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EC Funds

"Partnership, Planning and Perserverance - East Lancashire Railway"

ENGLISH COPY

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OF MUSEUM & TOURIST RAILWAYS
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FEDECRAIL 1996 CONFERENCE

THE EAST LANCASHIRE PRESERVED RAILWAY
A CASE STUDY
IN ATTRACTING EUROPEAN STRUCTURAL FUNDING

[Case study written by Howard Aitken B.Sc (Hons) MRTPI who is employed as a Principal Planning Officer (Implementation) with the Development Services Department of Bury Metropolitan Borough Council. He has been involved in the ELR Trust's activities since 1985]

Introduction

This case study is based on my experiences in trying to identify suitable funding sources to develop the East Lancashire Railway project. The search for funding led me to the European Union's (EU) Structural Funds. I am no expert in the field of European policy or on the subject of European funding but it is useful in understanding this case study to first briefly outline the philosophy behind European Regional Development policy and in particular the objectives of the EU's structural funds.

The European Union's policy agenda over the last few years can be simply stated as:-

- the creation of a Single European Market with the removal of trade barriers between its Member States and the adoption of common European standards.
- the move towards monetary union within the Single Market through the adoption of a single European currency.
- agreement by the Member States to abide by a European Social Charter.
- the gradual *convergence* of the disparate Member State economics.

It is against this policy agenda that the European Union spends its own budget. In 1994 this amounted to 73 billion ECU. Represented 1.2% of Member States GDP or 195 ECU per EU citizen.

The Common Agricultural Policy was the earliest spending policy to develop and still accounts for over 50% of the EC's budget. The next major area of EU spending is its Structural Funds, whose primary aim is to encourage balanced economic and social development across the regions and Member States.

THE EUROPEAN UNION AND THE DEVELOPMENT OF ITS REGIONS

The Basic Philosophy

Within the context of establishing the Single Market the underlying philosophy is that the diversity of the European Union is embodied in its regions. In viewing the *Regions* as the basic European geographical unit a central aim has been for the European Union to implement a Regional Development Policy that:-

> "encourages the *harmonious* development of the regions by reducing the disparities between the economically strong and the less advanced".

One major way the EU tries to achieve this is by spending its own budget through what is known as its *structural funds*. The three structural funds taken together made up 20 billion ECU in 1993, 27% of the EU budget.

These comprise of:-

- the European Regional Development Fund (ERDF) which helps the less advanced regions of the European Union compete on equal terms.
- the European Social Fund (ESF) which provides for vocational training and job creation projects.
- the Guidance section of the European Agricultural Guidance and Guarantee Fund (EAGGF) which helps to improve the structures in the agricultural sector and rural areas that are lagging behind the EU average.

The Structural Funds Objectives

The European Union's structural funds are spent in accordance with certain objectives and are designed to meet the following tasks.

Objective 1: Promote the development and structural adjustment of the regions whose development is lagging behind.

Objective 2: Convert the regions, frontier regions or parts of regions seriously affected by industrial decline.

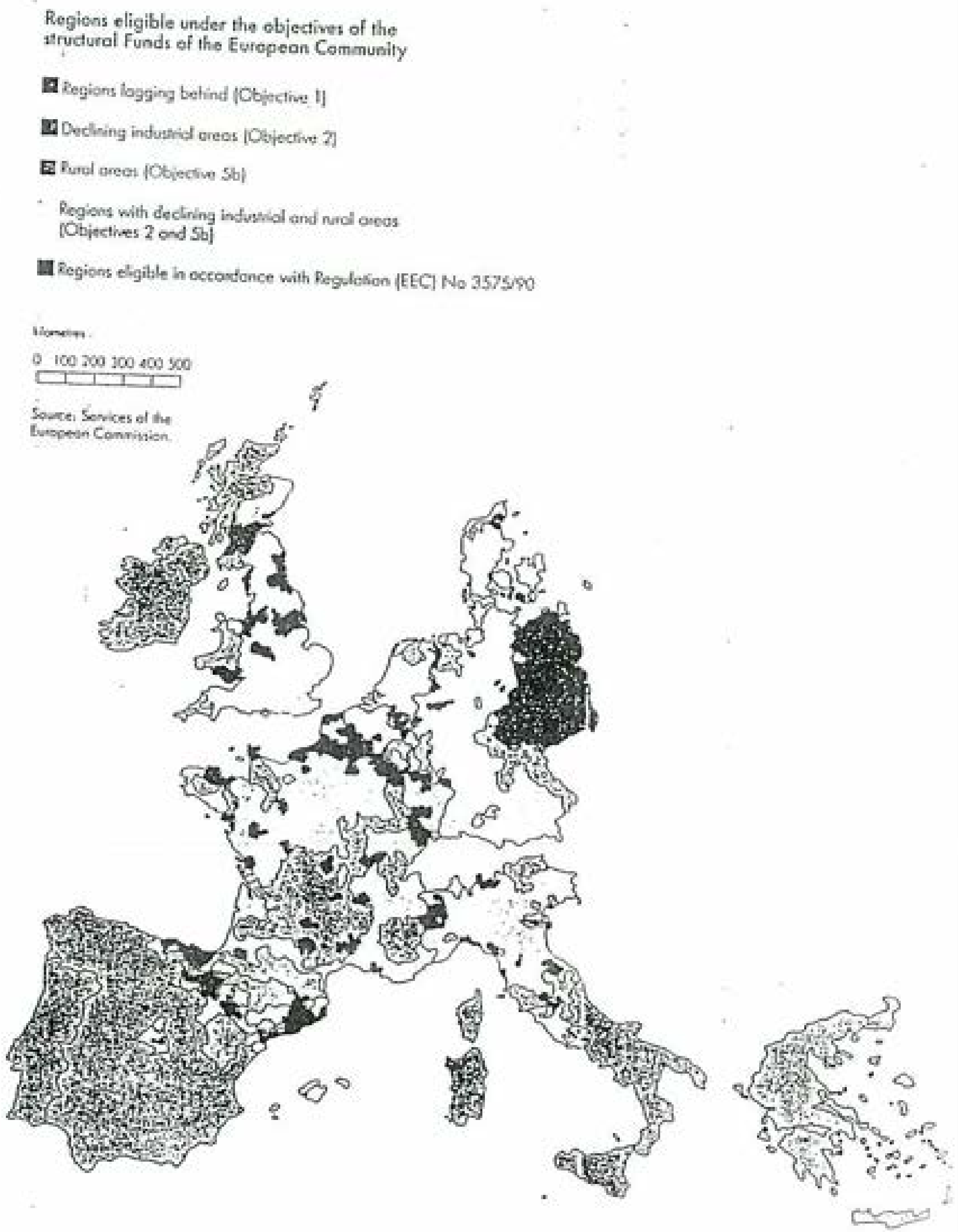
Objective 3: Combat long-term unemployment and facilitate the integration into working life of young people and those socially excluded from the labour market.

Objective 4: Facilitate the adaption of workers to industrials changes and tc changes in production systems.

Objective 5: Promote rural development by:

a) Speeding up the adjustment of agricultural structures in the framework of the Common Agricultural Policy (including fisheries).

b) Facilitate the structural adjustment of rural areas.



The Structural Funds Budget and Single Programme Documents

As its priority ranking suggests by far the greatest amount of the EU's structural funds budget goes to meet Objective 1. However, substantial amounts are also allocated to meet the other objectives. Usually this is done through a process of identifying the eligible regions, or more common parts of regions, based on unemployment rates and similar key economic criteria.

The eligible areas are then able to bid for funding within the context of a *framework of action* or plan. The plan is known as the Single Programme Document which defines fairly closely the categories of project eligible for European Union funding. These are largely related to economic development, including tourism development, technology, training and in defined areas community economic schemes.

Various organisations can bid for funding, but in practice public sector bodies, often with a *partnership* element win the majority of funding. This funding is usually available for a three year period after which a review of the Plan takes place.

Additionality: A Key Concept

The concept of *additionality* is central to all EU funding. Put simply the EU will not allow its funding to be used as a substitute for national or other public sector funds or to fund projects that would have happened anyway. Over a number of years the UK Government sought to use European funding as a substitute for its own mainstream programmes, including those delivered by local authorities. Prior to the current round of structural funds beginning in 1994 the EU made it clear that this practice was not acceptable and the principle of additionality was reinforced. Projects must now be approved in advance of expenditure being incurred and it is no longer possible to use EU funding to reduce its own mainstream expenditure.

Now that the European background has been outlined we can turn our interest directly to the East Lancashire Railway project, beginning with its European regional context.

THE EAST LANCASHIRE RAILWAY'S EUROPEAN CONTEXT

The East Lancashire Railway is located within the North West Region of England. It lies within the Northern Sector of the Greater Manchester Conurbation and the S.E. Sector of the County of Lancashire. The project straddles three local authority administrative boundaries - Bury Metropolitan Borough and Rochdale Metropolitan Borough (both all-purpose Unitary District Councils) and Rossendale Borough (a 2nd tier District within Lancashire County).

The whole of the area has enjoyed Objective 2 status within various European regional aid structural Programmes since the mid 1980s and has also held Intermediate Development Area and Derelict Land Clearance status within U.K. grant regimes over the same period.

In the period up to April 1986 Greater Manchester had a two tier local government structure with the County Council having a strategic overview particularly on matters such as planning and transportation with the ten County Districts providing more local services. In 1986 the ten districts became all-purpose authorities with countywide issues becoming a focus for

partnership arrangements or reliant on co-ordination through the Regional (non-elected) Government Office based in Manchester City Centre. More recently the office has assumed an "integrated" status with the intention of co-ordinating and implementing Government policy more effectively within the N.W. Region. (GONW)

The European framework document applicable to the East Lancashire Railway from the mid 1980's to 1993 was The Mersey Basin (ERDF) Programme. The current Programme covers most of Greater Manchester and adjacent parts of Lancashire and Cheshire (GMLC).

The GMLC Programme runs from 1994 to 1999 with a review in 1996.

The region's dominant socio-geographical feature is the estuary of the River Mersey. Physically the North West is the smallest region of the UK with a total area of 7,343 square kilometres. It is also the UK's most densely populated region with an average 835 people per square kilometre.

Traditional areas of economic activity in the region have been in decline for some years. It is to address this problem that large areas of the North West have been included as EU Objective 2 areas.

The Scale of Funding

To give some idea of the scale of finance available to Objective 2 eligible areas approximately 167m ECU is available for the current GMLC Programme. 141m ECU for ERDF (infrastructure) projects and 26mECU for ESF (training) Projects.

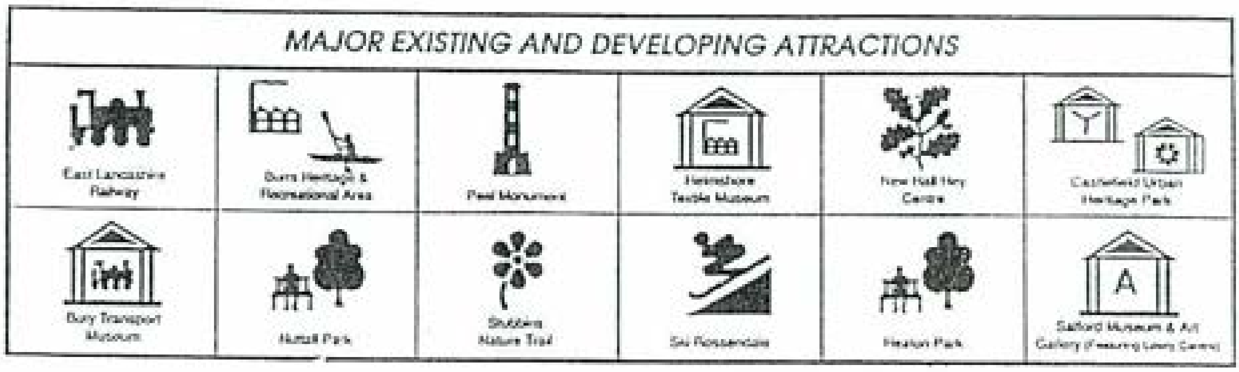
The maximum grant rates available are ERDF 50% and ESF 45%. There is a principle of agreeing the *minimum* necessary to secure the total project cost investment which aligns closely with the additionality concept.

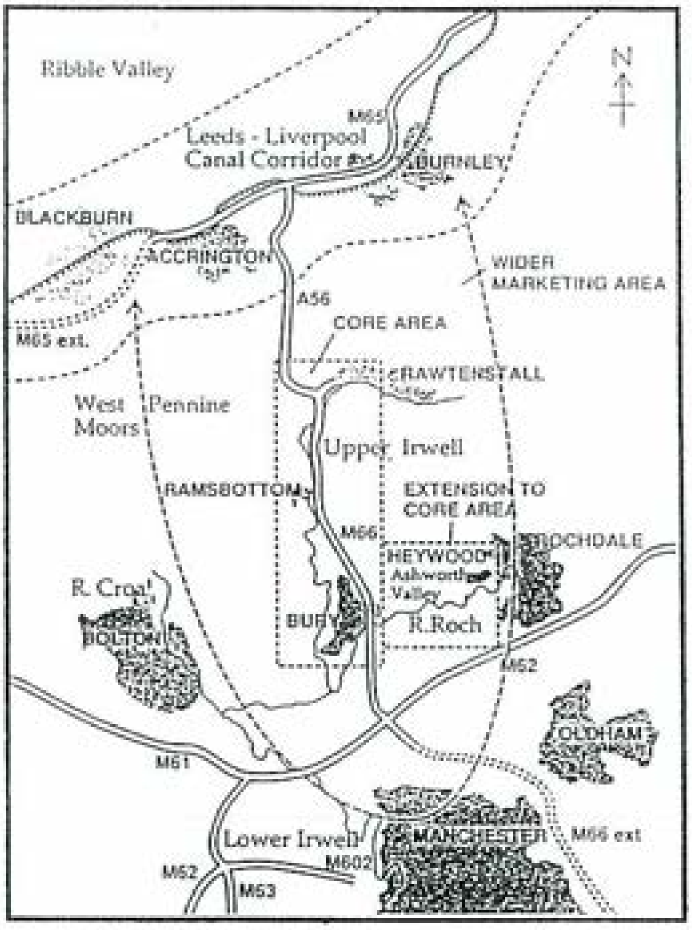
The Local Strategy - The Greater Manchester "River Valley" Plans

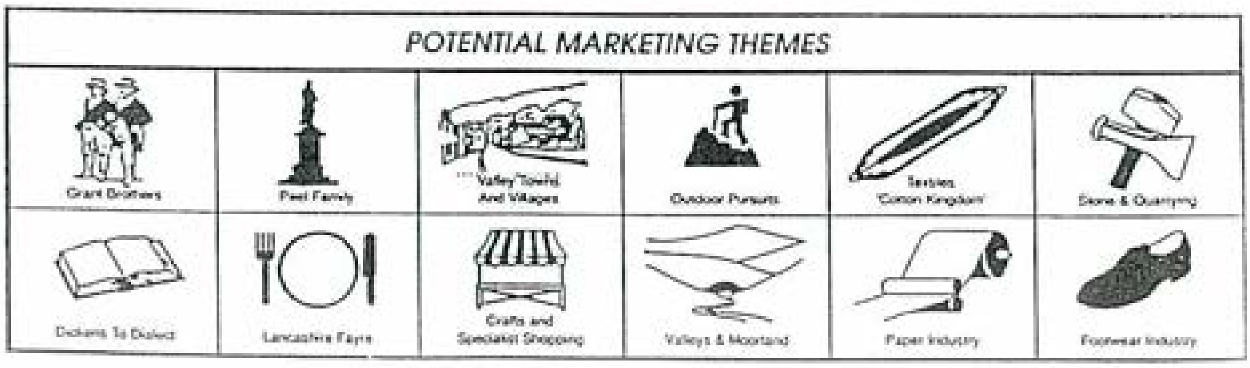
The Irwell Valley (Regeneration) Strategy, which has been the local context for developing the ELR project, had its roots in the Greater Manchester County Council's initiative of the 1970's to develop the environmental and recreational potential of the various valleys that make up the upper catchment area of the Mersey Basin. The River Mersey runs through the heartland of the Manchester-Liverpool industrial belt and the River Irwell in turn is a major tributary of the River Mersey.

