

Appendix A. Project Background

The following sections set out the background to these areas.

Land and buildings

1. Following on from the adoption of the Malcolm Connor Report in 2002 the Council has formulated a number of strands that relate to the strategic direction.
2. It has set out a basic strategy which looks at the land issues and the development of the Barry Railway Centre (BRC) with an intention of chasing the vision of a National Railway Museum based on the site. The principles of this has been agreed with the Vale of Glamorgan Railway Company Board (VGRC) as the Council's current licenced operator on the operational track. Essentially the strategy involved developing the Barry Island Station/ Plymouth Road sites for their original purposes, i.e as a rail exhibition, café, shop and a meeting space for heritage rail related education/interpretation purpose. To ensure success at this site there was a proposal to relocate the VGRC office use/ railway vehicle maintenance uses currently carried out at the Barry Island site across to the BRC site. As part of that relocation the remainder of the Barry Ten could be put on show at the Plymouth Road shed and the VGRC/ Council could apply to the Heritage Lottery Fund for grant support to provide some interpretation and additional facilities.
3. The VGRC submitted a proposal to take over the lease for the Mess Building and the Drop Wheel Shed building at the BRC in 2006-2007 but unfortunately the case submitted is not sufficiently robust to enable the lease arrangement to proceed. A group called Traditional Traction had been happy to support the VGRC bid and utilise the Drop Wheel Shed for heritage engineering repairs and restoration along with the VGRC but given the lack of a robust case for the partnership they would now wish to rent the Wheel Shed Building directly from the Council for their business.
4. In a similar manner the Barry Diesel Group have provided support over the years to the VGRC by providing multiple diesel units in support of the VGRC events. The diesels are mainly owned by Mr Carl Hookings who allows the Diesel Group to maintain and run them on his behalf. The group would wish to retain their operation from the main shed at the BRC and would be willing to rent the space. To date this space has not incurred rental charges but must now be considered along with the Non-domestic rates paid (some £12342 in 07-08) as part of the financial support the VGRC has received to date as effectively it was a rental subsidy.

Infrastructure

5. The Phase 4 track, completed last year, provides a further extension of the heritage rail line from the Woodham Halt to the new platform alongside the Morrison's Car Park which the VGRC are calling Gladstone Road Halt. Approval was granted by the Office of the Rail Regulator (ORR) and Her Majesty's Railway Inspectorate (HMRI) for operations on this additional track but the Council has not yet licenced the VGRC to operate trains on this additional section as the intention had been for the new licence to cover any required access to the BRC and the associated buildings but lease arrangements have not been agreed.
6. Progress regarding the extension of the track through the Barry Island rail tunnel link to the old harbour is still on hold. The consultants (Hyder) advising the Council in respect of the marina options for Barry have indicated in their draft report that a preferred location for a marina would be the No 1 Dock. This would mean that the security fencing currently in place around the Barry Yacht Club would be likely to remain for the long term and the access to a proposed halt at that location would conflict with these arrangements. In addition the VGRC's discussions, to date, with the operator of the Waverley/Balmoral do not appear to have born fruit with respect to those vessels stopping at the Barry Yacht Club site and this had been considered to be one of the prime requirements needed in support of a further halt accessed via the tunnel. In addition the Council would have to find funding for the purchase/opening of the tunnel, a new halt, stabilisation of the coastal slope and the dredging needed in the harbour to allow ship access.

Barry Ten Strategy

7. The intention in the strategic document presented to the VGRC last year had been for the remainder of the Barry Ten to be relocated to the Plymouth Road Shed with an aim of allowing access to the public to view them at the Barry Island end of the line. Given the inability to reach an agreement on transferring the VGRC's operational activities from the Plymouth Road shed and the Barry Island Station Building to the BRC site this move is currently impossible

National Railway Museum.

8. The National Railway Museum in York have been contacted with regard to the Council's vision for the steam railway project and officers have already held a series of meetings to discuss how the Council could work with the national museum to the advantage of both parties. The NRM are keen to allow the Council to control the future of one of their engines, the TVR 28 and Cabinet has already agreed this proposal (Cabinet Minute No. C3132 and 3186). Officers believe that the NRM would support entering into a reciprocal arrangement with the museum as the NRM officers would wish to make an exhibit at York of one of the remaining Barry Ten engines with the resultant publicity for Barry and the steam railway project. If this arrangement could be agreed as then, almost certainly, the officers of the NRM will consider loaning other artefacts/ engines for exhibition at Barry and this would provide support to a Council/VGRC bid for a grant to the

HLF. Additionally some bid might be pursued to the National Museums and Galleries of Wales in respect of access to the engines/ railway artefacts currently stored at Nantgarw.

