

Making the most of the

Great Central Railway



A report by:

URBED

(Urban and Economic Development Group)

with:

**Michele Grant Associates
Transport Research &
Information Network**

for:

**Charnwood Borough
Council,
Leicester City Council
and
The Great Central
Railway**

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EXECUTIVE SUMMARY

This report, which has been commissioned by Charnwood Borough Council and Leicester City Council in association with Great Central Railway plc, aims to provide a strategic framework and action plan for the future development of the railway and key sites that adjoin it. It is based on a series of studies by specialist consultants to evaluate the market and tourism potential, the operating economics, and the potential to use adjoining sites to improve the overall experience and contribute to the wider objectives of the local authorities.

Benefits

The report presents a picture of considerable achievement with important benefits to the East Midlands region. The railway is a major heritage attraction of national significance, and offers the distinctive experience of 'main line steam.' It attracts visitors to an area that is off the main tourist circuit, and also enhances the experience of the countryside. It generates up to 40 jobs, and employs over 400 volunteers. Turnover was up by 20% last year, and comes from a range of operations, with catering and footplate experience courses together providing over half the railway's income, much more than on other preserved railways.

Key issues

Like any growing business, there are issues of priorities. Opportunities exist for tapping the wider market, because of the large local population, with over 700,000 living within half an hours drive, far more than other preserved railways. Revenue can be increased by improving the experience, and making more use of volunteers. There is a need for more training in customer service. The railway can contribute to the development of wider recreational objectives, particularly as the new National Space Science Centre will be only a few minutes away from Leicester North Station, with several other interesting places to visit nearby. There is also plenty of scope for linked trips with country walks or cycle trips. The major development opportunities are land being sold by 3M adjoining the cramped station at Loughborough, the site of the old viaduct linking the railway through to the line that is being rebuilt into Nottingham, the large area of unused land adjoining Leicester North owned by the City, and some land at Quorn and Rothley (though these sites are more sensitive).

Development strategy

As there is limited (though worthwhile) scope for making economies, the best way of achieving long-term viability, and overcoming the current operating deficit, is to continue to develop the product and expand the market. This means setting priorities, and our suggested scenario is to widen the experience by seeing the railway as the spine of a recrea-

tional corridor of regional significance, the Great Central Park. The three strategic themes are first improving the current experience, then broadening the market, and finally realising the longer-term potential.

Improving the current experience: The main immediate priorities are:

- Better signing and interpretation throughout
- Improvements to Loughborough station and parking
- Additional facilities using the old Goods shed and sidings at Loughborough.

Broadening the market: The attractions should be increased through:

- Development at Leicester North to create a secure and attractive place with a pub/restaurant and possibly a themed hotel
- Better links between Leicester North, other nearby attractions, and the city centre
- Use of the railway's rolling stock to create a movable experience that can tell different stories eg communications, popular travel, rail freight
- Promotion of intermediate stations, including developing Quorn as 'the children's station'.

Realising the longer-term potential: Though the expense (over £3 million) makes reinstating the viaduct seem unachievable, it is an important long-term priority to avoid wasteful competition, to achieve main line speeds, and to link up with the Midland mainline. In the medium term heritage bus links can be used along with combined promotion.

Funding

Development on the scale required cannot be funded through operations, and the report puts forward a funding strategy, based on attracting both grants and commercial investment:

- The Heritage Lottery Fund is potentially the best source of grants, as the East Midlands is under-represented and there are few other sources.
- A Heritage Lottery application should concentrate on Loughborough Station, with the option of taking in the reinstatement of the viaduct as well. The recreation of an old station at Leicester North will not qualify
- The funding strategy is based on four elements. The GCR should make more use of volunteers and labour under the Welfare to Work scheme to control costs. The local authorities should support the signing and interpretation projects, and efforts to improve linkages. A public private partnership should attract commercial funding into the development of land adjoining Leicester North station. The Heritage Lottery Fund should be asked to back the upgrading of Loughborough Station, and to consider contributing towards reconnecting the two lines

Organisation

To impement the proposals in the report, we are proposing action on three main fronts:

- The marketing and promotion of the wider recreational corridor should be undertaken through a strengthened liaison group
- The main partners should commit themselves to working together to implement the action programmes.
- The Main Line Steam Trust, which has the necessary charitable status should take on the responsibility for submitting the Heritage Lottery Fund application, and for its subsequent administration.

INTRODUCTION

URBED (Urban and Economic Development Group) were commissioned in March 1997 to draw up a feasibility study and development plan for the Great Central Railway. The client is the partnership between Charnwood and Leicester Councils and the Great Central Railway plc. The consultancy team consisted of URBED, who are responsible for the overall report and development proposals, Michele Grant Associates, who advised on the visitor potential and tourism aspects, and the Transport Research and Information Network, who investigated some of the railway aspects.

The results of the research are set out in a series of appendices and the conclusions are contained in this Summary Report. The report deals in turn with:

1. What are the public benefits from the Great Central Railway?
2. Which are the key issues that need to be addressed?
3. What are the options for achieving viability?
4. How should development be financed?
5. Who should be responsible for taking the projects forward?

The appendices deal with:

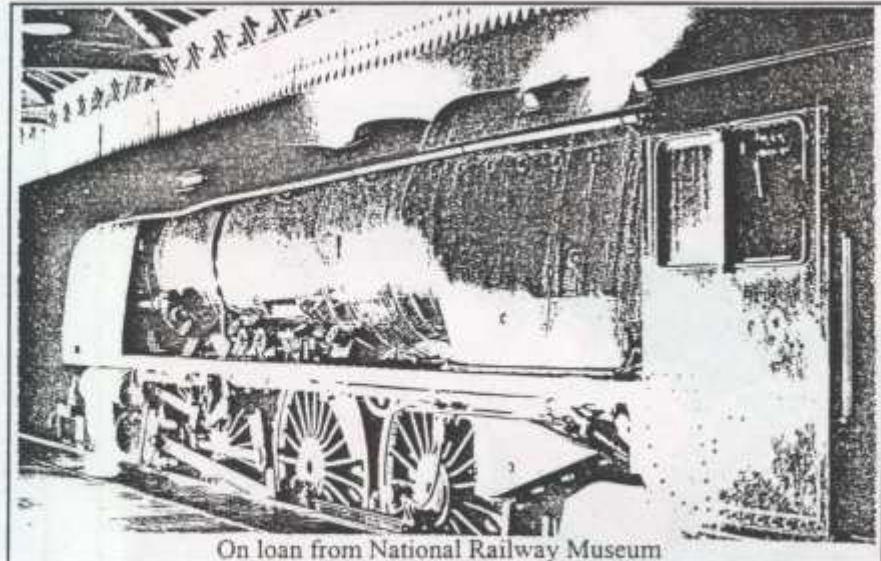
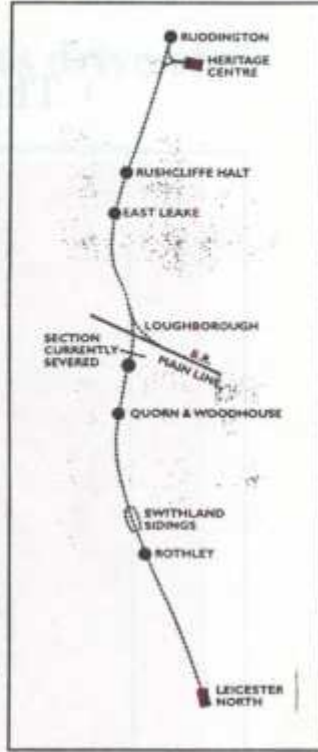
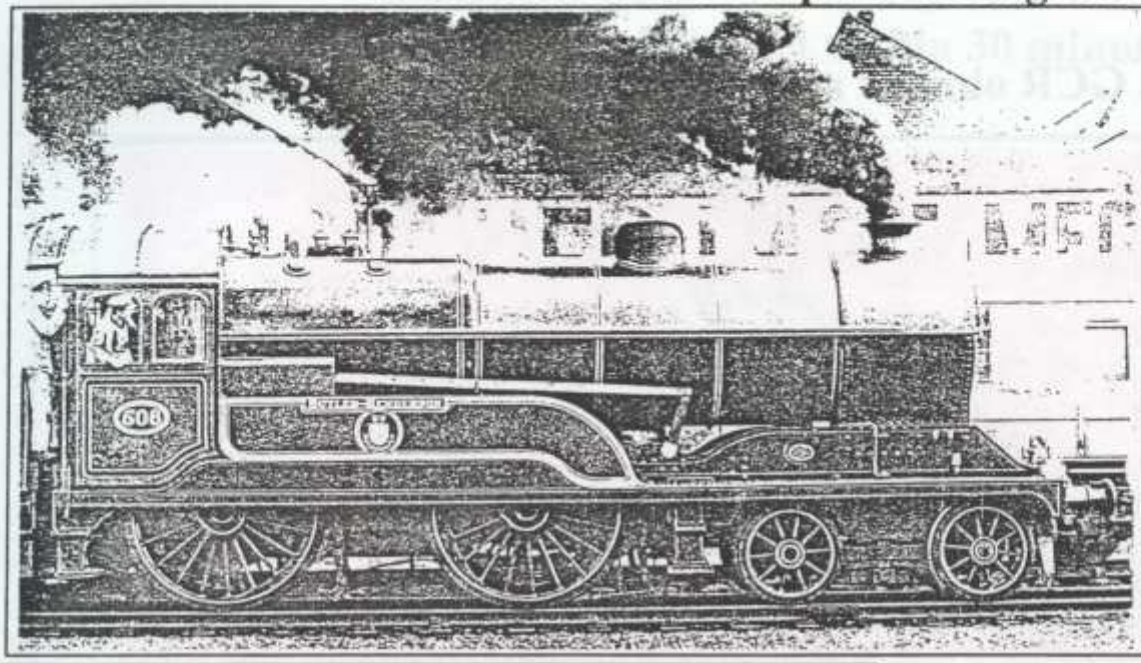
- A. The Market Potential
- B. Countryside links
- C. Financial Report
- D. Development briefs
 - 1. Loughborough 3M Site
 - 2. Leicester North Station

1. THE VALUE OF THE GREAT CENTRAL RAILWAY

The restoration of the Great Central Railway (GCR) between Loughborough and Leicester as a preserved main line, with shortly to be implemented double track operation, has been a major achievement for all concerned. Its importance is reflected in the very considerable publicity that the railway continues to generate in the national and specialist press as well as the broadcast media. Whilst the railway has a minimal value as a means of basic transport as it is paralleled by the Midland Mainline between Loughborough and Leicester it brings a number of very considerable benefits in economic, social and environmental terms to the East Midlands area:

- The GCR has preserved a significant part of Britain's national heritage for all to enjoy (Exhibit 1). Although the original railway was one of the latecomers to the railway construction scene, as it opened a century ago, the Great Central was an extremely large, high quality, strategically planned project and part of a scheme to link Manchester through to Paris. The GCR has conserved some extremely attractive stations and displays a substantial collection of main line locomotives and rolling stock. Authorities within the railway press, including comment from the National Railway Museum, consider the Great Central Railway is one of the most vigorous and best preserved railways in the United Kingdom.
- By offering main line travel, dining and footplate experiences through the whole of the year, Great Central Railway has a substantially different revenue mix from the majority of preserved railway operations. The dining car experience and refreshment sales, for example, currently contribute some 35% of revenue - on a par with ordinary train fares - and the footplate experience courses generates some 20% of revenue (Exhibit 2).
- The GCR operates over 8 miles of track (a good average length), through pleasant countryside between the settlements of Loughborough and Leicester, passing by the large villages of Quorn, Woodhouse, Swithland, Rothely, Thurstaston and Birstall. The railway runs through the fringes of Charnwood Forest and the newly designated National Forest. The stretch of line, particularly that between Quorn and Rothley, is one of natural beauty. Leicester North station is close to the national Space Science Centre, now going ahead with Millennium Lottery funds, and other minor tourist attractions exist along its route. The GCR's operations enhance the experience for individuals walking or enjoying the countryside in the area and within a three mile radius of its stations are the freely accessible Bradgate and Beacon Hill country parks. The line North of Loughborough is also being restored, by Great Central (Nottingham) Ltd, with a different philosophy, but with the long-term aim of linking up.
- The railway's current rate of growth, exceeds 20% per annum - a higher rate than is being achieved by any other comparable operation in the UK. The present day Great Central Railway has committed itself to a mission statement of "recreating the experience of a British main line steam railway operation in the best days of steam". The railway is unique in being the only standard gauge preserved main line steam railway out of approximately one hundred other organisations operating rural branch lines or former industrial railways. The Great Central Railway enables its customers to experience a good length of trip behind an interesting range of large main line steam locomotives operating in an appropriate environment.
- The GCR has created a major tourist attraction for visitors in a region with some major centres of population (e.g. Nottingham, Leicester and Derby) but which is off the normal main tourist circuits (Exhibit 3). The GCR features in brochures such as those produced by the Heart of England Tourist Board as a flagship attraction for the East Midlands area and as such it has been identified as having particular potential in a study commissioned by Charnwood Borough Council as its major attraction. The East Midlands overall has few other major attractions at present. Additionally the GCR is not a seasonal attraction, being one of the

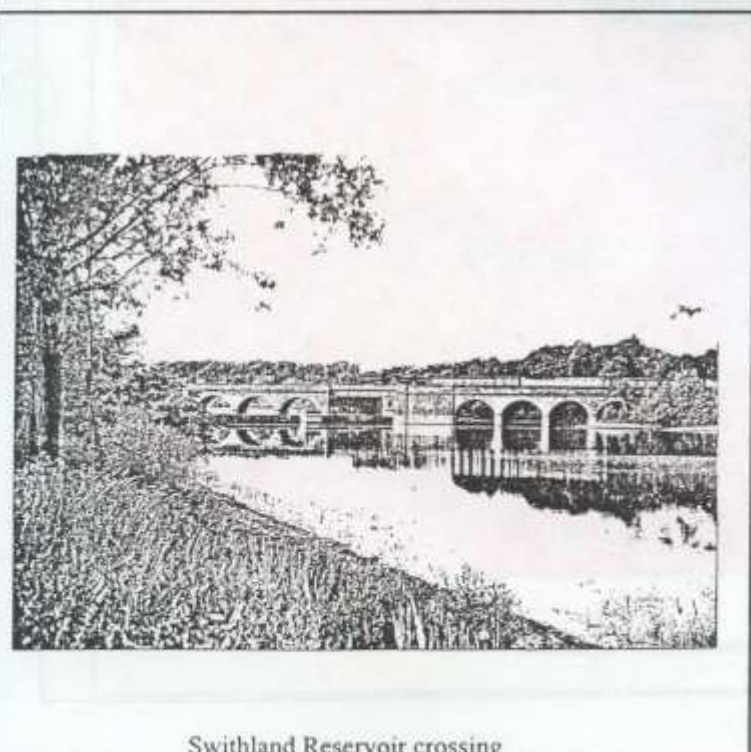
The Great Central Railway is an important part of Britain's industrial and transport heritage . . .