The valley of the River Irwell was one of the worlds first and most industrialised river valleys, being at the centre of the early Lancashire textile and paper making industries. Like much of industrialised Lancashire, the structural changes of the 1960's caused major economic problems and towns competed to attract new industries to maintain their economic base. The relative isolation of the Upper Irwell Valley however hindered the attraction of new industries and by the 1970's there was an urgent need to stimulate the economic regeneration of the area.

THE IRWELL VALLEY STRATEGY







The River Valley plans of Greater Manchester highlighted the high levels of industrial dereliction and despoiled land. They also identified however, their ease of accessibility to a large number of people and the many voluntary sector groups interested in their improvement. Consequently, the River Valley Plans actively pursued the reclamation of derelict/despoiled land in order to extend informal recreational opportunity and bring about environmental improvement.

Within the Irwell Valley, the largest of the river valleys within Greater Manchester, the closure of the British Rail Bury-Rawtenstall line and its conversion to a preserved tourist railway was initially seen as a recreational opportunity. However, by the mid 1980's its full economic potential was realised. It had become clear that the re-opening of the ELR as a quality ride-based attraction had the potential to act as a catalyst in promoting a wide ranging strategy to:-

- encourage economic and environmental regeneration;
- encourage a climate for individual (project based) enterprise and initiative;
- establish a working partnership between the voluntary, private and public sectors;
- offer a value for money strategy to the various funding sources.

From the outset the re-opening of the Bury-Rawtenstall line required a joint approach in the search for project funding. The Irwell Valley Strategy provided the overarching context. The railway was identified as the lead project in implementing the strategy. The Local Authorities working with the East Lancashire Light Railway (Operating) Company formed a Trust partnership in 1984. The trust structure takes the form of a company limited by guarantee. Each party represented on the Trust nominates three directors to its Board of Management.

Benefits of the Strategy

Today there is considerable evidence in the valley that the strategy is achieving its primary aims and that the community based approach adopted for the strategy's implementation is making a lasting impact on the valley's fortunes.

The Irwell Valley Strategy's immediate area of influence is in excess of 500 square kilometres (see map). Within it substantial investment and regeneration has taken place. The key outputs being:-

- 66 hectares of derelict railway land reclaimed.
- over 60 hectares of related valleywide derelict land brought back into use.
- over 100 valley strategy projects completed at an estimated cost in excess of 18m ECU generating 300 construction jobs.

- the generation of 1.5m ECU valley spend per annum creating an estimated 234 full time and part time jobs (170 full-time equivalent).
- the establishing of 6 "improvement" areas centred around the station areas at Bury, Summerseat, Ramsbottom, Irwell Vale, Rawtenstall and more recently Heywood.
- the formation of active trade, voluntary sector and community groups to promote the Irwell Valley.
- a fundamental change cf *image* in how people view the Irwell Valley as a visitor destination and as a place to live and work.

THE EAST LANCASHIRE RAILWAY STORY

The story of the growth and development of the ELR falls broadly into three stages:-

- formation of a local railway society and the long wait.
- formation of the wider partnership and preparing for action.
- implementation, opportunism and innovation.

1968-1980, The Early Years - Many of the established big league preserved railways in Britain started to develop in the 1960's. The ELR had the frustration of having to wait until 1980 before a significant length of line became available. Throughout this period the railway's volunteers were restricted to a small museum based attraction within Bury town centre.

1980-1986, Preparing for Action - With the real possibility of a 13 kilometre length of line becoming available came the realisation that the ELR needed project partners to develop the railway. It was this phase that saw the trust framework established, the Irwell Valley Strategy agreed and the primary development funding source identified.

1986 - Present, Developing the Railway - With the initial funding in place, through derelict land grant, to acquire and restore the basic structure the ELR could at long last concern itself with developing the railway. However, it quickly became apparent that to achieve its ambitious aims, within a realistic timescale, it needed further, substantial funding. Co-incidently, at this time European regional aid policy was developing beyond merely supporting local road programmes and other relatively crude measures to stimulate economic regeneration and the ELR was seemingly well placed to take advantage of the opportunity. Appendix 1 gives the full ELR project history. The key dates are a useful background in understanding how external events have influenced the project's growth. It also shows how the project's bold vision has helped steer the project through many of the external events and adapt to changed circumstances when required to do so.

THE ELR'S EUROPEAN DIMENSION

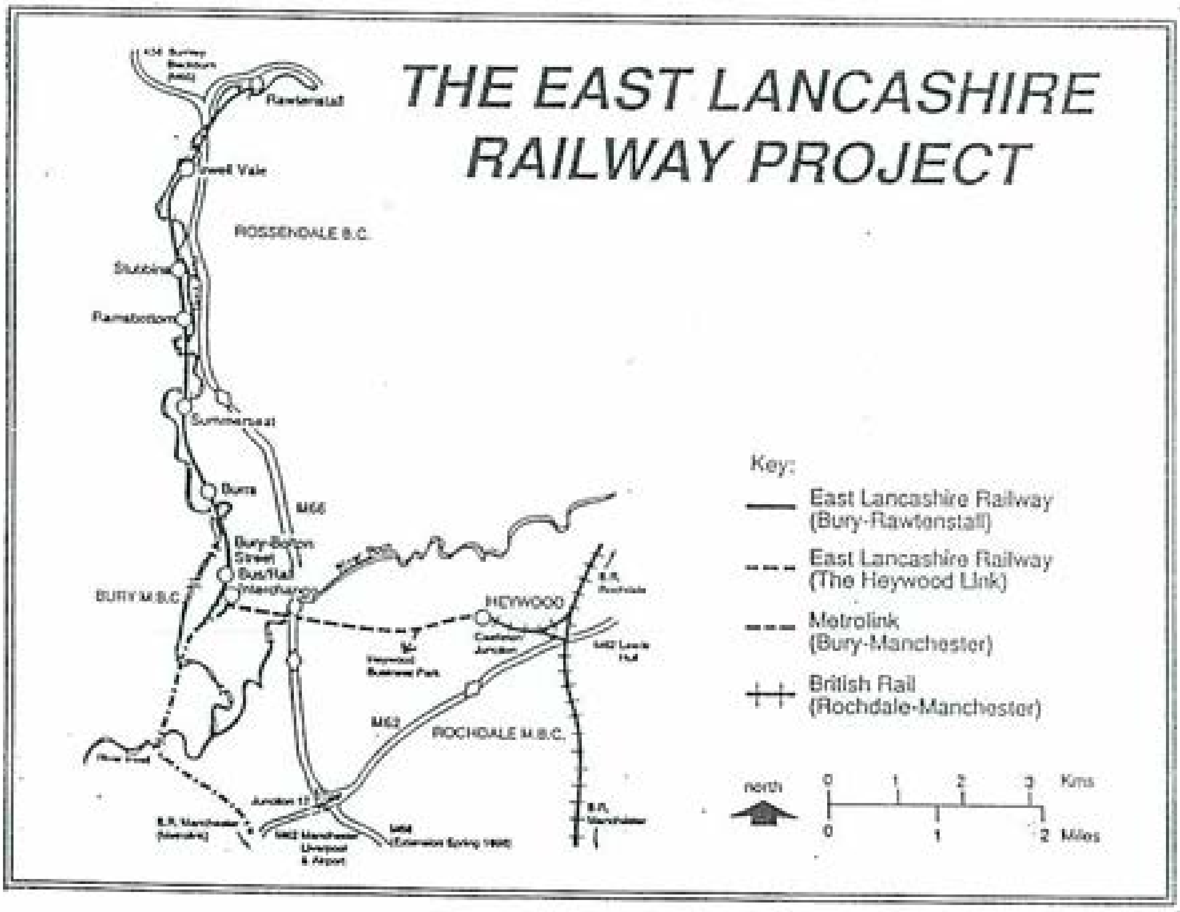
Just as the East Lancashire Railway's history since its rebirth in 1968 falls broadly into three stages, so does its "European period". Appendix 2 tries to illustrate, by tracing European funding applications made on behalf of the ELR project, how these three European stages can be classified. Briefly they are:-

Stage 1 (1987-1989)	-	the writing of the strategic overview bidding document (the ELR Mersey Basin - ERDF - application report) and the early modest grant successes.
Stage 2 (1989-1993)	-	the search for better funding integration to develop the project.

Stage 3 (1993-1996)	-	major revisions in European/National funding and programme arrangements.

Throughout these three stages, however, the East Lancashire Railway project has been greatly affected by how the three principal "policy making" bodies influencing the railway's development have interfaced over time. The three bodies operating at differing levels of government and their key influence being:-

- European level - the European Commission's evolving regional aid policy
- National level - fluctuating U.K. Government policy priorities
- Local level - the ELR Trust's position straddling local authority and voluntary sector interests.



The East Lancashire Railway ERDF Applications

Stage 1 (1987-1989) : The ELR Mersey Basin (ERDF) Application Report

From the mid 1980's there was a growing determination that European regional aid structural programmes should be broader based. Both in terms of encouraging the type of project that could trigger regeneration and in the range of potential applicants or partnerships promoting a project. In the North West of England at this time the "Mersey Belt" was covered by three Objective 2 Programmes, Integrated (ERDF/ESF) Programmes covering both of the principal cities of Manchester and Liverpool and a geographical diverse ERDF Programme covering the remainder of the eligible Mersey Basin Area.

In being aware of the "*expanding*" European opportunities the ELR was well placed to convert its recently approved Irwell Valley Strategy into a bidding application for European funding to supplement the derelict land grant it had already secured.

To do this the ELR Trust took the recommendations of the consultants reporting on the Irwell Valley Strategy and demonstrated how the Strategy would meet the objectives of the Mersey Basin (ERDF) Programme

A major part of the ELR's European application report was an economic benefits section. This showed the projects ability to act as a catalyst for Valley-wide improvements if given the required level of financial support identified in the report. The level of support was based on a target figure of attracting 150,000 visitors/annum by year 6 of implementing the development strategy.

At this stage the ELR was promoted as a voluntary sector project. Its railway membership was exclusively from that sector and its roots were firmly based in its Valley community.

In taking this decision, however, the early ELR Trust European approvals were constrained by the amount of grant available. For, at this time, European grant coming into UK Programmes was treated by the UK Government as *potential* public expenditure. As such the UK Treasury placed a "*de minimis*" regulation on the amount of public sector *leakage* it would allow to flow out into supporting voluntary sector projects. Nationally the amount the UK Treasury would allow was small when compared to the total UK Objective 2 budget. The amount then had to be shared amongst all the UK approved Objective 2 Programmes.

The "de minimus" regulation was a major disappointment to the ELR Trust. European grant awarded directly to the Trust, in this period, was modest totalling 61,000 ECU. It helped to finance signalling, platform, workshop and station building works and covered the period up to 1989.

Despite its problems the early bidding stage was good for moral and in establishing a public profile.

Stage 2 (1989-1993): The Search for Better ELR Trust Funding Integration

This stage was characterised by the ELR Trust's ability to exploit its dual local authority/voluntary sector status. The way this was achieved was by first Rossendale BC and then Bury MBC *adopting* significant elements of the ELR Trust's Development Programme. The adopted local authority (ELR) projects were classed as public expenditure and as such circumvented the UK Treasury's "de minimis" regulation. As a result the ELR Trusts's Development Programme was stepped up but at the cost of both local authorities having to forgo supporting other potential ERDF projects of their own.

However, in composing ERDF applications at this time the UK Treasury would not allow derelict land grant awarded to the ELR, on outstanding contracts, to be part of the *eligible* project cost. If it had the effect would have been to further accelerate ELR development activity by financing *additional* works. As it was the ELR Trust in its ERDF applications could only indicate derelict land grant as supporting ineligible expenditure. All of the *matching* ERDF funding had to be found entirely by ELR Trust partnership.

A Summary of Stages 1 and 2

Stages 1 and 2 of the project's European involvement were largely contained within the Mersey Basin (ERDF) Programmes. As these Programmes had a strong river based geographical focus they closely aligned with the earlier more local Greater Manchester River Valley Plans which had provided the original inspiration to develop the Irwell Valley Strategy.

The river focus of The Mersey Basin (ERDF) Programmes also provided a balance between encouraging environmental and economic objectives. In this the ELR's Irwell Valley Strategy had a clear position from which it could demonstrate its credentials as a potent regenerative agent and during this period the ELR and its local authority partners:-

- substantially rebuilt two of its principal stations at Ramsbottom and Rawtenstall.
- created a new countryside halt at Irwell Vale.
- established engineering workshop facilities at Buckley Wells.
- restored much of its coaching stock.
- bridged the new Metrolink Light Rapid Transit tramway.
- made a start on improving facilities at its Bolton Street Station Headquarters.
- carried out riverside improvements at the New Hall Hey Groundwork Countryside Centre, Ramsbottom and Summerseat Station areas and at the Burrs Country Park.

The introduction of greater Manchester's "*Metrolink*" tramway system in particular presented a major threat to the ELR's future development by severing its existing mainline connection. Access to European funding at this time proved crucial to finding a solution to this problem and in doing so also brought into the ELR Trust another local partner, Rochdale MBC.

The Metrolink problem was solved by acquiring an additional length of *connecting* derelict railway line to link up again with the national railway network at Castleton Junction. The *Heywood Link*, as it has become known, also brought with it:-

- the need to fund and develop 5 kilometres of additional preserved railway and,
- the opportunity to consider the ELR's freight potential at some stage in the future.

Stage 3 (1993-1996): Major Funding and Programme Revisions

The ELR's third Euro-stage brings the project up to 1996. It has been characterised by many major changes:-

- in 1993 the long running battle between the European Commission and the UK Government to settle the "*additionality issue*" was finally resolved. Coming in the final year of the Mersey Basin Programme, it brought an immediate return to the ELR for it had the effect of allowing the level of European grant awarded to the project to be no longer constrained by the UK Government's public expenditure credit restrictions. Previously ERDF grant awarded did not bring with it the full credit cover on the grant element. Now it did. This meant that local authorities were no longer *penalised* for promoting ERDF projects.

- the new additionality arrangements also allowed the ELR Trust to consider utilising outstanding derelict land grant for contracts not yet started to lever additional European funded development activity. This could now be done by including derelict land works as an integral part of a proposed ELR European application, having the effect of reducing the need for the Trust to raise the same level of matching funding and so accelerating its development timetable.

- voluntary sector projects were finally recognised as true agents for local regeneration by the lifting of the UK Treasury's de minimis regulation. With the relaxation the ELR Trust could once again consider application in its own name.

- the end of the Mersey Basin (ERDF) Programmes saw Merseyside achieve Objective 1 status and the remaining old Objective 2 area became one new Objective 2 Programme - Greater Manchester, Lancashire and Cheshire (GMLC). At the same time, within the NW Region responsibility for the Derelict Land Programme transferred from the Department of the Environment to a new organisation, English Partnerships. These changes brought mixed futures for the ELR:-

- much of the acquired knowledge of the ELR's steady growth, future aspirations and general case history was lost in the general shake up in Programmes and Government restructuring.

- the new GMLC Programme quickly emerged as having a much keener economic focus than the more balanced environmental/economic Mersey Basin Programmes (see appendix 4).

- the scoring system devised to select European funded projects within the GMLC Programme tended to penalise voluntary sector projects where direct job creation is low but indirect (multiplier) job creation can be substantial and where opportunities to lever direct private sector finance into the project are limited or inappropriate (see appendix 5).

The two areas where the ELR has met with success under the new GMLC Programme has been where it has been able to compose applications seeking to meet the new selection criteria viz. meeting business expansion objectives within tourism and engineering aspects of the ELR's Business Plan and in seeking a private sector partner to develop freight depot facilities on the Heywood Link section of the ELR.

