Museums by railway and local community groups.

Continuing to open the Blue Anchor Museum on Sundays and during Galas and special events, and increasing the number of stewards in the Gauge Museum to allow opening of the sleeping car on a more regular basis.

Progressing the grant application in respect of the Gauge Museum, with the aim of submitting a revised application in March 2018. This will be for a smaller project than originally anticipated, given HLF funding constraints, with a proposed grant element of £40,000. External consultants (Far Post Design), based near Okehampton, have been engaged to assist with preparation of the bid.

Continuing to engage with the Somerset Museums Development Officer, and with other museums, through the Museums in Somerset network. A decision about seeking accreditation for the Trust's museums will be delayed until the outcome of the revised HLF bid is known, and further progress made in assessing the work required to meet the standards for accreditation.

Trust administration

Continuing to develop Trust policies both for its collections and its administration, including establishing a risk register which will be reviewed regularly and developing evaluation procedures to check the effectiveness of the Trust's work in delivering its objects.

Increasing the number of members and volunteers, to allow expansion of the Trust's activities in particular in respect of learning about heritage.

Maintaining high standards of corporate governance, including increasing the number of Trustees, and expanding the skills base of all volunteers through attendance at appropriate training courses and events.

Continuing to engage with other railway partners, for example through the Partnership Development Group.

Keeping under review the role of the Trust and in particular the continuing case for the Trust and the Association to remain as separate charities. (Any proposal to change the present structure would be discussed with members before any decisions on changes were made.)

The Trustees envisage that the activities described above for 2018 will continue in subsequent years. Priorities for 2019 and 2020 depend crucially on the outcome of the revised HLF bid and progress with the project to provide carriage storage. The financial projections in the next section assume that there is no major expenditure on that project with the period covered by the plan.

5. Risks to delivery

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.

The pace of progress depends critically on the availability of resources, both financial and manpower, including:

- donation income being maintained at least at current levels, and if possible increased, in particular through recruitment of new members and increased donations from Museum visitors;
- the number of volunteers being maintained;
- major development costs being incurred only when resources are available or promised;
- carriage restoration costs or obligations only revealed by progress with restoration of individual vehicles (this should diminish as further experience is gained by the restoration team);

- other unexpected costs being contained, and in particular administration and other running costs being contained broadly at current levels; and
- grants and related expenditure such as acquisition of artefacts for the museums being determined on a basis which matches income.

Other risks considered by the Trustees include:

- effectiveness of systems to ensure compliance with legal requirements, in particular in relation to safety and occupational health; and
- compliance of administration systems with company and charity law requirements.

As indicated above, a formal risk register is being developed for adoption in 2018.

6. Financial projections

The financial projections set out below are based on the following assumptions:

- a modest increase in membership and donation income;
- the grant application in respect of the Gauge Museum being successful, with the associated expenditure (which includes employing one member of staff) spread over 2018-2020, but with capital costs mainly incurred over the winter 2018/19 period ;
- no additional legacies being received in the period;
- completion of work on 6705 and the Sleeping Car in 2018, with some of the initial work on 3639 being contracted out; and
- a modest level of grants to other projects on the railway, including from the new Signal Box Fund.

| | 2018 | 2019 | 2020 |
|--|----------------|----------------|----------------|
| Income | | | |
| Donations, including Gift Aid recovery | £18,000 | £22,000 | £26,000 |
| Grants, legacies etc | £0 | £0 | £0 |
| HLF grants | £20,000 | £10,000 | £10,000 |
| Total income | £38,000 | £32,000 | £36,000 |
| | | | |
| Expenditure | | | |
| 6705 | £3,000 | £500 | £500 |
| Sleeping car 9038 | £500 | £500 | £500 |
| 3639 | £12,500 | £15,000 | £15,000 |
| Carriage insurance and storage | £2,500 | £2,750 | £3,000 |
| Blue Anchor Museum | £2,000 | £2,000 | £2,000 |
| Gauge Museum - routine | £2,000 | £2,000 | £2,000 |
| Gauge Museum - Museum Making project | £30,000 | £15,000 | £15,000 |

| | | | |
|--|----------------|----------------|----------------|
| Model Railway | £1,500 | £1,500 | £1,500 |
| Bid preparation for carriage storage project | £0 | £1,000 | £1,000 |
| Trust administration | £1,000 | £1,000 | £1,000 |
| Grants | £1,000 | £1,000 | £1,000 |
| Total expenditure | £56,000 | £42,250 | £42,500 |
| | | | |
| Closing reserves | £32,000 | £21,750 | £15,250 |

On the basis of these assumptions, the current reserve levels will fall very close 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 legacies, grants or donations.

6. Evaluation and review

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:

- the activities of the Trust are the most appropriate way of delivering its aims, consistent with its charitable objects;
- that projects are delivering the best outcome in terms of those objects; and
- that the allocation of financial and volunteer resource is consistent with this.

Evaluation methodologies will be developed in 2018 to facilitate reporting of delivery against plans in future business plans.