
Appendix 2: The Auckland Project Business Case for Weardale Railway dated 3 December 2019

****CONFIDENTIAL AND NOT TO BE PASSED TO A THIRD PARTY****

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1. INTRODUCTION

This business case is written in the context of The Auckland Project's (TAP) proposal to take control of the Weardale Railway Community Interest Company (WRCIC) and, in partnership with DCC, the National Railway Museum and others, to integrate it into the regeneration plans for the Bishop Auckland area, creating a greater impact and wide range of opportunities for Weardale and Shildon.

It has necessarily been written at speed to match the timeframe imposed by the negotiations with British American Railway Services (BARS) (whose top company, Iowa Pacific Holdings, was put into receivership in late October), and the impending collapse of The Train to Christmas Town (TTCT) event due to ticket sales revenue being transferred to BARS. It contains as much information as is available at the time of writing but makes assumptions in a number of areas.

DCC holds a 12.5% voting share in the WRCIC and therefore has a close interest in ensuring that the TTCT is delivered as planned. So far 12,500 tickets have been sold for the event which starts on 30 November. Without TAP's cash injection, TTCT will collapse with attendant bad publicity. DCC, as the only voting shareholder which by common consent has sufficient funds, will be faced with either providing refunds amounting to circa £300k or declaring that it will not provide refunds. Both outcomes are undesirable for DCC. DCC has been working closely in partnership with TAP to regenerate Bishop Auckland and understands the strategic potential of the WR.

The Business Case is written principally to allow DCC to understand the future prospects and plans for the WR in order to inform the decision on funding £2.1m bridge repairs itemised in the Jacobs (UK) 2018 Bridge Reports that are required by December 2023. In addition, DCC is being asked to transfer its 12.5% voting share to TAP.

The TAP deal proposed under Heads of Terms (11 November 2019) to BARS includes the following elements:

- TAP injects £400k cash to keep the TTCT afloat
- BARS transfers to TAP its 75% voting share in WRCIC
- BARS novates the full intercompany debt from WRCIC, currently standing at £6.5m

BARS has indicated its agreement in principle to this proposal but cannot proceed without authority from the administrator of Iowa Pacific to novate the intercompany debt.

On 15 November TAP initiated lifeboat loan payments to WRCIC to allow WRCIC to settle invoices due for the TTCT. The schedule of payments was originally expected to total circa £183k to enable the event to run. However, further invoices continue to emerge and it is not clear what the final total will be. From the first payment, TAP has a debenture on WRCIC which empowers TAP to put WRCIC into administration. TAP will exercise this power to recover loans to WRCIC if the proposed deal with BARS and arrangements with DCC do not fall into place.

Recent indications are that a total of £600k will be required by March 20 to keep the WRCIC as a going concern, including operating costs and track condition repairs. TAP is prepared to provide the funds and estimates a further £600k (excluding bridge repairs) of annual operating costs from March 2020 onwards. It is also assumed that TTCT will be replaced by the Polar Express.

As referenced above, this Business Case and its future financial projections are based on extrapolated income and expenditure and a number of assumptions, including principally that the

WR CIC can secure the Polar Express franchise. Given those assumptions and notwithstanding any additional bridge repairs beyond 2023, it is anticipated that the WR CIC may be able to achieve a break even position by 2025 on the realization of c. £500k of surplus I&E (income & expenditure) from running the events programme set out in section 5, and seeking additional funding through grants and membership. This surplus will cover the extrapolated operating loss and anticipated continued track maintenance requirements (at 2023 levels).

Excluded from the above figures is a projected cost of £43k for the connecting path between WRCIC and National Rail platforms at BA station. Of this amount, £21k may be provided by a grant from the association of Community Rail partnerships, subject to utilization by March 2020.

2. TAP'S VISION

The story of The Auckland Project and Kynren began in earnest on 24 November 2010, when I met the Council of the Church Commissioners and formally made an offer for the set of Zurbarán's which had hung at Auckland Castle since 1756.

When my wife and I appeared in Bishop Auckland with a long term commitment to the well-being of the town, we were treated with that combination of goodwill and incredulity which invariably

accompanies a futile gesture. The combination of the duration of our engagement in the town and the amount of money expended has largely persuaded the community that we meant what we said then, but it is also true that many things which we have wanted to see happen, and which we said we would fight for, are still dreams.

I am therefore looking out across the far shores of uncertainty to what a vibrant Bishop Auckland might look like. What is clear to me is that we can only achieve great things if the 'we' are the whole community; so this vision takes for granted that support and commitment will accompany our progress. There is no aspect of this work which is written in the singular – whether it is energy, solidarity, money, imagination or willpower, it requires a unity of spirit to bring off.

As the principal funder, my longevity might seem to be something of interest. I can assert that, while I have energy, I will fight for the town. While I have the financial wherewithal, I will share it with the town. I hope you will join us on this next stage of our journey.