CONCLUDING REMARKS

With a particular view to its European Dimension what conclusions can be drawn from the ELR's experiences.

- When the ELR first started to look to Europe as a possible funding source it was operating on less than 1 kilometre of track and had one decrepit station building but it did have, even at that stage, a vision of where it wanted to be both for the railway itself and in relationship to its strategic context.

- In this alone I would venture to claim that the ELR deserves its European success. In many respects it has also anticipated much of what has now become established European policy in judging the value of applications for funding.

- European funding has contributed 25% of total expenditure to date on the ELR project (see appendix 3). Primarily this has been directed into developing areas of the railway that has established a quality of tourism product that would not otherwise have been achieved. I would also claim that European money has been well spent in clearly triggering linked Valleywide investment on a substantial scale and over a considerable period of time. In this it has fully met the additionality test.

- The ELR had the good sense to establish a "working" partnership at an early stage. The hybrid composition of this Trust Partnership has allowed each partner to play to their individual strengths and more than once this has proved critical in solving problems the project faced and in handling volatile government policy changes affecting the project.

- Finally, and as it should be, involvement with the various European Regional Development Programmes has been for the ELR a collective mind stretching exercise. The ELR has constantly had to reassess its objectives. Strive to integrate its development into the wider Irwell Valley Strategy frame and to demonstrate its effectiveness.

  This process, has disciplined the ELR's thinking and driven the project forward.

APPENDIX 1

ELR PROJECT SUMMARY - KEY DATES

1968 - A handful of volunteers (Helmshore based).
East Lancashire Railway Preservation Society (ELRPS)

1972 - Move to Bury (Museum based at Castlecroft Goods Warehouse).

\- Bury-Rawtenstall passenger service ends.
Coal traffic (Heywood-Rawtenstall) continues until 1980.

1980 - Bolton St Station (Bury) closes and new Bus-Rail Interchange opens.

For the first time a complete section of lane is available to the ELR volunteers for preservation. Bury and Rossendale Councils can now add 40 hectares of abandoned railway to their derelict land total.

(Close fit between the ELR enthusiasts aspirations and emerging local authority (LA) recreation/tourism policy).

1981 - Railway volunteers formed into the East Lancashire Light Railway Company (ELLR) and approach their Local Authorities for support - the fledging partnership is established.

GMCC (Bury MBC) Rossendale BC ELLR Company

ELR Trust Company

1982-85 - The Trust Partnership cuts its teeth.

<u>1982</u> - Joint ELLR Co/LA "Pheonix Special" Initiative to raise community profile of project.

<u>1984</u> - Formation of ELR Trust Company, Board of Management, and support Working Groups.

<u>1984</u> - Derelict Land Grant (DLG) secured for acquisition of Bury-Rawtenstall line £435K of which £325K commuted sum for long term maintenance liabilities.

<u>1985</u> - L & R Consultants commissioned to carry out Validation Study - recommend ELR lead a Valleywide Regeneration Strategy.

1986	-	Major Victories:	DLG Works secured (after initial uncertainties) £800K.
			Light Railway Order.
			Greater Manchester County Council (GMCC) abolition grant awarded £250K for none DLG development expenditure.
			Works Programme commences including Manpower Services Commission (MSC) Community Programme training elements.
1986-87	-	The Trust Partnership develops the early advice and the Irwell Valley Strategy begins.	
	-	First Stage opening to Ramsbottom 35,000 visitors August-December 1986.	
	-	North West Tourist Board commissioned to prepare a 'Marketing Framework for the ELR".	
	-	Related Irwell Valley Corridor projects identified (firm basis for community networking).	
1988	-	The impact of the proposed Metrolink LRT is realised - the ELR (Heywood Link) Extension project is born.	
	-	Presentation of ELR project to the Mersey Basin (Voluntary Sector) Campaign Chairman for ERDF funding to develop the Bury - Rawtenstall line.	
1989	-	Handover of Irwell Vale Halt by Lancashire CC.	
	-	1st Heywood Link DLG application refused.	
	-	NW Euro Election Campaign visit (Bruce Millan European Commissioner/Barbara Castle former Labour Party MP/MEP) - ELR project description lobbying report prepared.	
	-	UK Government announces "green" DLG policy changes - more promising outlook.	
	-	Submission of second Heywood Link DLG application including justification report "Assessment of Local Economic and Environmental Benefits resulting from the ELR project" and Engineering Feasibility Report.	

1990	-	2nd Stage opening to Rawtenstall.
	-	Rawtenstall Station building English Tourist Board Section 4 application falls victim of grant assistance suspension new funding route required.
1991	-	Rochdale MBC joins ELR Trust.
	-	Acquisition of Bury-Heywood line (26 hectares) £311K of which £108K commuted sum for long term maintenance liability works.
	-	August/September close down of Bury-Manchester BR line for conversion to Metrolink LRT (only affordable programme slot to bridge Metrolink to secure Heywood Link's future).
	-	1st ERDF approvals restricted to £50K because of Treasury de minimis regulation on Charitable Trusts.
	-	Rossendale BC agree to "adopt" Rawtenstall Station project by providing credit cover on ERDF £125K grant award element.
1992	-	In principle Heywood Link DLG works approval £1.5M ceiling with a related ERDF application for £600K (Bury and Rochdale MBC's agreed to provide credit cover plus some matched funding).
1993	-	After concerted Euro - Association of Metropolitan Authorities (AMA) pressure U.K. Government capitulates on "additionality issue" closely followed by lifting of de minimis regulation. Both events provide greater scope to assemble added value ERDF/DLG/ELR Trust grants packages.
	-	ELLR Company campaign to list former Buckley Wells BR carriage shed which is to be vacated when new Queens Road (Metrolink) Depot fully operational.
	-	Following successful Grade II listing acquisition of 3716m² shed and adjoining 7.6ha site utilising Bury MBC retained DLG grant combined with ERDF grant, ELLR host major Steam Festival throughout August.
1994	-	Completion of Pilsworth Bridge contract allows reconnection of ELR with the mainline via Castleton Junction on the Heywood Link. "Duke of Gloucester" provides the ELR with a late (first) Christmas present in February.
	-	Handover of Government's DLG Programme to English Partnerships with spectre of uncertainty surrounding outstanding works on Heywood Link.

1995 - Present

- Continued development through a 5 year ELR Trust Rolling Programme Development Plan including preparation of ELLR Company Business Plan.

- 1st step in establishing the Buckley Wells site as a centre of engineering excellence with Ian Riley Engineering the ELR's Chief Mechanical Engineer being passed out as a Fitness to Run Examiner of Steam Locomotives.

- Introduction of "shuttle service" operating between Bolton St Station and Buckley Wells on selected "event" weekends.

- Identification of first potential ELR national lottery applications and project group formation. Commencement of preparatory work on Buckley Wells and Castlecroft Museum Development Plans - a possible case for further consultancy advice/demand study to unlock required funding.

- 1st visit by English Partnerships to view their inherited project.

FUTURE TARGETS

- Light Railway Order for extension of tourist traffic on to Heywood Link Section.

- Excursion traffic potential on/off ELR.

- Keep ELR freight potential alive particularly on Heywood Link section.

- Potential to integrate ELR tourist line with successful Metrolink LRT system centred around development of proposed Metrolink (Bury South) Park and Ride Station immediately adjacent ELR Buckley Wells site and further scope for integrating established Irwell Valley Regeneration Strategy with emerging proposals for Bury Town Centre.

- Proposal to integrate Metrolink LRT with possible ELR Valley Commuter Service at some future date (To form part of Greater Manchester and Lancashire County Transport Policies and Programme (T.P.P.) Package Bid - Feasibility Stage).

- Possible development of Burrs "request" halt as the Country Park matures (with the Heywood Station opening Burrs will be at the midway point on the ELR).

APPENDIX 2

ELR - EUROPEAN FUNDED PROJECTS

(Under the general guidance of the ELR Trust)

	YEAR	PROJECT DESCRIPTION	APPLICANT	EURO GRANT AWARDED (£'000)
	1987	Awareness that ELR type projects may be eligible for ERDF/ESF funding		
STAGE 1	1989	Ramsbottom Station, Permanent Way, Signalling, Buckley Wells	ELR Trust	50
	1989	Ramsbottom-Bury Station Areas	Bury MBC	32
	1989	Irwell Vale Halt	Lancs CC	14
	1991	Rawtenstall Station	Ross. BC	125
STAGE 2	1991	Heywood Link (DLG related)	Bury MBC	600
	1991	Moss Hall Bridge	Rochdale MBC	57
	1993	Bolton St Station (Ph 1) Burrs Bridge, ELLR Company Works/Training Support	Bury MBC	130
	1993	Bolton St Station (Ph 2) (DLG related)	Bury MBC	185
	1993	Buckley Wells (DLG related)	Bury MBC	121
	1995	Summerseat Halt (DLG related)	Bury MBC	Refused
STAGE 3	1995	Bolton St Station (Ph 3) (DLG related)	ELR Trust	Refused
	1995	Heywood Station	Rochdale MBC	Refused
	1995*	Heywood Freight Depot	Rochdale MBC	275
	1996	Bolton St Station (Ph 3) Resubmission	ELR Trust	207
		TOTAL ERDF GRANT		1,796

* Approval not taken up private sector interest unwilling to provide matching funding contribution required within GMLC Programme timescale.

FOOTNOTES

1. 3 ERDF Programmes relative to ELR project 1989 - present; Mersey Basin Phase 2, Mersey Basin Phase 2A, Greater Manchester, Lancashire and Cheshire.

2. Early programmes restricted by funding available to voluntary sector.

3. Euro funding breakthrough with L/Ay ability to selectively adopt voluntary sector projects, 1991 onwards.

4. Further breakthrough with European Commission's "additionality" victory, 1993 onwards.

5. Early Euro Programmes balanced Environmental/Economic Outputs. Later Programme strong jobs related focus (creation and training), 1995 onwards.

APPENDIX 3

ESTIMATED ELR TOTAL FUNDING (FEB 1996)

BURY-RAWTENSALL SECTION

		£1000
DLG -	Acquisition	549
-	Works	800
ERDF -		864
L.Ay -		402
Countryside Commission		14
ELR TRUST/ELLR COMPANY		180
	SUB TOTAL	2,809

BURY - HEYWOOD SECTION

DLG -	Acquisition	311
-	Works	1,500
ERDF -		657
L.Ay -		925
	SUB TOTAL	3,393
	GRAND TOTAL	6,202

ELR PROJECT : SUMMARY OF TOTAL FUNDING ATTRACTED

	£'000	
DERELICT LAND GRANT	3,160	51%
ERDF GRANT	1,521	25%
LOCAL AUTHORITY	1,327	21%
ELR TRUST	180	3%
COUNTRYSIDE COMMISSION	14	
	6,202	

76% of ELR project expenditure from outside Trust Partnership.

NB currently 1 ecu = £0.821

APPENDIX 4

AGREED PARTNERSHIP PRIORITIES AND MEASURES FOR ASSESSING ERDF, ESF APPLICATIONS WITHIN THE CONTEXT OF THE APPROVED GREATER MANCHESTER, LANCASHIRE AND CHESHIRE SINGLE PROGRAMME DOCUMENT 1994-1996

PRIORITY ONE:	**SUPPORT FROM SMALL BUSINESSES**
Measure One	General Support for micro and small businesses
Measure Two	Improving access to capital
Measure Three	Refurbishment and provision of workspace, managed workspace and workspace and incubator units
Measure Four	Training for micro and small business needs
PRIORITY TWO	**ACTION TO STRENGTHEN AND DIVERSITY MEDIUM SIZED ENTERPRISES**
Measure Five	Action to stimulate best practice and new business opportunities
Measure Six	Spin-out companies and exploitation of technology
Measure Seven	Clean technologies: environmental assessments and process development
Measure Eight	Training in new skills and new ways of working
PRIORITY THREE:	**DEVELOPMENT OF KNOWLEDGE BASED INDUSTRIES AND ADVANCED TECHNOLOGY**
Measure Nine:	Grant for individual companies and clusters of companies in product and process development
Measure Ten:	Strengthening the Research and Technological Development system to meet the needs of industry
Measure Eleven:	Advanced telecommunications
Measure Twelve:	Training to meet the needs of business for Research and Technological Development
PRIORITY FOUR:	**ACTION TO ATTRACT INWARD INVESTMENT AND TO SUPPORT THE NEEDS OF THE KEY CORPORATE SECTOR**
Measure Thirteen:	Refurbishment and provision of new sites, premises and services
Measure Fourteen:	Strategic communication improvement linked to inward investment and the needs of the key corporate sector

Measure Fifteen:	Promotion, marketing and after care for inward investment
Measure Sixteen:	Training and employment measures linked to inward investment, the needs of the key corporate sector and associated environmental and capital infrastructure improvements
PRIORITY FIVE:	**TOURISM AND CULTURAL INDUSTRIES AND IMAGE ENHANCEMENT**
Measure Seventeen:	Provision of new or upgraded tourist facilities to complement existing attractions or to exploit new opportunities
Measure Eighteen:	Improvement of advice and information systems for tourists and tourism promotion
Measure Nineteen:	Support for cultural industries
Measure Twenty:	Environmental and other improvements in town and city centres and other tourist destinations
Measure Twenty-One:	Training for tourism, cultural and sporting industries
PRIORITY SIX:	**ACTION FOR COMMUNITY ECONOMIC DEVELOPMENT**
Measure Twenty-Two	Support for local training
Measure Twenty-Three	Community economic projects
Measure Twenty-Four	Targeted environmental improvements
Measure Twenty-Five	Access to work

NB Priority Six is targeted at the most needy parts of the Programme area, based on economic criteria, and is directed at approximately 30% of the area's population.

APPENDIX 5

GREATER MANCHESTER, LANCASHIRE AND CHESHIRE PROGRAMME 1994-96

CORE PROJECT SELECTION CRITERIA

ASSESSMENT CRITERIA		POTENTIAL SCORE
ADDITIONALITY	Degree to which project would only proceed with ERDF/ESF support	0-30
NEED FOR PROJECT	Strategic context, justification	0-10
JOB CREATION	Permanent, safeguarded, temporary jobs	0-30
COST/JOB	<7K, >7K <11K	0-20
PRIVATE SECTOR FINANCE LEVERAGE	ERDF/ESF - Private Sector ratio	0-20
COMPLEMENTARY PROGRAMME LINKAGES	ERDF - ESF National Programmes	0-20
PARTNERSHIP	Number of agencies involved in financing/ operation of project	0-20
CORRESPONDENCE WITH PROGRAMME OBJECTIVES	Project fulfils 2 or more SPD priorities (See Appendix 4)	0-20
STRATEGIC SIGNIFICANCE	Project demonstrates it is OF more than local significance	0.10
ENVIRONMENTAL BENEFITS	Project complies with 2 or more criteria	0-20
	TOTAL SCORE	0-200

NB If the required score is attained for a project approval the decision letter contains performance targets based on the information provided by the applicant e.g. jobs created, derelict land reclaimed, visitor figures increased, m² of improved/new floorspace, small firms aided, etc.

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FED★EC★RAIL

1996 SEMINAR PAPER

Steven Hogg, Vice Chairman,
volunteer guard, booking clerk, signalman,
North Yorkshire Moors Railway.
Part owner of the sole surviving Thompson
Composite Lavatory coach.

