



SRC BOARD BRIEFING

November 2016

At a Board Meeting on Saturday 12th November 2016 the following items were discussed and action decided upon. The SRC Board considers that information on these items should be shared with Shareholders, Volunteers, Employees and SRA Members.

2016 SRC AGM

The 2016 SRC AGM will be held on the 10th of December 2016 at Spey Lodge. This AGM should have taken place in September but due to significant delay in the auditing of the 2015 accounts, this was not possible. EY have now transferred the audit from their Inverness office to their Glasgow office and are presently engaged on producing the 2015 accounts without further delay. The Board will seek compensation from EY for this unacceptable delay, which has prevented the Board from approving and lodging accounts with Companies House.

Vote of No Confidence

A vote of no confidence was taken in Mr. David Fraser, currently Director and Chairman of the Strathspey Railway Charitable Trust. This motion was carried unanimously.

The primary reasons for this vote, and its outcome, are detailed below

- Financial Position is unclear and has been for some time;
- Environmental Statement - concern over cost, scope and delivery;
- TAWS Order - clarity of cost and source of funding;
- Governance - Directors appointed out-with governance.

SRA AGM

At the recent SRA AGM, Mr. Fraser was asked several questions from Mr. A Twist regarding aspects of the SRCT and the Rails to Grantown Project. The answers Mr Fraser gave were , in the opinion of the Board, incorrect. The Board makes the following comments about these replies.

Mr Twist initially asked Mr Fraser about the appointment of a Mr R McLeod recorded at Companies House on the 4th of November but backdated to the 1st of October. Mr Fraser did not reply to this question.

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The SRCT's Articles of Association, however, state that only the Member (SRC) can appoint Directors to the Trust. No approach has been received from Mr Fraser regarding the appointment of Mr McLeod.

This governance issue is now the subject of an official complaint by the SRC Board to the Scottish Charity Regulator.

In answer to a question from Mr Twist on the Consultants appointed to conduct work for the SRCT, Mr Fraser stated that Energised Environments were selected for the consultancy work as they were the most experienced firm who tendered.

According to documents lodged at Companies House, Energised Environments Limited were incorporated on the 16th May 2013. One of the other consultants invited to tender, Wardell Armstrong, have been involved in preparing environmental and planning studies for over 16 years.

In answer to a further question from Mr Twist on the quotation price for the environmental report, Mr Fraser stated that the quotation figure for the assessment was £100,000. Mr Fraser recently provided the Board with information which detailed the tender prices. Energised Environments quoted a price of between £45k and £65k, Wardell Armstrong quoted approximately £40k. Energised Environments quoted a price of £8k for a scoping report, Wardell Armstrong quoted £2k. The Board can only assume that Mr Fraser meant by his answer that the price for the consultancy works have now risen to £100k.

Departmental Reports

Reports were received from the various departments (Finance & Commercial, Engineering, Civils & Permanent Way, ICT, Health & Safety) with specific intimations Safety as below.

Safety

A small number of instances have been reported to the Board of employees seen working on or near the running line without wearing mandatory Hi-Vis clothing. The Board is responsible for enforcing the Rules and Regulations of the SRC. Employees and volunteers are reminded that Rule number 1.4 Personal Safety states

When working on or near the line, high visibility clothing must be worn

Failure to comply with this Rule will result in disciplinary action against the individual concerned.

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Dress Code

Following a number of complaints about inappropriate clothing worn by employees, the Board will now issue a written Dress Code to ensure all employees and volunteers at the railway wear appropriate clothing when working at the railway.

Company Policy Update

A Scrap Metal and Materials Disposal Policy proposed was adopted and it was agreed that it would be issued with immediate effect. The need for this had come about after it was reported that some assets required had been disposed off without a wider knowledge that this was the case. There were also concerns about the practices/lack of formal procedures being used.

Motive Power

The Board have now been advised by Mr J Littlejohn that the Class 31, which has been operating at the railway for a good many years, has been sold and will leave the railway before the end of the year. The Board are naturally disappointed with this unexpected loss and will now seek to source a replacement locomotive. Currently a group of volunteers are bidding on a couple of Class 08 shunters though the Board have now been advised that the bid has been unsuccessful.

Catering Matters

Some time was taken to discuss past and present catering arrangements and the position to be adopted going forward. A brief will be circulated when the details can be disclosed and firm plans are in place.

Communication

The Board has received comments from Volunteers and Members that the Board does not communicate its decisions, which affect those who are both employed and who volunteer at the railway. The Board accepts that more information has to be communicated to those who both work for and volunteer at the railway, on decisions taken by the Board. The Board comprises of volunteers who give their time to ensure that the railway can operate both legally and safely. This year has, for many reasons, been extremely challenging and time consuming for those elected to the board. However, the Board Briefing document is viewed as an effective method of communicating what is being discussed and decided at SRC Board meetings.

*By order of the Board
Strathspey Railway Company
26th November 2016 (updated)*