

Appendix 2 - Case Studies



1. Steam Railway Case Studies

Below are some short case studies of other heritage railways in England, ranging from the longest heritage track at West Somerset to the smaller line on the Great Central Railway.

Exhibit 28: Comparator summary

<i>Attraction</i>	<i>No. of Visits</i>	<i>Turnover</i>	<i>Core Visits v Special Events</i>	<i>Miles of track & No. of stops</i>	<i>No. of paid staff</i>	<i>Company Structure</i>	<i>Advertised no. of days operating (ave.)</i>
East Lancashire Railway	107,950	£1,400,000	34/66	13 miles & 6 stops	22	Trust & Co. Ltd by Guarantee	182
North Yorkshire Moors Railway	300,000	£4,600,000	80/20	18 miles & 6 stops	126	Trust, Co. Ltd by Guarantee & Ltd Trading Co. PLC & Charitable Trust	177
Severn Valley Railway	246,000	£4,200,000	65/35	16 miles & 6 stops	111	PLC & Charitable Trust	270
West Somerset Railway	200,000	£2,000,000	80/20	20 miles and 10 stops	50	Trust & Co. Ltd by Guarantee	230

East Lancashire Railway

Fares - £234,000 (18%)

Retail, Catering & Diner - £437,000 (34%)

Footplate - £60,000 (5%)

Special Events - £541,000 (43%)

North Yorkshire Moors Railway

Fares - £2,133,000 (55%)

Retail, Catering & Diner - £1,185,000 (31%)

Footplate - £128,000 (3%)

Special Events - £420,000 (11%)

Severn Valley Railway

Fares - £1,800,000 (46%)

Retail, Catering & Diner £1,600,000 (41%)

Footplate - ?

Special Events - £500,000 (13%)

West Somerset Railway

Fares - £1,800,000 (90%)?

?

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1.1.1 North Yorkshire Moors Railway - around 300,000 visits annually



Run by the North Yorkshire Moors Historical Railway Trust Ltd - a combination of paid staff and volunteers - the railway covers 18 miles of track and 6 stations between Pickering and Grosmont through the North York Moors National Park. It currently operates for 177 days per year.

The charitable objectives of the Trust are to advance the public in the history and development of the railway and to protect and preserve its character and amenities.

As well as train rides, which cost between £7.30 and £12 for a child and £14.50 - £20 for an adult (under 5's free) the railway is often used as a film location, notably for the Harry Potter films. There also regular events such as a steam gala.

Last year the railway was extended to Whitby, connecting with the national network. The extension has understandably proved very popular and has brought a fairly significant influx of new visitors. 2007 was the railways best year, with 322,000 visitors. Numbers are expected to be 20% lower in 2008, due to a combination of poor weather and the economic climate.

The railway currently employs 135 staff (full and part time) and has around 400 active volunteers. The railway extension represented a step change in terms of the operation of the company. More paid staff are now required, particularly to deliver the required engineering and health and safety standards. There is a belief that the organisation stills lacks the necessary business skills however which will be needed for the future.



Special events are important, although they represent a relatively small percentage of the business compared to ELR. In terms of income, special events bring in an income of £500k per year, compared to general ticket income of £2.2m.

Visitors to the railway are split approximately 50% day visitors and 50% staying visitors. Enthusiasts account for around 20% of all visitors. The market is heavily dominated by the over 50s. Families are currently under represented, something which is currently being looked at.

Nearly half of the income comes from ticket sales from general railway visitors. Retail is generating £1.60 per visitor, catering £1.54 per visitor. The most lucrative income streams are the luxury Pullman dining coaches and the camping coaches which are stationed in a siding near a station.

<i>Income stream</i>	<i>Turnover</i>	<i>%</i>
Tickets/ fares	£2,200,000	48%
Special events	£500,000	11%
Shop	£479,000	10%
Catering	£462,000	10%
Dining trains	£600,000	13%
Other (camping, footplate etc.)	£362,000	8%
Total	£4,603,000	100%

The Trust has recently won £1million Heritage Lottery Funding to create a visitor and education centre at Pickering Station and undertake some structural repairs to the Grade II listed station building.

As the exhibit below shows, the organisation generally operates with a surplus, although there was major investment in 2006 linked to the extension. The management believe that the current position is difficult for everyone but that there are plenty of opportunities for additional income generation.

