

Article, David Homes, WSR Journal No.140

The Editor thought it would be an interesting idea for readers to find out what is involved in the role of Association Chairman. Rather than writing the article himself (!) it seemed far better to talk to one of the former chairmen of the Association about his experiences in the role, and David Holmes was kind enough to accept the invitation to be interviewed. Here, David reflects on his period as Association Chairman, on the challenges that he faced, and gives some personal thoughts on what may lie ahead...

Outside, it was a cold and misty November day. Visibility in Portishead, where David Holmes has his family home, was down to about fifty yards, restricting what would otherwise have been a spectacular view over the Severn estuary. Inside, David laid another log on the fire and reflected ruefully on the demise of the regular log trains on the Railway. How, I wondered, had he first acquired the job of Association Chairman?

“Humphrey Davies, when deciding to retire as Association Chairman (he later became Chairman of the Company) asked if I would be willing to step into the role. At the time, with many other railway, business and personal commitments, I declined because I was aware that the Association had changed significantly in the last couple of years of Humphrey’s Chairmanship and to do the post justice the position would be a tough one. My professional and business training had given me the necessary skills and my long service had given me the necessary familiarity with the Railway, but I wasn’t sure I could devote the necessary time. I declined; Humphrey subsequently asked Robin White to join the Trustees and to step into the position and Robin was duly elected.

“Robin ran the Association for twelve months but subsequently had to step down and I agreed to step into the vacuum despite my earlier reservations. I had anticipated the job would be tough but expected to be buoyed up and supported by former colleagues and friends - I had not anticipated the surprising level of resistance that quickly built up within the West Somerset Railway Plc as I sought to bring the Charity’s systems and finances under better and more professional control”.

How, I wondered, did he view the role of the charity in the overall operation of the line? “If the PLC exists to operate the Railway and to provide the structure and framework for the day to day operating and safety case, then the Association’s role is to provide a channel for members and supporters to contribute to the line’s success and to provide funding for the heritage aspects of the Railway. These are perhaps not key to the pure operation of the Railway, but they are, never the less, vital to the creation of the ambience and future well being of the West Somerset Railway as a portrait of railways of the West Country in the 1950s and 1960s rather than simply a twenty-mile tourist attraction.

“One common misconception”, he continued, “is that the Association exists to ‘support’ the Railway in the context of financially subsidizing the operating company. That is not, and never has been, the case. The Association can, and has, assisted with various projects in the past - for example, the Bishops Lydeard booking office was funded in return for shares. Share issues were a common method of gathering donations into the PLC and something that used to be regularly practiced by the Association. When the Association contributed to a

project, it received an allocation of shares of equal value to balance the accounts and provide evidence to the Charity Commissioners that the funds were used beneficially. However, the PLC shares now have no face value and pay no dividend and we can no longer use them as evidence of good investment - in fact, our auditors insisted that we write the value of our former shareholding down to zero in 2010. (In order to attract certain types of grant funding, the PLC decided it was necessary to declare that it would not pay dividends to shareholders at any time - the Company did not, of course, pay dividends anyway, but there was a theoretical possibility of it doing so in the future and the declaration that it would never pay dividends meant that shares held by the Association and the West Somerset Steam Railway Trust had to be written down to zero value - Ed.). The Association cannot simply hand across significant sums of cash, cash that has been donated for specific projects or has been given under Gift Aid Rules. The Association can, and does, pay legitimate and commercially reasonable bills and can purchase assets and invest in those assets that it owns outright or co-owns. The Station Farm site, adjacent to Bishops Lydeard station, would have been a good example of an owned asset and one for which the Association put aside the sum of £80,000 to purchase. Sadly, the PLC does not currently wish to give value for the Association's investments in terms of asset ownership."

During David's tenure, he presided over a number of major constitutional changes that the Trustees of the time felt necessary to implement, and I asked him to explain the thinking behind these moves. "Returning to 2009, the Association was a Charity but the M & A which govern the Association as a Charity had become outdated and was not compliant with the 2006 Companies and Charities Acts. Acting on some extremely professional advice from a firm of specialist London solicitors we upgraded the M & A to bring them into line with modern requirements. This move was widely applauded at the 2010 Annual General Meeting when the new M & A were put to the vote and endorsed wholeheartedly by the membership.