Estates Management

9. As part of the strategic development of the project officers have been considering the best route forward to create a wider base of activities at the BRC and related sites.
10. The Council has agreed a proposal for the Brecco Group to take over the Heritage Skills Centre and the Hood Road Goods Shed to provide a Heritage Engineering facility and a Heritage/ Rail related training centre. The Welsh Assembly Government has indicated it's support subject to a market assessment report showing that the level of investment in the proposal is sufficient.
11. Officers are now negotiating rental proposals in respect of the main shed building and Drop Wheel Shed buildings on the BRC site. Officers are currently awaiting proposals from the interested groups but essentially the options are to lease the whole site to one controlling group who then make arrangements with the other groups or to enter into multiple arrangements under the control of an arms length management group who would charge fees to the Council. Which ever route is followed the intention would be to reinvest rental income in site infrastructure, site maintenance and management.

Vale of Glamorgan Railway Company Revenue Support

12. The Vale of Glamorgan Council, with previous support from the Welsh Development Agency, has over the last eleven years acquired land and buildings to enable the creation and development of a tourism product centred upon a heritage railway. Over the last 8 years the scheme has developed with the purchase of the former EWS Depot and the extension of the track, upon which the Vale of Glamorgan Railway Company operates, to the Hood Road Goods Shed, the Woodham Halt and more recently to the Gladstone Road Halt. The main aims of the project are:
 - Contribute to the ongoing regeneration of the Greater Barry area.
 - Boost the local tourist and retail economy by integrating Barry Island with the Waterfront, the High Street and Broad Street retail centre, Morrisons superstore, the waterfront retail park and the Town Centre.
 - Provide an urban spectacle and act as a catalyst for a necklace of attractions.
 - Facilitate a local voluntary sector project.
 - Provide community development opportunities.

- Improve the environment through utilising brownfield land, restoring local historic buildings and constructing new buildings which reflect the sense of place.
 - Provide a living memorial celebrating the importance of railways to the heritage and cultural development of Greater Barry.
 - Provide education and skills training opportunities.
 - Provide a basis for other cultural and heritage development opportunities.
13. For a number of years the Company has been in receipt of financial support from the Council and the former Welsh Development Agency provided capital support to the Council for land purchase and land and building improvements. As the Council has retained control of both land and buildings the current VGC/WAG partnership has sought and carried through the strategic development of the land and track via public sector funding. The Company operates its services and occupation via a licence with the Council and operators licence via the Office of the Rail Regulator. Revenue support has been provided to the Company from a number of sources.
- Both the Council and WDA supported the position of Business Mentor (Derek Bryer) between 2001-2004. This equated to £30k over the period.
 - The Company has received a number of years support via the Voluntary Action Scheme Grant. The Malcolm Connor Report advises that between 1993-2002 £197,000 was provided from the VASG. In 2002-3 the grant provided £35k of revenue support and in 2003-04 this was reduced to £17.5 k with the gap of £ 17.5k being provided via the Council's Economic Development budget which was vired from central sources. This funding has been utilised to cover general administrative costs, overheads and the employment of a full time administrative assistant.
 - Separate revenue support has been agreed by the Council in respect of the General Manager position. A grant of £65k per annum was agreed in 2003 to run over three years and was extended in 2005 to run until March 2008.
14. This means that over the period 1993-2008 some £497,000 of revenue support will have been provided to the Vale of Glamorgan Railway Company in support of their operation and the events they have provided over the period. As a balance to this there has been the commitment of the volunteers of the VGRC and the thousands of hours of voluntary labour in support of the project. The volunteers are currently contributing between £141,000 and £242,000 of volunteers labour per annum.

Original Feasibility Study and Business Plan 1994

15. This report was commissioned by the Butetown Historic Railway Society in conjunction with South Glamorgan County Council, the Vale of Glamorgan

Borough Council and the Welsh Development Agency. The report considered the linkages along the basic track routes that were later included in the Connor report and proposed visitor figures based upon a breakdown of the individual sites as follows:

Static Museum	30,000
Barry Town Station	50000-60000
Barry Central	90000-100000

The increases in these figures rely on the development of the museum option, the development of the Barry Railway Centre and the interaction with the proposed Barry Central Station scheme. As these larger schemes are still in the early stages of their development these figures have been reviewed in later documents and during later bidding processes. At the time when the study was commissioned the Butlins Holiday Camp was still in existence at Barry Island and there was an assumption that the existence of staying visitors in the area would boost visitor numbers.