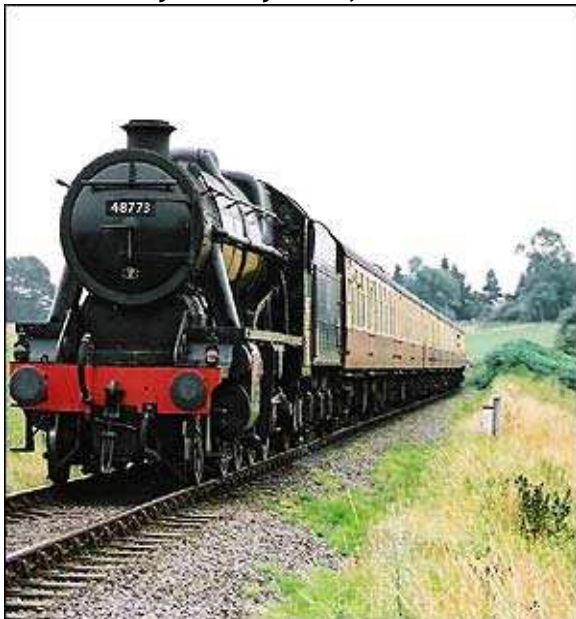
Exhibit 29: Income and expenditure 2003 - 2006

<i>Year</i>	<i>Income</i>	<i>Expenditure</i>	<i>Profit/loss</i>
2006	£4,435,138	£4,862,074	-£426,936
2005	£4,776,000	£4,515,000	£261,000
2004	£2,805,290	£2,767,576	£37,714
2003	£2,675,399	£2,422,374	£253,025

Source: Charity commission



1.1.2 Severn Valley Railway - 246,000 visits annually



The Severn Valley Railway covers a 16 mile stretch between Kidderminster in Worcestershire and Bridgnorth in Shropshire, incorporating 6 stations along the route.

Two Companies make up the present Severn Valley Railway; Severn Valley Railway (Holdings) PLC which owns the railway and The Severn Valley Railway Co Ltd, a company limited by guarantee which operates the service. The PLC has not for profit aims and shareholders are paid through travel dividends.

The railway has 105 paid staff and 1,300 volunteers.

The annual turnover of the company is £5m, of which around £3.1m comes from the railway and £1.9m comes from other commercial activity such as corporate and private hire and engineering services.

In addition to volunteers, there is a membership association with around 13,000 members who either pay £300 for a life membership or £15 annually.

Adult fares range from £7 to £13 and child fares from £3.50 to £4.50 and there is a supplement for first class.

Like the North Yorkshire Moors Railway, in 2003 Severn Valley received Heritage Lottery funding to erect a carriage storage and maintenance building which opened earlier this year. Known as The Engine House, the centre houses a collection of locomotives as well as a visitor centre, restaurant and education facilities. The railway has its own paid education officer and education assistant and undertakes a comprehensive education programme.

The attraction receives around 250k visitors per year, of which between 80k and 100k come for special events. December accounts for around 40k of the annual visits. Events are run during off peak periods because the trains are very busy during school holidays.



The majority of their visitors (75%) are day visitors, most of whom come from the Birmingham/ Black Country conurbation. 25% of their visitors are people staying in and around the area. The greatest number of staying visitors is people on urban short breaks in Birmingham.

Groups, including education groups, make up around 44k of all visitors. The schools market is static but the number of non educational groups continues to grow. The company markets aggressively to this audience. Enthusiasts account for around 4% of all visitors (although they apparently take up around 25% of staff time!).

The emphasis of their development has been on encouraging connections and links with the rest of the valley, such as Bridgnorth and Bewdley town centres. The railway works in collaboration with all the major attractions along the route and joint marketing is undertaken.

1.1.3 Great Central - around 100,000 visits annually



Owned by the Great Central Railway Plc the Great Central Railway runs over 8 miles between Loughborough and Leicester and incorporates 4 stations along the route.

The company employs a small team of permanent staff (they were unable to give a number) and has around 700 volunteers. Trains run every weekend of the year, bank holidays and daily in the summer and special events include a steam gala, annual diesel gala and New Year dining service offered on the onboard first class restaurant.

Each station has been themed to a particular period, for example Loughborough is themed from the 1950s, Quorn is themed for the 1940s.

The railway has introduced joint ticketing with other attractions in the area such as the De Montefort Hall and the National Space Centre.

Relationships with the councils are important to the railway. School trains are operated on behalf of Charnwood Borough Council for example.

The company were unable to provide a split between visitors for events and core visitors, although events remain an important part of their strategy. Events targeted at families are

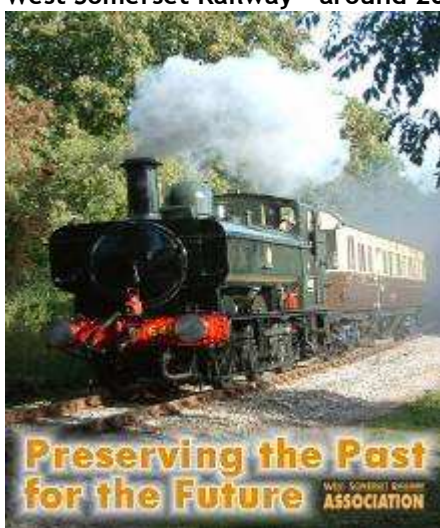


particularly evident, such as a Harry Potter Wizard event, a Creepy Creatures event with Twycross Zoo and a falconry event.

A successful package offered by the company is the 'drive a train experience' and over its 30 year history 8,000 have been sold.

In 2007, the Great Central announced a profit of £62,000 for the year Feb 1st 2006 to Jan 31st 2007. This is the first time the railway has announced a genuine trading profit in its 30 year preservation history³⁰.

