



West Somerset Railway P.L.C

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Engagement between West Somerset Railway PLC and West Somerset Railway Association

The Board of the West Somerset Railway PLC, which met on 23 May, discussed a number of issues relating to engagement between itself and the West Somerset Railway Association. In particular, the PLC Board considered an invitation from the Chairman of the Association to nominate a director to be co-opted onto the Association's Board.

The PLC Board has responded to the Chairman of the WSRA indicating that it will not be taking up that invitation. Reflecting serious concerns about the governance of the Association, the Board considered that doing so would be taken as demonstrating support for the position of the current Trustees. Given outstanding commercial issues between the companies, the Board also felt that there would be a serious conflict of interest for a PLC director sitting on the WSRA Board.

The PLC Board has also indicated to the WSRA Chairman that it would not be appropriate for it to engage formally with the WSRA Trustees until the WSRA has resolved current internal issues with its membership, and demonstrated to the satisfaction of its members how these issues are to be addressed and a new way forward defined and agreed.

The Board believes it is important for the PLC, its employees and volunteers, and all the other groups operating on the Railway, to see that constructive and positive action is being taken by the Association's Trustees for the benefit of the Railway as a whole. It is not for the PLC to interfere in internal WSRA matters. But we do need to bear in mind that we are all only custodians of the Railway during our period of involvement, and that decisions and actions taken should not be detrimental to those who came before us and for those that will follow us.

The PLC Board has also indicated to the WSRA the position it is taking on outstanding commercial issues, following the receipt of proposals from the Intermediaries Group in respect of that part of the Williton site occupied by West Somerset Restorations, stone trains to the Norton site, and the management of facilities at Bishops Lydeard.

The Board has decided that the licence given to the WSRA for its subsidiary, WSRA (Promotions) Ltd, to occupy the Swindon Shed at Williton will not be renewed when it expires in May 2016. The use of the site after that date, including any potential WSRA activities, will now be considered as a matter

of urgency by the Williton Site Development Group, which includes representatives the Association and of all the other main railway interest groups and the relevant local authorities,

In respect of stone trains, delivering spent ballast to the Association's Norton site for recycling, the PLC considers that an increase in the income it receives is needed to make the operation viable, particularly given the much lower volumes now being delivered by Network Rail. WSRA (Promotions) Ltd has not so far agreed to increase payments to the PLC, in large part because it has failed to make any provision in the past for site restoration costs at the end of the contract. The PLC is investigating whether the viability of the operation can be improved. If this cannot be achieved, it will be considering termination of the arrangement with Network Rail.

The Board does not propose any short term changes to the current arrangements at Bishops Lydeard provided the WSRA engage in developing and implementing short term plans for the management of the site, to improve its attractiveness as the main gateway to the railway for the majority of visitors. This may well involve changes in current management and commercial arrangements, and will also take account of the potential termination of the lease of Brunel House. The PLC will be setting up as a matter of urgency a 'users group' to undertake this task.

The Board believes that it has a duty to all our stakeholders to get the best use of the assets which we lease from the County Council, so that we can continue to operate a successful heritage railway which is one of the major tourist attractions in Somerset. Given the pressures on covered accommodation on the railway, we do not believe that extending the licence which the WSRA has to occupy the Swindon Shed at Williton beyond its current term can be justified without proper consideration of all the possible alternative uses.

The Board are particularly grateful to the Intermediaries Group - Frank Courtney, Michael Rowe and Tim Stanger - for the time they have put into trying to help the PLC and Association reach agreement on outstanding commercial issues. Their input was especially helpful in establishing the basis for the current three-year agreement for the Quantock Belle service to operate on the railway.

Geoff Pateman

Director and Company Secretary
On behalf of the PLC Board