EC Funds

"EC Funding for Rural Areas - Objective 5B - The NYMR Experience"

ENGLISH COPY

EUROPEAN FEDERATION
OF MUSEUM & TOURIST RAILWAYS
Fédération Européenne des Chemins de Fer Touristiques et Historiques
Europäische Föderation der Museums- und Touristikbahnen

NORTH YORKSHIRE MOORS RAILWAY - OBJECTIVE 5B

ADDRESS TO FEDERAIL BY STEVEN HOGG, VICE - CHAIRMAN

TO BE GIVEN ON 27TH APRIL 1996

Introduction - The North Yorkshire Moors Railway

The North Yorkshire Moors Railway is one of Britain's leading private, heritage railways, carrying 250,000 passengers a year (the highest total of any such line in the UK) and operating over 18 miles of scenic and remote railway. Throughout much of its length, the line runs through the North York Moors National Park. Since its establishment in 1967, the Railway has been rare amongst such organisations in the British Isles in that the main, owning body, the North York Moors Historical Railway Trust Limited, is a registered charity. The lack of an operating company able to raise capital by public share issues was considered to be a weakness and lead to the formation of a public limited company in 1990. This plc purchased the trading departments of the Railway (retail sales and catering) from the Trust and operates the train service under license on the Trust's behalf. Despite the 1990 Share Issue, which raised around £250,000. the railway is still considered to be undercapitalised and hence has been examining in great detail any form of outside funding. Without such funding, all capital projects must be paid for from revenue surpluses.

Introduction - Objective 5b in the Northern Uplands

On 26th January 1994, the European Union (EU) confirmed Objective 5b status for the Northern Uplands of England, an area covering much of the country north of a line from Preston to Scarborough except the Vale of York, much of County Durham, Tyne & Wear and the Cumbrian Coastal Strip. The aim of this status being granted was to provide financial assistance from the EU to assist with regeneration of areas suffering from a decline in agriculture and fishing. The area granted the status included much of the North York Moors National Park, but also the northern part of the Vale of Pickering, which is not in the Park. Hence, the full length of the NYMR was included the area granted Objective 5b status.

As part of the process involved, the UK Government produced a weighty document known as the Single Programming Document (SPD), which identified 6 areas of priority for assistance:

Economic Development and Diversification
Human Resources and Vocational Training
Tourism
Communications (including transport)
Community Development
Environmental Enhancement and Conservation

Funds granted under the status where from the European Regional Development Fund, European Social Fund and European Agricultural Guidance and Guarantee Fund. Not all funds provide finance for all priorities.

Totalling EU funding under the project is expected to be around £25 million, but the SPD foresaw the total value of projects to be assisted under the project would be £190 million.

Funds available to the NYMR

It is soon obvious that the two priorities under which the NYMR would be eligible were tourism and communications. The SPD saw the area's strengths as including its attraction to tourists, but listed remoteness and poor communications as amongst its weaknesses. Development of the Tourist industries were amongst the project's specific aims to achieve its priorities. Creation of Sustainable Developments is considered an important part of the Objectives work.

Priority: Tourism

The SPD identified the main tourist industry weaknesses as:

- Shortage of private sector funding for business development, marketing and staff development.
- Lack of capital for development of tourist attractions.
- Lack of short term return in investment in development of tourist products, making developments less likely to occur for commercial reasons despite sound heritage reasons existing.

The main aims of the project in the area of tourism are therefore to:

- To support development of new and improved tourist facilities.
- To stimulate market development and growth.
- To extend and upgrade the skills and facilities of the tourist sector.

Performance measures have been set to judge the effectiveness of the project. These include creating 2,600 jobs over the 5 years, assisting with 30 new or improved visitor attractions and providing 300 training places per annum to develop tourism skills.

The maximum contribution to tourism projects under Objective 5b is 45% of total costs, although applicants are not surprisingly encouraged to go for a lower proportion as part of projects involving other funding sources.

As a major visitor attraction, the NYMR has made all its first group of applications under the tourism priority.

Priority: Communications

The SPD identifies the remoteness of the areas granted Objective 5b status and resultant poor communications (a term which covers both physical and telecommunications links) are major factors in restricting economic growth. Improvements in communications, including railways, are therefore seen as a priority.

Performance measures for this priority include creation of 600 jobs, improving 10 rail or bus facilities, improving or building new 5kms of roads and upgrading an as yet unspecified total length of railway line. The priority will also eventually include a target for attracting private sector funding into communications projects.

Maximum contribution levels vary for different types of communications projects. Railways have the lowest maximum Objective 5b contribution at 20%.

To date the NYMR has not applied for any funds under this priority.

The Application Process

The EU place the relevant Objective 5b funds with the British Government, who then distribute them through regional secretariat offices. The office for Yorkshire and Humberside is in Leeds, but was not established until some time after Objective 5b status was granted.

Shortly after Objective 5b status was granted, interested parties were invited to a meeting by North Yorkshire County Council at County Hall in Northallerton. At this meeting, the bodies attending signed up as partners in the project. The partners were then on a mailing list for involvement in a series of briefings and seminars. These covered a couple of years, during which time there was considerable uncertainty as to final procedures and methods for application. Despite this, the aim was to have all partners in a position where they were ready to move once procedures were finalised. During this stage, coaching and instruction were given on completing applications to satisfy application criteria.

The next stage was for hopeful applicants to submit a proforma applications. At this stage, the actual application forms had yet to be designed. As well as giving a chance for applicants to consider and practice on their applications, these proformas were used to register likely claims and give an idea of the expected total demand for funds at this stage. I believe the total funds claimed on these proformas exceeded the funds available over the five years!

Once the secretariat was established at Leeds, confirmation of the funds available was received and applications forms were issued. These had to be returned within a week!

NYMR - The Application Process

The NYMR was involved in the above process from early on. At an early stage, a letter of intent was sent the NYCC, laying out the main areas for which we were likely to apply for funds. Not all the first group of applications were covered in detail in this letter.

The contents of this letter were agreed by the NYMR's governing body, the Council of the North York Moors Historical Railway Trust. The Council later discussed and agreed the main three projects which were to be included in the first group of applications. These were the subject of the actual application forms. As part of the application process, the NYMR needed "partners" who were local authorities or other similar bodies, basically to endorse the projects and put them forward to Europe. The district councils at each end of the line fulfiled this role. Such criteria are part of the ERDF rules, although, as a charity, the NYMR may have been directly eligible for assistance itself. The projects are detailed below. They were applied for as improving the tourist facility of the NYMR, and proving new or safe guarding existing jobs.

Project 1: Carriage & Wagon Paintshop

This project was to provide a new paintshop at Pickering Carriage & Wagon depot. This is a building around 20m long, 4m wide and 6m high. It will increase covered capacity for carriage restoration and maintenance by 50%. It will also mean that paint finishing can be undertaken in a building separate than that used for filling and sanding and other body repairs. This should mean a noticable further improvemnt in the already good quality of passenger carriages in NYMR traffic.
This project involved creation of two jobs. The balance of funding after 40% contribution from the EU was to be met from a large bequest.

Project 2: Electronic Block Cable

This was a scheme to provide a multicore block cable from Pickering to Grosmont (replacing the existing cable between Grosmont and Goathland). This will enable all line communications as well as enabling the entire line to be operated under the Electronic Token Block Signalling system. This should improve operational flexibilty and hence the quality of the passengers experience when travelling on the NYMR.
This project was classified as safeguarding existing jobs. The Trust Council saw this as a top priority and the balance of funding after 40% EU contribution was to be met from NYMR funds.

Project 3: Motive Power Department Fabrication Shed

This project was to provide large covered area attached to the existing Repair Shed at Grosmont Locomotive works, around 35m long. This would provide a covered area for welding and fabrication work and a covered store for locomotive components. An internal crane is also included in the plans. This project would assist with locomotive repair and restoration and hence improve the range of motive power to be enjoyed by visiting to the NYMR.
A locomotive owner had offered financial assistance for the project in addition to 40% EU funding. The project aims to create two jobs.

The Application Form

The information requested on the application is broadly: the name of EU programme under which the application is made, and details of which priority under that programme it meets, organisation submitting the application, the title, location and type (detailed from classifications set as part of the form) of the project, a brief description of the project and the benefits it would provide, a business plan for the project, project objectives and timetable for completion, details of links with other projects and EU funds, details of environmental and planning issues, details of jobs created etc (i.e. those factors against which the priority under Objective 5b are being measured), details of total costs, eligible costs for grant and other funding, a statement as to whether the project would proceed without the grant (best answer "no"), tendering arrangements and details of publicity for the project. The actual form is used for grants made through the European Regional Development Fund under other Objectives as well as 5b, and therefore certain parts offer more completion options than necessary for 5b. Please note, the application form does not require any drawings or plans of developments to be submitted.

Success - but beware the pitfalls

In September 1995, the NYMR was informed that it had been successful in its applications and funding had been granted for the three projects listed above. However, there was a sting in the tail of this excellent news. The projects had to be completed by 31st March 1996. This deadline was set by the secretariat despite the timescales shown on the application forms being much longer than this. This gave us considerable problems, easiest to list by project:

Project 1 C & W Paintshop: This was little more than an outline idea in September. No plans had been drawn up, and while the development, being outside the National Park, was exempt from actual planning permission as an operation railway building, we always provide plans for planning comment, which also had yet to be done. With no plans or tender, the cost which had been included in the application was a best estimate. Further delays in the move towards putting the contract out to tender where caused by the timing of the NYMR 1996 budget, which was finally approved in early December 1995. Eventually, a design and build contract was let to a member of the Ward Building Systems group from Sherburn, near Malton. At the time they commenced work, only about a month remained before the completion date. This tight schedule was reflected in their price, which was 20% over the budgeted amount (for which grant had been applied), despite removal of certain items from the specification. Further problems had arisen with other work to make the paintshop site available, the cost of which had not been included in the grant application. After a superhuman effort by Wards, the building was more or less complete by the deadline. A further point to bear in mind was the effect on the projected profit of the NYMR for 1996 (and subsequent years) by employing two additional staff at C & W (and the two at the shed for project 3).

Project 2 Block Cable: When the application was made, it was costed on the best available cable cost and our own staff and volunteers laying the cable over probably at least a year. Other major Signalling work meant that no NYMR labour would be available over the winter of 1995/96 for laying the block cable, so tenders were sought for supplying the cable and doing the work. British Rail Telecommunications tendered at around 6 times the original estimate. To obtain the cable ourselves for contractors to install was impossible, as the delivery time we were quoted would not have given us the cable on site by 31st March 1996! The grant had therefore to be turned down and we may apply again in the future.

Project 3 MPD Fabrication Shop: Plans did exist for this project, but National Parks Planning Permission was required. This was obtained during the period when the NYMR budget was being prepared. Plans were finalised and put out to tender in January 1996. This still left less than two months for actual site work, and this was reflected in the tender replies. Some contractors would not tender due to the time constraints, others produced high tender (presumably costing in expected penalties for late completion!). By early March, it was obvious that the project would not be started let alone completed by 31st March. We therefore contacted the EU secretariat and have been successful in obtaining an extension of the required completion until the end of July 1996. The secondhand steel structure for the shed is on site and we are now hopeful of completing the project on (extended) time and budget, probably using different contractors for different stages of the work.

Lessons to be learnt, tips to note

From the NYMR experience, I personally would suggest the following lessons should be learn:

1) Make sure all planning is completed at your end. Whatever your ultimate governing body is, and whenever you period for preparing budgets falls, ensure that funding for your project and any jobs it creates is agreed before you apply. Any subsequent budget will need to be prepared around the requirements (if grant is approved) of your project.

2) Ensure the project is properly defined, with drawings produced, outline planning permission obtained and all costs identified. Ideally, give yourself time to obtain sample tenders from contractors (where applicable) to hold on file. These will confirm actual likely costs, although contractors will reserve the right to amend them if a firm order is not placed by a specified date.

3) Think through all the physical consequences of the project. Any other work necessary to prepare the site or enable facilities in the way of the project to be relocated should be classed as part of the application.

4) Make all your plans to be able to act immediately you receive confirmation of the grant, and remember the completion date set may well be much sooner than your timescale detailed on the application form.

5) I understand that you can cost in volunteer labour at an agreed rate per hour, and also cost your paid labour at higher than actual wages paid so as to include administration costs and any other cost you can have agreed as relating to labour.

6) Ensure your financial estimates are realistic. Grant will not be paid on contingencies included in the application, and grant is not automatically paid on overspends. It is, however, worth applying for grant on overspends at the end of the project, as this may then be paid.

7) Consider whether you have the people to manage the project. As a result of our successful applications, our Infrastructure Manager had two new sheds (Projects 1 & 3) plus 2 major non-EU projects and normal building maintenance to oversee this winter, which is rather a lot for anybody! (He has done remarkably well in achieving it too!)

In short - know all that needs doing, know how much it will cost, and be ready to start the day the grant is approved.

Claiming your money

Both interim and final claims for payment may be made. All payments are retrospective, so you must be able to fund all expenditure at least for the short term. You can submit claims as regularly as necessary, but the secretariat would prefer this to be no more frequently than once a quarter.

During and after completion, a sample of projects, including all over a certain value, will be inspected to ensure they are meeting agreed performance measurements, and procedures exist to recover grant if they are not meeting these measures. Hence, it should be remembered that any jobs created must be genuinely permanent.

Conclusion

Funding under Objective 5b has already greatly assisted the NYMR in bringing forward developments that simply would not have happened at this point in time. Both as a tourist attraction and a railway, the NYMR would be eligible for EU assistance, but we have learnt that preparation is vital and that getting approval for grants is nothing if we are not in position to actually turn the project into reality.

Steven Hogg
5th April 1996

(Steven Hogg is Vice-Chairman of the NYMR, and a member of the plc Board. He is a volunteer guard, booking clerk and signalman and part owner of the sole surviving Thompson Composite Lavatory coach. In "real life", he a Certified Accountants working for major Yorkshire Accountants Lishman Sidwell Campbell and Price at their Ripon office.)

FEDECRAIL

1996 SEMINAR PAPER

Victor Knope, Senior Director,
Lloyd's Insurance Brokers, Bradstocks.
"ARPS Insurance Advisor"

Insurance
"European Approach towards Insurance"

ENGLISH COPY

EUROPEAN FEDERATION
OF MUSEUM & TOURIST RAILWAYS
Fédération Européenne des Chemins de Fer Touristiques et Historiques
Europäische Föderation der Museums- und Touristikbahnen

EUROPEAN FEDERATION OF MUSEUM & TOURIST RAILWAYS

EUROPEAN APPROACH TOWARDS INSURANCE

INTRODUCTION

Almost six months ago, David Morgan asked me to investigate the insurance position, and see if we could solve some of the problems which appear to exist.

After considerable investigation, I am pleased to announce that we can provide insurance cover against public liability risks, and I shall shortly explain the facility which we now have in place.

Let me begin by saying that this has been an extremely interesting exercise and I was surprised to discover how many Insurers were happy to help us.

BACKGROUND

The London Insurance Market has a long history, with some Insurance Companies tracing their roots back to the time when Railways themselves were new. Even today, the variety of insurance markets available in London is still greater than any other insurance centre in the World. We have therefore had plenty of people to talk to and I hope you will be pleased with the results.

The majority of the Railway network in this country, still being publicly owned, is not insured, at least in the traditional sense. British Rail only has insurance cover for catastrophe losses, so that for any small or medium sized claim, they would pay it from their own funds. This is also the practice of the ***"London Underground"*** system. Of course before the Railways were in public ownership most of them were insured and the Insurance Companies have also been perfectly prepared to quote for private Railways which have come back into private hands over the last 50 years.

If I may, I want to say one important thing about the organisation which used to be known as **"ARPS"**. It is fair to say that the Insurers have regarded the management and professionalism of that organisation very highly and it is a fact that the claims experience for all the member Railways has been very good. This, of course, has helped me enormously in my exercise.

My company, ***BRADSTOCKS***, is an international Insurance Broker with over twenty years experience in the insurance of Railways. Indeed, I have looked after one particular Railway for over twenty years myself. Several years ago we successfully organised a public liability scheme for Railways and since then I have had the honour to be the "ARPS" Insurance Advisor.

THE "FEDECRAIL" SCHEME

After much discussion we are able to offer ***all*** FEDECRAIL members a facility of public liability insurance with a minimum level of cover of £1 Million each and every claim. and a maximum of £25 Million each and every claim. Here are the details:-

1. The insurance facility is led by two major international Insurers.

2. There will be a minimum premium of £500. In addition, there may be a survey fee which each Railway may have to contribute towards.