"Similarly", David continued, "our finances needed overhauling; we had a reasonably healthy bank account but it was sub-divided in a piecemeal fashion between restricted uses and no one pot was big enough for its purpose. Our net income was barely sufficient to secure the long term future of our assets, these being 4500 Class No.4561, No.7821 Ditcheat Manor, our Quantock Belle set and other Mark I coaches plus the many smaller heritage grants we make for groups to restore items such as the Stogumber station waiting room, the Crowcombe Heathfield toilet block and more recently the Minehead water tower and Williton footbridge roof. None of these are key to the running of the operational West Somerset Railway but each is incredibly valuable to the heritage and ambience of the line as a whole and the Railway is a richer place for their presence.

"Pressure on our finances had been stretched by the acquisition of 7821 Ditcheat Manor. It was perhaps not clear to the membership at the time that the locomotive was effectively bought at the request of the PLC which, faced with the unknown effects of the wheel/rail issues that were uppermost in their thoughts at the time, desperately needed to secure access to a steam locomotive but had a £150,000 hole in their finances. The Association received some considerable public vilification for selling 6412 to buy 7821, though a full consultation exercise was undertaken by former chairman Robin White prior to the sale; however, the Association took that vilification on the chin and the level of PLC

involvement was never widely known. By the time I took the Chair it was obvious that the locomotive was not, as we had been told, suitable for an extension to its boiler ticket to enable a further year's traffic but needed an extensive and expensive overhaul. I found the funds for 4561 were barely adequate and that there were no funds and only expense looming for 7821; our Quantock Belle fleet was in desperate need of upgrading and at least two of the Mark I coaches on free loan to the PLC were by now in need of expensive overhaul, with the gap in funding widening by the day.

"Fortunately, there were a number of positive points to balance the negatives. We had a growing and successful business in West Somerset Restoration at Williton which had been established by the Association Trustees which included Humphrey Davies, Mike Johns and Geoff Evens, all former Association Directors who now sat on the PLC Board. A welcome windfall but short-lived income stream was available in the form of the ballast income from Norton Fitzwarren and, of course, we had the traditional income of the Bishops Lydeard shop/ café and the Quantock Belle dining train. I encouraged the Trustees to set a five year budget to match our liabilities to our income and begin to trade ourselves into a position where our two locomotives could be put to operational use on the line and where our Mark I coaches would be in good running order - with working toilets! The need to overhaul TSO 4419 and the skills base at Williton seemed synergistic to developing Mark I overhaul skills at Williton Works to supplement the excellent but very stretched facilities at Minehead. Perhaps the income and expense could be matched but it would need some tough decisions.

"It was no good setting a balanced budget for the future without controlling expenditure and several measures were put in place to start that process. With so many key projects vying for funds a priority of sorts had to be developed, so when the PLC asked for money for TSO 4419 to be sent to Cranmore on the East Somerset Railway for a complete overhaul, the Mineral Line Bridge and the water tower for Minehead all at the same time - a combined expenditure of some £150,000 and more than our annual income - the Trustees decided to support the restoration of the Mark I (the largest of the requests, and a project which is nearing completion at West Somerset Restoration at Williton), to decline the Mineral Line Bridge costs which were met by separate donation (although the WSRA contributed all the sleepers required and a large proportion of the income raised was through an appeal to the generosity of Association members through the Journal for which the PLC was not charged), and to defer the Minehead Water Tower (a restoration taken on and funded entirely by the Association and now, I believe, nearing completion). Naturally, the PLC were disappointed that we had not met all their aspirations in one go but the West Somerset Railway has been built up over many years and expenditure must match funding if it is to survive and prosper".