JONATHAN RUFFER

TAP's vision for Bishop Auckland:

1. Individuals in the town can access skills training, volunteering and apprenticeship opportunities which will result in lower levels of unemployment
2. A built environment which compliments its heritage, characterised by stabilising property prices and fewer shop vacancies, which suggest financially robust business and leisure sectors

3. A community which is becoming more self-sufficient and resilient, where food and fuel poverty levels are decreasing
4. A natural environment which is enhanced and opened up, resulting in better wellbeing outcomes and transforming Bishop Auckland in to a place that everyone can enjoy spending time in

Our visitor attractions and sites are a means to these ends. Visitor numbers are set to grow to around 745,000 per annum, with visitors enjoying time at the Auckland Castle and Tower, Mining Art Gallery, Spanish Gallery, the Faith Exhibition, Walled Garden and Restaurant, four formal Gardens and the Deer Park. Kynren and Kynren Park will play an active and vibrant role in attracting family and international visitors. Plans for Binchester and Binchester Farm are slowly unfolding, designed to attract new and diverse audiences.

3. BACKGROUND

Weardale Railway CIC, a newly structured entity, has now secured a clear way forward to becoming a sustainable social enterprise. With a proactive Board and a refreshed and revitalized set of active stakeholders, the CIC can now take advantage of a number of opportunities relating to the heritage line and our regenerative investment within Bishop Auckland.

There is a significant opportunity, in this new vision for Weardale Railway, to retain the economic benefit of the railway within County Durham, instead of the transfer of funds out of County Durham, to BARS and the USA.

Vision

“To enrich the lives of local people and visitors with the heritage of the railway and the natural beauty of the landscape in which it is built.”

Aims

1. Provide an outstanding tourist attraction, made available for the people of Bishop Auckland, Weardale and the wider area in addition to national and international visitors
2. Economic regeneration of the areas served by the WR through tourism
3. Employment for local people associated with an outstanding visitor attraction
4. The provision of education and volunteering opportunities for local people
5. The sustainable use of the natural environment in partnership with heritage and commercial activities

Objectives

1. ***Provide a world class tourist attraction, made available for the people of Bishop Auckland, Weardale and the wider area in addition to national and international visitors***

- Provide a rich calendar of events and experiences relating to the love of the railways, trains and the heritage of the Weardale Railway
- Work in partnership with the National Railway Museum Shildon to develop high profile, experiences and events
- Provide a calendar of events and experiences relating to food and drink, literature, culture and heritage

2. *Economic regeneration of the areas served by the WR via tourism*

- Create a unified network of visitor attractions, including Auckland Castle, Faith Exhibition, Kynren, the Mining Art Gallery, Spanish Gallery, Kynren Park and others, so as to encourage out-of-region visitors, longer dwell time and overnight visits
- Create a sustainable, profit making operation able to contribute to the wider aims of TAP

3. *Employment for local people associated with a world class visitor attraction*

- Provide sustainable job opportunities associated with the management of, and running of the railway
- Offer apprenticeships associated with the running of the railway, including the maintenance and construction of associated rolling stock and locomotive engines
- Provide a range of volunteering opportunities structured around the needs and of the railway operation, focused on specific job roles and with a view to preparing people for the world of work

4. *The provision of education opportunities for local people*

- Create a vibrant calendar of information events, talks, lectures and exhibitions relating to the railway and wider area
- Create and install a range of information panels relating to the heritage line and the natural environment
- Produce literature in a range of forms relating to the heritage line and the natural environment
- Engage with local schools and voluntary sector organisations to build immersive experience based education sessions relating to the railway

5. *The sustainable use of the natural environment in partnership with heritage and commercial activities*

- Operate a sustainable transport solution, for the people of Bishop Auckland, Shildon, Weardale and the wider area
- Promote the use of sustainable transportation via aim 4
- Create a sustainable, profitable operation that places the natural environment at the heart of commercial activity

- Provide sustainable commercial profit in the wider social and charitable aims of TAP

4. WEARDALE RAILWAY STRATEGIC PRIORITIES

Over the next decade, under TAP stewardship and in partnership with DCC and the volunteers from the Weardale Railway Trust (WRT), TAPs aim will be to establish Weardale Railway (WR) as one of the major components of the visitor destination in Bishop Auckland.

The benefits of running the railway under the umbrella of wider TAP activity means that aligned programming to generate a wider-reaching and more stable visitor economy can be achieved. Through the development of integrated partnership work, South Durham can achieve critical mass as a place where visitors know there is a place for more than a day's visit and many will stay for several days to take in Durham City, Bowes Museum, Locomotion, Raby Castle and Beamish and the surrounding Dales.

