

## South Tynedale Railway Preservation Society

Type of asset:	Multiple assets transferred – decommissioned railway lines and surrounding areas
Legal model:	Company limited by guarantee
Type of community enterprise:	
Year of transfer:	Ongoing since 1984
Type of transfer:	40-50 Year short-term leaseholds, 999-year leasehold, freehold
Full-time staff:	8

### Overview:

In 1973, British Rail announced the closure of a 13 mile branch-line in South Tynedale. The railway closed in 1976 but volunteers grouped together in an attempt to purchase and preserve the line. In 1984 the South Tynedale Railway Preservation Society (STRPS) was registered as a Charitable Company Limited by Guarantee, and that same year they re-opened the railway between Alston and Gilderdale. In the subsequent three decades, the railway expanded via five asset transfers, from district and county councils, and national public agencies.

### Background

Opened in 1851, South Tynedale railway was under the control of British Rail (BR) up until 1973 when BR announced its closure. The railway closed in 1976, but volunteers grouped together in an attempt to purchase and preserve the line. In 1983, the South Tynedale Railway Preservation society (STRPS) was registered as a Company Limited by Guarantee, and that same year under the management of the society, the railway re-opened between Alston and Haltwhistle following the former BR route. In the subsequent thirty years, the railway has expanded gradually. In 2014, the Heritage Lottery Fund gave £4.25 million to the railway as part of a 3 year, £5.6 million regeneration plan which will allow STRPS to connect Slaggyford to the railway and to conduct major maintenance works in Alston. The transfer of the railway to the society occurred in different stages and has involved five asset transfers, from Eden District Council, Northumberland and Cumbria County Councils, and the HCA. The Society are now negotiating a further transfer from Sustrans. Reflecting differences in approach taken by each of these bodies, the society has received 40-50 year short-term leaseholds, a 999-year leasehold, and a freehold.

### People

The initial idea of the group of volunteers who gathered together in 1973 was to purchase and preserve the entire standard gauge railway. However, when British Rail decided not to transfer the entire railway to them in the first instance, it became clear that the group would need to purchase it in separate stages. Therefore, the new vision behind the CAT was to re-establish parts of the railway for community use and tourism. The revenues generated by the seasonal tourist service are intended to eventually subsidise reconnecting the line to the main national rail network, creating a general, public transport facility. Unified by their passion for trains and tourism, the group of volunteers own and manage the site, carrying out a heritage operation on the railway complemented by a series of facilities for tourism and restoration.

The railway project was made possible thanks to the expertise in and passion for trains by a group of mainly retired individuals with enough time and goodwill to dedicate to the project. Experience in asset transfer came from the project coordinator, who is one of the only employees of the organisation. Indeed, the management team and the board were properly organized in terms of

charitable financial management, but they lacked skills in marketing which may have accelerated the progress of the project.

## Rules

Internal rules governing the operation of the charitable company follow a democratic model in which each member is granted one vote. Members elect Trustees at the AGM each year. Trustees are responsible for appointing the General Manager, who manages and runs the railway on behalf of the Society and for governance, strategic direction, and for ensuring that STRPS activities and operations meet the Society's charitable objectives. The Society owns the assets and both the Trading Company – South Tynedale Railway Ltd – and the Development Company – South Tynedale Developments CIC. There are 350 members in total, half of whom live within thirty minutes journey from the railway. The scheme relies upon the dedication of the community of interest.

However, the railway has struggled as a result of rules governing decisions about value made by their asset donors. Unlike buildings, property rights on land are not always clear. Boundaries and titles on the railway were not always precise, and, as the project coordinator highlighted, this made the transfer process lengthy and burdensome. Furthermore, the fact that the land was under the control of different councils doubled the workload and the length of the process to have all the paperwork done. Councils did not share the same standard procedure to deal with community asset transfer, hence for 13 miles of railway, they had to negotiate 5 separate CATs. Furthermore, changes in the designated employee dealing with the transfer within the council, changing rules around asset transfer, and alterations in the political make up of authorities slowed the process down, with cost implications for both parties. Leaving property rights and estimations of value aside, compliance with the requirements of grants also affected the railway. Applications for grants often make a number of stipulations which can divert the project from its original goals.

## Resources

### Partnership

The organisation, being well established with a good track record of charitable financial management, has been able to secure resources without explicit partnership

arrangements. However, as one interviewee pointed out, the group needed local political backing from councils to facilitate the project and be able to get the idea off the ground. The relationship between the railway and authorities through which it passes has been limited.

### Assets/money/funds

Costs of running and maintaining a railway are high. According to the project coordinator, £35 million is needed for the 13 miles of route the community group is working on but it is necessary to invest in completing the route because only once it has been completed will it be able to attract the right number of customers and to function full time throughout the year, as well as providing more job opportunities to the local community. However, on the journey to financial self-sufficiency, the group have needed to secure finance from a range of sources. The society received £75k from DEFRA's Leader Programme for their reclamation and improvement of a woodland surrounding one of their sites. They also received a £4.2million Heritage Lottery Fund grant for development.

Securing the railway assets was not always easy, and STRPS had to proactively seek sites from wider public agencies. One site was transferred to the Homes and Communities Agency (HCA) by British Rail Residuary Board (BRBR) through the Public Land Investment Fund, a programme set up to enable the Agency to acquire assets from other public bodies. The HCA were transferred a piece of land through this programme from British Rail Residuary Board. This was transferred at market value, for £110k. This value was calculated on the basis that the land had previously gained planning consent for 50 housing units. It was transferred with the expectation that the HCA would be able to find a developer for the site, with the money being fully recoverable – meaning that the value paid to BRBR by the HCA had to be recovered through the subsequent disposal of the site to pay back central government. This meant that despite the site having been a liability on BRBR's books, it was now a highly valuable asset on the HCA's books. While there had once been a planning application for housing on the site, it was not viable for housing. Despite this there was an expression of interest in the site when it was put to tender. As a result, STRPS paid £75k for the asset. While the HCA could have transferred the asset to the local authority for subsequent transfer to STRPS, resource constraints prevented this.