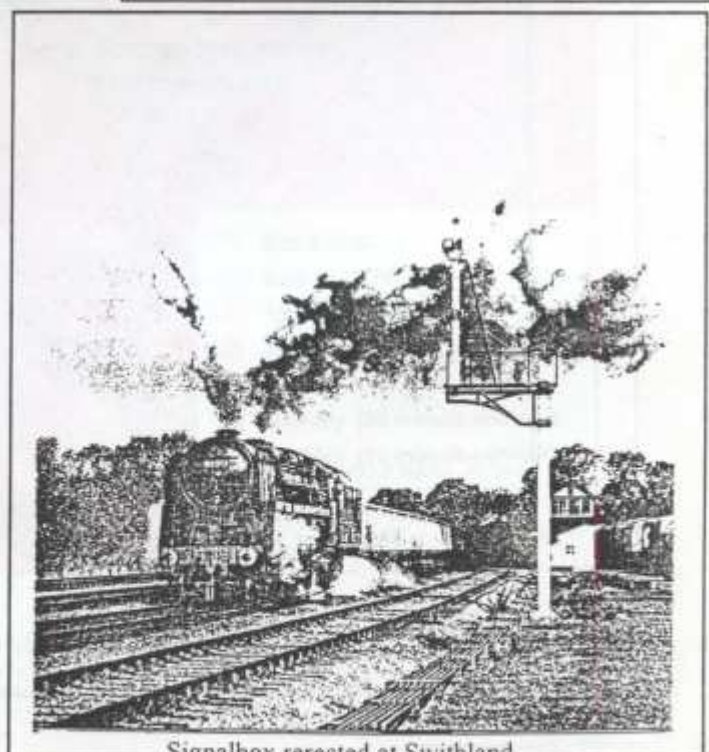
On loan from National Railway Museum



Coal trains recreated



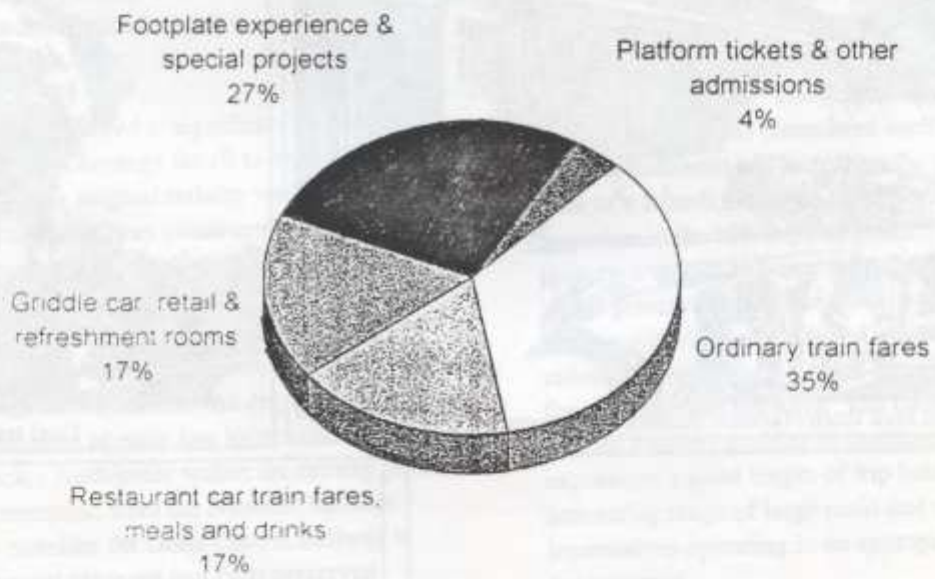
Swithland Reservoir crossing



Signalbox rerected at Swithland

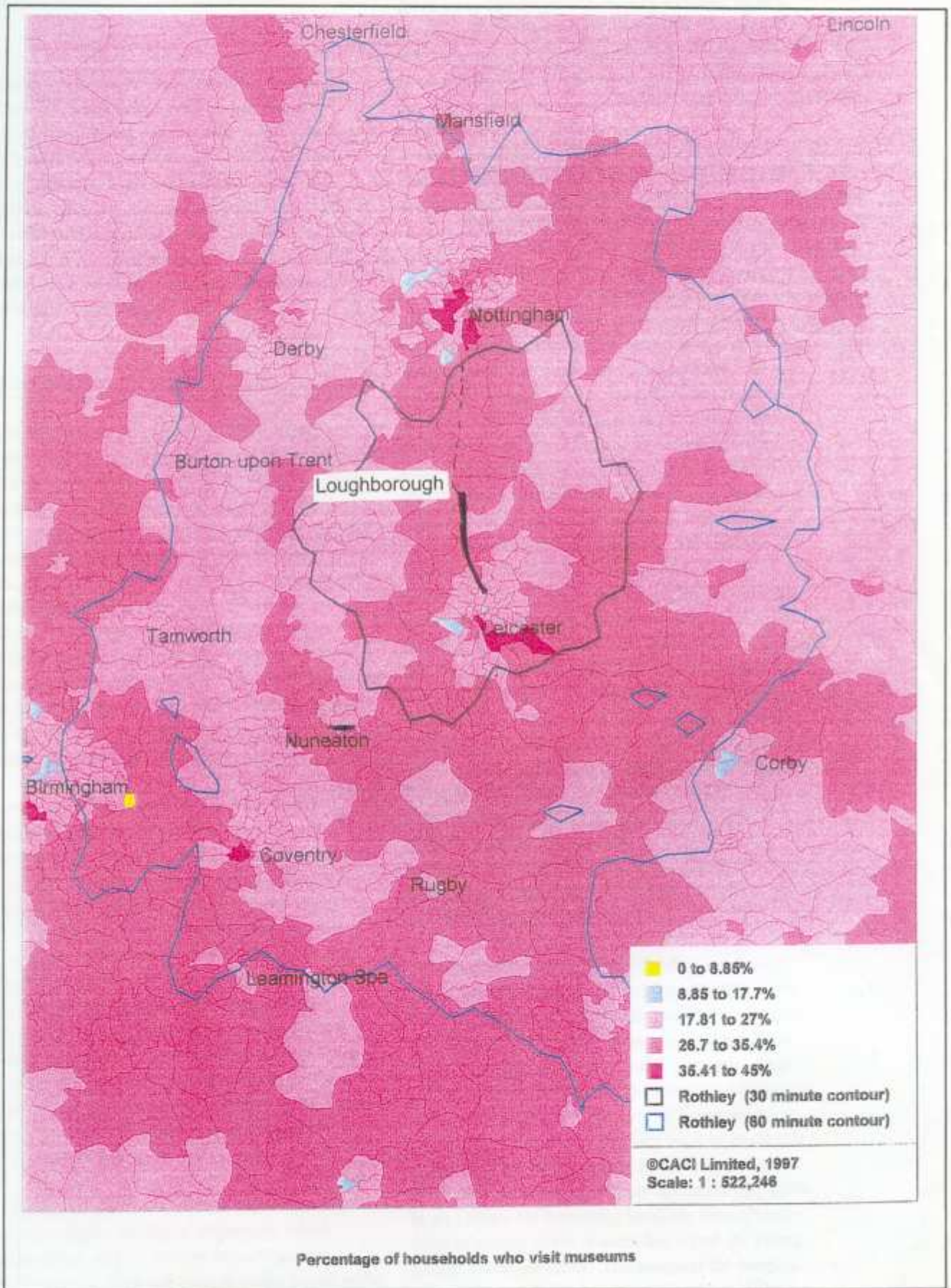
Source: Steam Railway/Great Central Railway

The GCR obtains revenue from a range of services . . .



Source: Great Central Railway plc

There is a large potential market within 30 minutes drive of the GCR . . .



few "outdoor" venues that is open continuously. The Leicester Mercury voted the railway the best value day out, in comparison with major venues such as Alton Towers and the Heights of Abraham. The GCR is a founder member of Charnwood Tourism Association and has been highly praised in the BBC2 programme 'Day Out'.

- The GCR has created a substantial number of jobs (over 40) and is the major generator of tourist income to the area with a turnover in excess of £1.2 million. Customers are drawn from all over the country and overseas, with the latter proportion showing strong growth. It also provides an important source of satisfaction and education for over 400 volunteers, including some without conventional jobs, and thus plays a role in the development of the community.

2. KEY ISSUES

Our initial research and discussions have identified four key issues which need to be resolved as a matter of priority because they affect the capacity to sustain the current operation, as well as the prospects of attracting further investment. These are what is the potential market, how well does the GCR meet customers' needs, how best can GCR respond to local authority concerns, now to achieve viability and what kinds of development are needed on the sites that are available.

Tapping all the markets

The GCR has been very successful in building up passenger numbers, particularly since 1991 (Exhibit 4). There are an estimated 130,000 visitors a year (including a significant number who travel free), or 250,000 passenger journeys and possibly double that number when complementary journeys are added. While nationally around 5% of visitors are judged to be railway enthusiasts, the GCR figure (survey 1992) is 60%. The comparable figure for the Severn Valley Railway, which is often considered to be the most successful, is 7%, which shows that the GCR currently has a distinct niche. Customers tend to be aged over 45 with time and money to indulge leisure interests and grandchildren.

Our analysis of the market by Michele Grant Associates found that the railway was attracting under 3% of the potential in the catchment area, and was competing with some very strong attractions, (Appendix A). There are 700,000 people living within half an hour drive, far more than live near any other preserved railway. The combination of pleasant countryside with the chance of combining a visit with other attractions, particularly at the Leicester end, suggests that there is considerable untapped potential. This is important as the GCR has high fixed costs, whereas the cost of carrying additional passengers is low. Expanding the market would make the most of the large locomotives, which are relatively expensive to run.

Our conclusion is that the GCR can appeal to a wider market (beyond the 'hard core' enthusiast), which includes those with an interest in heritage and technology as well as railways, or in the countryside,

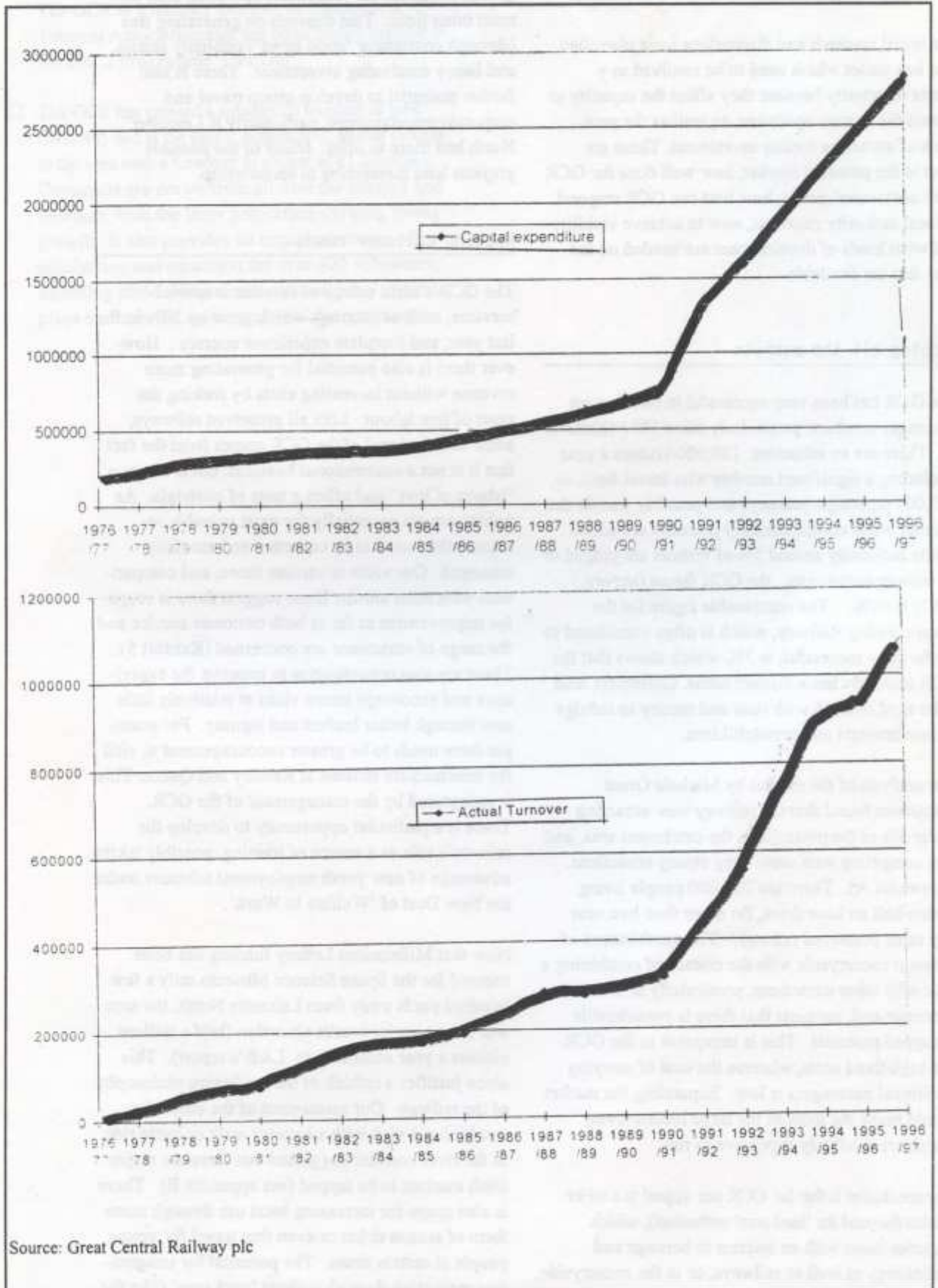
or simply in giving the family a good day out. Because there is such a large market only a short drive away (over 3 million within an hour) there is greater scope for all-year round operation than on most other lines. This depends on generating free (through continuing 'good news') publicity stories, and hence continuing investment. There is also further potential to develop group travel and corporate entertainment, particularly if Leicester North had more to offer. Many of the possible projects lend themselves to sponsorship.

Meeting customer needs

The GCR's main source of revenue is special services, such as catering, which grew by 30% in the last year, and footplate experience courses. However there is also potential for generating more revenue without increasing costs by making the most of free labour. Like all preserved railways, some of the appeal of the GCR comes from the fact that it is not a conventional business, but is run as a 'labour of love' and offers a taste of nostalgia. As volunteers are potentially the most valuable resource, they need to be cosseted and carefully managed. Our visits at various times, and comparisons with other similar lines, suggest there is scope for improvement as far as both customer service and the range of attractions are concerned (Exhibit 5). There are also opportunities to improve the experience and encourage return visits at relatively little cost through better leaflets and signing. For example there needs to be greater encouragement to visit the intermediate stations at Rothley and Quorn. This is recognised by the management of the GCR. There is a particular opportunity to develop the railway's role as a source of training, possibly taking advantage of new youth employment schemes under the New Deal of 'Welfare to Work'.

Now that Millennium Lottery funding has been secured for the Space Science Museum only a few hundred yards away from Leicester North, the area will have a major tourist attraction (half a million visitors a year according to L&R's report). This alone justifies a rethink of the marketing philosophy of the railway. Our assessment of the scope for combining a visit with a country walk or cycle ride in the river corridor suggested that there are major fresh markets to be tapped (see appendix B). There is also scope for increasing local use through some form of season ticket or even free travel for young people at certain times. The potential for imaginative marketing through various 'packages' (like the

Turnover and investment both took off around 1990 . . .



There are opportunities for improvement . . .



"In the engine shed we needed more information"



"The film show was closed"



"They weren't serving hot food in the griddle car"



"The museum at Loughborough felt cramped"



"Leicester North was boring"

highly successful evening dining trips) is considerable, leading to the conclusion that there is scope for further revenue growth, given the investment.

Satisfying local authority concerns

Charnwood Borough Council and Leicester Council are major shareholders in the GCR. Both authorities recognise the potential value of GCR as a unique means of promoting the area and attracting inward investment, as a visitor attraction contributing to local economic development, and as an important leisure facility for local people. The continued support of the local authorities is essential for the success of GCR and so council members must be assured that local aspirations are being fulfilled. These include:

- increased contribution by GCR to local economic development and employment
- convergence of GCR developments with existing and future local authority schemes (e.g. linkages with nearby council owned visitor attractions)
- commitment of GCR to Council policies and strategies (e.g. environment policies)
- involvement and benefits for the local community.

Achieving viability

Although the Great Central Railway has been running for some 20 years, it still makes a substantial annual deficit (Exhibit 6). While in the longer term, this should be made good through additional usage and revenue, over the next couple of years it is essential to find new ways of containing running costs and funding investment. A financial analysis prepared for this study found that the GCR has relatively high labour costs compared with other similar railways (though this is partially due to major capital projects - Appendix C). It also has slightly higher running costs due to its policy of operating big steam engines. Unfortunately despite heavy marketing, the trains are not used to capacity, and costs have been increasing faster than revenue. The GCR made a loss of

£129,000 on a turnover of £1 million in 1996. While the loss could be made good if labour costs were reduced by 30%, the real challenge is to attract external investment for capital projects so as to increase turnover and to make the most of voluntary effort.

Economies might be made in three ways. First it may be possible to replace some of the staff with volunteers, though this is far from ideal and will require extra managerial efforts. Volunteers are particularly appropriate for long-term development projects. Some saving might also be made by other forms of cost cutting, though this would require careful investigation. For example, there may be a need to review salaries and working arrangements.

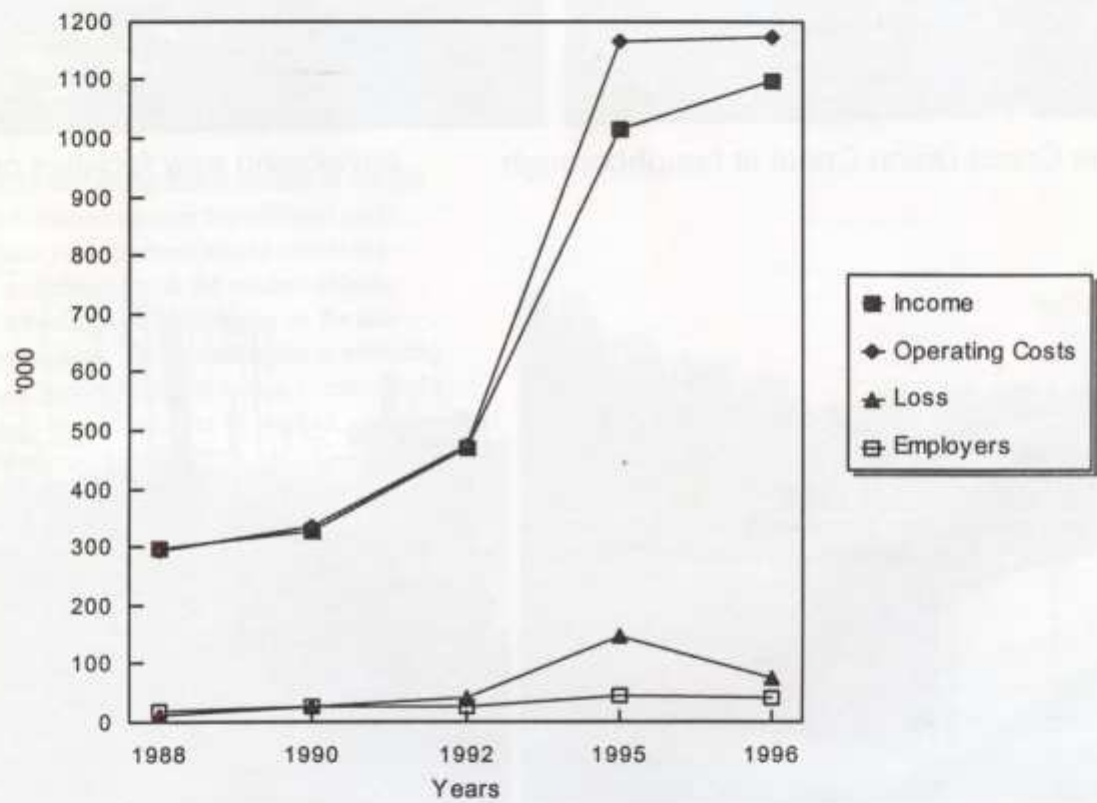
The greatest savings might be possible through becoming a contractor under the government's new 'Welfare to Work' scheme, which will support both businesses and voluntary organisations. The GCR is in a good position to develop a reputation for high quality work experience and training in fields as diverse as customer service, catering, construction, and basic engineering. It is possible to conceive projects, such as the restoration of old carriages, that would also attract sponsorship or grants, for example from the Heritage Lottery Fund, as well as provide useful training.