What else, I wondered, had been happening on the Railway beyond the immediate confines of the Association at that time? "Away from the Association", David explained, "the departure of Robin White had left the Heritage Carriages Project without a champion and the PLC saw this as a potential public relations disaster. Whilst they were not prepared to accept the liability or coaches directly, they did ask the Association to give the existing coaches a home and set up a tri-partite steering group with the Steam Trust. The WSRA agreed to purchase Station Farm, to pay the planning fees and fence the site, as it was generally

considered the Charity stood a better chance of making a successful Heritage Lottery application and for this they would need the freehold. The plans blended with an idea conceived by a think tank of WSRA Trustees back in 2004 to enlarge the Association museum and educational facilities at Bishops Lydeard and the more recent concept of a Heritage Carriages Shed and Museum, still under discussion. The earlier plans had been warmly supported by the then Association Chairman and the PLC Managing Director, now of course both in 2012 seemingly very much against Association ownership of the site. The WSRA underwrote and paid £12,000 for the original planning fees from its budget of £80,000 before the PLC decided to abandon the Heritage Carriages Project and run Station Farm as an extension to the existing facilities at Bishops Lydeard. Of course, Station Farm is now one of the key factors in the current financial problem since the Company has cut the Association out of the original agreements and now finds it cannot fund its own plans". (The current PLC plan is for the Trust, Association or both to make a bid for lottery funding for a project built on Company-owned land, as opposed to the original plan which was for the Association to make a bid for a joint WSRA/WSSRT heritage project on land actually owned by the Association, which might have made so much more practical sense - Ed.)

"The Trustees also proposed to relocate the Bishops Lydeard café to make additional room in the shop and to combine the offices of the Association located partly in Brunel House and partly on the station. I was particularly keen on this as it would have given one office with consequent rental savings, brought all the Association's records onto one computer network and released one single phone number for the WSRA. The Association office on Platform One could have been returned to its former glory as a waiting room. Additional income, cost savings, a centralized Association administration and a restored heritage feature. There was little not to like about this scheme, though the PLC, outwardly at least, did not show any great signs of acclamation as the Association 'got its act together'. A dispute between the PLC and the owner of the building concerned began at this time, and this dispute was not subsequently resolved until after the Association had had to withdraw its interest in the scheme; this episode resulted in some financial cost to the Association and another opportunity to streamline the affairs of the charity had slipped away.

"Many have asked why the WSRA needs commercial income", continued David. "The fact of the matter can easily be seen from the most cursory of glances at the annual accounts. The Association has striven for many years to keep the cost of membership as low as possible. It is traditionally set at a level to support the cost of the membership and basic needs of the organization. Therefore, the membership income more or less matches the postage, phone, fax and salary costs of running the membership office plus the Journal and unavoidable costs such as electric, lighting and insurance. Any other projects need to be funded by donations, legacies or commercial income. Members are incredibly generous and donations to specific projects are usually very well supported even in these financially-precarious times; legacies are fewer and further between, good in a way as we do not like to lose any of our members, particularly in this way, though despite common and impartial funding to promote legacy donation few seem to realise the advantages of leaving their legacy to a Charity which can claim additional tax relief - more bang for your parting shot, so to speak! Hire income from our locomotives dried up when the funds to restore 4561 were

inadequate and 6412 was sold in support of Ditcheat Manor, though the situation with No.4561 is healthier now and the overhaul of the locomotive, initially started during my tenure, resumed in May 2012 and is now progressing rapidly. The Association therefore relies on the trading income it can generate to support the charitable objectives for which it is established. Without the Promotions covenant the Association could not function and would have to close its doors. As an aside, perhaps it should be appreciated that every penny across the fence is a penny in support of the West Somerset Railway as a whole, with the Company seeking to fund the operation of the Railway and the WSRA and other groups seeking to fund some of the equally important additional and heritage aspects.

“However, the PLC no longer appeared to share this view and seemed to view the re-organised and revitalized WSRA as a threat rather than a strong and supportive partner. Long standing agreements, in writing but not countersigned, for the Tarmac Shed lease, Norton operating and running rights, Station Farm, common staff conditions and procedures began to be ignored and simply denied. Face to face discussions and promises, even if confirmed in e-mails, were similarly denied. I felt I could no longer trust the word or agreement of people I had formally considered long-standing friends. Every continued attempt to place the West Somerset Railway Association on a sound footing was resisted and frustrated and an underground campaign begun to paint the WSRA as ‘failing to support’ the Railway and operating in competition to the PLC.