3. The scheme is exclusive to you and no organisation which is not a FEDECRAIL member can enjoy the benefits of such a scheme.

4. If necessary, local insurance policies can be issued.

I hope you will agree with me that this is good news.

What do we need to do to get quotations? With your help, Bradstocks will design a simple questionnaire to get the information necessary for Insurers to produce quotations.

It may be necessary for a survey of each Railway to be carried out, and it might be necessary for some of the cost of that survey to be met by the member. You will always, of course, know how much you will pay before you have to give instructions.

The first thing which we must produce is a full list of all current FEDECRAIL members, but I feel sure that is something which Peter Ovenstone or David Morgan will be quite happy to do.

OTHER INSURANCE RISKS

Our scheme will be able to insure other kinds of insurance risk such as:-

* Property such as buildings and the contents of the buildings.

* The engineering risks of inspection.

* Loss of income as a result of business interruption.

Because of the complexity and variety of local laws we will not be able to insure what is known as Employers Liability or Workers Compensation. This must continue to be arranged locally in each Country.

WHAT WILL THE PUBLIC LIABILITY INSURANCE COVER?

The Policy Wording which we will use will cover the following:-

* Any death, bodily injury or illness, or damage to property, arising from the legal liability of the Operator.

* It will also cover losses arising from food and drink supplied.

* It will cover all legal costs, incurred with the Insurers permission.

* Any costs of appearing at a tribunal or accident investigation, if there is a possibility of a claim arising from such an accident.

I feel sure that all FEDECRAIL members will find the cover satisfactory.

CONCLUSION

The benefits to FEDECRAIL members of such a facility will be enormous. Naturally, we shall continue to work closely with you in producing an insurance scheme which tries to solve any problems which exist.

All we ask is your help and patience while things are finalised.

(Victor Knope is a Senior Director of the Lloyd's Insurance Brokers, Bradstocks, who have been in existence for over 35 years and handle many large industrial and commercial Clients throughout the World. Victor has had experience of over twenty years with the Insurance of Railways and now acts for a substantial number of the larger Railways in the United Kingdom)

FEDECRAIL

1996 SEMINAR PAPER

Livius Kooy, FEDECRAIL Secretary ,
"Stoom op het Spoor/SOS" marketing committee,
translated by Kooy from a Dutch speech by:
Jaap Nieweg, Director,
Museum Steam Tram Hoorn-Medemblik, NL.

Marketing

"Marketing Netherlands Museum Railways"

ENGLISH COPY

EUROPEAN FEDERATION
OF MUSEUM & TOURIST RAILWAYS
Fédération Européenne des Chemins de Fer Touristiques et Historiques
Europäische Föderation der Museums- und Touristikbahnen

MARKETING

SOS QUESTIONNAIRE REVIEW

A speech written by Jaap Nieweg (director of Museum Steam Tram Hoorn-Medemblik / NL) after a questionnaire from the publicity association "Stoom op het Spoor" or SOS, March 1996.

Translated by Livius J. Kooy with a few omissions where Dutch examples may not be relevant to other Fedecrail members.

1. General (...) I have offered to analyse the questionnaire and try to explain a few relations with the norms as applied by the experts of day trip attractions in general.

2. Bottle-neck

The returned questionnaire forms give a very diffuse view. Three of the four "main" preserved railways are not involved like also the SSN main line steam operator and two others. The seven railways which responded are all of a very different status. From starter to 30 years active, from museum to real tourist attractions to corporation communications instrument. From self-supporting to heavily subsidised. From running a few times a year to a few days each week over several months. We also find this diversity in the replies and that makes the drawing of a clear picture difficult.

3. Responses to the questionnaire

All replying organisations see the product as the most important marketing theme, while no organisation filled in : "6. Any other", like market need, or market segmentation. The requested description of "product" showed a manifold of reasonings;
from track gauge to typoe of rolling stock,
form location to customer friendliness,
from clean and safe to comfort and high quality.

The second important theme was the staff member : public friendly, trained, nostalgic, historic uniform, are wordings suggesting that the staff is an important part of the product and thus theme 1.
The third, fourth and fifth themes were :
3- price : affordable, within market situation, costs of operation related to turnover;
4- place : views and scenery, authentic location;
5- promotion : media (free) publicity.

It surprised me that promotion did not receive a more prominent place, and I wish to say that no link was made between price / product relation and promotion, as usual in the "marketing mix".

4. Price

It is interesting to note that nobody directly said : "We have calculated a cost price and that was the basis for our ticket sale price.
I think that with many organisations the price is a historic coincidence. That was at least the case with the SHM. Over the following 27 years this price has been, or not been increased on a basis of general cost increases, inflation, exploitation deficits etc. These prices were also the basis for all arrangement prices of which we have quite a few.

We put up a price for the Candlelight Express Wine & Dine train, being the return ticket price plus catering. With an average occupation of only 25 persons this was not rewarding. In 1993 we calculated a new price on basis of the special train charge. For individual trains we apply a minimum of 30 persons after a price increase of 47%. In 1996 we increased this price with 8%.

Starting in 1996, we also left the idea of 50% for children. We do apply a child ticket charge, but as with many museums and attractions this is about 80% of the adult charge.

The big problem with price fixation is manifold, viz.

1. how dit it arise?
2. what is the real cost price?
   * maintenance/rolling stock/track/staff/exploitation/communication/other costs
   * over how many trips is this being calculated
   * what is the average occupation per journey
3. what is the consumer prepared to pay?
   * with what does he compare the price?
   - with colleagues/museums/pleasure parks/attractions?

Comparison is always difficult, but in the big pleasure parks one always applies the price per hour of the significant stay. As a maximum has been used the price of the "Efteling" pleasure park with its durationn of the stay of 6,5 hours average. Those operating at a higher level would run into trouble.
(...)

This means that in muy view, reasonable price, price of a portion of fish and chips, and other examples, should not be used as a basis. One of the new lines indicated that the price was calculated on the average price applied by colleagues per kilometre.
This involves that many aspects which must be weighted have been left out, but also that many of the traditional approaches of the existing colleagues have been weighted.

5. Place

There are but few museum & tourist railways that can say they have chosen a specific location. Coincidence is often an important historic factor. As a result, some organisations ahve to face positive, and others negative, effects on their turnover.
Let one thing be clear. It is important for a region to have a good profile on the tourist market. This means that good cooperation with other organisations (Tourist Information Centres, museums, tourist attractions and overnight accommodation) is a must. We'll never get anywhere all alone.

6. Promotion

Promotion, or as I would say market communication, has an important place in marketing thinking, even more when we link this with market/ product segmentation.
I regret the questionnaire didn't ask, how the amount spent on communication was related to the expected turnover.

In the "big" commercial day trip attraction world, some 8/10% of the turnover is being spent on market communication. And with investments in a new product another 10% of the investment sum will be spent in telling, that something new is to arrive!

Reading through the questionnaire forms it seems unlikely that such percentages are also being spent in our line of business. In our type of organisations there is a structural lack of market communication activity.
In your budget you should in fact link a sum for market communication with the desired turnover. Doing this, the strength of the product must be weighted to keep pace with reality.

Origin of the travellers is another interesting aspect for the directing of communication effotrs.
It is interesting that you will discover "laws" which you can always apply.
With the origin of individual visitors we always base counts on the starting point of that day. Doing so, we distinguish between the region, the temporary region (=those people who stay temporarily in the region) and the rest of NL and abroad.

The origin can be indicated in hours journey time, better than the total of journey kilometres. So you will also take into account the transport opportunities (public transport and road system).
First hour journey time (between 60% and 70% of your visitors)
Second hour (about 20%).
From two hours to Tokyo ; (some 10% of your visitors).

It may be justified to do market orientated communication in other regions, in order to encourage potential visitors to a longer stay in your region.

Within the frame of market communication, time planning in product development is of great importance.
The organisation of events as a product offer must be known early enough to be included in the whole communication stream. A potential customer might choose for your region and your organisation just because of one specific aspect.

It is also important to develop a long term communication plan. A market segment doesn't deliver returns after a few months or just one year. Consistent policy for product development and communication is the only way to success.

7. Returns secondary activities

Finally, something about secondary products related to market orientated thinking. The turnover per passenger is too often fixed from the transport turnover. On many day attraction sites, the turnover of souvenirs and restaurant is the crowning piece of the budget, or the "cream on the coffee".
In those organisations in our line of business which operate primarily as a museum we must be aware that these turnovers may never become a prime objective. But we must understand that these turnovers vcan contribute in an important way to the rentability and tus the continuity of the organisation and its collection.

In the product the visitor appreciates easily that there are buffet facilities and that there are souvenirs for sale. Specially people in group parties which are just on a day trip will measure the quality of their visit to your organisation to the restaurant facilities.

The only big problem we have, as compared with the biggest day trip attractions, is that our visitors leave the train and buy a drink in the pub across the station road. In a big pleasure park this would be spent in the park itself.

An unsolved problem in our type of organisation is up to now the structural prolongation of the significant duration of the stay. As a big pleasure park may have 6,5 hours per customer to earn money, on museum and tourist railways this may be just one hour per single journey.
In both cases, the amount paid for a ticket may be doubled by the purchases of the customer during his stay. (...)

8 Finally

Neither in the questionnaire, nor in this story have we spoken about :

* identity/image relation as basis for communication
* quality of pritnwork as suiting the product
* sales and after sales
* accessibility of an organisation
* internal communication in an organisation as part of staff policy in relation to the product
* evaluation and adjustment of the different communication processes, after measuring marketing results.

In the coming years the museum & tourist railways will have to work hard on the qualitative professionalisation of our products.
Of course, running trains and trams is great fun, but if we want to continue we must learn to think and act market orientated and qualitative. Other business lines have preceded us years before and gained a big lead on us as competitors.

Market orientated product development and market communication are not the most favourite discussion themes of the technical staff on preserved railways. (...)
But I am convinced that management decisions will finally also leave room for these matters as we wish to survive. (...)

Hn 5-2-1996 Jaap Nieweg / Hbg 16-4-1996 LJK

FEDECRAIL

1996 SEMINAR PAPER

Frédéric Dufetrelle, Editor,
French Railway Magazine

Marketing (of Tourist Railways)
"The French Experience + Comparisons from Other Countries"

ENGLISH COPY

EUROPEAN FEDERATION
OF MUSEUM & TOURIST RAILWAYS

Fédération Européenne des Chemins de Fer Touristiques et Historiques

Europäische Föderation der Museums- und Touristikbahnen

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MARKETING OF TOURIST RAILWAYS.

1. PRESENTATION OF THE PROCEDURE.

1.1 - *What is marketing?*

The first difficulty that I encountered in preparing this talk was with the exact definition of the subject area in question.

Indeed, when I've spoken to non-French operators I've found that by the word 'marketing' they understand 'advertising', whilst when dealing with French colleagues they understand it to mean 'commercial policy'.

However, it is true that advertising is only effective if it is situated in a broader framework of communication, commercial policy and service.

Throughout this talk I will also attempt to situate the need for communication, it's content, it's form, and possibly its consequences, as, let us not be mistaken, it is not a matter of theorizing but of achieving some concrete results.

I will caricature by saying that without spending the slightest amount of time thinking about commercial policy, it is possible that you'll end up distributing unclear and unattractive leaflets on the last day of seasonal exploitation in a Tourist Information Office some 250 kilometres from your area! With all the impact you can imagine...

1.2 - *Our experience.*

Firstly, who am I to dare talk in this way? Trained as an engineer, and provided with complementary management training, I first tackled marketing as part of a theory course at a point in my career. However, it should be noted that I have no professional experience in marketing. It's as an amateur at a French tourist railway of modest size (therefore with limited means like the majority of the railway preservation world in France), that I participated in the commercial policy of a business partnership.

Then, at UNECTO, whilst carrying out the functions of administrator and chief editor of our magazine I tried to raise the awareness of my colleagues and federal railway operators to the need for a coherent individual strategy, but also of a 'group' policy animated by a national group.

1.3 - *The aim of this presentation.*

It is obvious that the dimensions of the French railway movement will not allow me to lecture you triumphantly.

I shall simply try to share with you our experience of working within a restricted budgetary framework, with ever-insufficient means, with few volunteers who are more attracted by driving, or repairing our rolling stock than by the commercial side of the venture.

However, our business would be in vain without the public who allow us, through its contribution, to continue our work in preserving and restoring.

I assure you, it is not my intent to moan about our modest undertakings. I would also like to state that Mr.Arrivetz, our much-respected vice-president, an ex-professional in the field of communication, helped me to prepare this talk, and the experience of the Vivarais railway is neither useless nor unimportant.

I also hope that today will allow us to share our experience and compare the way we are perceived by our respective publics. Could we maybe one day achieve a common means of communication on an European scale to the general public which will support our meetings with European decision-makers, but will also help us to understand why Great Britain has a vast railway movement compared to France.

2. GENERAL CONSIDERATIONS.

2.1 - *Definition of marketing.*

"All of the initiatives aimed at making a product known and encouraging its consumption".

There are three key stages in marketing:

2.1.1. - *Informing of the existence of a product.*

This involves a very basic but very strong action aimed at all possible clients. Sometimes costly, but not complicated, it is an action which isn't really needed in the Tourist Industry, being already old and well-known, unless there is a desire to expand, renew or to follow the evolution of the clientele.

2.1.2. - *Choosing potential categories of customer.*

This involves choosing potential categories of customer ('the market'), and enticing them to buy the product. This stage requires a prior knowledge of the structure of the market, the expectations of the customer, and of their reservations, in order to lead on from a basic knowledge on their behalf to a real desire to purchase the product. This is the sort of 'Rough guide to...' phase which is the most difficult to determine as far as encouraging the interested client to consume is concerned.

2.1.3. - *Analysis of the reactions.*

After consumption of the product(s), an analysis of the points of satisfaction or dissatisfaction of the clients can be carried out in order to work on the negative elements or develop the 'market segment'.

In all marketing processes it is obvious that the 'by word of mouth' process constitutes an important base for decision-making. However, the 'word of mouth' itself can be influenced by previous marketing actions. On it's own, it is not sufficient for encouraging consumption, therefore does not eliminate the need for other strategies. It is wrong to think that a good product will sell rapidly by relying on 'word of mouth'.

2.2 - *Our marketing actions.*

Marketing actions shall therefore be articulated around the range of means of communication, which play an important role at different stages.

The first phase would have recourse to the mass media (Television, radio, general public press, billposting, cinema, magazines...), in order to give the initial short commercial, the first taste.

These means are relatively expensive, but they are very effective even in small doses. They sometimes allow for free competition, as is the case with illustrated reports, when the medium itself satisfies the client by covering the subject.

It must also be noted that in the summer - an important season for us - billposting and cinema are cheaper and less in demand.

Let us note the considerable indirect publicity that the Baie de la Somme railway benefitted from in 1995, by featuring in a video diffused by 'La vie du Rail' by means of a colour page in every edition (readership 300,000 weekly), for the price of a few days of filming.

The second phase demands a great deal more 'finesse'. It involves detecting the interested sectors of the market and providing them with information, sometimes specific and targeted, to conduce them to purchase.

Complicated options allow it to be done, but in small ventures, simple common sense (commercial sense) can make up for these. For example, it is pointless to diffuse a considerable degree of railway-specific information in windsurfing circles for whom the spheres of interest are considerably different.

If the means are available, a questionnaire can be distributed beforehand to various categories of the population, which will allow you to judge the level of knowledge, or lack of, that potential clients possess.

At this stage we can have recourse to students (studying business) who can use our example for an atypical case study, all the more so because the end of the academic year coincides with the start of our season.

The third phase can limit itself to simple surveys on the trains or at the exit carried out by placement students or even amateurs who know how to put things into perspective. We must be able to detect answers that are simply trying to please us, and must therefore ask pertinent questions, which have been carefully thought out and which are not ambiguous.