There is also a need to clarify the operating philosophy. It is perfectly reasonable to see the GCR as a charitable enterprise, involving volunteers in restoring and conserving part of Britain's heritage (the work of the Main Line Steam Trust). At the same time the running of the railway needs to be seen as a commercial and entrepreneurial enterprise, maximising profits, subject to meeting agreed standards of customer service and safety, which can then be ploughed back through the Trust.

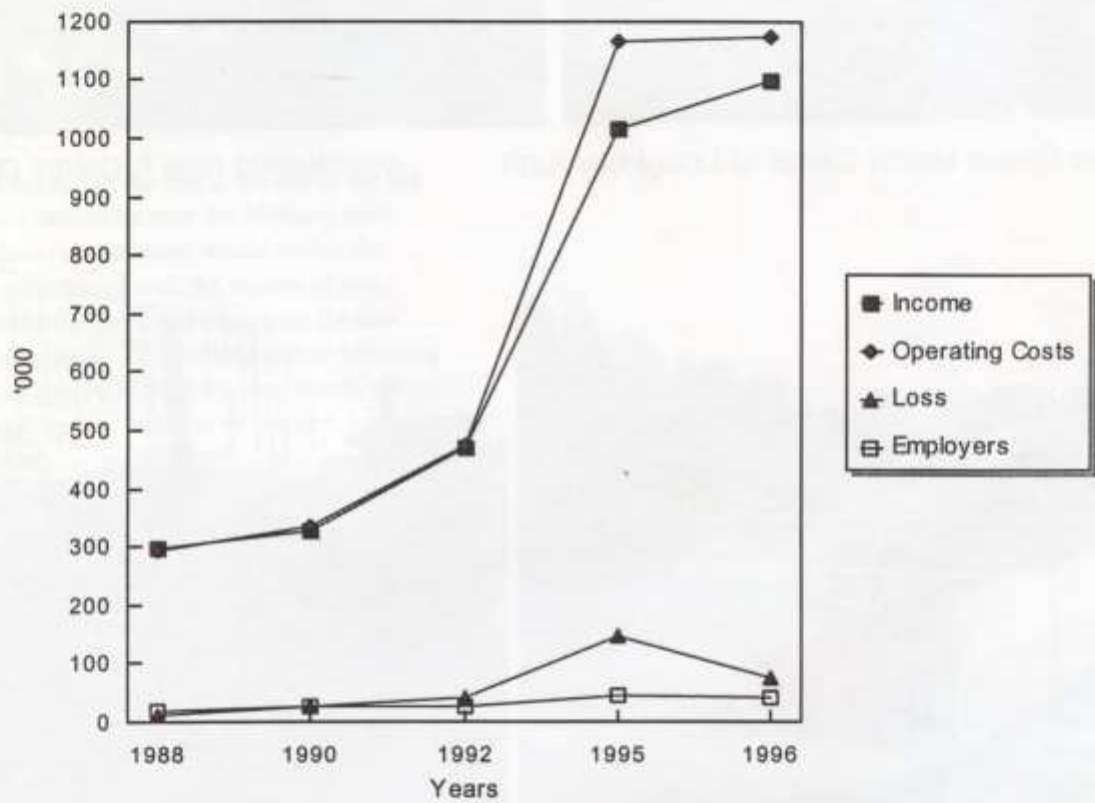
Realising development opportunities

One of the reasons behind the study is that there are a number of sites adjoining the railway whose development could help or hinder its operation (Exhibit 7). The GCR has produced a number of exciting proposals, including rebuilding Leicester's original station at Leicester North, and work is going ahead on providing a waiting room with toilets on the platform. Schemes are underway for doubling the line and re-signalling aimed at creating more of a main line experience. However the railway does not generate enough revenue to fund all the extra

The railway has been losing money for some time . . .



The railway has been losing money for some time . . .



There are opportunities for development...



linking with the Grand Union Canal at Loughborough



developing new facilities on the 3M site



developing new attractions at Leicester North Station



re-instating the link to Nottingham



utilising available land at Quorn

investment required. The sites in question include:

- The 3M site in Loughborough which stretches over seven acres, and includes several buildings associated with the Great Central. The local authority wanted to see this developed for a mix of uses, but the owners have secured permission for housing, which could create conflicts if the housing is too close to the locomotive shed. The GCR has an acute need for secure parking, and intermediate car parks are regularly filled to capacity at weekends. There is also the potential for a link through to the canal, thus enhancing the heritage appeal. Links through to the main line, and also to Loughborough's other attractions, including the Bell Foundry and the proposed new museum are also important considerations.
- Just beyond the end of the line is the site of the old viaduct which carried on over the Midland main line, and whose reinstatement would enable the GCR to be reconnected with the section of line being rebuilt South from Ruddington on the outskirts of Nottingham. This would assist in attracting business from Nottingham and further North, would enable through special trains to be worked, and would assist in joint ventures with the adjacent Brush engineering works (e.g. on repair, training, demonstration and development).
- At Leicester North the City Council owns the adjoining land. The site feels unsafe and unwelcoming, and the facilities currently are quite unsatisfactory. However development could be very costly to do more than provide very basic facilities (substantial new station buildings could easily cost £1 million, and even a basic toilet and refreshment room will cost £37,000). The location just off the ring road offers commercial development potential, particularly once the Space Science Centre opens nearby and if the location can be made more prominent. However there are significant environmental constraints which call for sensitive design and consultation.
- There is additional land at both Quorn and Rothley which currently the railway does not fully utilise, which may be less expensive to develop, though any proposals will need to be sensitive to the local context.

3. DEVELOPMENT PROPOSALS

Our initial analysis has identified a series of opportunities for enhancing and broadening the appeal of the Great Central Railway in ways which will help generate more revenue from customers, and also help to promote the East Midlands as an attractive location for tourism and investment. Because there are more opportunities than resources, priorities are essential. Our suggested priorities involve improving the current experience, broadening the market, and only then realising the longer-term potential.

Improving the current experience

The first priority, beyond containing operating costs, is to improve the signing and interpretation to ensure that everyone who visits takes away a good impression and wants to return.

- Our analysis of the strengths and weaknesses for a family visitor identified a number of practical ways in which the GCR could provide greater value for money with very little investment. We have identified a number of areas for improvement which could cost less than £50,000 in total, including a temporary arch at the Leicester North site to provide a welcome. There is a need for both leaflets and signing to encourage people to visit other nearby attractions, which have unrealised potential such as the Abbey Pumping Station, with its Museum of Technology, Belgrave Hall, the river and canal, and Belgrave Road, with its Indian shopping experience. There is also considerable scope for people walking through or cycling into both Leicester city centre and Loughborough, once they appreciate what is there and how to reach the centre pleasantly.
- While Loughborough provides a relatively good experience already, and the station is probably the best on any preserved railway, there are a number of weaknesses, which need to be addressed in the short term. Further maintenance work is needed, including the restoration of the station canopy. There is insufficient space for catering and retailing. The station is poorly linked to the town centre and the main railway station. There is also a lack of parking spaces and a proper car park. The opportunity

already exists to connect the station through to the canal, and open up a more interesting walk to the station.

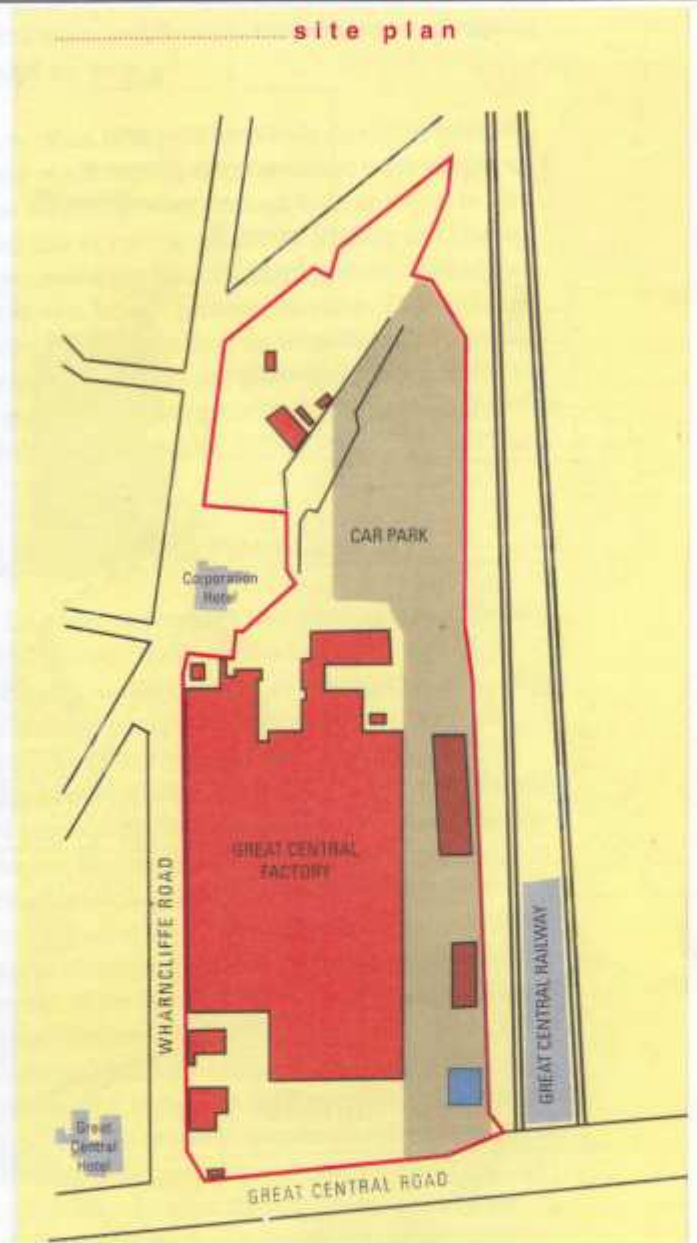
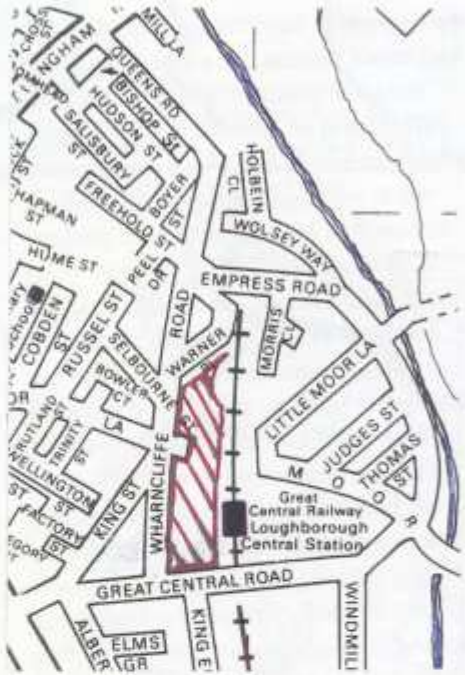
- A medium term opportunity is to acquire the strip of land adjoining the railway, which includes the old Great Central goods shed (Exhibit 8). This would make it possible to improve the locomotive shed, making it easier and safer to see the collection of locomotives at any one time, including those under restoration, and to provide much needed facilities for carriage washing. This project could form part of an application to the Heritage Lottery Fund (see page 10). Further work will be needed to see how far support from the Heritage Lottery might extend, given their concern to invest more in the East Midlands, provided the projects meet their demanding criteria. Appendix D1 provides a development brief for this site, which could form the start of a Lottery application.

Broadening the market

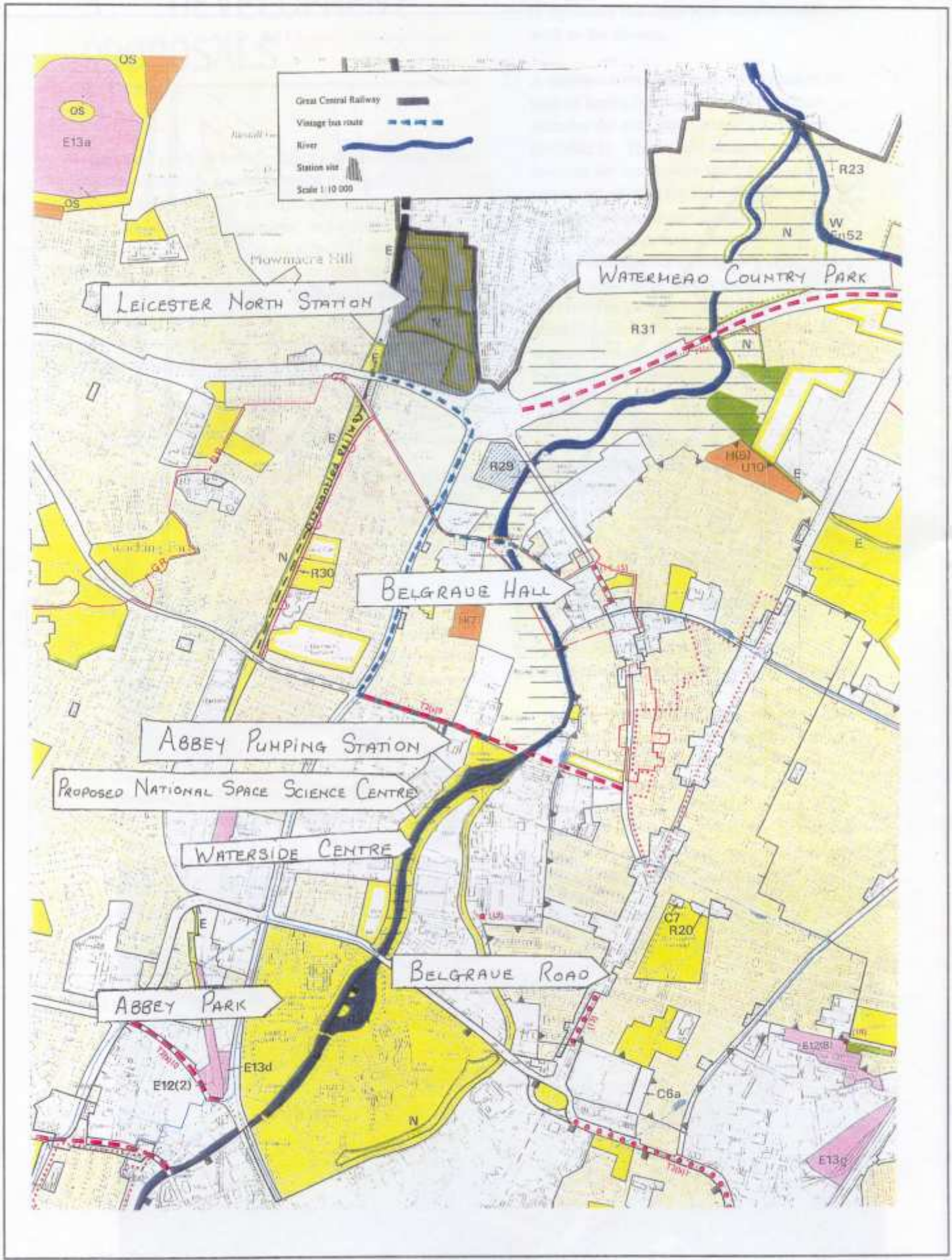
The next task is to tap the potential for expanding the market by adding to the attractions, and this can be achieved in a number of ways, without increasing operating costs significantly:

- The overall priority we believe is to improve the attractions at Leicester North, as the current station detracts from the overall experience. Unfortunately the interesting idea of building a replica Great Central Station or moving the old station in Leicester (which is used largely by car repairers) is not viable. The Heritage Lottery fund will not grant aid such a scheme, and Leicester City Council would not support it. The costs of such a building are prohibitive, but anyway the expense is largely unnecessary. While impressive railway stations can be found elsewhere, what is special to the area is the combination of things to see and do nearby in what is effectively a heritage park - that is a country park with heritage attractions in it (Exhibit 9). Examples are provided by Castlefield Park in Manchester, with its various museums and reused warehouses, and the attractions along the River Wandle Heritage Park in the London Borough of

The former railway yard at Loughborough could provide valuable space for expansion . . .



Leicester North is the gateway to a cluster of attractions . . .



Merton. Rather than investing in a major new station, which will be hard to fund, and generate limited revenue, we suggest using a historic bus in the short term to link the station with local attractions, and developing the adjoining site, which is owned by Leicester City Council, in ways that reinforce the attractions.