“Of course, this was largely unfounded. The WSRA had continued to operate the various agreements and paid the PLC the agreed costs and contributions for new roof lights and internal lighting at Williton, Norton conductor drivers and planning fees for Station Farm, in addition to the usual contributions of half of the rent at Brunel House, the electricity costs and invoices for rubbish disposal from service trains at Bishops Lydeard. The Association had continued to support and fund the volunteer Permanent Way Gang, Cutting Back Gang and the Association-inspired Restoration and Maintenance Squad (RAMS), to develop the Gauge Museum as a visitor attraction, and it continued to provide - free of charge - operating vehicles to support the Company’s Mark I fleet and contribute haulage fees for the Quantock Belle. The commercial activities - Williton Restorations, the dining train, Bishops Lydeard shop and the Steam Fayre & Vintage Rally had all been operating for many, many years and were neither in direct competition with the PLC nor enlarging the format of their traditional income stream. Norton was a new income but one developed by the WSRA which contributed to the cost of a staff member for the Railway as well as funding the triangle, platform and development of the rally site at Norton. In terms of ‘one railway’ I emphasize again that every penny earned is a penny across the fence into the Railway - curtailing the Association’s income has evidently not increased the PLC income, or they would not now be short of funds, but has merely decreased the Railway’s income as a whole, a loss largely borne by the Association. (The huge increase in track access charges for the Quantock Belle dining set for 2011 onwards, along with an inability to provide more dates on which the set is allowed to run, not only hurts the Association; naturally, if the dining set was allowed to run more often, the PLC would also gain more revenue from its track access fees - Ed.)

“I was amazed, disappointed, even hurt at the venom exercised by certain members of the PLC Board in their denials and frustration of the Charity. Under

normal circumstances, the foundation work the Trustees were doing would have been lauded as being a long overdue stabilization of the Charity and a safeguard of the Association's future. On the West Somerset Railway, it was condemned as opposition, divisive and anti-Railway. I was once asked why the WSRA had no five year plan; we had and had been putting the foundations into place; however, the continued negativity shown by the Railway Company made execution and publishing of that plan impossible. I share the opinion expressed by David Williams in his responses to the PLC Online articles that disagreements and disputes are best handled behind closed doors and that inevitably means the membership does not get to hear the detail of any disagreement. As a result until the recent Online attacks by the PLC, how many members would have believed me if I had broadcast that the PLC were being quite so obstructive and destructive toward the WSRA? [That is equally why so few Association plans for the future have currently been made public; the Association has plans for the future that will enhance the Railway as a whole, but one only has to look at the impasse surrounding something that should be as universally beneficial as the purchase and running of the Inspection Saloon to realize the futility of publishing positive and innovative ideas – Ed.]

So, how does David view the Railway now, given the time that has passed since he was actively involved with the Association? "Since my departure, the PLC has annexed into its own operations several former WSRA activities - thus the Cutting Back Gang, Permanent Way Gang, RAMS (initially set up and funded by the Association for the benefit of the whole Railway) and Volunteer Recruitment have been absorbed into Company departments, although the Association still pays for the space they occupy in Brunel House. Sleepers are still changed and undergrowth tidied but the spot sleeper replacement rates of previous years and the Tidy and Log Trains so beloved of our members seem to have been consigned to the history book. The loss of Volunteer Recruitment was a particularly bitter pill for the Association to swallow; set up and formerly run by Humphrey Davies, the recruitment and retention of volunteers was never easy. In 2010, the WSRA put in a very significant effort and not a small amount of cash into raising the profile of volunteer recruitment and re-launched the campaign. Still not satisfied, the PLC annexed the department in its entirety, so when the Company now complains, as in the October Online, that they are finding it hard to attract volunteers, one wonders if the PLC are, in fact, managing any of these activities better or even as well as the Association did in times past?

