



# West Somerset Railway P.L.C

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## **WEST SOMERSET RAILWAY**

### **CHAIRMAN'S ADDRESS TO AGM HELD 23 JUNE 2018**

I cannot and should not deny that this year has been one of change for your board. This time last year John Irven stood here and addressed you. John resigned and I was temporary chairman until Alan Nicholson was elected at the end of July. Alan contributed a huge amount to the successful Flying Scotsman visit in September, but resigned for other reasons in early December when I was elected as chairman and Frank Courtney as vice chair. You know that Frank left the board in May and I very much regret his departure. I should also name other directors who have left for various reasons during the year. Steve Williams, Chris Bolt, Paul Hancock, Ben Grellier and Ken Davidge. At this AGM both Geoff Evens and Geoff Pateman are standing down to well earned retirements after many years on the board. Neither are leaving us completely and will continue to support the railway. We thank all of those who have left us.

We now need to look again at strengthening the board. There has been some criticism that recent recruitment has not been open to all and that we may not have benefitted from experience in the wider community. We will therefore look to recruit in the future in a more open way that is designed to encourage wider participation than in the past.

The issue that has occupied most of your board's time since December has been budgeting and finances. These are difficult times for many organisations and particularly in our own sector where the spend is discretionary. The leisure pound is being severely constrained and is being spent in a more sparing way. It is a tribute to all our staff that we managed to turn in a small profit on the revenue account of £12000 in 2017. However, that picture is not as positive as it might seem. Steam railways are expensive beasts to maintain, track, infrastructure, locomotives and carriages eat up cash quickly. The £12000 profit goes nowhere when a locomotive boiler may cost £130,000. A bottom end overhaul £100,000. Relaying a stretch of track can cost a six-figure sum and rebuilding a bridge can

be just as expensive. All these things must be done if we are to keep the railway running, infrastructure in particular cannot be ignored. This has meant that our cash reserves are now low. Whilst there is no immediate danger for the company, it would be irresponsible not to look to the future, to trim our costs and to see how best we increase and grow the commercial income side of the business. At our May board meeting we agreed to undertake a review of the management structures. This review is driven by the financial urgencies and aims to reduce the cost of managing the company.

There is no point in sugar coating this, it might mean that we lose some jobs from the business. This is never a comfortable thing to do and if we do this, we will do it in an open and fair way. But I do need to emphasise that unless we reduce our costs and increase our revenue streams, then the future of the railway will be in doubt. None of us want that. We are in the middle of that process now, and you realise I cannot say more until the board have made decisions.

You have all read (I hope) the reports in your AGM paperwork. There is no point in me repeating that. But I must draw your attention to two of the major events of 2017. Firstly, the Antiques Roadshow in May which saw the railway on the TV screens of 6 million people and secondly the visit of Flying Scotsman in September which brought thousands of new passengers to the railway, people who may not have thought of visiting a steam line before.

I have quite correctly been brought to book for omitting from my printed report acknowledgement of the work in winter 2017 on the Williton re-signalling which has brought improved flexibility for train movements - the largest ever undertaken on the WSR on an existing installation, and again in March the major sub-track formation renewal at Minehead which involved complete removal and replacement of the pointwork at the station.

We are a railway that is run by a core of paid staff supplemented by a large brigade of volunteers. Without these volunteers working with the paid staff, the railway would not keep running and we owe all the staff a massive thank you for the work they do. I never cease to be amazed how someone can turn out to volunteer on a wet and rainy day in February to undertake a hard manual job which may require precision and attention to detail to remain safe. Or those who work during unsocial hours or work with little thanks for what they do. May I say on behalf of the board and all shareholders, a heartfelt thank you to all of you. We have not been good at saying thank you in the past, but we wish to change that, and Rodney Greenway is looking at organising an annual barbeque for all staff. I am also pleased to say that having listened to your comments, we have changed the long service awards so that the free pass is now awarded after 10 years rather than 15. This will enable more volunteers to benefit. I also plan to introduce a chairman's special award for those who have made an outstanding contribution and anyone across the railway can nominate a colleague for an award.

This railway is one of disparate groups all working to a common goal. Sometimes it can seem we are pulling in other directions and we have suffered from this in the past. I very firmly believe that we must all work together to

achieve a common aim. This has been termed the 'one railway' principle and is something that is crucially important.

How has that manifested itself? I meet regularly with Paul Whitehouse, the chairman of the Association and we have an open exchange of views. We gave an in-depth briefing to Paul and Chris Austin, chairman of the Trust, on the company finances. We are pleased today that Rodney Greenway has been elected to the PLC board. Rodney is a WSRA trustee and thus we are recreating a link that existed in the past between our two organisations. We have recently signed a longer-term lease with the Association on the use of the Swindon Shed and we have an agreement with the WSSRT on their occupation. Paul Whitehouse and your board have started discussions on how we might once again offer free travel benefits to members of our support organisations, though this is dependent on treasury rules on gift aid. And its not just the WSRA and the WSSRT. We have recently extended the lease for Washford with the Somerset and Dorset Railway Trust and soon we must do similar with the DEPG.

The WSRA are heading the bid for Hinkley Point C Cohesion Fund grants for the whole railway and we have discussed with the WSRA other areas where we need their support. We are looking for an agreed programme of commitment to begin again the support the railway needs to survive.

So what of the future? Clearly we must strengthen the railway finances and manage our costs as I outlined earlier and work on delivering the commercial programme. Your board is committed to maintaining the railway's sustainability and growing the business. Innovation in marketing and ticket pricing and seeking to maximise the benefits from our special events will help us do that. We are a heritage line and we must enhance and maintain the experience for our visitors so that we can all enjoy the best heritage railway on the country.

Thank you

Ian Coleby

23 June 2018