- It is also essential to create in the medium term a destination at Leicester North that feels secure and welcoming. We have established that it would be possible to interest a developer in a pub/restaurant on the site. An exciting possibility in the medium term which should be commercially feasible, given the location in a growing area off the ring road and near other attractions, is a 30-150 bed hotel, preferably designed to create an Edwardian experience. This could be linked with developing part of the neglected allotments for informal recreation and community gardens and thus widening the attractions, appealing to both families and children. It may also be possible to combine this with a car park that can form part of Leicester's Park and Ride system, like the successful scheme in York which uses the Tesco car park. It is desirable to provide other basic visitor facilities, but these could either be part of a commercial development, or use a small pavilion, or even a moveable carriage. Appendix D2 sets out a development brief for the whole Leicester North site, which can be used to attract investment.
- More use can also be made of the GCR's collection of rolling stock to create attractions at Leicester North or Quorn. By providing audio interpretation, as on the Worth Valley, and making use of carriages like the Travelling Post Office, it would be possible to provide a series of additional draws at relatively little cost. Possible themes include communications, popular travel (taking advantage of the Thomas Cook story of mass tourism), and rail freight (making use, for example, of the collection of coal waggons). It would be possible to supplement the GCR's existing stock of 42 carriages with others on loan from the National Railway Museum at York. One possibility in the

short term is for these to be moved at weekends down to Leicester North, thus providing something extra to see and do while the locomotive is running round the train.

- A medium term priority, which should be relatively easy to accomplish is to encourage more people to use the intermediate stations, both as places to visit and also as starting off points. Rothley and Quorn have space available for low key development on land with limited commercial value. This could be achieved by expanding the attractions there, including children's play and picnicking. We therefore suggest investigating the idea of promoting Quorn as the children's station.

Realising the longer-term potential

The long term opportunity involves linking the Great Central Railway through from Loughborough to Ruddington, on the outskirts of Nottingham. This could help realise the original vision of running mainline steam (which requires more than 8 miles of track if speeds of over 40 mph are to be achieved while providing a proper trip). It is also vital to avoid the two ends of the line becoming rivals for customers and investment. There is much more to be gained through collaboration, including the prospect of linking through to the Midland mainline and collaborating with Brush, who were one of the last British locomotive makers. The costs of reinstating the embankment are massive, (over £3 million), and hence come low down the current priorities. But rather like the Kennet and Avon Canal, it will be possible to make considerable progress before this is necessary, provided both sides support and complement each other through promotion and improved linkages, such as a vintage bus connecting the two lines, and run by volunteers.

4. FINANCING DEVELOPMENT

The study has shown that realising the potential of the Great Central Railway as a major visitor attraction requires some further developments that will call for considerably more capital than the railway is ever likely to generate from its operations. Indeed there are an almost infinite series of drains on the resources that volunteers can put together by themselves. Having operated as a steam line for over 20 years, and survived a number of upsets it seem reasonable to expect that it will continue, come what may, and that the more modest proposals in this report will be gradually implemented. The big issue is whether financing packages can be devised for the major projects, and whether in particular it is worth submitting an application to the National Heritage Lottery Fund, and if so for what. This chapter therefore considers the scope for attracting funds from the Heritage Lottery Fund, how this could be achieved, and our proposed financing strategy.

Heritage Lottery Fund

As the Great Central Railway needs to attract substantial grants to realise its potential as an attraction, it needs a financial strategy that takes full account of what is realistically available. Charnwood is not in an Assisted Area so the options are limited to the Lottery funds and private foundations. In Leicester there are wider possibilities, and Leicester North station is close to an area that may secure Single Regeneration Budget funding. Both parts of the Great Central Railway come within the East Midlands Region, and may also be able to tap the proposed East Midlands Development Agency in view of the railway's regional significance. While this means it should be possible to package funds from more than one source, the priority is to devise a project that will appeal to the Heritage Lottery Fund, as this not only is able to assist railway preservation, but is under pressure to provide more funding to the East Midlands.

The five Lottery funds which support 'good causes' have become a major source of capital funding for new projects. £1700 million was committed in grants in 1996, of which the Heritage Lottery Fund gave away £273 million. Their funds are used to preserve or

enhance public access to, and enjoyment of, one of more of the following:

- Land and countryside
- Historic buildings and sites, including urban parks, places of worship etc.
- Museums and collections
- Archives and special libraries
- Industrial, transport and maritime heritage.

The project must be of local, regional or national importance, and applicants have to find over 25% of the costs in partnership funding in projects costing over £100,000. Funds are available to non-profit organisations that have the preservation or conservation of heritage as one of their purposes. The remit has been widened by a recent Act, and for example, now covers interpretation as well. The fund currently receives applications for six times the funds they have available, so that the failure of both the applications made to date should not be too disheartening. The response that 'any proposals need to be set within a strategy for the railway as a whole' provides a clue to what is required.

In order to assess what would stand the best chance of support, we have held discussions with staff of the Fund, and examined what they have backed in the past. The good news is that the East Midlands is definitely a priority, as funding has tended to be concentrated in Greater London, and regions such as Scotland and the South West. In England, only 23% of the total went to the Midlands and North combined. There has been pressure to support projects that are of particular local importance, and this may help industrial and transport heritage, which has only 11% of the total value of grants, which have tended to go largely to museums and to a lesser extent buildings. Most of the money has gone to public sector bodies (41%) and charities working in the heritage sector (39%). It is essential that a bid is made by a body whose primary purpose is heritage conservation, following an assessment of priorities. The Main Line Steam Trust may offer the best vehicle for mounting a major bid, in view of its particular purposes, which are clearly charitable.

An idea of the Fund's priorities can be gauged from what it has backed in the past. Grants of over £ 1 million accounted for 78% of the total awarded in 1996, according to the National Lottery Yearbook, and the largest grant interestingly (£25 million) was to British Waterways to help preserve the Kennet and Avon Canal. Otherwise by far the largest amounts went to museums of national importance, but there are some surprises. Opening a gun powder museum to the public in Essex drew £6.5 million, and Hampshire Museum service won nearly £6 million for a transport and technology museum. There has been a bias towards non urban areas, which may be corrected following the change of government. The only major projects funded in the Midlands were the Museum of Law Trust Company, and a project by the Lace Market Heritage Trust in Nottingham, the restoration of a school in Birmingham and improving the displays of Royal Worcester porcelain. The list suggests that funding needs to involve restoration, and that there will be a bias in future towards supporting projects that capture people's imagination. Thus significant amounts of funds are being allocated towards urban parks, and townscape may be another important category, with, for example, over £2 million going into the restoration of Pontefract market place.

As far as size is concerned, there were 37 grants of more than £1 million each. 240 out of the 436 grants were for less than £100,000 but these accounted for less than 4% of the total money. The East Midlands has done fairly poorly up till recently in terms of funds secured, but the Millennium grant to the Space Centre will completely change the overall picture. Charnwood in turn has done worse than the East Midlands as a whole and Leicester has scored close the regional average per head. The Heritage Lottery in 1996 gave £22,000 for church bells in Ratcliffe, £154,000 for the Century Theatre in Leicester, £66,000 for the Magazine Gateway Museum, and £25,000 towards the restoration of Abbey Park. It would therefore seem reasonable to be considering a grant application in the region of £1 million, assuming that £250,000 could be raised from other sources.

Our discussions, which included an informal site visit, suggest that Loughborough could qualify (as the station is listed) but that further work would be needed to devise a bid that would be likely to succeed.

Obtaining a grant

Having reviewed the potential sources of funds, and the possible proposals, we have come to a series of conclusions:

- Grants towards the cost of development projects are essential if the long-term objectives of running steam powered express trains are ever to be realised, as appeals to private sponsors and voluntary effort will never raise sufficient funds (over £3 million), and are better used for individual restoration projects.
- It is worth trying to obtain support from the Heritage Lottery, because there are limited other potential sources of grants, as most of the railway lies outside Assisted Areas, and because the Heritage Lottery recognises that both the East Midlands and the railway/industrial heritage have received less than other areas. The other main potential source of English Partnerships will only be relevant in an area of high unemployment and derelict land, and where there is a private partner. This would only be possible in Leicester North, which would not be suitable for a Heritage Lottery application.
- Obtaining a Heritage Lottery grant will not be easy, as there is so much competition, with almost every heritage attraction mounting a bid. Also grants have been relatively limited and linked to conservation; thus the Quainton steam centre has secured a grant of several hundred thousand pounds towards acquiring buildings to house its collection, but the Tyseley centre, near Birmingham, failed in its £4 million bid to rebuild a roundhouse. The substantial grant towards the rebuilding of the Welsh Highland Railway was probably influenced by its being in Wales. The overall scheme will need to cost under £1 million.
- As any application must not only meet the Fund's strict criteria, but also be vetted in terms of both its heritage value and its economic viability, it will be best to go for a fairly straightforward project on a single site, backed by a substantial partnership, and contributing to the realisation of a strategic plan that would not otherwise be accomplished. The site will

need to be in public ownership, and the project should form part of a conservation plan, drawn up by a body whose main purpose is conservation.

- With a change of government and a wider remit, it is likely that success will be influenced by the wider regeneration benefits, by widespread support (for example the Regional Government Office as well as English Heritage), and by meeting all the basic requirements. The impact will be higher if the development of Leicester North can be secured by a largely privately funded package, thus concentrating attention on the Loughborough end, where the heritage appeal is far stronger.
- The Lottery Funds are used to receiving highly professional proposals, backed up by business plans prepared by consultants. Unless the partners are able to demonstrate that the project is truly viable, there is little point applying. The GCR in Nottingham has already been turned down because its proposals did not form part of a wider strategy, and as time goes on it is going to become even harder to win, because of the enormous competition and possible reduction in funds available. The brief will therefore need considerably more development and thought.

Great Central regional park, with its major attraction being the new Space Centre, and with the planning gain being the creation of a building that looks like a railway station adjoining the platform, which will enable dining and other trains to leave from Leicester, and which will provide the basic facilities that are lacking.

- The Heritage Lottery should be asked to fund a scheme for conserving a key part of the GCR's heritage and for making the railway more accessible at Loughborough, through the acquisition of the old Goods Shed and adjoining land, plus improvements to buildings of historic interest.
- A business plan for the GCR's development, by tapping external sources of funding in the medium term could enable the railway's shareholders and enthusiasts over the longer term to raise the funds for linking the two sections together.

Recommendations

We suggest consideration is given to an overall financing strategy to secure the railway's future, and to realise its development potential over a five year period, which would meet the concerns of the different investors:

- The GCR should be asked to commit itself to targets for increasing the use of volunteers, including a 'welfare to work' scheme, and to a programme for increased community involvement, as part of a longer term plan to widen the market for the railway.
- The local authorities should be asked to invest in the development of land they own alongside the railway in ways that will support the development of tourism in the region, and also reduce the use of cars in town, for example through using the station car parks as part of a park and ride system, including a comprehensive signing and interpretation system.
- A public private partnership should be set up with an appropriate team to develop and manage the complex at Leicester North as a gateway to a wider

5. ORGANISING FOR ACTION

Marketing and development

Because of the complex tasks involved in funding the development opportunities and marketing all the attractions, there is a case for developing the existing liaison committee so that it can play a more pro-active role. The vision which has only become a serious possibility because of the National Space Centre, would be to develop the use of the railway (and the Grand Union Canal) as a recreational corridor. It would stretch through from Leicester to Nottingham, rather like the Nene Valley Country Park in Peterborough and the Lea Valley Regional Park in East London. This could make the most of the development opportunities, widen the market, (possibly doubling the number of passengers, though not revenue), and open up additional sources of investment. It will realise the railway's full potential and generate a significant number of new jobs and training opportunities in tourism/customer service. It would also help generate extra revenue in the short term. However implementing this bold strategic plan will require significant commitments from all the current partners, and can only be done incrementally.

The Great Central project would have as its objectives:

- developing a recreational corridor of regional importance
- raising finance for development from public sources
- entering into agreements with private developers and land owners
- producing promotional material and organising events
- involving the community.

There could be a small (1-2 people) management team, and it might also employ some other staff as rangers or information officers, and incorporate existing county parks. Such a project could, in due course, be turned into a development trust (and there are now several hundred), and constituted as a company limited by guarantee. Charitable trust status could also be sought.

The steering group would represent the main stakeholders as now including:

- Charnwood Borough Council
- Leicester City Council
- Rushcliffe Borough Council

The liaison group would also be widened to include committee officers and/or members from:

- Leicestershire County Council
- Great Central Railway plc
- Great Central Railway (North)
- Nottinghamshire County Council
- The Heart of England Tourist Board
- The Government Office for the East Midlands
- British Waterways

The immediate functions of the reconstituted group would be to:

- prepare a business plan and funding bids
- commission and produce publicity material
- promote the development of specific sites and projects where appropriate.

Action by the partners

The implementation of the projects set out in the draft plan depend on the commitment of the existing parties, possibly aided by a new agency to promote the wider recreational potential. The following action is required over the next year:

Charnwood Borough Council: The borough council needs to:

- adopt and publish a development brief for the 3M Site
- support the GCR through its planning powers

- provide a substantial commitment towards a major Heritage Lottery bid over two or three years (see later)
- work with the railway and other authorities to implement the strategic plan.

Leicester City Council: The City Council needs to:

- adopt and publish a development brief for the Leicester North site
- enter into a partnership with a private developer/development trust to implement the brief
- ensure that good links between Leicester North and the Abbey Park/National Space Centre are realised

Great Central Railway: The GCR needs to take action to:

- achieve short term economies through cost control and the increased use of volunteers
- support the Main Line Steam Trust in preparing and submitting a Heritage Lottery application
- work up a feasibility study for linking the two sections
- implement proposals for improving the visitor experience.

Heritage Lottery applications: As far as the Heritage Lottery is concerned, there is little chance of succeeding at the Leicester end, because the creation of a replica station, or rebuilding of an existing one, is not likely to meet with approval from their assessors. Nor would the station buildings be very suitable for the Birstall site. Furthermore, from a heritage perspective the buildings are not listed, and are better off where they are. The prospects at the Loughborough end are much more favourable, with a number of potential benefits:

- An important group of buildings from the great age of railways will be sympathetically conserved and opened to public

access, and potential conflicts that could threaten the railway's viability if the land is sold off privately will be avoided.

- The Great Central Railway will only then be able to improve accessibility for visitors to the line, including providing for disabled access, secure car parking, better links with the main British Rail station and the canal, and safer opportunities to see and photograph locomotives.
- The extra space will enable improved conservation and interpretation, extending the railway's very limited covered facilities, and allowing more use to be made of the railway's important collection of rolling stock in ways that will provide an enjoyable education for young people.
- The development will provide opportunities for training and work experience, and will help the railway to reduce its deficit through improved catering facilities.
- The scheme is being undertaken by an established partnership with the local authority for whom the future of the railway is a major priority.

The extension of this project to include rebuilding the link across the canal and main line is a logical though ambitious next step. While a precise assessment of the costs and benefits needed before an application can be submitted go beyond the scope of this study, we can see a number of additional benefits:

- Linking the two sections together would avoid confusion and achieve some operating economies, while the combined catchment area provides a much larger market than is accessible to any other heritage railway.
- The prospect of linking two great British cities together would give the Great Central a unique and important role as a means of transport, and will help develop an interest in the East Midlands' neglected heritage. It could also be a nationally important project to develop sustainable tourism by encouraging people to park on the periphery of urban centres and then use public transport.
- By being able to run express and stopping trains, the Great Central would achieve its mission of providing the only place to experience the thrill of main line steam, thus tapping into a market which has previously only been satisfied through rail tours, which are now very restricted.

- The partnership that will be set up to implement and promote the Great Central heritage corridor or park will itself serve as a model for how all sections of the community can work together to make the most of Britain's industrial heritage. Private sponsors of the railway, along with the local authorities along the route, might be asked to subscribe to a bond, possibly supported by the new Regional Development Agency, that will fund the missing link between the railways, subject to a convincing feasibility study into the construction costs, and the revenue implications.

Summary of the a recommendations

Having considered the various possibilities, our recommendations in summary are:

- 1) The Main Line Steam Trust should be supported in making an application on behalf of all the partners, if they are willing and able to do so. If not, the application should be fronted by Charnwood Borough Council, who would make the land over to a new trust set up to promote increased use of the Great Central as a resource for economic development, including tourism and training.
- 2) The basic application should focus on the acquisition of land at Loughborough to improve access, including visitor car parking, disabled access, and interpretation of the railway's significance to future generations, some further restoration of Loughborough Station to the highest standards, and improved facilities for viewing locomotives in use and under restoration.
- 3) A supplementary application should seek funding for a full feasibility study of the costs and returns from restoring the link between the Nottinghamshire and Leicestershire sections of the railway, including its potential for serving as the spine in a heritage corridor that will increase the number of visitors to heritage attractions in the East Midlands, which will include making more use of the canal and the country parks along the route.

Appendix A

Market Potential

Making the Most of the Great Central Railway

APPENDICES

BUSINESS DEVELOPMENT WORLD BRIEF

The Global Business World Brief provides an overview of the global business environment as it stands in 2012.

1. Global Business & Key Trends

2. China

3. European Union

4. India

5. Latin America and the Caribbean

6. Middle East and Africa - with an overview of key economic drivers by region of the "upside down" and "downside" of the world.

7. North America - the US economy is growing steadily, but with a recession and a number of companies in trouble.

8. South America - Brazil is the largest economy in South America, followed by Mexico and Argentina. Brazil is the only country in the world that has a growing economy.