"The resolving of the many business and organizational difficulties were worth the increasing amount of time I was investing in the Association. However, the obstruction and increasing personal attacks were not and I resigned the Chair in March 2011 and left the West Somerset Railway after 27 years of service. I had started my 'career' with the Railway as a DMU driver, worked as part of the Iffy Rivet Company restoring 4160 first time around and acted as DMU Driving Instructor for a number of years before taking over the Cutting Back Gang from Ian Jonas, when Ian became a driver on the National Network. Over fifteen or more years, the gang largely cleared the entire Railway of thirty years of undergrowth, leading to the glowing reputation the West Somerset Railway now enjoys for the superb condition of its lineside. Of course, Special Projects, as the gang became known, went on to greater things, recovering materials from the site of the old Taunton Steam Shed, materials from Taunton

Cider plus one or two other little operations we can't yet mention! I was asked to join the Association Board and then to take on the planning and subsequent execution of the Norton Triangle Project, and then asked to join the PLC Board as the Association's representative".

Had it, I wondered, been a worthwhile experience? "I enjoyed my years on the line, the achievement of a clean lineside and Norton Triangle, the camaraderie of a great many good friends and colleagues and it was with great sadness that I made my decision to leave", says David. "However, the level of vitriol and obstruction emanating from Minehead, much of it in the last weeks becoming more personal, reached such levels that there was really no option. Those who clamour for greater co-operation should understand the direction and vigour in which the lack of co-operation actually moved and has continued to move, and the amount of money and effort bled from the WSRA by the PLC [and from other organizations associated with PLC officers] in the process, for no apparent increase in efficiency or profitability for the Railway as a whole.

"I have not set foot back on the West Somerset Railway since March 2011 but judging from subsequent events, a further appointment and loss of a Chairman, the outrageous and frankly inaccurate articles in Online in the last few months and the inevitable squeeze on Company income brought about by the current financial climate, I would be inclined to say things have reached crisis level. The PLC seems determined to pursue some form of project at Station Farm, to extend Williton Loop and other sizeable projects despite falling income. All of these projects are desirable but not necessarily desperate - I remember draughting out plans for the new Williton stream bridge with my employer's bridge engineer some fifteen years ago! Whilst we cannot know for certain, I suspect and believe that it is the Company's intention to bleed the shortfall funds from the Association's bank account to the maximum extent possible allowed by the legal restrictions placed on the use of funds by Charity Law and to put the Association into a position where it is effectively insolvent before annexing the assets and income. Far fetched this may seem, but in my experience more likely to be reality - and, in my view, potentially a very sad day for our Railway as two complementary but essentially different organizations become one commercially driven and, by definition, inefficient giant.

"Of course, we have been here before.

The PLC has exhausted its available cash before and the WSRA has stepped in to bridge the gap whilst it got back on its feet - many will remember 2007, when the wheel/rail fiasco saw the Railway unable to operate its steam locos and saw a large expenditure required on the locomotive fleet; others will also remember the distant but very frightening days in the 1980s when the Railway stood every chance of being wound up. I very much hope we are not in that position today but it is clear that once again the operating company has ideas significantly above its current income and that must lead to questions about the management of the business. Rather than managing its income or asking its supporters for help, it seems the Company intends to take that help by force. That may resolve their problem on this occasion but what of the future - what happens next time, when the operating income doesn't meet the big ideas and plans - who steps in then?"

So, is there an alternative vision of the future that David feels might better benefit the Railway as a whole, I asked? "Of course, there are other ways of

solving this conundrum and it is common place within the wider heritage arena for assets to be held in charitable trust and funded from a separate income source that cannot jeopardize the asset. Many of our heritage railways, other transport trusts, buses, ships, aeroplanes and, of course, the biggest of them all, The National Trust, are set up on this model; a model which is favoured by the Heritage Lottery Fund as it safeguards their investment.

“In terms of the West Somerset Railway, this would see a Charitable Trust (not necessarily the WSRA, though that might make perfect sense) as the lead body owning all the heritage assets currently held by both the Association and the PLC and any other related body that wished to join. Those assets would include locomotives such as 4561, 7821, 9351 and Norton Manor as well as the heritage tooling and facilities in Williton shed, the coaching stock, the museum contents, the triangle and many other assets. The charity would be responsible for their custody, maintenance, their display and context of use and, most importantly, offer them the maximum protection under the law from insolvency of the commercial operations - a considerable benefit in these uncertain economic times.