Weardale Railway significantly adds to visitor numbers in Bishop Auckland and Shildon in the following ways:

- The Railway, with an accompanying programme of events, appeals to a wide audience, including younger and older families, groups, and people particularly interested in the railway heritage of the UK, particularly Shildon with its rich history of railway engineering, increasing the number of visitors drawn to the area
- The WR ensures a more even tourist offer throughout the year, drawing visitors to the Dale and local shops and leisure activities in Bishop Auckland at 'low' points in the year as well as through peak times such as the summer holidays
- The re-energised retail and leisure zone at the north end of Newgate Street will return Bishop Auckland to its traditional role within the wider community as a place to spend leisure time. A thriving Weardale Railway will add to economic activity to the struggling south end of the town. Some will travel to the town by train from Darlington in the east and Stanhope in the West, while special event trains on the heritage line will add to the unique offer
- Further up into Weardale, rapid expansion of the hotel, holiday let, bed and breakfast, caravan park and hospitality sectors has brought much needed jobs and economic activity to the dale; increasing activity through WR encourages a longer and more interesting visit for holiday makers

Utilising these opportunities, the Weardale Railway will bring an additional 160,000 visitors in to Bishop Auckland and Shildon, providing training, employment and learning opportunities, adding significantly to the local economy of the wider area by transforming TAP's current offer firmly into a two-day experience, and creating a more stable shopper presence in the high street.

THE STRATEGIC CONTEXT

The following steps outline the development route for the Weardale Railway, and TAP's commitment to facilitating a wider tourist offer for Bishop Auckland which will bring an additional 160,000 visitors into Bishop Auckland, to the benefit of the local economy.

1. Create stability by strengthening governance and partnership opportunities

- Ensuring key areas of regulatory compliance are followed
- Adding support from TAP across all functions, for example, Finance, HR, Learning, Development, Curatorial, Marcomms, Engagement, Compliance, Food and Beverage, Volunteer Management and Estates
- Supporting WRCIC to clarify the job roles and responsibilities of its staff and volunteers
- Assisting with operating and infrastructure costs
- Forming partnerships with other organisations including transport museums, heritage railways, engineering companies and educational facilities

2. Ensure adequate promotion in order to build awareness and increase visitor numbers

- Create a multi-faceted marketing campaign to entice people from Teesside or Tyneside, bringing the full Bishop Auckland (and potentially, Shildon) offer together
- Incorporate WR into TAP's core marketing programme
- In the coming years, broadening marketing and advertising to a North East audience to Northern and Scottish hotspots such as Edinburgh and Leeds
- Engage with national and international audiences through specialist interest areas

3. Build income streams in order to create a sustainable and viable social enterprise

- Expand the on-board paid events offering, including high-profile experiences linked to significant calendar events such as Christmas, Easter and Mother's/Father's Day.
- Secure additional income for STEM training, apprenticeships, volunteering and skills development opportunities
- Secure additional income for Increasing the social impact made by WR by running dementia-friendly programmes and initiatives to tackle loneliness in the town and isolated rural communities in the Dales
- Extended evening service to coincide with Kynren, events and activities

4. Bolster the travel options for residents along Wear Valley

- Initiate a passenger service which allows commuters, leisure users and school children travel to and from the town. Weardale sixth formers could access Bishop Auckland College, encouraging integration
- To pursue integrated timetabling with Darlington train station, enabling the passenger and heritage services to link directly to services on the East Coast mainline

ALIGNING THE AUCKLAND PROJECT'S PRIORITIES

The Auckland Project has four strategic objectives, which together will transform the Weardale Railway into a public focused destination in Bishop Auckland and Shildon, that is used regularly by visitors to help them understand nature and heritage, and to build connections to each other.

Enabling Individuals to flourish

- WR will form a key role in the TAP priority of connecting people with their heritage
- We will provide multiple opportunities for people from different age groups to volunteer in the running of the railway, understanding that volunteering can enhance soft skills development such as self-confidence, combat loneliness and build a sense of aspiration and pride
- By creating educational programmes associated with engineering, mathematics, science and technology, young people will be encouraged to enhance their academic skills

Forming Resilient Communities

- We will encourage the growth of volunteer groups, understanding that participation can build a willingness to collaborate, a strong sense of place, and higher levels of creativity and enthusiasm
- We will actively pursue partnerships with business in Shildon and Weardale and further afield

Protecting the Natural Environment

- Through WR, we will enable locals and visiting tourists to enjoy the beautiful landscape of the Wear Valley
- We will work with DCC and other partners to both offset and decrease our carbon footprint by linking the WR to a network of electric shuttle buses and promoting any rail side pedestrian or cycle routes

Enhancing the Built Environment

- We will work with DCC to ensure that the built environment around the railway station complements the incredible heritage enjoyed by Bishop Auckland and Shildon
- We will encourage the participation of groups including Incredible Edible Bishop Auckland to enhance the built environment around the railway line

5. MANAGEMENT STRUCTURE

There are currently 12 members of staff (9 full-time and 3 part-time) employed by the three BARS subsidiaries in Weardale. It is not yet clear what their exact division of responsibilities to each entity are and in many cases it seems that individuals work for more than one of the companies. Disentangling the job specifications to isolate the staff required for the WR may take time. However, it is a working assumption that a number will be transferred by TUPE to WRCIC or confirmed as WRCIC employees.

WRT volunteers currently number 400 with around 40 active members. The volunteer contribution is essential to any heritage railway, for comparison the Ffestiniog Railway has around 500 active volunteers. TAP will seek to expand the active volunteer pool to add capacity and capability to the workforce, drawing on its experience of generating a cohort of 300 active volunteers to assist in the operation the visitor attraction.