9. Western Europe - Germany is the largest economy in Western Europe, followed by France and the UK. The UK economy is struggling, but there are signs of recovery.



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A Market Potential

B Linking the Attractions

C Financial Report on Great Central Railway plc

D Development Briefs
D1: Loughborough 3m Site
D2: Leicester North Station

Appendix A

Market Potential

INTRODUCTION

Determining the product options and mix for the Great Central Railway is, to a large extent, dependent on the opportunities presented by the size and characteristics of the potential markets for the site. The Railway already attracts some 95,000 visitors a year. Its ability to maintain and grow its share of the market base relies on providing a competitive experience and visitor offer that matches the needs of key markets and provides an experience sufficiently distinct from its competitors.

This paper examines the markets for the GCR. It looks at the range of markets and examines the statistical data, visitor patterns and trends which will influence the penetration rates from each key market segment. It also looks at the visitors and other leisure customers already received at the railway, how the GCR experience compares with other steam railway attractions and competition from existing destinations and attractions. While this appendix focuses on the markets for GCR, realistically these cannot be separated from the product offer and, therefore, we have also highlighted some of the key market related product issues.

EXISTING & POTENTIAL MARKET SEGMENT

The market segments listed below represent the broad categories of visitors already or likely to visit GCR.

- Local Residents & Day Visitors
- Tourists
- Educational Groups
- Specialist Groups

These categories can be further refined to represent:

- Heritage/Nostalgia Seekers** - with an interest in history and attracted by the appeal of the 'age of steam' and its associations
- Grey Tourism** - the 55+ age range, a growing market, for whom steam trains as a means of transport is within their living memory
- Activity Seekers** - people using the railway as a link between walking and cycling routes and people attracted by the challenge of 'driving a train for the day' (the footplate experience)
- Family Fun Seekers** - families seeking a day out and activities for young children attracted by the steam rail experience and/or special family events such as Friends of Thomas and Santa Specials

- Railway Enthusiasts** - comprising volunteers and visitors who enjoy riding on steam and diesel trains, photographing trains, and may also take an active part in GCR operations or support it via donations

LOCAL RESIDENTS

Local residents comprise people living within the natural catchment of the site, broadly within some 30 minutes drive of the attraction. This is an important market for: repeat visits/semi-regular users of the Railway as a local resource support for GCR activities and potential new volunteers activity seekers using existing local cycling and walking networks generating VFR (visiting friends and relatives).

We have carried out a CACI/ACORN analysis of the population within 30 minutes drive time of the railway. CACI is an information technology company which uses sophisticated computer modelling, combined with extensive data bases, to analysis population characteristics and potential consumer demand for a range of products including leisure activities.

CACI use a target classification system that categorises households into six main socio-economic groups. Thriving, Expanding and Rising groups comprise households with higher disposable incomes and mobility and more likely to take a day trip. The Settling group is also an important market for visitor attractions comprising skilled workers and comfortable middle-agers.

Just under 704,000 people live within 30 minutes drive of GCR. Analysis of the main household categories is illustrated in Table A.1 below. This table shows an above average number of households within the Expanding category (made up predominantly of well off workers with families who are either home owners or living in mortgaged property) and in the Settling category (comprising predominantly skilled workers living in mature established home owning areas). In contrast there is a below national average number of Thriving and Rising households.

As might be expected - given universities in Leicester and Loughborough - academic centres/young professionals/ students dominate the Rising household category and are three times the level of the national average. This catchment provides limited direct potential for the Railway. However, University accommodation is used for other events during vacations. This creates a niche market renewed annually. A half day trip on GCR may also appeal to parents and relatives visiting students during term time.

Table A.1: Socio-economic Breakdown of Population Catchment within 30 minutes drive of GCR

Household by ACORN Category	Number of Households	% of Households	Average National %
Thriving	42,129	14.31	19.47
Expanding	47,427	16.11	10.44
Rising	14,175	4.81	9.13
Settling	89,709	30.47	24.33
Aspiring	29,098	9.88	13.83
Striving	71,817	24.39	22.75
Unclassified	79	0.03	0.05

The age range of the natural catchment is broadly in line with national averages. However, there are:

- marginally above average number of children aged between 0-14 - this creates family market and school visit opportunities, though it should be noted that many family households are from socio-economic groups with lower disposable incomes and hence less likely to take a day tri
- marginally below average number of people aged 45+ - this is significant given the importance of the heritage/nostalgia seekers' market for the Railway.

Overall, the Railway has a sizeable population within its natural catchment likely to take a day trip, have an interest in the Railway experience and use the Railway as a local resource, subject to appropriate marketing and product presentation. To date, limited emphasis has been placed on developing the potential of this local catchment.

TOURISM IN THE EAST MIDLANDS

An estimated 56 million day trips were made to the East Midlands in 1995. This represents some 87% of all trips to the region. Clearly, day visitors are an important market segment. A further 8.75 million trips were taken by overnight visitors. Of these tourists a high proportion (57%) were staying with friends and relatives. The South East, elsewhere in the East Midlands and the Yorkshire & Humberside region are the main origins of UK tourists.

Therefore, visitors to GCR are likely to be primarily day visitors and overnight tourists from the Visiting Friends and Relatives (VFR) market. There is a close inter-relationship between VFR and the local community, with residents acting as ambassadors for particular attractions.

Day Visitors: The propensity to take a day trip is influenced by a variety of factors. Households most likely to take a trip are families, with a head of household in a professional, managerial or skilled non-manual occupation and which have a car. The 55+ age group is also an important sector for day trips. This group have higher levels of disposable time and income than many other sectors due to early retirement and mobility factors. This latter market is likely to have a strong affinity with the GCR product and experience. We have undertaken a CACI analysis of the population living within 60 minute drive time of the site to establish the size and characteristics of the day visitor market potential.

The CACI analysis shows there are just over 3.3 million people living within 60 minutes of GCR of which some 2.6 million would need to travel over 30 minutes to make a visit to the Railway. East Birmingham, Nottingham, Coventry and Derby represent the largest population concentrations within this catchment.

Key characteristics are summarised in Table A.2 below and show a broadly similar pattern to the 30 minute catchment i.e., there is a lower proportion of households in the Thriving and Rising socio-economic groups compared to Great Britain as a whole and a higher than average number of households within the Expanding and Settling socio-economic groups.

Table A.2: Socio-economic Breakdown of Population Catchment within 60 minutes drive of GCR

Household by ACORN Category	Number of Households	% of Households	Average National %
Thriving	205,222	14.92	19.47
Expanding	178,508	12.98	10.44
Rising	552,88	4.02	9.13
Settling	451,005	32.97	24.33
Aspiring	171,347	12.46	13.83
Striving	313,355	22.78	22.75
Unclassified	638	0.05	0.05

However, there are a number of key differences in the nature of households within 60 minutes of the Railway:

- affluent working executive families with mortgages dominate the Expanding category - this is a strong market for day trips
- well-off workers in family areas remain an important segment but they are less pronounced than within the natural catchment - couples visiting GCR are more likely to live further away.

Overall, the Settling market represents the biggest category for GCR comprising both families and couples without children. This tends to be a loyal repeat market with conservative tastes. GCR as an heritage attraction is likely to have a strong appeal to this sector.

Leisure Activities : Within the one hour catchment we have also examined key leisure activities undertaken by the population. ACORN statistics for leisure activities are based on surveys that ask households whether they have undertaken certain activities in the last three months. Regular use is excluded. The following table illustrates four main leisure activities of relevance to the current and potential GCR product.

Table A.3: Propensity to Undertake Selected leisure Activities

Activity	Area Total	% of Area	% GB Average
Cycling	32,425	2.36	8.2
Walking	302,117	21.98	21.7
Stately Homes & Castles	339,572	24.70	22.9
Other Places of Historic Interest	537,304	39.08	30.1

Visiting heritage attractions is particularly popular. As we move closer to the Millennium, there is a tendency for people to look back as well as forward and to celebrate past achievements and lifestyles. GCR has an important role to play in meeting this demand. The proposals to create 'National Space Science Centre', a new Leicester attraction which would be located about a mile from the Leicester North station, offers a longer term opportunity to link historic transport themes to futuristic travel and create a special day visitor experience.

The popularity of walking as a leisure activity provides an opportunity to develop and promote linked walking/Railway trips. The percentage of households undertaking leisure cycling is only some 29% of the GB average. However, it should be noted the geographical concentration for this activity is focused in Leicester and the surrounding area (reflecting the good provision of cycling routes and the city's pro-active marketing of cycling) and also in the main urban conurbations of Birmingham, Coventry and Nottingham (all key target catchments for the Railway).

POTENTIAL OF OVERNIGHT LEISURE TOURISTS

While the region is predominantly a day visitor destination, tourists staying in the area are likely to explore further and undertake a wider range of activities during their stay. While UK tourists in the East Midlands represent only 12% of trips they account for 49% of visitor spend. Therefore, understanding the extent and type of accommodation in the locality can assist in identifying the significance of domestic tourists.

8 million UK tourist trips were made to the East Midlands in 1995 and a further 750,000 trips were made by overseas tourists. The majority of domestic tourists (46%) stay with friends and relatives during their stay.

Serviced Accommodation Supply: There are a total of 1,539 serviced bedspaces in Charnwood of which 915 are located in Loughborough and a further 72 in the Leicester fringes. Supply is dominated by hotels and guesthouses with the majority of hotels participating in the Tourist Board Crown Classification and Grading Scheme. Few guesthouses participate in the scheme and while 84% of serviced accommodation is en-suite, there are a number of sizeable guesthouses (8-10 bedrooms) with no en-suite facilities. En-suite facilities are now an expected requirement for most leisure and business visitors. In Leicester there are a total of 2,072 bedspaces of which over 75% are based within 20 hotels, motels and inns.

Supply has virtually doubled in Charnwood since 1989 with the most notable developments being the opening of the Quality Friendly Hotel in Loughborough (close to the University) creating an additional 94 bedrooms and the Burleigh Court Hotel (120 bedrooms). The East Midlands Hotel in Loughborough and the Six Hills International Hotel have both added over 30 bedrooms.

There is a notable lack of B&B and pub accommodation in Charnwood, and virtually no farmhouse B&B. This is a significant factor as a combined 'cycling/walking plus visit to GCR' trip has a strong market potential for the Railway. This market is most likely to be seeking B&B and pub

accommodation.

Extensive accommodation is available at Loughborough University during the vacation periods for conference use and University Summer School programmes. Quorn Hall and Beaumanor Hall, run by Leicestershire County Council, both offer educational accommodation for up to 120 people. These Halls are primarily used by the County Educational Department but are also available to youth groups and for conferences. In Leicester 2,887 group accommodation bedspaces are available, principally within the universities. These facilities offer limited opportunities for GCR.

There is one youth hostel located at Copt Oak and a small Hostel at Birstall (accommodation for up to 10 people).

Serviced Accommodation Occupancy and Usage: Average room occupancy in Leicestershire is 58% with the main peaks in May-July and September. Charnwood occupancy is broadly similar. Average length of stay for visitors to Leicestershire is 1.7 nights. This is likely to be similar for Charnwood and Leicester with weekend occupancy in Charnwood only exceeding 50% in May, July and October. Conversely weekday occupancies drop noticeably in August, December and January. These patterns suggest the majority of serviced accommodation is catering primarily for business visitors. Student families, stop overs from the M1 and weddings/social gatherings (locally generated trade) are the main leisure markets for hotels.

Self-catering Accommodation & Caravan/Camping: There is virtually no self-catering and caravan/camping accommodation within the immediate catchment with the exception of 107 self-catering rooms provided within Loughborough University from July-September and a small Tourist Board Certified caravan site at Quorn which also offers country teas and woodland trails.

Given there is little leisure short break activity in the area, GCR is unlikely to generate substantial trade from this market. However, there is a limited opportunity for the Railway to contribute to growing the leisure business of hotels by actively promoting the Railway as a weekend destination in its own right, perhaps by including a visit to the Railway as part of a joint hotel/attraction promotion. Nonetheless, the opportunities for the Railway to draw on tourists staying in the area is extremely limited.

EDUCATIONAL MARKETS

There are 141,132 children aged between 5-14 living within a 30 minute drive time of the site and a further 498,467 within a 60 minute drive time. School parties are an important visitor market for many visitor attractions. They provide a number of benefits, They:

- act as a support market during the low season
- encourage repeat leisure visits by children with their parents and by teachers during school holidays
- enable attractions to build up a closer relationship with the local community.

Attractions may draw between 30-50% of visits from this sector. However, commercial attractions aim to create a

balance between educational and leisure visits. School parties attract additional staff and organisational costs, have a lower secondary spend (shop/cafe) than leisure visitors and usually pay a discounted group rate. For example, Beamish Open Air Museum, Durham attracts around 30% of visitors from the educational market and the Museum of Science & Industry, Manchester attract 40% of their visitors from school parties.

The schools market has a number of specific requirements. Attractions successful in drawing a significant number of school visits are those which offer:

- an interactive experience
- a comprehensive package of educational support facilities including teacher support materials and programmes closely linked to the National Curriculum, attractions that offer cross curricula activities are particularly favoured
- support facilities such as a classroom, an area for children to eat packed lunches and coach parking and
- are accessible within a round day trip of the school (between 9.00 a.m.-3.30 p.m.)

The majority of school visits are taken by primary schools (5-11 years) and by secondary schools for pupils aged 11-14. Senior years of secondary schools are less likely to take visits due to complex timetable rota and student specialisation for GCSE subjects. School parties are predominantly drawn from the 30 minute catchment of an attraction.

GCR is an 'open air living museum' providing opportunities to cover educational subjects such as history, industrial history, geography, transport, communication and engineering. GCR will need to give careful consideration to the relative benefit of this market compared with other market segments. However, much of the visitor facilities are relatively under-utilised during week days and developing limited school party programmes may be one means of increasing mid-week income. We understand that GCR already offer school party combined visits with Whatoff Lodge Farm.

SPECIAL INTEREST MARKETS

Special interest markets usually represent a small percentage of visitor numbers overall and are largely subsumed within other market segments. The ETB estimate that, on average, around 5% of visitors to steam railways are railway enthusiasts. GCR estimate enthusiast visitors represent 50% of their visitors. We consider this estimate to be high, given that nearly a quarter of passengers are travelling in a family group. Railway enthusiasts, including volunteers, are drawn from a national catchment.

The interest of a 'hard core' of railway enthusiasts is train exclusive. However, there tends to be an affinity between many railway enthusiasts with other types of historic vehicles such as old cars and trams, and with outdoor pursuits such as walking. Opportunities exist to build on these linked leisure interests by the creation of events e.g., Car Rallies, and by providing physical and promotional links

between existing walking routes and the railway, and between intermediate stations. Opportunities also exist to encourage to joint visits to GCR and the Abbey Pumping Station Museum.

COMPETITION FROM OTHER ATTRACTIONS

Competition for GCR is influenced by product and geographical factors.

Product Competition: Competition for visitors to GCR is drawn from other railway attractions (such as the Severn Valley), from heritage products (such as open air museums e.g., Ironbridge, Telford), from industrial heritage attractions (such as Moira Furnace) and from family attractions that provide a half day experience (such as Snibston Discovery Centre). Different markets will draw on a different pool of attractions when making their destination choice.

Geographical Factors: Competition for GCR is widely drawn. A strong product offer and good product presentation is essential to achieving competitive advantage. Visitors within a one hour catchment of GCR have a wide range of attractions from which to choose. Potential competition for GCR includes attractions in Birmingham, Nottingham and Coventry as well as more locally based attractions. The Midlands is well served with good road and rail links bringing many attractions within easy reach of a wide market. Equally, good access has spurred a large number of attractions ranging from major theme parks, such as Alton Towers, to local and special interest facilities, such as the Eco House in Leicester.

People living within one hour's journey of the Railway are also an hour's journey from a wider geographical area than the GCR catchment itself. For example, people in Coventry are within one hour drive of GCR, equally they are in a one hour drive of Birmingham, the Cotswolds and Stoke on Trent. The Severn Valley Railway estimate around 65% of their visitors travel from the West Midlands area. The Gloucestershire/Warwickshire Railway are also competing from the same pool of visitors as GCR. Similarly, Nottingham and Derby - both major catchments for GCR - have Sheffield and the Peak Park within a one hour drive.

The following tables provide a selection of competing attractions within these catchments drawn from the industrial heritage and family attraction supply.