For example, in response to the question "Did you enjoy the journey?" you might receive 98% of 'Yes' answers, but the same people could answer 'no' if asked "Were the windows clean?" or "are there a sufficient number of toilets?" or even "Was the departure time convenient for you?". They must also be reassured that their opinions would be consulted by technical and commercial services in order to work on the most negative aspects.

It must be noted that participation in trade fairs and exhibitions can allow phases one and two to be merged. These are however fairly costly methods and we could only feature as part of more general stands (such as the regional tourist board, the tourist railway federation etc.)

3. THE FEATURES OF THE MARKETING OF TOURIST RAILWAYS.

3.1 - *The marketing of services.*

In the vast laws of marketing, the service industry already constitutes a separate area. And within the service industry, tourism rests on slightly different laws. But tourist railways have some exceptional characteristics.

The various characteristics lead to several considerations:

- As with all methods of transport, places on tourist trains cannot be stocked; an unoccupied seat is a lost customer: it costs the same to the producer as an occupied seat. It is just as well that the train be filled to its full capacity, whilst trying however not to give the impression that we are selling our product at a cut-price rate.
- Tourist railways constitute a rare service (in the sense that it is infrequent) and therefore unfamiliar to a large segment of the public, who also has possibly the wrong idea about it.
- It is also a product which is impossible to sample before consumption.
- Tourist railways are affected by many external influences (the weather, political or social events, holiday dates, local festivals) which act upon the supply of the product as well as the demand from potential clients.
- As they are a rare service, tourist railways have quite a broad customer base (from where more than 700% of clients are recruited) which is difficult to detect and to reach without considerable means. Fortunately, tourist railways are in general quite far from each other and their customer bases do not overlap a great deal, which means that the competition isn't that fierce.

3.2 - *Which category of the public?*

It is much easier to define the psychological profile of potential clients.

They are normally more conservative than adventurous, being somewhere between sensual and ascetic, and usually driven by family values, a community spirit, music, reading and DIY.

The potential clients are rarely sporty or interested in competition. They are "average French people", mostly nearing retirement age, which is positive considering that it is an ever-growing segment of the population, the most wealthy and the most stable.

- Tourist railways are fortunate enough to benefit from being thought of favourably, at least initially, as they nourish nostalgia or encourage curiosity, and also because they don't frighten anyone and blend in well with the surrounding countryside.
- The steam engine in particular has a strong, favourable and rapidly identifiable impact, which should be made use of whenever possible.

3.3 - *Presentation of our product.*

What sort of questions is a client who has been tempted by an initial contact likely to ask?

Once the product has been presented in the best possible way, by playing on the sensitivity of each market segment, four questions must be answered:

- How do you get there?
- When can you go there?
- How do you reserve and how much does it cost?
- Where can you eat?

A rapid decision depends on a rapid response to these questions.
That is to say that it is necessary to argument about these points. The only way of doing this at a modest cost is through by using leaflets.

We must not fail to indicate the permanence of commercial services which we can contact to help us with this process.

Indeed, we have found that our individual clientele, (apart from professional sectors of resale) are not very familiar with recent technology. This will explain the partial failure of telematic broadcasting (such as the Minitel in France) and a little E-Mail communication on the Internet! I shall come back to this.

With plenty of illustrations, which can recall the initial commercial, the leaflet (in the form of a catalogue) must be pleasant, in colour (in order to stand out from the rest), but also clear and easily memorized. This is not the least of paradoxes which needs solving.

It constitutes the only image of your business, it carries your image. May your commercial services take this into account when designing a leaflet.

It must include the following information:

- the geographical location and the instructions for getting there.

- the opening hours (days and times).
- price charged (or at least an example of the main charges, without stressing the most expensive), as well as possible concessions.
- some indication as to the location of local restaurants. This can be done through a small advertisement from the proprietors which would help finance the leaflet. The nearby picnic areas or the buffet car.
- Finally, mention should be made of places of interest or museums covered by the railway, even though the railway constitutes enough of an attraction in itself to be the reason for the journey.
- We could also insist on :
    - Special days (with specific activities, "steam railway" or 'heritage' days).
    - a more comprehensive service.
    - products combined with existing partners (tours, discovery days, bicycle hiring).

We can say that the small amount of space on a leaflet possibly necessitates the writing of long-lasting and descriptive documents, accompanied by a sheet of opening times giving an annual update.

It has not yet been possible to give a common graph chart to all tourist railways which would allow for a rapid classification of the product and give an image of quality.

We are also obliged on some occasions to respect the regions regulations, who can support our product, both financially and as an organiser (take the Brevenne tourist railway, for example).

3.4 - *What about groups?*

It must be noted that such leaflets are often insufficient when selling our product to a large group where a sole decision-maker with an approach which is maybe more professional or less driven by impulse, and can bring us a fair amount of business, is concerned.

In this case we could use specific 'group' documents or even different documents designed for different groups (senior citizens, school children, Works councils, associations, firemens association etc.).

An effective but costly procedure involves visiting representatives and offering them free tickets to test the train ride, possibly on special days. Specialised organisations are however being created in this domain.

We can also use telephone marketing methods by contacting organisers who have received the initial documentation from us. This technique, which is just getting of the ground, and demands a great deal of insight, seems quite promising (take the example of the St.Trojan tramway).

3.5 - *Distribution.*

It is all very well to print leaflets. It is already quite demanding time-wise, but the real challenge, however, lies in distributing them successfully.

Specialised agencies in address administration can complete this process of distribution. The 'minitel' is also packed with addresses of professionals who know how to best exploit the available means.

However, the tourist railways generally have very strong supporters who can organise themselves to ensure that the distribution is socially or geographically varied. Of course, voluntary distributions must have sufficient knowledge of the product to answer possible questions and must also have some kind of (financial) incentive...

We must not forget distribution to tourist information offices (both professional and voluntary ventures, the interest of whom we may attract by offering them a certain percentage on the tickets sold. But as it is only possible to sell a product well if you have sufficient knowledge of the product, it is (strongly) recommended that you invite tourist information offices' counter staff, who have to answer any possible questions of potential customers, to visit the railway.

3.6 - *Which means of communication?*

However, some forms of advertising are not very suitable for tourist railways. One of these is mail distribution of leaflets, often opened by employees who have little interest, or who are flooded with a hundred other documents.

We will not dissipate our efforts to general cold calling, or press that is too specialised or too local, or any forms of sponsoring of sports or the like, of which the impact is much too weak considering the sums that it would cost.

Finally, let us note that advertising in railway magazines can be justified as we benefit from mutual understanding, but this form only really reaches, at the best, amateurs who are already interested. However, these railway amateurs rarely constitute more than 7% of the visitors to the tourist railways annually! Also, the readership numbers are often confidential (apart from 'La vie du rail', at around 300,000, they normally stand at roughly 20,000 for the most popular and 1500 at the other end of the scale). This means of communication lends itself more to a simpler form of documentation for beginners.

Nevertheless, communication surrounding a strong movement can also be done through its press, which can also be relayed by less specialised media, especially around major events such as 'La fête de la vapeur' (steam festival) of the Baie de la Somme which is taking place at the moment and involves four steam engines on a normal track line coming from the 'triangle' of Paris-Rouen-St.Quentin, a radius of approximately 300 km and some ten engines on a metric track. National television is involved in this venture which is carefully timed at the start of the season.

Other major events are planned: a special steam day for federal tourist railways and UNECTO on the 6th/7th of July, national historical monuments day (for museums, châteaux, industrial heritage...) on the second Sunday in September. It's up to the national organisers to inform the regions about these events.

4. MARKETING AND BUDGETS.

We are now getting into the most difficult point of our venture. Even if we can allocate a large sum of money to reconstruct a steam engine or to building a great new depot, it is much more difficult to agree to spend x% of your budget on advertising.
We can say that, if we keep to a budget of around 6% of income, and we know that 1 minutes worth of broadcasting on national television at around 9.30 pm costs around £120,000, without counting the cost of making the commercial, no French tourist railway can afford such a luxury. In other words, we must remain realistic.

This proportion is also dependent on several parameters. Let us try to draw up a brief list:

4.1 - *How much should we allocate for marketing?*

We estimate, taking into account other constraints on the venture, that a normal percentage expenditure is around 6 to 10% of income for an average sized network that is already known (around 10 or 20 km). This would go up to 10 to 20 % for a small new network, but could fall below 6% when the network has a 'public service' function in addition to the tourist attraction that it constitutes (if it exclusively covers a beach, a cave, or a famous place, for example).

4.2 - *What is the advertising expenditure of our competitors?*

Yes, we have competition, and we can't delay talking about our competitors any longer. They are not necessarily railway attractions, but tourist attractions situated in the same catchment area and suitable for similar clients: ornithological sites (Baie de la Somme tourist railway and the Parc de Marquenterre, for example), areas of historical importance (such as La Vendée tourist railway and Puy-du-Fou), automobile museums, amusement parks, and so on.

Even if joint ventures are looked for (try to convince Mr. EuroDisney or

Astérix that you're competition that they cannot afford to ignore!), it is obvious that the more fierce the competition that we face, the more we should spend on our own advertising.

4.3 - *What has been the impact of previous campaigns?*

Questions must be asked on the appropriateness, for example, of renewing say and advertisement centred around 'boules' clubs, if, after a previous campaign, they fell in numbers, or if new ones were opened!

This obviously supposes that a close account was kept of expenditure and the financial returns that resulted from it (even if, we should remember, our only aim is to get enough money to be able to continue to restore our equipment).

As a general rule, it is wiser to allocate the same amount to a profitable segment (individual clients in August, for example, then to a declining segment (such as works councils in April).

The environnment in which we operate is evolving progressively, illustrated for example by the fact that for over ten years a majority of the population can drive and possess a car, which modifies the topography (the potato chart) of journey durations and the need to travel by coach. Hence the increased mobility and the greater degree of spontaneity, but also the increased dependency on meteorological conditions.

When talking about budgets, it necessary to include accruing salaries and possible distribution costs. Finally, we must deal with net figures, both for expenditure and income.

5. Questionnaires/Opinion Polls

5.1 What to gain from questionnaires.

These questionnaires, destined to expand on results of previous marketing, must be very simple, easy to understand and must demand facts rather than general impressions.

For example: one C.F.T. (Tourist Railway) asked the question "Are you an amateur railway enthusiast?" 87% of those questioned gave positive answers. However, under the same conditions the question was asked, "Do you regularly read a magazine specialising in railways?" Only 7% replied that they did. This shows that the word "amateur" has a different meaning for the interviewers and the interviewees.

These questionnaires "a posteriori" are not an easy undertaking as they must present an image of the general clientele passing through in a year. A random method of enquiry is sometimes the best solution (for example, stopping 1 passenger in 30 at the station exit, or perhaps the 4 passengers seated in the 4 corners of each carriage). However it is necessary that the day of the week, the month and the type of railway are taken into consideration when choosing the random targets, with regards to usage over a year. It is a good idea to ask the simple, straightforward questions first, then progress to the questions requiring more thought.

Generally speaking it is best to avoid questions which are too narrow (i.e. yes/no answers) in order to take into account specific situations. One must try to avoid presenting too many boxes to be ticked as these are difficult to count and are not taken seriously enough by the interviewee, these questionnaires "a posteriori" can, if used properly, yield important information. They do require a certain amount of work, because it is preferable to question those interviewed, rather than leaving them on their own to fill in the questionnaire.

Contrary to popular belief it is not necessary to question lots of people to get sufficiently good results for a CFT (Tourist Railway). Thus; for a network which welcomes 50,000 travellers each year, 100 well-motivated responses will suffice. We know that certain metro lines were built after questionnaires were carried out on only 500 people.

The interviewers chosen by a CFT should be volunteers with a basic knowledge of the system/organisation (and being presentable) or, even better, business school students with some understanding of network problems so that they are able to respond to clients' questions, without influencing them too much in their answers.

The majority of these questionnaires must be carried out on the trains themselves, if possible at the end of the journey or at the station exit so that the client has been able to appreciate the advantages and the disadvantages of their journey unless we want to consider their initial reaction and their expectations from the service.

However, some questionnaires could be carried out amongst the general public, according to socio/demographic criteria (sex, age, dwelling-place, profession). Unfortunately this type of enquiry is costly and gives a weak feedback after having to target specific people to interview. These polls are generally out of limits to the Tourist Railways organisation, except as exercises for business school students.

It is also possible that some results, which are hard to understand will necessitate extra research, this gap could be filled by more detailed interviews beforehand with both clients and non-clients. This technique is sometimes useful, yet it is costly and not widely accepted unless it concerns regulating a "commercial incident". Above all it would be interesting to question non-clients to find out why they do not use the Tourist Railways.

5.2 Conclusions.

These questionnaires must aim to reduce or suppress the negative aspects brought out by the responses, rather than gratifying all the (sometimes incongruous) suggestions made by those interviewed. The wishes of the clients (or non-clients are sometimes very different to what the commissioners of the enquiry are expecting. But where it is not possible to act upon all the suggestions made, it must be made clear as to why it is not possible, whether it be via a mention in the information leaflet,a special poster, a loud-speaker announcement or an article in the press.....

Sometimes clients mention shortcomings for which the CFT is not responsible, such as mediocre food, poor terminus decoration, shops which are not open..... This isargument which needs to be taken up with the operator responsible, without losing sight of the fact that the sale of integrated services (which would be a way of acheiving over-all control) is forbidden to the C.F.T., with the threat that it would then be financially and judicially considered as a travel agency.

6. An example of communication, how to plan it. After having heard the theory, let's move on to how to put it into practice and try to find a structured process which will allow us to optimise our means, rationalise our procedures and, above all to fin a more effective way of communicating.

6.1 Analysis of our "products".

I feel that there is no point in developing an advertising feature, and to spend money on it, if we haven't really thought about the product we wish to promote.

6.1.1 How are we perceived?

Opinion polls, questionnaires
Help from business schools.

6.1.2 How can we judge our product?

Strong points:	originality nostalgia cultural recreation (historical and scientific)
Weak points:	high costs restricted opening times based on an association small budget
Potential public:	What do we offer. What potential links do we have with other services. Who could be interested in us. How can we reach the public.
Possible means of communication:	the association's internal resources national groupings/links reaching the specialised media sections

6.1.2 continued	Calendar of events:	arrange to coincide with other leisure activities.
		produce a calendar showing restricted opening times
	Perception of tourist tourist railways in France:	How to define tourist railways as different from tourist trains running along the beach.
		How are tourist railways represented in France? (Living museums, fabulous collections, passionate enthusiasts).
		How can we assure the upkeep and security of the operation of the trains?

6.1.3 Images to promote.

A serious and responsible association.
Our goal is one of preservation, and not commercial gain for any derogatory reason.
Historic monuments, history and technology.
"Green" tourism, discover the countryside.
Heritage, culture, nostalgia.
Trains for pleasure and discovery.
The "other" side of railways, picturesque, small trains.
The railway of your childhood, that of which you always dreamed.

6.2 Targets

6.2.1 Census and identification.
Who do we want to reach?
Divide into distinct interest sections
- Elected members and decision makers
- French National Railways (SNCF)
- The general public
- Tourist promoters
- Influencers of opinion (journalists)

6.3 Objectives

6.3.1 For each target, assign goals.

1) Decision makers and National Railways - help to ease our operations.

2) Journalists - relay our message to the public.

3) General public - future customers.

4) Other railway associations - potential partners.

6.4 Action.

6.4.1 Messages.

For each target, define the message clearly that we want to get across. (Perhaps fundamentally different from the commercial objective!)

6.4.2 Promotion

For each target define which axes of communication to use.

6.5 Procedure

6.5.1 Campaign planning

For each target and each message, define the means of communication (direct, specific, personalised, generalised).