TAP's intention is to integrate the WRCIC management structure into its portfolio, enabling operational oversight and support, as well as consistency of approach to compliance, Finance and HR management, event management and customer service. It will also enable TAP to support/lead in areas such as Marketing and Communications, Ticketing, Development and Fundraising, Volunteering, Learning and Engagement.

TAP will appoint Directors and exercise control as required, ensuring that the management arrangements are sound. TAP will require regular reporting from WRCIC to maintain oversight.

Heritage railways are notoriously loss making enterprises and best that can be expected of the WRCIC to break even in the first decade. It is envisaged that WRCIC will require loans to cover operating and infrastructure costs, (less bridge repairs) especially in the early years to allow the operation to be revived. TAP's partnership with DCC is critical to provide certainty that the bridge repair repairs amounting to circa £2.1m can be covered by DCC. TAP will inject up to £600k up to March 2020 and a further £600k (excluding bridge repairs) in the next year to March 2021. Thereafter fundraising and improving revenue will be required to offset TAP's injections.

6. EVENTS PLAN YEARS 1-5

2019	2020	2021	2022	2023	2024 & Onwards
Train to Christmas Town	Polar Express	Polar Express	Polar Express	Polar Express	Polar Express
	Afternoon Tea Train	Afternoon Tea Train	Afternoon Tea Train	Afternoon Tea Train	Afternoon Tea Train
	Sunday Lunch	Sunday Lunch	Sunday Lunch	Sunday Lunch	Sunday Lunch
		Gin Train	Gin Train	Gin Train	Gin Train
			Hogwarts Style Train	Hogwarts Style Train	Hogwarts Style Train
			Passenger Service Stanhope-BA	Passenger Service Stanhope-BA	Passenger Service Stanhope-BA

Notes

1. Polar Express and possibly other WR events start at Locomotion to create joint events. Link to Kynren fireworks.
2. The Afternoon Tea Train has multiple uses beyond family and older adult visitor markets. Includes dementia friendly and tackling loneliness programmes.
3. NRM Young Engineer programmes delivered by Locomotion for the BA area could include both train rides and use of exhibits in Shildon.
4. Research as to the viability of a passenger service will be conducted
5. Gin Train or similar would be an evening event, running in the low tourist season
6. Hogwarts style event targeted at the summer holiday period
7. Afternoon Tea Train and Hogwarts style train link to Kynren nights throughout the holidays
8. Post 2024, the aim is to build the breadth and depth of the offer
9. Link WR trains to events in Bishop Auckland
10. The 2020 events programme may depend on programming of bridge repairs.
11. Subject to securing the Polar Express franchise, it is anticipated that by 2025 the above programme will be capable of creating a surplus I&E of c. £500k.

7. VISITOR NUMBER IMPACT

Enhancing the TAP offer through the addition of the Weardale Railway

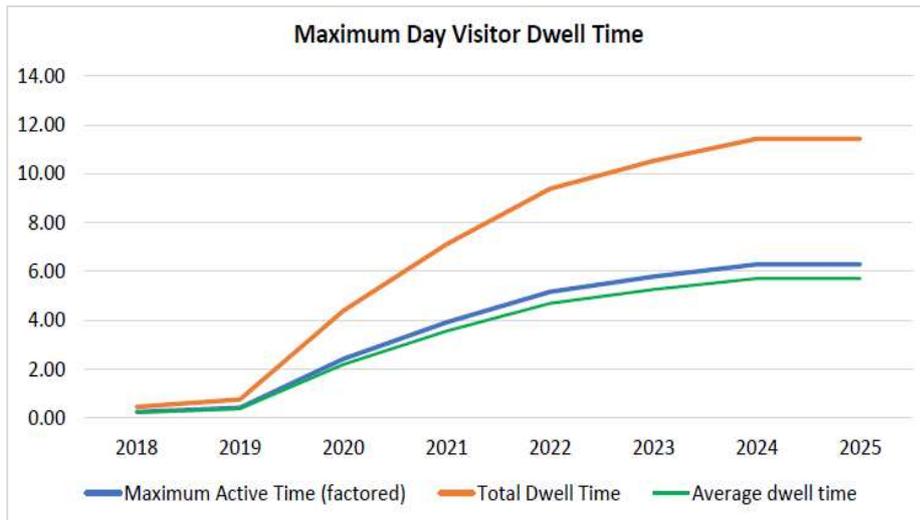
Currently, as there are many dependencies of the future success of WR events, it is a challenge to produce exact projections of visitor figures. The biggest area of consideration is how the Railway fits in to the rest of The Auckland Project's offer, and therefore the following outlines the case for support. What follows was commissioned for current and future TAP offers only and therefore excludes the potential of Eleven Arches, a fully developed Binchester, Special Events and time spent in the Deer Park.