Table A.4 : Selection of Industrial Heritage Attractions in GCR Catchment

Attraction	Visitor Numbers	Visitor Numbers
	1994	1995
Severn Valley Railway	185,000	167,000*
Midland Railway Trust, Ripley	120,000	120,000*
Birmingham Railway Museum	n/a	13,381
Canal Museum, Nottingham	24,949	20,745*
National Motorcycle Museum, Bicknell	n/a	200,000*
Newark Air Museum, Notts.	29,105	27,296
National Cycle Museum	25,000*	n/a
National Tramway Museum, Crich	n/a	110,000*
British Road Transport Museum, Coventry	n/a	63,473

Bass Museum of Brewing, Burton on Trent	81,000*	n/a
Black Country Museum, Dudley	242,813	228,384
Wedgwood Visitor Centre, Stoke	200,000*	200,000*

Table A.5 : Selection of Family Attractions
in GCR Catchment

Attraction	Visitor Numbers 1994	Visitor Numbers 1995
Snibston Discovery Centre	112,907	104,797
Twycross Zoo	422,793	412,671
Chatsworth Farmyard & Adventure Playground	103,000	108,909
Farmworld, Oadby	132,000	135,500
Children's Farm, Middleton, Staffs.	100,000	105,000*
Hatton Country World, Warwick	200,000	300,000*
Cotswold Farm Park,	80,000*	70,000*
Guiting Power		

* = estimate n/a = not available

Source : East Midlands and Heart of England Tourist
Boards

Visitor numbers to different attractions vary widely. Attractions appealing to a range of different markets tend to outperform special interest facilities. Family attractions also perform well. Railway attractions, that offer a family and heritage experience, tend to perform well against other attractions at a regional level. Nationally, visitor trends to attractions show steam railways have experienced a 1% decline in market share between 1989 to 1994. For comparison museums & galleries have seen a 12% increase with farm attractions and visitor centres, (both relatively new attraction concepts), seeing the greatest growth. Steam railways need to continue to offer a competitive product to retain their market share.

Local Attraction Supply: Local attractions also present competition for GCR. Equally, they offer the opportunity for joint working and developing thematic and physical links to reduce competition between local attractions, strengthen the destination offer and increase visitor numbers for mutual benefit. We have looked at local competition in terms of supply, product links and value for money.

Within Charnwood and Leicester, attractions receive relatively modest numbers of visitors. Attractions comprise predominantly a number of Country Parks (with free entry that attract large numbers of visitors and associated parking issues at certain times of year), small local and specialist museums, farm based attractions (appealing predominantly to the family market) and a range of industrial heritage attractions.

If the National Space Science Centre attraction development goes ahead, this will provide an additional major attraction at the Leicester end of the line. The feasibility study for the attraction anticipates it may attract upwards of 250,000 visitors a year. Despite its very different theme and visitor experience, the novelty of a new purpose built attraction

could have an impact on GCR numbers, especially from within the family and local users' markets.

The attractions offering the greatest potential for joint working with GCR, are those located within easy travelling distance on foot or by cycle from the four GCR stations. These are:

- Abbey Pumping Station
- Whatoff Lodge Farm, a farm attraction and caravan park with woodland trails and a tea room - a short walk from Quorn Station
- Belgrave Hall, Leicester
- Gorse Hill City Farm, Leicester.

Visitor numbers for these and a number of other local attractions are illustrated in Table A.6 below.

Table A.6 : Local Visitor Attractions

Attraction	Visitor Numbers 1994	Visitor Numbers 1995
Abbey Pumping Station	15,864 (1993)	1,661 (1994) ¹
Beacon Hill Country Park, Leicester.	400,000*	398,000*
Belgrave Hall	13,469	14,464
Gorse Hill City Farm	70,000*	60,000*
Guildhall, Leicester	60,000*	65,000*
Jewry Hall Museum, Leics.	31,964	30,884
John Doran Gas Museum	2,800 (1993)	3,100 (1994)
Watermead Country Park	n/a	175,000*
Wygston's House (Museum of Costume), Leicester	20,432	19,317
Whatoff Lodge, Quorn	6,400 (1993)	5,500 (1995)

* = estimate 1 = closed 9 months for refurbishment n/a = not available

Source: East Midlands Tourist Board/Leicestershire
Museums Arts and Records

One of the strongest product and market opportunities for GCR relates to presenting the Railway within its natural environment. Good walking and cycling links exist from all of the four stations including Leicester North. These routes provide an opportunity to link GCR to other attractions and for visitors to observe the trains from a distance. This creates a perceived 'added value' to admission fees, strengthens GCR's competitive advantage and enhances its role as a primary attraction in the area.

Many local attractions have free entry or charge a nominal entrance fee, GCR admission fees are substantially higher at £6.75 for an adult. The Railway offers a comprehensive half day experience but, 'at a glance', visitors may be deterred by cost, especially if boarding the train at Leicester North. For comparison, adult admission costs to Twycross Zoo are £4.75, to Snibston Discovery Centre £4.00 and to Donington Grand Prix Collection £5.00.

GCR is more expensive than other major local attractions. It is unlikely that increasing the admission charge to offset capital and additional running costs, incurred by an extension to the line or other new physical developments, would be sustainable in market terms. Further on we look at the GCR costs and experience in relation to other steam railway attractions.

VISITOR DESTINATIONS

Leicester and Loughborough have strong reputations as University cities and Leicester is recognised as the premier 'green city'. While these are positive associations, they do not create major draws for visitors. The town of Loughborough, while offering a pleasant environment, has little of appeal to visitors at present, with the exception of the art deco cinema and possibly the market. Leicester city centre is some distance from Leicester North Station and visitors are unlikely to combine a trip to the city with GCR, given the poor presentation of and facilities at the Leicester North Station.

Towns such as Stoke-on-Trent with its strong pottery associations, and Birmingham with its arts and conference facilities, are better placed urban areas to draw on day visitor catchments. The attractive countryside of the Peak District, the Cotswolds and Shropshire/Mid Wales are also strong brand names and established day visit and holiday destinations.

GCR does not benefit from a large existing pool of visitors on which to draw. Many attractions in popular destinations rely, to an extent, on passing trade and benefit from joint marketing or association with nationally renown attractions. This position further strengthens the benefits of and need for the Railway to promote itself in the context of its wider visitor offer, in particular linking the Railway with other Leicester and Loughborough attractions.

EXISTING MARKETS

GCR is an operational attraction with an existing customer base. Customers can be divided into the following categories which are closely aligned to specific product offers.

- Volunteers - form an important customer base, GCR is reliant on their support and contributions, in cash and kind, to the successful running of the Railway and continuance of specific visitor services and other commercial undertakings
- Railway Enthusiasts - it is estimated that some 50% of visitors are drawn from this market including family parties and couples where one member of the group has an interest in steam trains
- Family Market - attracted by special children related events, but also using a short return journey between intermediate stations to Loughborough as a mini-steam experience
- Heritage/Nostalgia Market - undertaking a train journey or a dining experience, may be drawn from the 55+ age range but also from younger couples seeking a special night/day out

- Adventure Seekers - looking for a new challenge, largely drawn from the affluent professional markets undertaking 'a drive a train for a day' experience. The highly specialised nature of this market means visitor numbers are relatively small but may be drawn from a national catchment and have a high per head spend.

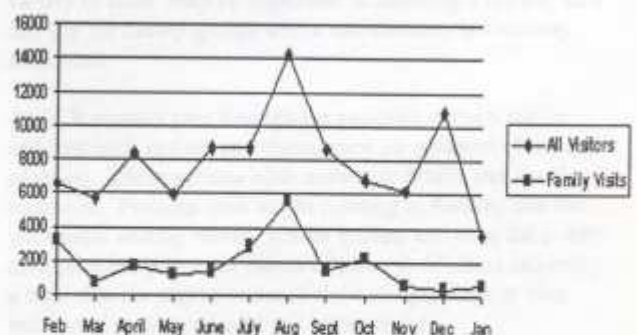
In 1996/7, the Railway welcomed 94,096 paying visitors including visitors with A.I.R. passes (representing less than 1% of visitors). These figures exclude children under three and children in a family group purchasing a platform ticket only. In addition, there are paying visitors who take part in the Footplate Experience, photographers with site permits and school parties. Therefore, the total number of paying visitors to GCR is likely to be around 112,750 visitors per annum. Figures quoted of 150,000 are more closely aligned to numbers of passenger journeys (a return trip counts as two passenger journeys but one visitor). In addition, GCR estimate there are around 14,700 visits made by members and shareholders. These visitors are an important market for providing support to the railway operations but offer limited direct economic opportunities for GCR in terms of visitor per head spend.

Festing Railway attracts some 185,000 passenger journeys a year compared to GCR's 150,000. The Yorkshire Moors Railway welcomed 280,756 visitors in 1996 and the Severn Valley Railway 195,000, both considerably higher than GCR.

The Railway has undertaken limited research on the profile of their visitors. It is, therefore, not possible to undertake an analysis of GCR's existing penetration rate of key market sectors. More detailed research is needed to establish key information about visitor catchments, profiles and spend. Surveys should be undertaken at different times of the day, week and year to build up a comprehensive picture of all markets. This will assist in fine tuning development priorities for the Railway.

However, an analysis of ticket sales (broken down on a weekly basis) provides some understanding of seasonality factors, significance of the family market and the role of individual stations.

Seasonal Patterns of Visits to GCR in 1996/7



The graph above illustrates the seasonality of visits to GCR for all visitors and shows the pattern for visitors travelling in a family group. Numbers of visitors rise sharply in August, with December also proving a popular month especially for the Dining Experience.

Family visits exhibit a broadly similar seasonal pattern to visitors overall. The Railway is a popular choice for families with around 23% of all visitors travelling in a family group.

GCR offers a range of different experiences from which visitors can self-select. Visitors can:

- take a return ride along the length of the line
- take short journeys between intermediate stations
- buy platform tickets only to visit Loughborough, Quorn or Rothley stations which offer a mini-museum experience in their own right
- pre-book the Dining Experience - Sunday lunches are particularly popular.

An analysis of ticket sales shows around 16% of visitors purchase a platform ticket only, predominantly at Loughborough Station. This illustrates the importance of the stations as mini-attractions in their own right. Platform ticket sales at Quorn Station rise on days when special events are held.

Around 7.4% of visitors are undertaking the Dining Experience. Clearly, numbers of passengers are limited by table seating arrangements and dining cars are often booked up several weeks in advance. The Dining Experience is an important higher spending niche market and may generate repeat visits for other GCR activities.

Around 6.5% of visitors commence their journey at Quorn Station (excluding special events) and around 5.5% at Rothley. This suggests some visitors are undertaking a short journey and visiting the station at Loughborough and one of the intermediate stations. Only 3.8% of visitors purchase their ticket at Leicester North reflecting the lack of facilities and external signs there.

In 1996, GCR held four special events at Quorn Station attracting a total of 2,721 visitors. Special events can help focus attention on a particular theme or dimension of the Railway visitor offer. Holding events at Leicester could act as an important first step in raising the profile of this station.

How Does The Visitor Experience at GCR Compare With Other Steam Railways? Tourism, in line with many other service industries, is increasingly people, quality and value for money orientated. Today's visitor is highly sophisticated, expects a high quality product and service and is well travelled with a wide experience of a range of attractions and facilities. Consumers recognise their buying power is significant. Increasingly, steam railways are recognising their important role as mainstream visitor attractions. We have compared GCR to other steam railways in two ways - by visitor experience and by value for money.

THE PRODUCT OFFER

The majority of steam rail attraction experiences focus on taking a round trip along the length of the line. The longer the journey, the longer the visitor spends at the attraction and hence the higher their secondary spend (retail/cafe) is likely to be. The main appeal of most steam trains is the attractive views from the train, the opportunity to watch steam trains, and to explore an area by a means of historic transport. Ffestiniog Railway and the North Yorkshire Moors Railway, for example, both pass through the stunning scenery of National Parks. The Keighley & Worth Valley Railway also stops at the popular destination of Haworth. These railways offer an alternative way of experiencing the countryside.

Most steam railways have capitalised on their location by using maps to highlight what there is to do in and around stops on route. This encourages longer trips and help visitors plan their trip prior to arrival.

Several railway attractions have intermediate stations that are a visitor experience in their own right, including Bewdley on the Severn Valley, Horsted Keynes on the Bluebell, Goathland on the NYMR and Ramsbottom on the East Lancashire.

Most steam railways put on a variety of special events throughout the year. Santa Specials, Friends of Thomas events and Steam Galas are the most popular activities. Worth Valley Railway puts on a 3 day event in August at Keighley to celebrate the arrival of the Leeds & Bradford Extension and the opening of the first station in Keighley in 1847. Attractions include period dressed staff, a special dining train and horse drawn buses. North York Moors Railway hold a Vintage Vehicle Weekend in July. They also organise a traditional brass band concert in a paddock by Levisham Station every Sunday afternoon in August and offer guided walks from this station every Wednesday in August including a pub lunch.

A number of steam railways also offer regular dining train services and driving courses.

The range and distinctiveness of locomotives and rolling stock at steam railways is primarily of interest to train enthusiasts - the majority of visitors will be attracted by the journey rather than the rolling stock. However, quality and variety of stock may be important in selecting a railway as a day trip for family groups where one member is a railway enthusiast.

At GCR visitors pass through the entrance of each station and step back in time to a living open air museum of the age of steam. Three stations offer authentic details and small museums. Features such as gas lighting at Rothley and the traditional waiting rooms, station buffets and even the public lavatories are preserved pieces of history. Visitors can enjoy a train ride but also experience short rail journeys or visit individual stations as mini-rail experiences.

The 'pick and mix' visitor offer of GCR creates choice and variety for visitors. Given a good first visit experience, potentially, there is much to encourage visitors to return again. Considerable emphasis is placed on on-train catering

by GCR and the dining out market offers further potential growth. Overall, while offering a different experience in some respects from other steam railway attractions, the GCR potential offer is comparable to its main competitors.

However, there are a number of key market related product issues that need to be addressed for GCR to realise its full tourism potential.

MARKETING AND PROMOTION

- Promotional Print Does Not Do Justice To The GCR Experience** - little is made of the museums at Loughborough and Quorn, gas lighting and other attractive features and associations e.g., Shadowlands was filmed at the Railway.
- Leaflets Are Not Distinctive** - the colour and visuals of leaflets do not stand out next to promotional print of other attractions.
- The Leaflet Map Does Not Place The Railway In Its Wider Setting** - potential visitors get little 'feel' for where the Railway is in relation to other attractions or what there is to do and see at intermediate stations and the surrounding countryside.
- Information In The Main Leaflet Could Be Improved** - the leaflet dedicates three paragraphs to future developments, unlikely to be of interest to most visitors outside of special interest markets, little is made of the station experiences or evoking the atmosphere of the attraction - one of its key selling points.

PRODUCT OFFER

- Interpretation At Loughborough Station Museum Is Limited** - the museum provides the opportunity to tell the interesting history and stories of the age of steam, simple storyboard panels and/or leaflets are required to help non-specialist visitors (including children) understand what they are seeing and increase their appreciation of the role and activities of GCR as a preservation railway. The museum at Quorn is better interpreted and evokes the atmosphere of W.W.II.
- The Experience of Intermediate Stations is Underplayed** - opportunities exist to encourage visitors to disembark at intermediate stations to visit the museums and experience each station as a mini-museum in its own right. Tannoy announcements on arrival at each station, for example, can help to set the scene e.g., "We will shortly be arriving in Quorn. The year is 1942, the height of the Second World War. Leave the train here to experience the sights and sounds of the war years and learn the crucial role of steam railways in World War II." The timing of services allow visitors virtually no time to explore the Quorn museum.
- Leicester North Is A Major Disappointment For Visitors** - there is a need to create an incentive for people to commence their trip at this station and to provide entertainment for visitors disembarking there, awaiting a return trip. Operating an historic bus to link this station with other attractions (subject to commercial viability),

providing information on and signs to walking and cycling routes from the station, and the creation of a station building (subject to commercial viability) are all options. Permanent robust signs are also needed to create a sense of arrival and raise visibility of the site.

- There Are Opportunities To Develop The Role Of Events** - Friends of Thomas events are popular and an important dimension to GCR activities, Santa Specials have proved popular but demanding, in terms of management. A small number of train enthusiast events are also well attended. However, additional events e.g., car and steam rallies, 'behind the scenes' guided tours, open days for local residents and guided circular walks from Quorn and Rothley, all present opportunities for GCR that are complementary to the product offer and the Railway's objectives. Such events can be an important source of new and repeat visits and present local PR opportunities.
- There Are Few Facilities For School Parties** - limited educational group facilities are not available. Developing materials in association with local school teachers can increase the market penetration from this sector.
- Product Links Have Not been Developed** - the potential of the Railway to provide a link to walking/cycling routes, the canal and other local attractions has not been exploited, there are particular opportunities at intermediate stations. These links provide additional incentives to visit GCR, increase the length of stay and have a strong affinity with key market interests. There is also an opportunity at Loughborough Station to provide pedestrian access between the station and the canal.
- Parking Is Inadequate At Loughborough And Leicester North Stations** - emphasis is placed on boarding trains at the Loughborough Station where parking is limited and not considered safe. Leicester North parking is also exposed. Encouraging visitors to commence a round trip at Quorn or Rothley is one means of addressing this issue.

Value for Money: Value for money can be measured by comparing the cost of entry with the length of the line which largely determines the length of the visitor trip. In this respect GCR does not offer particularly good value for money. By way of example the following table illustrates the relationship between admission fees and length of passenger journeys at GCR and four other steam railways.

Extending the length of the passenger line increases the length of the visitor trip and may link the steam railway with main line stations. A number of railways have or are planning to extend their line, including GCR. For example:

- the Gloucestershire & Warwickshire Steam Railway will complete their extension to Gothrington in June this year. They have further plans to extend the line to Cheltenham Racecourse by 1999 and have purchased stretches of track from BR for that purpose
- the Bluebell Railway hope to extend their line from Kingscote to East Grinstead by the year 2000 and have purchased part of the land required to achieve this.