1.1.4 West Somerset Railway - around 200,000 visits annually



The West Somerset Railway is Britain's longest heritage steam railway, running 20 miles between Minehead and Bishops Lydeard and incorporating 10 stations. 2007 was the company's best year with 213,000 visitors. The increase is thought to be due to the marketing effort undertaken.

The railway, like most heritage railways, is run largely by volunteers. Trains run throughout the year (for around 230 days), but are concentrated in the summer tourist season. There is a shop at Minehead station and the train services also allow dogs on board.

Special events account for around 20% of visitor numbers and include the enthusiasts galas, Santa specials, musical performances, 'cream and steam' - cream teas and tours by candlelight. The railway also offers a 'drive a train experience' which is marketed as a training course.

³⁰<http://tourism.goleicestershire.com/lt/News0.nsf/LookupUNID/F3F037F57DA56E9F80257328003B7>
CBA? OpenDocument



The over 50s market is important, although the railway also attracts significant numbers of families during school holidays. The marketing strategy targets the coach market, through attendance at trade shows etc. Coach parties account for 25% of all visits.

The organisation has an annual turnover of £2m, of which £1.67m comes from ticket sales. There are approximately 50 employees and 900 volunteers. The number of paid staff has grown slightly over the years although there have been no step changes.

The railway is connected to the national network although the company's trains are not able to run on the national track. Demand from other railway companies to use the West Somerset Railway's track is small although they are currently considering whether it would be valuable to run freight services.

The West Somerset Railway Association is a registered charity and in 2007 posted a profit of £343,700. The charitable objectives of the organisation are to promote, support and run heritage rolling stock, buildings and services on the railway.

The growth areas are seen as the grey market including organised groups, the driver training sessions and the charter market (whereby the trains are hired by companies). The decision to accept Tesco Clubcard vouchers has proved to be very successful.



Other Appendices



1. Awards

- 1987 Association of Railway Preservation Societies “Railway of the Year” (A.R.P.S.)
- 1992 Steam Heritage Award (RESTORATION OF STEAM CRANE)
- 1992 Rawtenstall Station Ian Allan Heritage Awards
- 1992 North West Tourist Board - 3rd Place
- 1993 Ian Allan Heritage Awards - Ramsbottom Station
- 1993 Association of Railway Preservation Societies (A.R.P.S.)
- 1994 Independent Railway of the Year (Ian Allan Heritage Award)
- 1994 Greater Manchester “Business Through Tourism” Winner Marketing Manchester Award
- 1994 Royal Town Planning Institute NW Regional Award - Winner for partnership and regeneration
- 1994 Royal Town Planning Institute National Award - Highly Commended
- 1995 Institute of Marketing SWOT Award to Graham Vevers East Lancashire Railway
- 1996 Runner up Local & Regional Award Marketing Manchester
- 1997 Greater Manchester “Business Through Tourism” Awards (Marketing Manchester) - ELR 150 Celebrations Highly Commended
- 1997 North West Tourist Board “Tourism For All” Award
- 1997 English Tourist Board “Tourism For All” (National Award Tourism Award)
- 2000 North West Tourist Board “ Sustainable Tourism” Award
- 2000 English Tourist Council “Sustainable Tourism” Award (National tourism Award)



2. Consultation List

- Malcolm Vickers - East Lancashire Light Railway Company
- Graham Vevers - East Lancashire Light Railway Company
- Peter Duncan - East Lancashire Light Railway Company
- Richard Law - East Lancashire Light Railway Company
- Howard Aitken - ELR Trust Officer.
- Jill Youlton - Bury Council
- John Leatherbarrow - Bury Council
- Cllr Ray Walker - Bury Council
- Cllr Dorothy Gunther - Bury Council
- Peter Rowllinson - Rochdale MBC
- Brian Davies, ELR Trust representing Rochdale MBC
- Cllr Wera Hobhouse, Rochdale MBC
- Cllr Darryl Smith - Rossendale BC
- Cllr Trevor Unsworth - Rossendale BC
- Stephen Jackson - Head of Regeneration, Rossendale BC
- Fraser Nash - Senior Regeneration Project Manager, Rossendale BC
- Cllr Peter Steen - Rossendale BC
- Gina Ball - Ramsbottom Town Centre Forum
- Martin Snell - West Somerset Railway
- Phil Bustard - North Yorkshire Railway
- Michael Broadhurst - Severn Valley Railway
- Lyn Hill - Great Central Railway
- Lisa Durkin - Bury Town Centre Manager
- Rosemary Allen - Headland Design Associates
- Wera Hobhouse - Rochdale MBC, Lead member for Environment
- Peter Rush - Rochdale MBC, Member for Heywood
- Andy Swaby - Rochdale Development Agency
- Chris Hall - Rochdale MBC, Planning and Regulation



- John Percival - Rochdale MBC, Regeneration
- Peter McNulty - Rochdale MBC, Heywood Township Manager