What the Weardale Railway adds to dwell times

Using approximated dwell times for each of the new attractions, the following table represents the maximum dwell time for an adult visitor enjoying The Auckland Project attractions, excluding any walks in the Deer Park. Note that by 2022 there is enough occupied dwell time for Bishop Auckland to become a two-day destination especially when adding in some lengthier meals, deer park walks, relaxation time and shopping. Vision XS estimate a total of three attractions will be engaged with in any one visit.

With the addition of the Railway, the dwell time increases significantly, extending the TAP and Eleven Arches offer into a two-day experience, adding to the spend per tourist. Day visitors currently make up 92% of the overall visitor numbers to the county, spending £20.71 on average, per day. Overnight visitors make up the remaining 8%, yet spend, on average, £177.08 per trip, (Visit County Durham 2018b). TAP intends to develop a hotel and other overnight accommodation offers to support this.

Attraction	Maximum dwell time in 2022
Mining Art Gallery	30
Auckland Tower	20
Auckland Castle	60
Spanish Museum	60
Faith Exhibition	60
Nature Farm	90
Weardale Railway	120

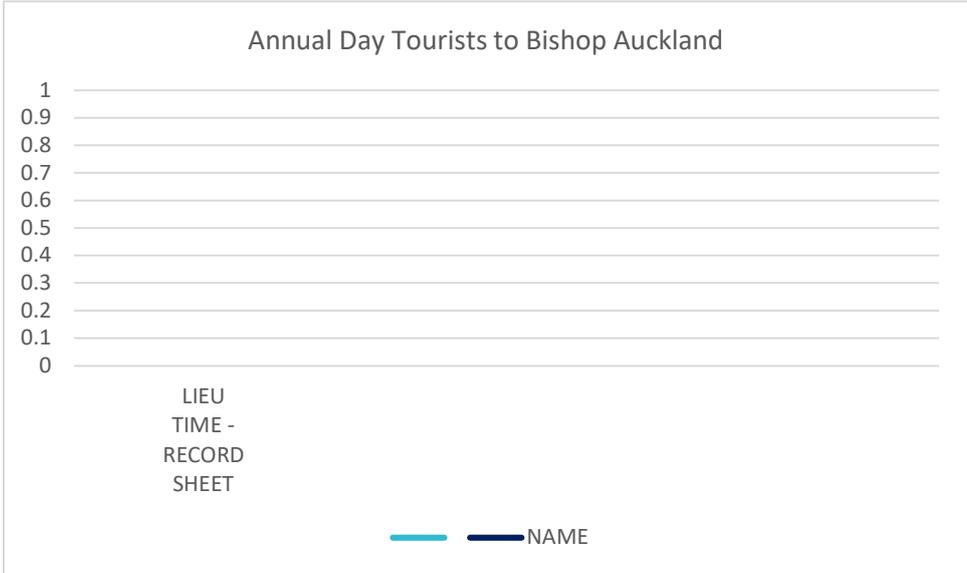


**This chart is based on visitors engaging with three attractions in one day. The 'total dwell time' includes time walking, shopping or eating. The WR adds an additional 120 minutes of active time into the offer, strengthening the likelihood of guests staying overnight, especially if evening events continue on the railway. **

Vision XS Capacity Study, November 2019

Weardale Railway: the impact on visits

Vision XS used two comparatives to formulate visit numbers. The 'high model' demonstrates the kind of figures we might expect if we have the maximum penetration into the market, and the 'low case' is the absolute minimum we might expect. The high case model varies from 210,000 in 2020 and peaks at 745,000 in 2028.



Vision XS Capacity Study, November 2019

Separating figures for the Weardale Railway is not possible at this stage, as it is anticipated that the Railway offer will be wrapped up and marketed as part of the Auckland experience as a whole, but **estimates from Vision XS are that the high case annual visits for the Railway could be 160,000**. Half of those visits are unique – so 160,000 visits equates to 80,000 people. At £20 per day visitor x 160,000 visitors, the GVA impact is c.£3.2m.

In the current railway offer, Bishop Auckland railway station is the starting station for two thirds of experiences offered (heritage services and evening events) and as such, additional parking would need to be facilitated at the station. Assuming that similar figures use cars to access the TAP offer (90% arriving by car, 2.5 people per vehicle = 144,000 people arriving by car), **an additional 57,600 car journeys will be made to the south end of the town per year**.

The Railway adds the enormous benefit of creating a year-round tourist attraction in Bishop Auckland, bringing more regular visitors to the town centre and shops and having an increased impact on the economic sustainability of businesses in the town. Rural connectivity, training and year-round tourism are significant objectives of the North East's application for the Tourism Sector Deal and year-round tourism is a key component of the HAZ Economic Study: Report 2019.

8. LOCO AND ROLLING STOCK

The current arrangement is for WRCIC to hire locos and rolling stock.

In due course when events and the passenger service justify it, purchase may be preferable.

TAP would seek loans of rolling stock and locomotives at advantageous rates from Locomotion, private individuals and the National Railway Museum as part of the collaboration.

It is understood that WRCIC has a long standing agreement to purchase three locomotives from one owner for £165,000.