Table A.7 : Comparison Between Admission Fees and Length of Passenger Line

Steam Railway	Round trip in (miles)	Adult dm.	Child/ Concessions	Family
Severn Valley Railway	33	£9.00	£2.00	£20.00
North York Moors	36	£8.90	£4.50/7.50	£24.90
Bluebell Railway	18	£7.20	£3.60	£19.50
Gloucester/ Warwickshire	10	£5.00	£3.00/£4.00	n/a
GCR	16	£6.75	£4.50	£16.50

Extending the line can add to the visitor experience but equally attracts additional maintenance costs (for track, stations and fuel). For example, the Gloucestershire and Warwickshire Steam Railway have not increased their admission fees this year, despite their extension to Gothrington. They will review this position as the year progresses. There is a fine balance between increasing admission fees to cover additional costs and increasing prices to a level that are no longer sustainable in market terms. Any extension must offer visitors 'added value' beyond extending the length of their trip. The extension must either go to a place likely to be attractive to visitors or which accesses new markets for the railway. Extension for its own sake is not a commercial option.

Other ways of creating links between steam trains and main line stations include the development of a special bus service. The Bluebell Railway, which receives over 200,000 visitors a year, has developed an historic bus trip to link Kingscote to East Grinstead. This enables visitors to purchase a through ticket from London Victoria. The bus is run by the London & Country Bus Company on behalf of the steam railway. Bluebell Railway collect a small ticket fee from passengers which goes towards the cost of running the service. Bluebell pay an annual fee to the bus company at a commercial rate. Effectively, the route is subsidised by the Railway and is not a commercial undertaking in its own right. However, Bluebell regard this cost as sustainable on the basis that eventually visitors will take the whole journey by train.

A similar arrangement at GCR to link Leicester North to the city centre or/and to other attractions by bus may be one way to provide added value to visitors. In the longer term, a bus link from Loughborough northwards to East Leake, once GCR (Notts.) have got down to there may also be an option for further consideration and would assist in establishing closer links between the two operations from a visitor market perspective.

Historically, GCR has concentrated on its role as a preservation trust for a steam main line railway, rather than as a commercial visitor attraction. As a result, the visitor potential of the Railway has not yet been fully realised. In reality, these two functions are inter-dependent. Most steam railways rely heavily on visitor income to support their preservation work and encourage support and understanding of the work they are carrying out. As GCR moves towards its centenary in 1999, developing its role as a commercial and professional visitor attraction is likely to take increasing significance.

Development of a special bus service to link Kingscote to East Grinstead may be one way to provide added value to visitors.

Bluebell Railway, Gloucestershire and Warwickshire

The Gloucestershire Warwickshire Steam Railway, which has 18 miles of track, is the longest of any of the steam railways in the country. It is a commercial railway and has a long history of providing a service to the public. It is a commercial railway and has a long history of providing a service to the public. It is a commercial railway and has a long history of providing a service to the public.

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London & Country Bus Company

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Railway is already being promoted by Leicester City Council in their leaflet 'Green Days Out by Bus Number 3', which features a trip on the Railway. No mention is made of the Abbey Pumping Station however.

PRIORITY ONE - Cycling/Walking Route between Leicester North Station and Belgrave Hall

The distance between Leicester North Station and Belgrave Hall is almost exactly one kilometre - just over half a mile - say, 10-15 minutes walk by path and lane. A more interesting path could be developed to run through the open land by the bowling green and recreation ground to avoid walking along the rather drab Thurcaston Road. The Abbey Pumping Station is a further 400 metres - the two are linked by an attractive riverside path - again about 400 metres long.

The immediate needs to encourage this pattern of visitor activity are:

- to replace the existing pedestrian and cycle sign at Leicester North station by the bridge with a pedestrian/cycle sign for the Pumping Station and Belgrave Hall and to give the distance to these attractions in kilometres/miles
- to provide an information panel at Leicester North Station with a brief history of the railway, the Pumping Station and Belgrave Hall along with a simple route map
- to ensure that leaflets for GCR are displayed at the Pumping Station and at Belgrave Hall and that GCR reciprocate by displaying leaflets of the other two attractions.

The longer term needs are:

- to consider re-routing the existing foot and cycle path from Thurcaston Road to run alongside the bowling green - subject to there being no development or other constraints on using this route.

PRIORITY TWO - To Develop A Shuttle Bus To Link Leicester North Station, Belgrave Hall and Abbey Pumping Station

A peak Sunday/Bank Holiday shuttle vintage bus service could easily provide a 30 minute Y-shaped service between GCR, Belgrave Hall and the Abbey Pumping Station. This could be a free or courtesy service for GCR ticket holders or have a nominal charge. It would help to promote the railway among visitors to the other museums, add value to a rail trip and assist in increasing visitor numbers to the Hall and Pumping Station. Visitors could use the bus as a link between the three attractions or alternate between walking and bussing. If run by volunteers, costs could be kept low. There seems to be excellent bus services to and from the City Centre on weekdays, but Sunday services are less frequent. This might justify a Leicester City Tourist Bus which would link the key attractions along the riverside (including the Castle Park-Belgrave Riverbus service) and enable people to park, walk and ride. This service would almost certainly require a substantial subsidy say £100-£120 a day. Leicester City Council might see this as a marketing/promotional

initiative for tourism in Leicester and hence justify the cost. Alternatively advertising on the bus might raise a contribution towards running costs.

The immediate needs are:

- to discuss the bus service opportunity with Leicester City Council to establish whether a subsidy is a viable way forward
- to explore the opportunities for Ruddington to provide a vintage bus and run the service as an advertising opportunity for their own attraction and the first step towards closer joint working between Ruddington and GCR
- to explore whether the bus company operating during weekdays on that route may be interested in being involved in some commercial capacity.

PRIORITY THREE - For GCR to become an Integral Part of the Riverside Park Experience

GCR should be perceived and perceive itself as an integral part of the Leicester Riverside Park, linked by the theme of 'Green Travel'. This strongly reinforces the need for cycling/walking routes into Charnwood from the railway. At the moment Great Central Park is hardly referred to at all and is literally 'off the map' on literature. Likewise nothing at Leicester North Station even hints at the Riverside Park or the two excellent museums. Presumably, the low profile of the Great Central Park is because it is outside/on the edge of Leicester City Council boundaries. There may be a need for more collaborative working between Charnwood Borough and Leicester City Councils in the future when devising map and trail reprints and routes.

No immediate needs, but in the longer term:

- move towards a more collaborative approach between the two councils and GCR vis-a-vis trails, maps and other leisure/tourism promotional print.

LOUGHBOROUGH

PRIORITY ONE - Explore the Potential to Develop the Bell Foundry to Create A Joint Bell/Train Experience

This is a small amateur museum with very basic levels of presentation. It is also a rather drab location. (The walk between GCR station at Loughborough and the museum is along residential roads). Nevertheless, the subject matter is potentially very interesting theme, the Museum could attract many more visitors. Guided tours of the factory appear popular (there was a group visiting when we arrived and a timetable of booked tours showed 2-3 a week). The factory is an amazing Victorian building and watching the industrial/craft process has a strong affinity with steam railways, especially if places on a tour could be pre-booked at GCR and arranged to fit in with specific train arrival times.

Immediate action:

- GCR and Taylors need to liaise regarding joint packages/ticketing - and perhaps agree a trial programme in

August this year if feasible. A joint promotional package would need to be organised along with associated distribution of leaflets etc. Possibly a mailshot to GCR members and any mailing list held by the museum might be a start, along with an advert in specialist and local magazines/newspapers.

Longer term:

- assuming the trial was successful, an annual regular programme could be set up including reciprocal displays of attraction leaflets.

PRIORITY TWO - Develop Access between the Canal and GCR

There could be direct access onto the Grand Union Canal towpath from the rear of GCR site. This could give access onto the former GCR bridge over the canal and down the embankment. Alternatively, a footpath could be created along the old trackbed, now a greenspace and informal footpath, which emerges by the town tip behind the Railway Inn - but with easy access to Loughborough Station. This is not without its problems - a new path would have to be created through the shed/workshop area, secure entrance gates provided and steps/handrails to access the towpath.

It raises the issue as to what the benefits of either of these link might be. If an attractive wharf-side development takes place further along the canal, then there are some thematic links perhaps worth developing. In the short term, it is unlikely this route would be used by many people.

Long term needs (possibly only if wharf-side development goes ahead):

- to consider developing safe and attractive links between the canal and GCR on either of the two routes suggested
- providing signs at GCR and along the towpath to direct visitors to both attractions and to provide some information panels along the towpath walk to create a mini-trail.

ACTIONS FOR CLIENT PARTNERS

GCR

1. Need to review the brochure to:
 - include a map of the rail line in its locational context including Whatoff Lodge, Bellfoundry Museum, Belgrave House, Abbey Pumping Station, the relevant cycle/foot trails that link GCR with Leicester attractions and the vintage bus route
 - provide additional text to explain the vintage bus service and draw attention to the other attractions, opportunities for joint ticketing, cycle/walk/train visitor experiences etc.

Timing of this will be determined by what projects go forward and GCR leaflet reprint schedule.

2. Review leaflet distribution to include Belgrave House,

Abbey Pumping Station and Bellfoundry. Can be done immediately.

3. Discuss with Whatoff Lodge additional joint promotions for family market during Summer and on Bank Holidays.
4. Discuss with Abbey Pumping Station opportunities for joint promotions on steam engine days at museum.
5. Discuss with Bellfoundry Museum whether joint guided tours of the Museum/GCR ride could be piloted this year and how these might be marketed.

LEICESTER CITY COUNCIL

1. Review print material to include Great Central Park (may need to discuss with Loughborough Borough Council depending on boundaries) and to give GCR higher profile - unlikely to be able to implement until new print run required.
2. Discuss with Ruddington (and others?) the opportunities for a vintage bus service to be run on a trial basis next year during August. Also need to agree funding including exploration of sponsorship.
3. Design and replace cycle/footpath sign at Leicester North Station and provide information panel at station. Also provide complementary cycle/footpath signs at Abbey Pumping Station/Belgrave Hall and on route between the three attractions.
4. Review existing footpath/cycle route between GCR and along Thurcaston Road and decide whether an alternative route, along the edge of the bowling green is viable/desirable/affordable.

CHARNWOOD BOROUGH COUNCIL

1. To develop footpath access between the canal and the GCR on one of two routes suggested, including the provision of any necessary infrastructure e.g., safety, signing, information panels etc.

Appendix C

Financial Report on Great Central Railway plc

1. INTRODUCTION

Great Central Railway plc ('GCR') was established in 1976 to take over a section of the former Great Central main line and operate it as a 'preserved railway' and presently operates services from Loughborough Central to Leicester North. Two other corporate entities are also involved. Main Line Steam Trust Ltd ('MLST') is a Registered Charity which supports GCR and the preserved railway project. Great Central (Nottingham) Ltd ('GC(N)') is engaged in the development of a section of line presently detached from that operated by GCR. They are separate entities although certain individuals have served as directors of all three.

MLST (a company limited by guarantee) acts as a voluntary society for the project's supporters. In the year to 31 March 1996 it received subscriptions, donations and legacies totalling around £100,000. At 31 March 1996 it held reserves totalling £250,000 of which £200,000 was in the form of cash. MLST made grants to GCR totalling £33,000 (year to March 1996) and £104,000 (year to March 1995). At the same time it made much smaller grants to GC(N).

GCR's share capital is held by a large number of individuals. The major holdings are those of Mr D.A. Clarke (21% of shares in issue at 31 March 1996), Leicester City Council (15%), Charnwood Borough Council (10%) and MLST (4%). The consideration for shares issued has generally been cash although Charnwood Borough Council accepted shares in payment of a £40,000 premium on a trackbed lease.

GCR employs a full time "Company Secretary" (Mr R.J.B. Lovatt FCA) to head its administration and produces a range of good quality financial information both for external reporting and internal management purposes.

2. GENERAL COMMENT

Unaudited draft annual accounts for GCR made up to 31 January 1997 reveal that:-

- GCR made a loss of £129,000 (£105,000 in 1995/96) on a turnover of £1.1 million (£0.95 million in 1995/96); the 1996/97 loss included interest and bank charges of £42,000;
- in 1996/97 GCR received £150,000 from the proceeds of share issues £60,000 in the form of advances from

MLST and £225,000 in the form of 8% secured long term debenture loans from Mr D.A. Clarke;

- at 31 January 1997 the bank overdraft stood at £230,000 (£240,000 in 1996) and purchase ledger balances stood at £240,000 (£260,000 in 1996); part of the overdraft has since been converted to a loan;
- in 1996/97 major items of capital expenditure included £120,000 on trackwork and control systems associated with the double tracking project and £120,000 on the purchase of a steam locomotive; these items are not, of course, chargeable to profit.

The financial position of GCR is not comfortable in a period of low interest rates and rising consumer spending the company experiences significant losses. Its continued solvency depends very much on the backing given to it by MLST and its enthusiast supporters.

3. BUSINESS SECTOR PERFORMANCE

GCR operates a portfolio of activities the main elements of which are general railway operations (ops), retail & station catering (rsc), on-train catering (otc), footplate experience course (fec) and other (oth). The latter item includes income from filming, photographers' charters, exhibitions and contract engineering.

An analysis of the main activities in the year to 31 January 1997 based mainly on information drawn from GCR's own internal management accounts and discussions with GCR's Company Secretary is as follows :

Activity	(all figures in £'000)				
	ops	rsc	otc	fec	oth
Revenues	374	150	243	179	138
Direct Costs*	324	97	167	20	-
Contribution	50	53	76	159	138
Total Contribution		476			
General Operating Costs		503			
Administration Costs		60			
Operating Loss		(87)			
Finance Costs		42			
Net Loss		(129)			

* note : these costs are those which are directly attributable to the activity in question and which would be avoided were the activity discontinued.

On the basis of the above analysis, GCR appears to have a diversified and integrated portfolio of business activities. Each of these activities yields a positive contribution. However, that contribution is not adequate to cover general, administration and finance costs.

4. COMPARATIVE STUDY

In seeking to identify the basic cause of GCR's financial problems it is instructive to compare GCR's performance with that of a number of other preserved railways. The three cases selected for comparison are the Bluebell, Swanage and West Somerset Railways. All of these are large, diversified business operations. All are built to standard gauge and operate services around the year and throughout the week.

The Bluebell and Swanage Railways are controlled by charitable trusts whereas the West Somerset Railway ('WSR') is controlled by a plc which is similar in character to GCR.

Key performance indicators based on the most recent financial reports published by the four railways are as follows:

		Bluebell	Swanage	WSR	GCR
Turnover	(£'000)	1,788	402	945	1,096
Operating Profit	(£'000)	(46)	(15)	(15)	(87)
Net Profit	(£'000)	(70)	(21)	7	(129)
ordinary ticket sales as proportion of Turnover		45%	59%	68%	34%
labour costs	(£'000)	501	42	263	396
labour costs as proportion of total cost		27%	10%	28%	34%
paid staff * number		38	5	26	36

* note : staff numbers are 'averages' or 'full time equivalents'.

The comparison of business entities using published financial data is difficult because no two entities have the same characteristics. Also, the entities concerned may use different accounting policies and classify items of cost and revenue differently. However, the above figures are presented in a manner calculated to allow the most meaningful possible comparison.

Observation of the above figures suggests the following:

- GCR's business relies less heavily on providing simple out-and-back passenger journeys than is normal for a preserved railways; GCR relies more heavily on the more elaborate forms of service such as on-train dining and footplate experiences;
- this character of the GCR business creates a greater labour requirement; the nature of that requirement is not in areas conventionally thought to be most attractive to volunteers; it is often claimed that volunteers are generally more interested in the operational side of railways than in serving in a dining car or manning a booking office;

- GCR's financial performance is weaker than that of most preserved railways; a rise in interest rates, an economic downturn or a decline in enthusiast support might leave GCR very exposed indeed;
- a conspicuous feature of GCR's operation is that its labour costs, at 34% of total operating costs, exceed the norm for large preserved railways; the writer believes that norm to be around 25%.

In 1994 Mid-Hants Railway had managed to reduce its labour costs to 19% of total operating costs. At that time the Mid-Hants Chief Executive claimed that its catering services were run entirely by volunteers. In 1989 the Swanage Railway employed 14 staff and its labour costs were 35% of total operating costs. As seen above, it proved possible at Swanage to drastically reduce these costs.

Appendix D1

Development Brief for the Loughborough 3m site

INTRODUCTION

The 7.4 acre site adjacent to Great Central Station in Loughborough is owned by 3M Healthcare Ltd and has been used for the manufacture and packaging of healthcare supplies. 3M has now relocated its operations to new premises north of Loughborough and the site is currently being marketed. The site was originally the railway goods yard and a number of historic railway buildings are still standing, including a Grade II listed goods shed. Great Central Railway has always recognised the development potential of the 3M site and in 1995 submitted a Heritage Lottery bid to fund a new Railway Experience Centre, covering the greater part of the site. The bid was unsuccessful but the opportunity remains to utilise the site, or a portion of it, for a scheme which would add value to the existing GCR attraction at Loughborough.

OBJECTIVES

The three key players are 3M Healthcare Ltd, Charnwood Borough Council and Great Central Railway, each with a different perspective on the 3M site. 3M Healthcare Ltd wishes to dispose of the site, achieving the maximum return for its shareholders. Charnwood Council has no specific aspirations for the site, beyond the policies contained in its local plan which designates the site for residential use. However, the Council is strongly committed to boosting local economic development through tourism and sees Great Central Railway as important in this context. In the Council's view, the proximity of Great Central Station and the adjacent 3M site to other key attractions such as Taylors Bell Foundry Museum and Loughborough Wharf (Grand Union Canal) creates the opportunity to bring together a number of tourism/leisure facilities to function in a mutually supportive way.