Business Plan 1999

16. In November 1999 Cambrian Transport Ltd produced a business plan for the Steam Railway Project. In the Executive Summary to that report it is noted that the Company possesses the innate, latent potential to have a major impact on the regeneration strategy of Greater Barry currently being undertaken by the vale of Glamorgan Council and Barry Action and to become a successful 'tourist business'. It goes on to advise that the actual realisation of the vision requires considerable support, planning and further financial assistance.
17. The very nature and structure of the Company as then constituted needed to be developed to assist in this realisation and the new culture and market awareness developed would need to pervade all its strategic and operational thinking.
18. It should be noted that the Business plan relied upon a large number of assumptions and presumptions with respect to the strategic programme and the position of the Company and the larger Steam Railway product with respect to financial support. One of the assumptions made was that the Wales Transport Experience (WTE) would become a reality and projected visitor numbers were based upon this premise and the ability to link the WTE to the training facility of the Skills Heritage Centre. Neither the WTE nor the Training Centre were ever established and the projected numbers associated with such uses cannot be relied upon. The plan discussed the possibility of circa 10,000 visitors for an attraction limited to the Barry Island station and a further 15,000 attracted once the Hood Road linkages area in place.
19. The bid for Local Regeneration Fund grant (for the Phase 3 Extension) in 2001 refers to maximum visitor numbers moving up to circa 50,000 if all elements of the larger product are put in place.
20. The 2004-05 Business plan advises that visitor numbers for 2004 were moving closer to the 20,000 target based upon the phase 3 track being

operational from April 2004 but to date visitor numbers have not improved on the peak of 12500 achieved in 2004.

21. A large part of the Business Plan has never been achieved. The Barry Island Station is not a fully operational visitor attraction and does not have up to date exhibition and interpretation facilities. Nor is the coffee/tea room and shop regularly open to the public which results in an impression that the scheme is closed for large periods of time. The VGRC has struggled to develop the product in these areas and the grant supported employment of a General Manager for the last three years does not appear to have altered this position.

Appendix B. Service Level Plan requirements

- (a) To obtain the relevant lease from the Vale of Glamorgan Council to enable the Operator to operate its locomotives and other rolling stock on the track and other railway infrastructure and buildings as indicated in the plan to be attached to the lease document and owned by the Vale of Glamorgan Council. Following the issue of this lease the Operator will operate and run an events programme and an exhibition programme, to be submitted and approved by the Council, to consist of both historical and interactive exhibits to be open to the public at times to be agreed by the Council.
- (b) To provide a Business Plan indicating how the Operator intends to operate, on a rolling programme of twelve months.

The operator should include a yearly set of accounts. An update on the accounts should be presented to the Council's Project Officer on a quarterly basis. The basis of the approved accounts shall be as determined by the Charities Act 1992 and 1993 or in accordance with other financial regulations as appropriate.

- (c) To obtain the relevant License Exemption Agreement from the office of the Rail Regulator to enable the Company to operate on that track/infrastructure as licensed by the Vale of Glamorgan Council under (a) above.
- (d) Ensure that any works or maintenance to track are carried out as required to comply with the appropriate safety case and leases in accordance with an agreed programme.
- (e) Ensure that appropriate maintenance is carried out to any buildings leased to the Company by the Council in accordance with the appropriate tenancy agreement.
- (f) Ensure that an Events Programme and Timetable are produced and forwarded to the Council's Project Officer by 1st April of each year or other date as agreed. This Events Programme should form part of a wider Promotion and Exhibition Marketing Plan which should be renewed annually thereafter. It is expected that the Marketing and Action Plan will specify the name under which the Operator will market itself and should tie in with the Operator's Business Plan. The timetable should be accompanied by a schedule indicating how and when it will be advertised.
- (g) To provide a review of the Business Plan on a yearly basis with a new Business Plan being produced every three years.
- (h) To provide a programme of proposed maintenance, repair and restoration of the Operator's rolling stock, locomotives and other memorabilia. This programme should tie in with an Annual Report of the Operator's Rolling Stock Asset Register and Programme .
- (i) To provide a Volunteer Campaign programme, if appropriate. Such programme to be continually assessed and reviewed annually.