9. SCHOOLS, ENGAGEMENT AND INTERPRETATION

The educational context

The Bishop Auckland and Shildon Area Action Partnership has 26 schools. This amounts to 4057 pupils, according to most recent published data from 2017. Twenty-three of those 26 schools are part of our Partner Schools Programme. The advent of a WR passenger service could play a major role in boosting numbers at both primary and Wolsingham Grammar School in order to sustain them in the future. In addition, TAP's Learning and Engagement team can assist Locomotion, through connected activity.

Ghost Lines: TAP's current planned programme for 2020

'Ghost Lines' are disused railway tracks that run through areas in and around Bishop and rural County Durham. This project is based on Social Haunting which looks at the effect of trauma on a community, based at a number of community consultations called Ghost Labs, held at Woodhouse Close Community Centre. Within discussions, the participants realised that the physical spaces connecting everyone's memory maps were the railways in the area; they held value - connecting people, miners and the rural communities of Durham.

Project Overview

We will look backwards at the historical context of these railroads and their significance and we aim to transform these trails into future facing spaces; spaces to reconnect communities and collective memory and embracing the present. We will create these transformative spaces through artistic activity, creating artworks that are symbolic of a memory, person, feeling or idea which would then be concealed/placed 'out of sight' for the community to find.

We would work inter-generationally with participants of Ghost Labs and three different School/Community Groups in Bishop Auckland to create three different artistic trails, which would follow different disused tracks. The trails would be accompanied by a map- illustrating the old tracks in the area and utilized for locating artistic Geo-cashes along the tracks. We propose to use traditional mark making and printmaking processes to create the initial map and then reproduce these digitally for the local community.

Future Potential Projects

- World Heritage projects: Spotlight on local heritage sites, awareness raising for the North East Portfolio- link with University Programmes for Museum Studies and Cultural Heritage Management.
- Sustainable Futures: focusing on technological innovations and inventions. The journey of modern advancement - how did the Railways contribute to the modern world we live in today modern innovations like Geothermal, Industrial Heritage and Environmental projects.
- Expand Mining Art Gallery: MAG could become a platform for wider exploration of mining industries, bringing lead and steel into the engagement portfolio- mapping Weardale mines, industry and communities. This would allow us to engage with content about the Industrial Revolution and Victorian Life (excellent curriculum links)
- Social Action: Looking at selected Victorian philanthropists who advocated for workers' rights e.g. Barnardo's and Roundtree.

- Station Art Projects: Stations transformed into temporary art galleries. Potential for these to be designed by local community and school groups. A similar model to our “Art in Focus” project could be used.



London-based 'Art and the Railway' project demonstrates the growing appetite for community art installations at railways

- Poetry and Rhythm Projects - the rhythm of trains lends themselves to poetic rhythms and musical interpretation. Poems could be used to decorate the train stations with poetry, word art and opportunities for musical events

Interpretation

The Auckland Project is committed to encouraging members of the community to uncover and take pride in the heritage of the town of Bishop Auckland and the surrounding area. To this end, we would explore ways of improving interpretation along the Weardale Railway line, particularly at stations, and promote access for people of all backgrounds and ages.

Partnerships – Industrial Heritage

The Weardale Railway currently takes one hour to go from Bishop Auckland to Stanhope, stopping along the way at Witton-le-Wear, Wolsingham and Frosterly. The line will connect communities and audiences in Weardale with The Auckland Project's visitor offer, but also has the potential to open up new audiences for other museum and heritage sites in the locality.

Acquisition of the railway provides an exciting opportunity for TAP to partner with Locomotion, part of the Science Museum Group, in Shildon. There is significant potential to develop visitor rail services, and special heritage services, in collaboration with Locomotion, encouraging members of

the public to travel between Weardale, Bishop Auckland and Shildon. Alongside this, we intend to explore opportunities for ticketing promotions and joint learning initiatives.

2025 marks the bicentenary of the opening of the Stockton to Darlington Railway on 27 September 1825. We are aware that Darlington Borough Council, Stockton Borough Council and Durham County Council are already working on a programme of activities and events to celebrate the occasion, together with the National Railway Museum, Friends of Darlington to Stockton Railway.

The Weardale Railway line was worked by the Stockton to Darling Railway Company, started in 1847 to transport minerals from Weardale. TAP therefore proposes to support our regional partners with plans to mark the anniversary, joining together to celebrate the creation of first public passenger railway in the world here in County Durham.

On a broader level, there is significant potential for developing partnerships with museums and heritage organizations centered on the industrial heritage of the North East of England. The rail network, a heritage asset and draw in of its own right, may provide the means by which to encourage visitors to travel between sites.

Through the Mining Art Gallery, opened in 2017, TAP has already established relationships with a number of regional and national institutions, including Tyne and Wear Museums, the Science Museum and the National Coal Mining Museum. We are currently exploring the possibility of leading a national Subject Specialist network devoted to industrial art, furthering research into collections of industrial art and promoting knowledge sharing between museums across the country.