GCR has a number of specific objectives in relation to the 3M site. These include:

- enhancing interpretation facilities;
- improving access to the station, especially for disabled people;
- providing on-site parking (none exists at present);
- providing a new engine shed with improved viewing facilities and better safety;

- improving catering facilities and toilets.

The aim would be to broaden the appeal of the railway so as to attract a wider clientele and fully realise the existing potential.

THE SITE

The site lies to the south of the town centre within a short distance of the main A6 trunk road linking Loughborough with Leicester and Derby. Junction 23 of the M1 Motorway is about four miles away. The eastern edge of the site is bordered along its entire length (some 500 yards) by the Great Central Railway. There are two hotels, The Corporation Hotel and the Great Central Hotel adjacent to the western boundary of the site. Access to the site is at the junction of Great Central Road and Wharncliffe Road. The site is level, with about half the area taken up by a single storey factory building (approx 100,000 square feet) and the remainder mainly car parking (See Exhibit 9 in the Report).

Originally designated for light industrial use in the local plan, the site's designation has recently been changed to residential, but with a maintenance strip running parallel to the adjacent railway tracks. Prior to redesignation 3M applied for residential planning permission and went to appeal when this was refused. The appeal is now likely to be withdrawn and consent granted.

The main environmental constraint on the site, particularly if it is to be developed for residential use, would be noise and dirt from nearby steam railway activities. A carefully designed leisure related scheme along the eastern side of the site could provide an effective barrier which would alleviate this problem.

THE MARKET

3M Healthcare Ltd have valued the site at £2¼ million, for residential use, though Charnwood Council would put the value considerably lower. The demand for leisure/recreation uses is relatively weak locally, the edge of the site is affected by the railway, and the site would not achieve values to match those associated with a wholly residential scheme.

DEVELOPMENT POTENTIAL

While the site could be developed solely for residential use, there are a number of reasons for considering a mixed use scheme, with a portion of the site being developed by GCR for leisure, recreation and education:

- such a development along the eastern portion of the site could create the required buffer strip between the railway and the proposed residential area;
- a leisure/recreation/education development could be integrated with a number of nearby leisure resources creating important synergies and improving the overall environment and facilities both for local residents and for visitors;
- additional facilities associated with Great Central Station would attract more visitors, give a boost to the local economy and create jobs for local people.

A scheme would need to be designed which fulfilled Charnwood Council's objectives of broadening the appeal of the railway and maximising its benefits while, at the same, fitting GCR's long-term strategy of increasing turnover, improving the visitor experience and ultimately re-instating the link to Nottingham. The scheme would also need to dovetail physically with GCR's existing station facilities.

The centrepiece of the scheme could be a state-of-the-art interpretation facility (possibly housed in the original goods shed). This could be linked directly with a new platform so that visitors could walk out of the interpretation centre straight onto a train. The centre could also be linked to a new engine shed with interpretation and viewing facilities which were safe and accessible for all visitors including children and disabled people. Linkages could also be made with canalside leisure developments and the nearby bell foundry so that the new centre would act as a gateway to a whole cluster of interesting things to see and do. (A vintage bus link to the northern section of the railway at East Leake is also a possibility.) Joint ticketing would enhance the overall appeal. The new centre would include all the important ancillary facilities such as catering, toilets, parking and retail units.

A further opportunity, which has arisen recently, is to incorporate the proposed Loughborough Town Museum into the new GCR scheme on the 3M site. This would add significantly to the attraction and broaden the appeal of the railway site so as to increase its attractiveness to families and educational groups. The themes of the museum will include Loughborough's role in the development of railways and canals as well as in agricultural improvement through Robert Bakewell - a famous local man.

The overall aim of a leisure related scheme would be to achieve benefits for a wide range of interests thus ensuring the widest possible support, particularly the commitment of Charnwood Borough Council.

RAILWAY REQUIREMENTS

The main requirements from the GCR's point of view concern protecting revenue, increasing security, and achieving certain operating economies:

- the station buildings at Loughborough would benefit from full restoration, particularly the canopy which is damaged in places, and which has a certain amount of rotten timber; the provision of additional space once the goods shed and adjoining building is acquired will enable a rationalisation to be made of facilities on the station to increase the potential income;
- the main platform may need to be extended by a couple of coaches to allow full length trains;
- a new bay is required to enable full use to be made of the potential for loading dining trains from a new kitchen and catering facility, next to the goods shed;
- the water tank on the 3M site could be reused as a desalination facility, thus cutting long-term costs;

- parking for staff and volunteers needs to be located away from the main station, thus freeing up places for visitors, and a suitable site would be close to the engine shed;
- additional parking for visitors, particularly providing for those who are disabled or with small children, could utilise land along the edge of the railway, with access through to the platform and proposed museum/interpretation facility for which a charge could be made;
- the new siding serving the goods shed would also enable locomotives not in use to be stored, thus allowing safe access to the footplate as an additional attraction;
- the resulting reorganisation may enable carriage washing plant to be installed between a couple of lines, if this is not best installed at another station;
- the extension to the current GCR's operations would need to be made secure by a substantial fence, which would also help to shield new housing from the railway, and access would only be open to those with a pass, and at times when trains are running

FINANCE

A partnership approach would be required to finance the scheme. 3M Healthcare Ltd might contribute some of the land by way of planning gain. Charnwood Council may be able to offer financial support, particularly if a town museum were incorporated in the site. GCR could raise money by a share issue to underpin the new scheme. A new Heritage Lottery bid would be a key funding component.

IMPLEMENTATION AND TIMESCALES

The next stage would be for GCR to open negotiations immediately with Charnwood Council and 3M Healthcare Ltd to establish in principle agreement and secure the land.

A sketch scheme would then need to be prepared which all interested parties could support and which would form the basis of a planning application, a Heritage Lottery bid and a GCR share issue. Ideally the physical development of the GCR scheme would take place on the same timescale as the residential development on the remainder of the 3M site so that both schemes would be completed at the same time - ideally by the year 2000. A number of organisations have already pledged support for GCR's earlier scheme on the 3M site (The Railway Experience proposal). These include Charnwood Council; the Main Line Steam Trust; the National Railway Museum, York; Loughborough Chamber of Commerce; Charnwood Tourism Association; Leicester County Council Museums Service. It will be important to gain the commitment of these organisations to the new scheme as soon as possible.

Appendix D2

Development Brief for Leicester North Station

INTRODUCTION

Redevelopment of Leicester North Station is an important priority both for GCR and for Leicester City Council, though for somewhat different reasons. It is important for GCR because:

- the railway line needs a significant destination at its southern end. It needs to run from somewhere to somewhere;
- at present the whole visitor experience is undermined by the lack of facilities at Leicester North. The station is a disappointment and spoils the "main line steam" atmosphere;
- important visitor facilities are lacking at Leicester North, e.g. ticket office, toilets, café, interpretation centre;
- because of the uninviting prospect at Leicester North, GCR is failing to tap an important market on its doorstep.

Redevelopment of Leicester North Station is important for Leicester City Council because:

- a considerable sum of public money has been invested in the site but to date there has been insufficient public benefit;
- the site is important strategically because it could provide the gateway to a number of nearby attractions
- by helping to strengthen the linkages between these attractions, the development of Leicester North Station could act as a catalyst for the development of the major tourism/recreation corridor along the valley of the River Soar, currently being planned by Leicester City Council in association with British Waterways;
- the significance of the site is increased by plans to build the National Space Science Centre nearby (now confirmed and going ahead on a short timescale to coincide with the Millennium);
- Leicester North Station and the surrounding land is important from an environmental and ecological viewpoint. A sensitive and imaginative scheme could help consolidate the Council's environmental and planning policies in the area (e.g. the Green Wedge policy).

OBJECTIVES

The development must therefore fulfil a number of key objectives. It must:

- provide a memorable destination for the railway in keeping with its main line theme;
- provide a visitor attraction with wide appeal and sufficient critical mass to succeed;
- act as a focal point for visitors and a gateway to important nearby attractions;
- provide tangible benefits for the local community;
- safeguard the local environment and buttress local planning and environmental policies;
- result in a well-managed commercially sustainable scheme which will provide a secure and friendly environment 24 hours a day.

THE SITE

Leicester North Station is located two miles north of the city centre, close to the outer ring road and a 10-minute drive from the M1. Access is via a 200 yard spur off the ring road some ¼ mile west of the Birstall roundabout. The site itself comprises approximately 1 hectare of open land adjacent to the platforms at the end of the GCR railway line. It is located near the top of a hill which slopes away to the East. The site is surrounded by extensive areas of open land (scrub land, allotments and a cemetery to the East, golf links to the West). Leicester City Council own most of the open land round about and would be willing to consider incorporating some of this land in a proposed development. The only nearby development is the premises of a commercial kennels business (incorporating the former stationmaster's house) which the Council is in the process of purchasing.

The site has been designated for community education and leisure use and the surrounding areas are covered by the Council's Green Wedge policy. There is a site of ecological importance to the West of the station approach road. A number of planning consents have been granted in relation to the site and nearby areas. These include plans for a large car park at nearby Thurcaston Road (pedestrian access via a footbridge) as well as limited on-site parking.

THE MARKET

Leicester is at the heart of national transport networks with a population of 32 million within two hours' journey time. The site itself is adjacent to densely populated residential areas on the edge of Leicester and two major new residential developments (Beaumont Leys and Hamilton) lie within walking distance. Existing nearby visitor attractions (Belgrave Hall, the Abbey pumping station etc.) bring in collectively around 50,000 visitors per annum.

The new National Space Science Centre will attract a projected 300,000 visitors per annum. The important Asian cultural quarter, around Belgrave Road, which is a centre for

visitors from all over the UK, lies within half a mile. (This area is currently the focus of an SRB 4 bid.)

The Great Central Railway attracts between 100,000 and 130,000 visitors per year, most of whom pay a flying visit to Leicester North Station. The most important segment of demand is likely to be the family market (both local and visitors) and this will grow very substantially when the National Space Science Centre is opened in four years' time. (Detailed market information has been prepared by the consultants KPMG.)

DEVELOPMENT POTENTIAL

Environmental sensitivities, highways considerations and planning constraints rule out intensive retail uses (e.g. a superstore). A more moderate level of usage, avoiding intensive peaks of activity, would be preferable. Most of the open land surrounding the site must remain undeveloped but will need to be managed with some objective in view (e.g. wildlife conservation, education, informal recreation).

Although the above constraints preclude certain types of activity, they positively favour developments which require an open, accessible and environmentally attractive setting with minimal intrusion from other uses. The most appropriate type of development might be a high quality family attraction which would provide an interesting destination for travellers by rail, car, bicycle (via the Riverside Way cycle route) or on foot and would offer an attractive place to eat, drink and stay overnight. Visitors could enjoy the railway attractions (including an interpretation centre), high quality catering and overnight facilities, and the opportunity for formal and informal recreation in the surrounding countryside. The site would also provide a natural gateway or jumping off point for access to the rest of the Great Central Railway as well as the National Space Science Centre and other local attractions.

The strong railway and tourism antecedents (Edward Watkin, Thomas Cook), the varied local cultural background, the nearby Space Science Centre and the unspoilt and uninterrupted nature of the site provide the opportunity to develop a richly themed approach based on travel (national, international, space). This would arise genuinely from the local culture and history, unlike a Disneyland approach.

The development might include a family hotel, café, a licensed restaurant, station facilities (buffet, ticket office, toilets, terminus for railway dining car) and a visitor centre. Linkages with nearby attractions could be provided by a vintage bus service (operated by Ruddington Museum) and well signed pedestrian and cycle routes. The railway-related element of the scheme would be housed in an appropriate station building and the surrounding open land could be managed for informal recreation, wildlife conservation and educational use (e.g. ecology park, urban farm, picnic areas). Opportunities for volunteering, training and employment could be provided by an organisation such as the Groundwork Foundation possibly taking advantage of the new Welfare to Work programme. The whole scheme would require high quality, labour intensive professional management, providing jobs for local people.

LEICESTER NORTH RAILWAY REQUIREMENTS

A number of plans have been drawn up for developing the railway facilities at Leicester North, and while these can be phased, the long-term aim is to make Leicester much more of a starting point, which means providing secure parking for several hundred cars close to the station, and something for people to see and do while waiting for a train. While the sense of security can be assisted by commercial development alongside, it is also important to provide additional facilities on the railway itself:

- the most basic requirement is for vandal proof signing to create a sense of arrival, to draw people off the road, and to link through to adjoining attractions;
- a basic station building on the existing platform is required to provide toilets and also to sell tickets from a secure position; the building needs to look appropriate, for example by using old bricks, and elements such as lighting saved from other stations, and it would help security if the building were to be several storeys high, so that it could incorporate a flat, perhaps incorporating features from the station building at Leicester Central;
- the existing platform may need in due course to be lengthened by two coaches, and the retaining wall may need to be strengthened; there is also a need for another watering facility, which is best provided at the end of the platform, and for a new signal box in a safe location
- an interesting feature will be provided by installing the turntable that is currently in store at Loughborough, and this could be linked to a new locomotive shed, which might be constructed under an employment training scheme, using materials salvaged from a railway building demolished elsewhere;
- use can be made of carriages to create a sense of place, and also to provide exhibition and interpretation of the various railway stories; if the goods shed at Loughborough does not become available for the purpose, then priority should be put on developing this at Leicester instead, together with a short bay platform, to allow entry into the coaches.

HOTEL

Hotel occupancy has risen dramatically in Leicester over the last five years. Weekday occupancy stands at 69-72% and up to 80% at motorway hotels. Generally within the city, there is demand for additional bedspaces during weekdays. Weekend occupancy stands at around 50%. However, it is predicted that National Space Science Centre will, in effect, do for Leicester what the Royal Armouries did for Leeds. Increased PR and a fresh image for the city is likely to generate new weekend markets drawn from a wider catchment creating additional weekend bedspace demand.

Leicester has no themed hotels and this is a product opportunity for Leicester North. An hotel at Leicester North should be targeting these new markets as well as tapping into the growing midweek business market. National Space Science Centre, GCR and the canal together create a strong travel theme for Leicester. An hotel that capitalised on this

opportunity to create something special, and which adds to the visitor experience, is likely to be particularly successful.

Ideally the hotel development should:

- provide business/seminar facilities to attract weekday custom
- be themed around travel e.g., Edwardian style entrances and public rooms
- aim to create 'the hotel' to stay in for people visiting Leicester for a short break.

On this such site, it should be possible to develop the hotel in phases, for example starting with 30 beds and eventually growing to 150. If such a hotel development does not prove achievable, a fall back position is to develop a chain hotel. Example of similar development include the successful V&A hotel in Manchester - a new build themed hotel developed by Granada in Manchester. It is also interesting to note, Alton Towers Hotel has increased capacity within the area without diluting occupancy in existing hotels in Stoke-on-Trent. Similarly, an hotel at Leicester North which coincides with the opening of National Space Science Centre (i.e. year 2000) and is aimed at the new markets this attraction will bring to the city is unlikely to materially effect trade at existing city centre hotels.

BUS LINK

Leicester have organised a visitor bus to link attractions in the city for special events and promotions in the recent past. these routes proved popular and provide a tried and tested precedent. However, many visitors used the buses as a park and ride with shortage of parking subsequently proving a problem. Developing the small site over the footbridge from the Leicester North station site would help alleviate this potential problem, provide yet further reason to use the site as a gateway to the area and help Leicester City Council achieve its original objectives for that small site. However, a need remains to find additional suitable sites that can cope with increased parking elsewhere on the proposed route.

Vintage buses are attractive, thematically in keeping with GCR and create an opportunity for closer working with GCR and the operations at Ruddington. However, such a service would need to be offered free of charge with running costs subsidised by the City Council. An alternative, or indeed additional option, would be to provide environmentally friendly buses running on LPG or electricity. Some EC funding may be forthcoming for such a scheme (helping to reduce public sector subsidy requirements). Environmental buses would link in with Leicester's image as 'Environment City' and further expand the travel theme or past, present and future.

FINANCE

The returns from the proposed investment need to be related not just to specific site values but to the wider benefits which will accrue. These include benefits to the local economy and the local community and the value added by the scheme to an integrated local leisure/tourism resource. We therefore advise a partnership approach involving the local authority

and possibly a local developer (e.g. from the Asian Community) and possibly making use of the Private Finance Initiative Scheme to set up a public private partnership. An interesting precedent is provided by the Oulton Park Hotel development in Leeds.

A development plan for the site was put forward around five years ago and received strong opposition by the local community. Concern was expressed about the compatibility of a commercial development next to a residential area. emphasis on local community benefits and facilities are going to be particularly important. The priority is to achieve the right scheme for the site, not the maximum revenue.

IMPLEMENTATION

The next stage would be to work up a design which would achieve planning consent and which all the interested parties could support. This would be used as the basis for discussions with potential developers.

TIMESCALES

It will be important to achieve early results and quickly build up momentum towards critical mass. The ongoing development of the National Space Science Centre will create an atmosphere of purposefulness and urgency which could be highly beneficial to the redevelopment of the Leicester North station site. In addition there would be a high level of political will to push forward an appropriate scheme.