

West Somerset Railway Shared Vision -September 2020

John Bailey. Independent Assessor.

WSR – Achieving the Three Chairmen’s Consensus

Following a notably amicable meeting on 15th September, involving the Chairmen of The West Somerset Railway PLC (“the PLC”), The West Somerset Railways Association (“WSRA”) and the West Somerset Steam Railway Trust (“WSSRT”), they asked me to assess independently their shared vision of the best way of securing an harmonious future for the WSR.

As a result of my other separate role, as facilitator on S&DT matters, I have developed an affection for the WSR and its people, with a strong desire to see it succeed. My assessment reflects personal experience as a Chairman on another heritage railway but does not represent the views of that railway or any other organisation I am associated with. I must also emphasize that it is not based solely on discussions with the three Chairmen, but with others in the WSR railway community.

Why Now?

The urgency for the three chairmen’s agreement is the recently announced plan by a group that is planning a confrontational “Trojan Horse” manoeuvre. It envisages encouraging like-minded cohorts to join the WSSRT so increasing the likelihood that the current Trustees can be overwhelmed and a merger with the WSRA can be forced through.

What’s the shared concern?

Even if a merger of the two charities could be properly represented as enhancing realisation of their current limited charitable purposes (which whoever is elected as trustees must be able to demonstrate) the stated primary objective of the group is to use a merged charity’s minority shareholding in the PLC to wrest control. That means it is not just an issue for the charities themselves. As the stated target, the PLC now has a legitimate interest.

However, the high ideals and ambitions to which its proponents lay claim contrast starkly with the plan’s reality. It smacks of the manoeuvres more appropriate to the rough and tumble of the City. It eliminates the existing charities’ independence seeing it as acceptable collateral damage.

Relationship to the Bailey Report

My recent report “Peaceful Somerset” envisaged a new controlling membership charity for the railway. It is wrongly portrayed by some as recommending a merger of the WSRA and WSSRT. The railway has an unenviable history of internecine warfare and power struggles amongst its constituent groups. Depressingly they all seem to agree with the controlling charity recommendation but the one thing that really unites them is determination to ensure that “the other lot” do not control the process of change, or its implementation.

The essential healing “One Railway” culture is not going to be achieved by any one entity, including the PLC, winning out over the others. Yet the latest plan seeks to impose the vision of one sub-group justified by arguments reflecting past divisions. It is proposed manipulation of both the WSSRT and WSRA is bound to create disaffected members and, if the plan succeeds, a new cohort of angry and potentially disruptive individuals.

Contrary to its supporters’ best intentions I am confident it can only add further bitterness, anger and distrust when what is desperately needed is peace and harmony. Weaponizing the charities to further the group’s ambitions is not going to generate the healing of past wounds or generate the desperately needed cohesive culture.

Far better for all parties to collaborate in crafting a new charitable entity facilitated via the consultative and co-ordination role of the Partnership Development Group.

It’s not just about internal politics.

All this wrangling might appear as the exclusive preserve of the WSR shareholders and stakeholders including members of the support charities. That would be a huge mistake. It is also vital, amidst all this internal upheaval, to maintain the continued confidence of those external bodies on which the railway depends, such as the following:

- *The Office of Road and Rail* who are increasingly concerned about corporate governance and its interrelationship with safety management.
- *The PLC's Auditors* who need to be satisfied that it satisfies the financial "going concern" test for the next twelve months.
- *Banks*, so they do not call in loans or refuse further support.
- *Potential donors*, so they respond positively to fundraising campaigns (imagine losing the current bid for significant funds, because the awarding committee is spooked by these in-house divisions).
- *The County Council*, so it is content with the railway's contribution to the local economy as the best use of the assets it owns.
- *Volunteers and paid staff*, so their vital contributions continue.
- *Those who volunteer for leadership roles* and have had to endure personal venom to a level that has made them ill:
- Perhaps the most concerning is that of the pivotal role of the ORR. No one who has heard their presentations on validation of heritage railway governance against their RM 3 management maturity model can doubt that the ORR have teeth and are unafraid to use them.

Put simply - there are two options: Evolution or revolution?

Evolution involves moving as quickly as possible to create a new charity. Although progress might appear slow, a lot has been going on behind the scenes. The key to rapid progress is securing grants to help with the costs involved. Those desperate for more rapid progress could really help drive change by directing their skills and energy in that endeavour.

No one should be under any doubt that evolution is NOT a "re-arranging of the deck chairs". Individuals have different skills. Some will be more appropriate to the railway operating subsidiary than running a charity. It is immensely encouraging that all three Chairmen agree that the WSR is not their personal fiefdom. Somehow critics of the PLC and the charities have ascribed unpopular (but often necessary) decisions to individuals. Each of those bodies has a board with collective responsibility.

In particular, the Plc now has a strong cohesive board committed to implement the Bailey Report recommendations. It recognises that communication with stakeholders, especially the railway's volunteers and supporters, has not been up to scratch. In fairness the Board has had to cope with financial, regulatory and now Covid-19 induced, crises that have imposed huge personal demands on its members. The evolution process must include regular updating of the WSR community on progress on its implementation.

Revolution is the plan recently proposed by the group seeking to take over the WSSRT in order to dominate the PLC. It's far from clear that's achievable. It would require acquiescence by the PLC. Why would the Board agree to transfer the PLC agreements with WSSRT to a hostile merged charity? If despite such obvious barriers the plan were to succeed those newly in charge might find external confidence has evaporated. They inherit a desert where they would be duty bound to put the PLC in to administration. I'm convinced the WSR Community deserves better than that.

Recommendation

My key conclusion and recommendation to my WSR friends is to opt for *evolution*. The alternative may look superficially attractive, but in truth, it is a snare and a delusion.

Endorsed and recommended to their respective Boards:

Jon Jones-Pratt. Chairman WSR PLC

Mike Sherwood. Chairman WSRA Ltd.

Chris Austin. Chairman WSSRT Ltd.