We are keen to further these existing relationships, particularly within the North East, to increase awareness of the significance of our region's industrial landscape and heritage. Ideas include coordinated programming, tours and trails, and community projects. There is also potential to work with Visit Britain, and well as Visit Durham, to promote the industrial heritage of this region to national and international visitors, encouraging visitors from further afield to spend a weekend in County Durham, providing tangible economic benefit.

Other potential partners in the region include Killhope Lead Mining Museum, Head of Steam (Darlington Museums service) and Beamish Museum.

10. WEARDALE RAILWAY APPRENTICE SCHEMES

County Durham has a long history of supporting apprentices in the North East and nationally is a hotspot in comparison to other regions, largely due to employers understand the benefits and value that apprentices can bring to organisations.

Weardale Railway is well placed to assist in South Durham's apprentice output, particularly linked to the region's long history with rail and engineering. Apprenticeship pathways could include support of the development of the Weardale Railway itself covering heritage engineering trades as well as wider engineering pathways such as fabrication, welding, maintenance, engineering and toolmaking. The WR and Locomotion could combine in providing apprentice opportunities relating to heritage engineering skills and match the successful scheme run by the North Yorks Moors Railway. In

addition, the WR as a visitor attraction could support apprenticeships in hospitality covering customer facing roles, business development, management and support.

TAP is already collaborating with Bishop Auckland College under the guise of the Auckland Academy for a range of apprenticeship training so expansion into the engineering sector would be straightforward using South West Durham Training.

The funding commitment from WR would be standard; a payment of 5% of the training costs at an average of £1,300 per engineering apprenticeship to the full value of £27,000. Funding support for the WR 5% could be sourced via South West Durham Training which currently has an agreement with Glaxo Smith Kline in Barnard Castle to meet costs.



Weardale Railway Apprentices would join a thriving programme of apprenticeships at TAP

11.POTENTIAL FUNDRAISING FOR WEARDALE RAILWAY

Funding for heritage railways comes predominantly from three sources – local councils, the National Lottery Heritage Fund and European funding avenues such as the European Agricultural Fund for Rural Development or the European Regional Development Fund. The following is a summary of potential funding streams, with the caveat that these streams will take several years to reach maturity.

Given that The Auckland Project has already acquired significant support from NLHF for our capital build, it is unlikely that we would receive any further funding at high levels. However, there may well be potential for other European or post-Brexit funding streams. Securing the Weardale Railway adds significant potential to harness a different kind of funding connected to both learning opportunities through apprenticeship and skills development, and social impact projects focused on reducing isolation in rural locations, increasing the wellbeing levels in people with dementia and their carers though highly experiential heritage experiences, and legacy and membership opportunities.

Memberships and Legacies

Legacies form an important part of the funding mix for most heritage railways, accounting for between 20% - 60% of all voluntary income. Due to the unique role the railway would play in the landscape of TAP's offer, a legacy marketing programme which is distinct to the main TAP offer

should be established; although leaving a legacy to the railway will be encouraged in TAP's core legacy promotion as well.

Membership should also remain distinct from central TAP membership, although some cross-promotion should be implemented. Heritage railways tend to generate high membership numbers, often from the volunteers who spend a lot of time engaging with the railway on weekly basis, and who feel a sense of ownership and involvement in the railway provision. Junior members would also be encouraged, through a young volunteers' campaign, or promotion through partnership with local schools and colleges.

Crowdfunding and on-board activities

Heritage railways have seen a mixed response to crowdfunding initiatives, but by tying the Weardale Railway into the larger TAP funding activity, and marketing to the full visitor group, there is ample opportunity for a successful crowdfunding campaign for capital (infrastructure) projects or to maintain rolling stock. Visitors to the railway have the benefit of experiencing first-hand the excitement and enjoyment of a day out, and ample on-board promotion of any capital or crowdfunding campaigns should be encouraged. Ample crowdfunding rewards, such as a chance to drive the train, work the signals, get a behind-the-scenes glimpse of new engine or premises means that chances of success for a crowdfunding campaign are high.

Grants and Foundations: securing funds for social impact

Heritage Railways play an increasing role in engaging their communities and making a significant difference to wellbeing levels, skills development and personal development.

Increasing wellbeing

The Auckland Project is already running a successful and wide-reaching dementia-friendly offer, and adding the Weardale Railway to that programme increases the likelihood of gaining future support, because it enables a more holistic programme and offer. DCMS have launched a new £2 million fund to help organisations at the forefront of alleviating loneliness, and opportunities for statutory funding will be identified and sought on an on-going basis.

In addition, several of TAP's current and past funders, including Garfield Weston and Sir James Knott Trust support programmes which target NEETS, the elderly or those isolated from their communities.



TAP's Dementia Friendly Heritage Group enjoying an outing on the Weardale Railway

Opportunities to engage in community

Volunteers currently play a key role in the delivery of the Railway services, and TAP would approach grant making trusts such as the Age-friendly and Inclusive Volunteering Fund to attempt to secure funding for encouraging different audiences (including particular age and ability groups) to volunteer.