6.5.2 Media Research

- Press (internal, specialist, general)
- Television/Radio (chance of an off-peak broadcasting time, but starting in the popular times of May/June)
- Minitel (French information network)
- Internet

6.5.3 Choice of advertising medium.

For each medium of communication, which advertising support should be used for example, when dealing with the press family magazines are preferable to a specialist press.

6.6 Plan of Action

Define starting dates, action plans, timing and finding of volunteers.

7. Other areas to explore.

7.1.1 Management of "special" events with help from business school students.

- National Steam Days
- Fetes (machine displays)
- Historic monuments

7.1.2 Define non-conventional methods of communication.
- promotional journeys and incentives organised in partnership with French National Railways/The Tourist Board/ FACS.

- press information documents, choose certain types of newspapers for which editorials can be written.

- diffusion via the modern media
Targeted telematic services (Minitel, Internet...)
Produce network or group network videos.

7.1.3 National Policies.

Lobbying - Meet the decision makers.
- Result, the president of the French National Railways (SNCF) speaks about us at a conference.

Group promotion by the Federation

- systematic presence at all functions (to see how we stand, to seek out potential partners).

- with the help of federate networks articles for the press can beput together.

- provision of a communal information leaflet.

- communal graphic chart.

8. Final Conclusion

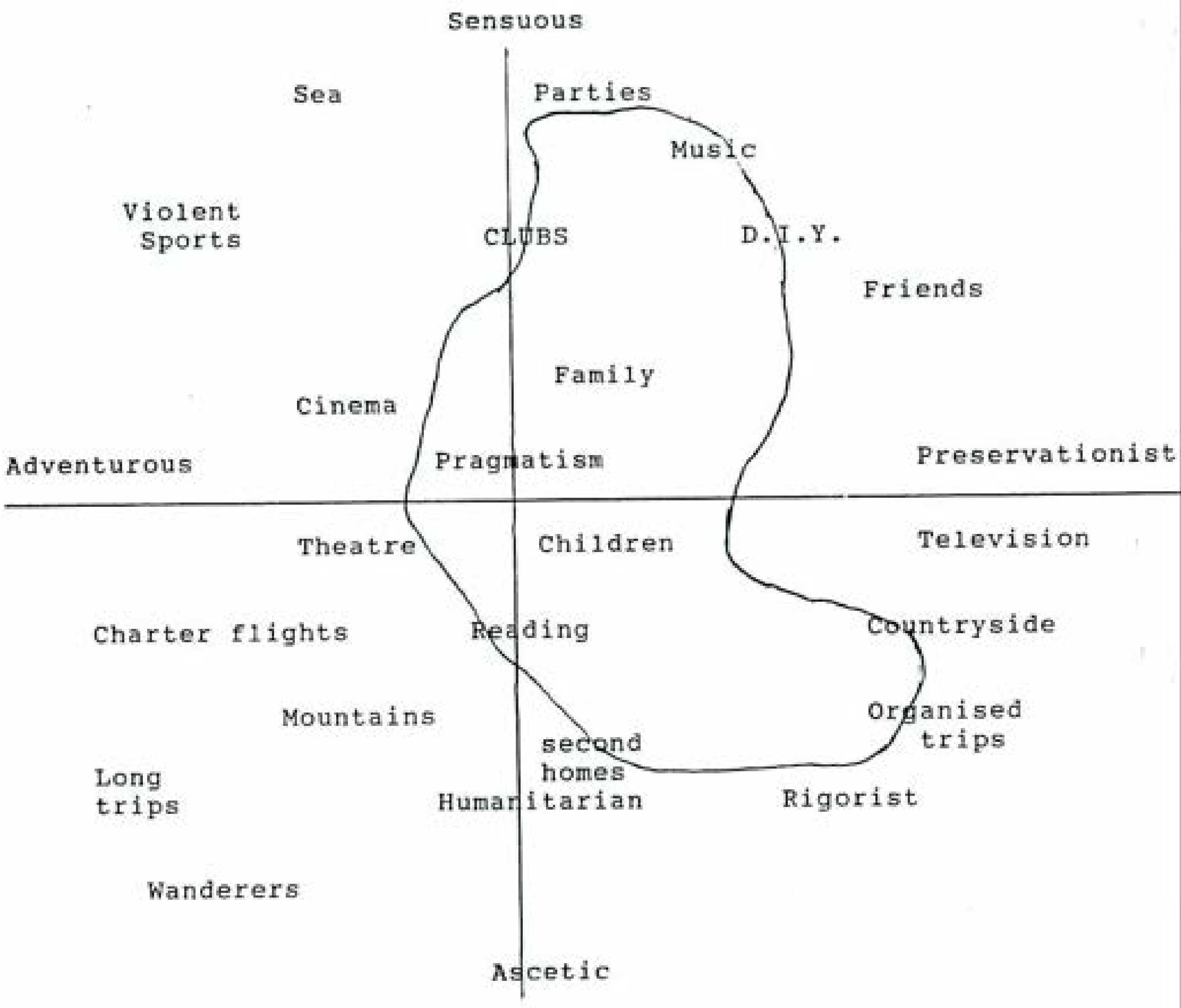
It is clear that marketing is only one of the techniques and methods that can be used to develop a product. If the product is mediocre, then the marketing strategy cannot compensate for this fact. As much as those interviewed often don't mention their little complaints (declining state of equipment, authoritarian control which is not compatible with the idea of "recreation", refusal to accept a certain payment card, vehicle scratched in the car park...), these things are amplified when passed on by word of mouth to their nearest and dearest.

Marketing is useful, but it doesn't mean we do not need to look to other methods of promotion - on the contrary in fact.

9. Discussion/Debate for Participants.

Annexe 1

Potato-like topography showing people most likely to use the Tourist Railways (CFT).



NOTE: This diagram is only an approximation and varies according to the exact nature of the Tourist Railway,following its' length, its historical interest, the surrounding area etc. Also, it is only valid for France. In the northern countries the "potato" would be lower. This is important if targeting an international clientele.

Annexe 2

A model questionnaire to find out what the general public know about us.

1) Could you give me an example of a Tourist Railway.

(If there is a problem, give a definition of a Tourist Railway: an out of use train that one takes out of interest, not for reaching a certain destination).

2) Do you know the X Railway?

No

Yes — Because you have visited it.
Because you have seen the publicity.
Because someone told you about it.

3) In this region could you give me an example of

* an amusement park
* a zoo
* a monument
* a boat-trip service

4) If you have never travelled on a Tourist Railway, why not?

* no interest in old machinery
* fear of high prices
* too complicated to get there
* Another reason

5) If you have travelled on a Tourist Railway, did you enjoy it?

Yes

No — Why?

6) I'm going to give you a complimentary ticket for a Tourist Railway and a stamped envelope. On your returnplease could you send me your ticket and your comments in a few words on the back, and any suggestions you may have.

For the interviewer to fill in after the interview:

Day:	Sex:
Time:	Age (twenties, thirties etc.)
Place:	Profession:

Annexe 3

Model of questionnaire for use on the trains or at the station exit

(To be asked at the end of a journey on a Tourist Railway.)

Could you spare me 2 minutes for a few questions. Thanks.

1) Did you come

* Alone
* With the family
* With friends
* In an organised group (over 15 people)

2) Are you travelling a

* single journey
* return journey

3) Where do you live?

Where did you stay last night?

Where did you lunch today?

Where will you lunch today? (If before midday)

4) How did you decide to come here? (Many possible reasons)

After seeing, reading or hearing an advertisement.

After advice from a friend or relation.

After recommendation from a tourist agency/guide.

Because a group I belong to was coming.

Because I am an amateur railway enthusiast.

By chance.

Another reason (birthday, curiosity)

Annexe 3 (continued)

5) What impressions have you received?

Very good

Good

OK

Poor

Very Poor

6) Which terms seem most appropriate to you to describe this outing?

On time	Late
Clean	Unclean
Polite personnel	Impolite personnel
Easy to pay	Restricted means of payment
User-friendly	Crowded
Interesting terminus	Dull terminus
Easy access	Difficult access
Cleanliness	Uncleanliness
Historically important	Ugly looking
Beautiful countryside	Disappointing environment
Good information on the line Before departure	Poor information on the line Before departure

For the interviewer to fill in after the interview:

Day:	Sex:
Time:	Age: (twenties, thirties etc.)
Place:	Profession:

FEDECRAIL

1996 SEMINAR PAPER

Mike Lee, Marketing Director,
The Great Central Railway.

Marketing

"Role of Professional Agencies in Helping to Market Preserved Railways"

ENGLISH COPY

EUROPEAN FEDERATION
OF MUSEUM & TOURIST RAILWAYS

Fédération Européenne des Chemins de Fer Touristiques et Historiques

Europäische Föderation der Museums- und Touristikbahnen

The Great Central Railway

Working with a Professional Agency

By

Mike Lee

Marketing Director

G.C.R.

Why Use a Professional Agency?

- Any preserved railway or museum represents a major capital investment and overhead which must be paid for by revenue generation i.e. **Customer Volume.**
- To achieve this it is essential that the railways "proposition" is correctly communicated to a relevant audience.
- This needs professional creative, media selection and communication skills.

G.C.R.

- A professional agency has the benefit of looking at your railway from an outside viewpoint and should evaluate what you have to offer, in a commercial and unemotional manner.
- Having determined and agreed with you what it is that you are offering, the agency must then identify the strongest target market and the most efficient means of communicating with that market.
- This should not only be advertising, but also P.R., promotion and direct marketing.

G.C.R.

How do you work with an Agency

- You must first develop a clear brief defining your marketing task and budget. This should be put to at least 3 agencies, which should respond with a pitch presentation.
- The agency should make proposals covering
  - Your railway's proposition.
  - The target market.
  - The media mix and budget.
  - The creative approach.

G.C.R.

- You must evaluate their proposals carefully, reviewing all aspects and your confidence in the team that they field. The most important single issue is proactive creativity. The advert that does not communicate efficiently is extremely expensive!
- You should also look at their media proposals carefully. If advertising is the only proposal, look elsewhere! Their proposals should show you how to get the best value for your money.

G.C.R.

Working with the Agency

- Having chosen the agency, you must agree a clear contract, budget deployment and sign off procedures.
- Agencies earn their living through fees, media commission and mark ups. The wise railway will agree a reasonable fee, a split of commission and open book accounting with minimal mark up to ensure best value.

G.C.R.

- Do not :-
  - Allow your agency to do all your print buying.
  - Stifle the agency's proactivity.
  - Look at their proposals from a "Railway" viewpoint.
  - Accept bad quality work or budget management.
- Do:-
  - Insist on reports of meetings.
  - Review at least every 3 years.
  - Praise good work.
  - Keep control and use purchase orders!

G.C.R.

Remember

"The job of any marketing communication is to make a single minded proposition come alive in a compelling way"

Maurice Saatchi, Saatchi & Saatchi.

G.C.R.

- You must feed your agency through regular briefings and by keeping them informed of events on the railway. This is particularly important in PR terms e.g :-
  - Commemorate historic anniversaries.
  - New restoration project starts and project completion.
  - Staff/volunteer activities.
  - Celebrity visits
  - Special events
  - Photo opportunities
- Remember P.R. is “free advertising”!

G.C.R.

Benefits of an Agency

- Vastly more efficient communication.
- Better creativity and presentation
- Better targeting
- A variable, proactive resource to meet varying demand.
- Totally accountable and sackable!
- Stimulated by other work.
- Will meet deadlines!
- Good internal marketing

G.C.R.

Risks

- Costs
- Misrepresentation if not controlled.
- Changing staff quality.
- Will attempt to increase your spend. Will not buy efficiently unless correctly contracted.
- Will need detailed technical input/checking.
- Will need legal checking support - cost.
- May be resented by volunteers/staff.

G.C.R.

Summary

- If a preserved railway is to flourish it must achieve awareness and a strong share of voice in its leisure market hinterland.
- This can be best achieved by professional communicators - you would not employ a lawyer to repair a boiler, don't do the same with your marketing budget!

G.C.R.

ABOUT THE RAILWAY HERITAGE COMMITTEE

APRIL 1996

RAILWAY HERITAGE COMMITTEE

The Railway Heritage Committee is established under the terms of the Railway Heritage Scheme Order 1994, authorised by the Railways Act 1993, Section 125. The committee is chaired by Sir Gordon Higginson, Emeritus Professor of Engineering at and sometime Vice-Chancellor of, the University of Southampton. There are at present 11 other members.

The committee's powers cover publicly-owned railways, the British Railways Board, or any wholly-owned subsidiary of the Board. Members are appointed by the British Railways Board, subject to the approval of the Secretary of State. The Board provides administrative and secretarial support.

Its key remit is -

1. To designate records or artefacts of sufficient significance to warrant preservation and to notify the owners accordingly.
2. To direct to whom historical records or artefacts should be offered - and, if relevant, in what order.
3. To lay down the terms upon which those records or artefacts are to be offered, including any terms relating to payment.

Sets of formal criteria have been agreed against which proposals for designation and direction must be measured. Designations and directions made by the committee may relate to individual items or to classes of item. Formal designation is not the only procedure used by the committee: it is often more appropriate just to reach an agreement with an owning body.

Minutes, together with records of designations and directions, are available for public inspection by prior appointment at the Board's Records Centre, 66 Porchester Road, London W2 6ET.

Contact details

Catherine Bruce
BRB Records Officer &
Committee Secretary

Tel: 0171-922 6627

Neil Butters
BRB Heritage Officer &
Committee Executive Officer

Tel: 0171-922 6664

Fax: 0171-922 6557

Railway Heritage Bill

In Parliament currently (Easter 1996). Sponsored by Mark Robinson MP (Somerton & Frome), this Bill's main effect would be to extend the remit of the committee to include the privatised railway as it emerges.

Background

The Railways Act 1993 has totally changed the structure of Britain's railway industry.

Whilst the British Railways Board will continue to exist for the foreseeable future in a drastically-reduced, residual form, its operational functions have already been split off into new companies for sale (eg Railtrack, European Passenger Services), or converted into limited-liability company subsidiaries for sale (eg the freight businesses and infrastructure service units) or franchising (the train operating companies).

There has been a thorough re-examination of all railway activities, including the increasingly-important aspect of preserving Britain's railway heritage.

Britain's Railway History

This is of particular significance since Britain in many ways can justifiably claim to have 'given railways to the world'.

What was to become the world's standard gauge – 4ft $8^1/_2$in (1435 mm) – was first established at Willington Colliery near Newcastle-upon-Tyne in 1764.

It was also in Britain that the key technological advances were made – in particular iron (and, later, steel) rails, and the steam locomotive – that allowed the railway to be developed as a complete transportation system. The understanding of the interface between the metal rail and wheel has continued to be refined in Britain, leading to significant further international breakthroughs.

In addition, innumerable industrial and social changes resulted from the development of the railway – such as the standardisation of time.

Railway companies established hotels, shipping lines, road services and, later, even air and hovercraft services.

Much of this may be seen interpreted in the National Railway Museum at York, which has the largest railway collection of any museum in the world.

Certainly, Britain possesses one of the world's richest collections of railway records; indeed, probably the finest collection of records of any major industry in the world.

Britain's railways were also unusual, at least in Europe, insofar as the government played little part in their development as a network. By 1914, more than 20,000 route miles existed, built up piece by piece on the initiative of more that 1,000 separate entrepreneurial companies. Vigorous competition had led to cities, towns, and even many villages boasting railway stations and lines belonging to more than one company. Inevitably, there were many mergers.

Inter-company rivalries gave passengers choice and tended to promote better services on individual routes; as exemplified above however they could also lead to the quite unjustified over provision of facilities.

From the early years of this century, railway companies were already seeing the advantages of working together and began to enter into closer working arrangements. During the First World War, there was a high degree of government control. This period exhausted the railways, and after the war was over it was clear that a new approach was needed.

In 1923, 150 or so of the main railway companies were grouped into the 'Big Four': the Great Western, the London Midland & Scottish, the London & North Eastern and the Southern. The LMS became the Empire's largest joint stock company.