“All of the operating and commercial activities would be run by a subsidiary daughter company which would be effectively an enlarged PLC); this would include both shops, all catering (on and off trains) and fare revenue. At one stroke this would remove the current divisions, competition and inefficiencies of parallel commercial operations. All income would be generated and maximized into one operating company. The operating company would be required to pay a covenant to the Charity on a regular basis which would in turn be re-invested in the heritage assets, which are, after all, the reason we are all here supporting the West Somerset Railway.

“Members would be shareholders or vice versa and there would be no cause or reason to take positions, for divided loyalty or division. Of course, there would be differences of opinion about which locomotive to restore, what colour it should be painted or whether the 10.25 should be retimed to 10.30 but that would be far from the destructive and polarized alignment of today’s West Somerset Railway.

“Naturally this could not be achieved without a lot of argument, prejudice and debate, at least two General Meetings, and it may not be achieved at all, but before we rush headlong into a single railway model with a limited company at its head, perhaps we ought to look around and consider if others have already found the better solution?

“However, we are not at that point yet and there is a lot of water to pass under the bridge before we would arrive there, if ever. In the meantime, we appear to have an immediate and very pressing problem - do we wish to see the Association neutered and ultimately absorbed into a monolithic PLC or is there a better way? Who would be next? Certainly in times of financial hardship neighbours (and the PLC and WSRA are still more than mere neighbours) should help each other as much as possible but it is not usual for the distressed party to go next door and demand their neighbour’s job, his bank account and his car to help him through hard times! If you do, you may find he is not there next time you need him and that need may be even more serious than the present one”.

However, with other groups supporting some stations on the line, I wondered whether David felt that the Association was still relevant? “I think the answer is a

resounding 'yes'; other groups are all incredibly industrious and focused in their support but by definition their efforts are constrained to one area and their members tend to be local supporters. The Association aspires to be more than just 'friends' - it aspires to be a partner. It covers the wider Railway and draws membership from much further afield - we even have members based as far afield as Australia! In terms of its support the Association is sometimes better placed; when the Company wanted the water tower at Minehead repaired they turned to the Association for both the funding and engineering expertise, when Crowcombe Heathfield needed a new toilet it was the Association who provided the grant and when Williton Station wanted the footbridge roofed, it was the Association that initially provided match funding and ended up more than match funding the project - and this was a project the PLC tried to kill for over twenty years, even threatening to scrap the bridge at one stage and on another occasion threatening to have it removed from the line.

The West Somerset Railway is probably alone when it comes to Heritage Lottery Funding in not having secured a grant; the Heritage Carriages Project provides an ideal vehicle for funding both coach restoration and a covered building and museum to house and display the collection. With Charitable status, around 5,000 supporters, the Association's experience of the Norton project as a reference, heritage engineering skills at Williton and the freehold of the Station Farm site, what other body - the PLC included - would be in a better position than the Association to make and secure a successful grant for the benefit of the whole Railway. Oh yes, I think the Association is still very relevant to the West Somerset Railway - perhaps more now than it has ever been".

In conclusion, I asked David what his feelings were now and what he would say to the thousands of members that support the Railway through the West Somerset Railway Association? "As you will gather, I support the Railway as a whole and will continue to follow the fortunes of the West Somerset Railway from afar." He paused for a moment, then continued. "Although I have been away from the Railway for two years, I still receive many e-mails and I know from those that a great many of our members share my views and are concerned at the current situation. Perhaps it is time members made their feelings clear to discourage the current PLC ambitions?"

"I believe this adversarial attitude towards the Association by the Company has rumbled on for far too long and it is time to bring it firmly to a close - as a supporter of the whole Railway, a former volunteer, Association Trustee and Chairman and a former PLC Board member, I fervently hope that the West Somerset Railway Association, the Journal and all that it stands for will still be here this time next year and for many years to come, preserving and protecting the past for the future; I believe my view is shared by a majority of the current Board of Trustees and that our members greatly value and are proud to be a part of an Association that contributes so much in the way that it does - long may it continue."