Building a sustainable business model

Funding is also available, through streams including Power to Change Business Development Fund and the Social Business Trust, for development of strategy, business cases and growth management, and TAP would look to secure funding for this first stage of expansion and development for an organisation which has been complex and multifaceted in its governance and delivery.

Training and STEM education

Grants are available through schools and colleges for Science, Technology, Engineering and Mathematics educational opportunities for students aged 5-18. Adding Young Engineers and apprenticeships to the programme of activity means a deepening of the partnership TAP already has with Auckland College. A connection with the Science Museum via Locomotion in Shildon would enable us to access a £20m grant for young engineers.

In addition, we would seek a tie-up with Hitachi, which would allow a direct link to be made between training and future employment and would co-align our activity with the NELEP Advanced Manufacturing strategic priorities.

12.LETTERS OF SUPPORT

Weardale Railway Trust

Stanhope Station, Stanhope, Bishop Auckland,
Co. Durham, DL13 2YS

Tel: 01388 526203

Email: marketing@weardale-railway.org.uk

Patron: Rt Revd Paul Butler, Bishop of Durham



15 November 2019

Mr David Madden
The Auckland Project
Vinovium House
Bishop Auckland
DL14 7BH

Dear David

I have been very encouraged to be included in the confidential discussions about the Auckland Project taking control of the Weardale Railway CIC from BARS.

I and many of our volunteers have become increasingly disillusioned with BARS poor financial and decision-making performance, particularly recently. There is a sense of deep concern that the Weardale Railway is suffering under their control and it is very regrettable that there is growing talk among our volunteers of taking their allegiance elsewhere. As you know, volunteers are the essential lifeblood of a heritage railway.

The railway can, I feel, become a central element in the regeneration of the Bishop Auckland area, including Weardale and Shildon, under the stewardship of the Auckland Project. I am confident that, under the proposed new arrangements, by bringing total control and decision-making of the railway into the local area, we would witness a renewed commitment from our existing volunteers, and would see a steady increase in numbers, including young people from the area.

Many thanks to you and your colleagues for having the foresight to take the necessary steps to bring our railway back into local ownership.

Yours sincerely

Kevin Richardson
(Chairman, Weardale Railway Trust)

Railway Museum
Leeman Road, York YO26 4XJ
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T +44 (0)33 3016 1010
E info@railwaymuseum.org.uk

**RAILWAY
MUSEUM**

David Maddan
CEO The Auckland Project
Vinovium House
Saddler Street
Bishop Auckland
DL14 7BH

26 November 2019

Dear David

The National Railway Museum supports The Auckland Project's plans for the rejuvenation of the Weardale Railway and encourages the development of joint events and programmes that seek to link Locomotion and Shildon. There is scope for joining up on NRM's Young Engineers programmes, on heritage skills apprenticeships in railway engineering and in wider initiatives to improve footfall to both Locomotion and the Weardale Railway.

Yours sincerely



Judith McNicol
Director, National Railway Museum

LANGHAM INDUSTRIES

In addition, the Wolsingham shed, leased from Langham Industries by BARS, is where engines and rolling stock are serviced and stored. It is critical to the operation of the WRCIC.

Chris Langham, owner of Langham Industries, has indicated in an email on 1 December that, due to BARS' history of rent arrears, he will only continue to allow WRCIC to use the shed if the railway passes into TAP control.

A letter of support is to follow.

13.FINANCIALS

Please see the attached financial report from Clive Owen LLP.

14.SUMMARY

The proposal sets out TAP's desire to:

- Retain the financial benefit of operating the railway in County Durham
- Enhance the economy of Weardale by maximising the use of the railway, using the railway to market and promote Weardale and significantly increasing the number of visitors
- This is a major Heritage asset that will be used by people living in Weardale but will also attract passengers from around the region and beyond
- The Weardale Railway will benefit from, complement and where appropriate be inextricably linked to other regeneration activities that are going on in Weardale including The Auckland Project and Kynren and will be an enabler in supporting new economic projects
- Collectively this will give residents hope for the future, increase their opportunities for employment and volunteering and provide for educational and skills development. The area will benefit from increased tourism and leisure facilities and bring communities together to work for the benefit of Weardale. As a result, people will feel positive about living in, visiting and working in Weardale
- Provide a visitor attraction that will command dwell time of over 2 hours
- Provide GVA to the local area in region of £3.2m annually

This Vision, Aims & Objects and outlined proposal is underpinned by the following measurable objectives and action plans:

- Significantly increase passenger numbers
- Increase employment directly and indirectly
- Acquire trains and rolling stock and develop a maintenance business for trains and track
- Maximise the opportunities for volunteers and build up a significant membership base
- To connect the line to network rails at Bishop Auckland and extend the line to East Gate making Bishop Auckland pivotal in the development of the railway with steam and other trains linked to London timetables
- Ensure that the Railway Stations along the line become an important vehicle for shoppers and visitors to explore the attractions in the adjacent towns and villages
- Maximise income from all sources
- Maximise the efficiency and effectiveness of the Railway and ensure good value for money.