Then in 1948, following the further exhaustion of the Second World War, they were finally nationalised and combined into one organisation: British Railways, part of a new British Transport Commission.

From the earliest times therefore, Britain has frequently been at the leading edge of railway organisational, or business organisational change. This has in fact been particularly true of the past 20 years, and no more so than today – albeit controversially in some quarters. Such richness and continuity can scarcely be paralleled anywhere else in the world.

The story does not however end there: on the back of such a wealth of experience, Britain's engineers constructed railways all over the world, and British industry provided much of their rolling stock. Even now, British railway engineers and other consultants are to be found working in a wide range of countries.

Committee Status and Remit

The Railway Heritage Committee is established under the terms of the Railway Heritage Scheme Order 1994, authorised by the Railways Act 1993, Section 125. The committee's powers cover publicly-owned railways, the British Railways Board, or any wholly-owned subsidiary of the Board.

Its key remit is –

1. To designate records or artefacts of sufficient significance to warrant preservation and to notify the owners accordingly.

2. To direct to whom historical records or artefacts should be offered – and, if relevant, in what order.

3. To lay down the terms upon which those records or artefacts are to be offered, including any terms relating to payment.

Formally, it replaces an arrangement laid down under the Transport Act 1968, Section 144; this had however long since been overtaken by events.

It should be noted that an Advisory Panel on the Disposal of Minor Historical Records was established by the British Railways Board and met once or twice a year between 1984 and 1994.

Membership

The Railway Heritage Committee is chaired by Sir Gordon Higginson, Emeritus Professor of Engineering at and sometime Vice-Chancellor of, the University of Southampton.

There are at present eleven other members, drawn from the railway industry, the record offices, the National Railway Museum, and from amongst individual railway historians.

Members are appointed by the British Railways Board, subject to the approval of the Secretary of State. It is the responsibility of the Board to provide reasonable administrative and secretarial support.

A full list of members is shown in Appendix 'A', together with contact details for officers.

Working Groups

There is no provision for formal sub-committees. Three working groups have however been established: a Records Working Group, an Artefacts Working Group and a Scottish Working Group.

The Artefacts Working Group and the Scottish Working Group include some members who are not on the main committee. See also Appendix 'A'.

Procedure

Formally, the committee must meet at least once a year. Currently, however, it is meeting roughly every two months.

Designations are made by the committee and may relate to individual items, or to classes of item – eg types of record. It is also permissible to use the latter method to designate, say, a class of locomotives that is still in service – with a view to a good example being earmarked for preservation when it comes to be withdrawn. (To earmark one particular example at too early a stage could lead to problems were it to be involved in an accident, for instance.)

RAILWAY HERITAGE COMMITTEE

Formal designation is not the only procedure available to the committee: it can often be more appropriate to enter into an agreement with the body concerned.

Minutes, together with records of designations and directions, are available for public inspection by appointment at the British Railways Board Records Centre, 66 Porchester Road, London W2.

Nature of Records and Artefacts

Records take a number of forms, but essentially may be regarded as 'information carriers'. Examples include: legal documents, traditional files, ledgers, record books, maps, plans, engineering drawings, printed documents/booklets/leaflets – eg timetables, rule books, card indexes, microfilm and electronic storage media such as computer disks and tapes; also, films, audio-visual presentations, videos, photographs (including negatives), slides, posters/artwork, newsletters, newspapers, magazines, etc.

Artefacts may be regarded as three-dimensional items capable of being moved around. Examples include locomotives and rolling stock, railway-related road vehicles, stationary engines, movable structures, operating and engineering equipment – eg signalling and telecommunications equipment, furniture, clocks and watches, railway models, hotel and catering ware, uniform and personal items, tickets/passes/labels, commemorative coins and medals. Paintings/works of art, calendars and emblems are also likely to fall within this category.

Care of Designated Items

Owning bodies are, naturally, expected to look after items that have been designated. They are not however expected to restrict their use in any way; nor need they refrain from modifying them, although the committee would wish to be advised of any significant changes. (If a locomotive were to be re-engined, for example, a case might be made for designating the original engine in its own right – if it were held to be of sufficient importance. At some future date it might thus be possible to re-unite the engine with the rest of the locomotive.)

Designated items may only be disposed of with the agreement of the committee.

Criteria for Designations & Directions

Sets of formal criteria have been agreed against which proposals both for designation and direction must be measured.

These are shown in Appendix 'B'.

Designations to Date

Examples are shown in Appendix 'C'.

* * * * *

FUTURE CHANGES

A 'Railway Heritage Bill' is currently in Parliament, sponsored by Mark Robinson MP (Somerton & Frome).

The main effect of this Bill would be to extend the remit of the committee to include the privatised railway as it emerges.

Another effect would be to clarify the rights of the owners of a designated item to choose the timing of a disposal. They must still, however, seek the approval of the committee before handing items over to another party.

An important point here is that the European Convention on Human Rights prohibits any sequestration of assets from a private owner. Private companies would therefore rightfully be able to insist on payment of a proper market value.

<u>Relevant Legislation, etc</u>

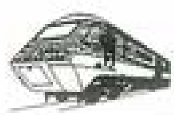
Railway Heritage Bill (1996)
The Railway Heritage Scheme Order 1994
Railways Act 1993, Section 125
Transport Act 1968, Section 144 (now superseded)

* * * * *

RAILWAY HERITAGE COMMITTEE

Other notable landmarks in British railway history include –

- first railway to carry fare-paying passengers (Oystermouth or Swansea & Mumbles: 1807).
- first public railway to use steam traction from the beginning (Stockton & Darlington: 1825).
- first 'modern' railway, ie first major public railway to be operated entirely by steam locomotives (Liverpool & Manchester: 1830).
- first underground passenger railway (Paddington - Farringdon: 1863).
- first passenger-carrying narrow gauge railway (Festiniog: 1865).
- speed record for steam traction (Mallard: 1938).
- speed record for diesel traction (special High Speed Train set: 1987).



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National Railway Museum	'An Outline Railway Chronology' + NRM Reading List

RAILWAY HERITAGE COMMITTEE

APPENDIX 'A'

RAILWAY HERITAGE COMMITTEE

Chairman

Sir Gordon Higginson

Representative Members

Brian Clementson	Railtest, BR
Simon Osborne	Railtrack
Jacqui Rose	Public Record Office
Andrew Scott	National Railway Museum
Dr Frances Shaw	Scottish Record Office
Peter Trewin	British Railways Board

Individual Members

Dudley Fowkes
John Gough
David Morgan
Chris Newbery
Dr Malcolm Reed

Contact details

Catherine Bruce *BRB Records Officer &* *Committee Secretary*	*Neil Butters* *BRB Heritage Office &* *Committee Executive Officer*

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April 1996

RAILWAY HERITAGE COMMITTEE

APPENDIX 'A' 2

RAILWAY HERITAGE COMMITTEE - MEMBERSHIP OF WORKING GROUPS

Records Working Group

Dudley Fowkes
John Gough
Dr Malcolm Reed
Simon Osborne
Jacqui Rose
Dr Frances Shaw
Peter Trewin

Artefacts Working Group

Brian Clementson
David Morgan
Chris Newbery
Andrew Scott

Co-opted

Bob Ballard, Collector's Corner
Aidan Nelson, Railtrack
John Robinson, Transport Trust

Scottish Working Group

Dr Malcolm Reed
Dr Frances Shaw

Co-opted

John Crompton, National Museums of Scotland
Richard Gibbon, National Railway Museum
John Hume, Historic Scotland
Peter Ovenstone, Transport Trust
Dr Paul Prescott, Railtrack

April 1996

RAILWAY HERITAGE COMMITTEE

APPENDIX 'B' 1

CRITERIA FOR DESIGNATING RECORDS

Preamble

Prior to the Railways Act 1993, railway records in general were presumed worthy of preservation save where a deliberate decision to dispose had been taken. Under the 1993 Act, only those records positively deemed of sufficient importance to merit preservation and so designated by the Railway Heritage Committee are to be protected.

In making such designations, the committee shall be mindful of continuity in record series of historical significance.

Records to be considered for designation should relate to one or more of the following heads:

Formation of Policy – including record sets of minutes of all major internal bodies, registered files recording policy formation and assessment of outcome, annual and other major internal reports and accounts, records relating to major change.

Implementation of Policy – including research and development, rolling stock and other equipment used, operations, marketing and sales, computing and finance systems, personnel policy and employee relations, records of accidents or other significant events/ 'causes célèbres', international activities, ancillary activities, obsolete activities, abortive schemes.

Legal Framework & Legal Records – including other records required to be kept by statute

Organisational Structure – including staff and staffing

Architecture & Design

Publicity & Promotion – including posters, etc.

Construction, Engineering and Maintenance

Particular criteria may include –

a. That they are extremely rare.

b. That they represent a type of record that warrants preservation.

c. That they are illustrative of a type of activity that merits preservation.

RAILWAY HERITAGE COMMITTEE

APPENDIX 'B' 1A

CRITERIA FOR DESIGNATING RECORDS (Cont'd.)

d. That they represent an important technical or operational aspect of the railway.

e. That they represent an important aspect of the social impact of the railway.

f. That they relate to an important phase of change.

g. That they refer to some important event, or to some important person (eg their diaries).

h. That they form part of an established series or part of an assemblage that is being collected by a recognised institution.

i. That they relate to an object or class of object which is collected by or preserved in situ by a recognised institution.

j. That they are of local, regional, national or international importance.

All should pass *one or more* of tests 'a', 'b', 'c', 'd', 'e', 'f', 'g', 'h', or 'i', *and* test 'j'.

In addition, the committee should have the authority to introduce as valid criteria such other factors as from time to time it may deem appropriate.

RAILWAY HERITAGE COMMITTEE

APPENDIX 'B' 2

CRITERIA FOR DESIGNATING ARTEFACTS

Preamble

Consonant with the spirit of the Railways Act 1993, the Railway Heritage Committee should only designate for preservation those classes or descriptions of artefact that it actively decides to be of sufficient interest and significance to warrant preservation.

Artefacts to be considered for designation should be judged against the following criteria –

a. That they are unique, as made or built/the last remaining one of a group or class/ extremely rare.

b. That they are representative of a group or class that merits preservation.

c. That they are illustrative of a type of activity that merits preservation.

d. That they represent an important technical or operational aspect of the railway.

e. That they represent an important aspect of the social impact of the railway.

f. That they form part of an established series or part of an assemblage that is being collected by a recognised institution.

g. That they represent an important stage in development.

h. That they have been involved in some significant event, or have associations with an important person or organisation.

i. That they are of local, regional, national or international importance.

All should pass *one or more* of tests 'a', 'b', 'c', 'd', 'e', 'f', 'g', or 'h', *and* test 'i'.

In addition, the committee should have the authority to introduce as valid criteria such other factors as from time to time it may deem appropriate.

RAILWAY HERITAGE COMMITTEE

APPENDIX 'B' 3

CRITERIA FOR DIRECTIONS - RECORDS

__Preamble__

The Transport Act 1968 required records presumed worthy of preservation to be offered first to the Secretary of State for Education & Science – or, where Scottish records were concerned, to the Secretary of State for Scotland.

In 1975, the Secretary of State for Education & Science exercised this right and claimed three categories of record which were transferred to the National Railway Museum. Subsequently, similar records were sent to the National Railway Museum – and all other records were offered first to the Public Record Office, then to other designated local authority record offices.

In making directions for disposal, the committee should be mindful of maintaining continuity of location in record series of historical significance.

The committee may make an offer either to a single institution or to a group of institutions arranged in hierarchical order.

The committee shall have regard to the following criteria when making directions for disposal –

a. That they can demonstrate that the items concerned fall within their collecting policy.

b. That they meet approved minimum storage standards in terms of security; fire, water and environmental control; space; and layout of site.

c. That they meet approved minimum standards for public use facilities in terms of the supervised, safe inspection of records; opening hours; ready production of records; cataloguing of records open to public inspection; facilities for obtaining copies; and the prevention of unauthorised access to closed records.

d. That they have an approved long term plan.

e. That there should be long term financial security.

f. That they are likely to be in a position to meet any required terms relating to payment, including any payment for transport – when such payment has not been met from another source.

All of these tests must be passed by receiving institutions at the envisaged time of disposal.

In addition, the committee shall have the authority to introduce as valid criteria such other factors as from time to time it may deem appropriate.

RAILWAY HERITAGE COMMITTEE

APPENDIX 'B' 4

CRITERIA FOR DIRECTIONS – ARTEFACTS

Preamble

The Transport Act 1968 required artefacts presumed worthy of preservation to be offered first to the Secretary of State for Education & Science.

From 1975, it was agreed that the practice should change: such items would be offered first to the newly-established National Railway Museum.

In making directions for disposal, the committee should be mindful of the desirability of facilitating the development of existing major national collections of historical artefacts.

When appropriate, it should also take into account whether or not museums are registered with the Museums and Galleries Commission.

The committee may make an offer either to a single institution or to a group of institutions arranged in hierarchical order.

The committee shall have regard to the following criteria when making directions for disposal –

a. That they can demonstrate that the items concerned fall within their collecting policy.

b. That they meet approved minimum storage standards in terms of security; fire, water and environmental control; space; and layout of site.

c. That they meet approved minimum standards for public display facilities in terms of the supervised, safe inspection of items; opening hours; and the cataloguing of items open to public inspection.

d. That they have an approved long term plan.

e. That there should be long term financial security.

f. That they are likely to be in a position to meet any required terms relating to payment, including any payment for transport – when such payment has not been met from another source.

All of these tests must be passed by receiving institutions at the envisaged time of disposal.

In addition, the committee shall have the authority to introduce as valid criteria such other factors as from time to time it may deem appropriate.

RAILWAY HERITAGE COMMITTEE

APPENDIX 'C'

EXAMPLES OF ITEMS DESIGNATED BY RAILWAY HERITAGE COMMITTEE

Brunel Drawings

Railtrack Great Western is the custodian of a major, very fine collection of Brunel-era structural engineering drawings – almost certainly unique in the world in its importance. They are still classed as working drawings. Many are colour-washed, and many bear Brunel's signature.

Research is taking place at the moment to establish precise numbers of these drawings. This in itself is a major task since although there are book records of holdings, they – together with all other nineteenth century drawings – are listed in almost total random order. Moreover, many are in such a brittle state that they cannot readily be unrolled. There could well be 15,000 or so of these drawings.

For the past 17 years, there has been a continuous in-house process of conservation. Some 2,000 drawings have received conservation treatment to date. They depict structures ranging from Paddington station roof, to Maidenhead Bridge, to Swindon railway works and village, to Box Tunnel, to Bristol Temple Meads, to Loughor Viaduct, to the Royal Albert Bridge at Saltash.

A key goal of the committee is to establish an appropriate, secure future for this collection.

Gooch Centre-piece

Standing almost three feet high and with a triform base, the silver-gilt centre-piece was purchased by Sir Daniel Gooch from an honorarium voted by Great Western Railway shareholders in 1872. At each of the three corners is a seated sculptured figure – depicting I K Brunel, Joseph Locke and George Stephenson.

Class 08 Shunting Locomotive

Locomotive 08616 was the last to be rebuilt by Swindon Works, in 1986.

It was sought for Swindon's proposed new Railway Heritage Centre, which will depict an ongoing railway story. No other 08 locomotive, the most numerous class of diesel locomotive, had been scheduled for presentation by a major railway museum.

RAILWAY HERITAGE COMMITTEE

Classes of Record

Memorandum and Articles of Association

Annual Company Reports

Minutes and working papers of Company's Main Board, principal subsidiaries and any sub-committees (whether standing or ad hoc)

Organisation charts showing principal officers and departmental structure of company

Company-produced staff newsletters/papers or magazines

Files relating to preparation of principal legislation where Company was in lead in introducing legislation

Note that sensitive documents will nonetheless remain closed for 30 years (or more, if deemed necessary).

April 1996