



Forest Road, LYDNEY. GL15 4ET | Tel: 01594 845840 | www.dfrsociety.org.uk

**A MEMORANDUM OF UNDERSTANDING
BETWEEN THE DEAN FOREST RAILWAY SOCIETY [CIO]
AND
FOREST OF DEAN RAILWAY LTD**

Note: Terms in square brackets [thus] will replace text currently used when the Dean Forest Railway Society attains Charitable Incorporated Organisation Status.

1. INTRODUCTION

The Dean Forest Railway is a heritage railway which operates between Lydney Junction and Parkend in Gloucestershire, and comprises several organisations involved in its operation and development, in various ways. The two principal organisations, the Dean Forest Railway Society and Forest of Dean Railway Ltd, are independent bodies that have their own internal ways of working but both share the legacy of the original railway preservation society, founded in 1970, and have a mutual shared interest in the continued successful operation and future development of the Dean Forest Railway.

This Memorandum has therefore been produced to set out the working relationships between the Society and the Company to ensure that their association works to the benefit of the Railway and does not compromise either the Society's status [as a Registered Charity] or the Company's responsibilities for the safety of the railway and the proper conduct of its heritage railway business.

The railway is owned and managed by a company limited by shares (Forest of Dean Railway Limited) and operated by its wholly-owned subsidiary (Dean Forest Railway Company Limited). Forest of Dean Railway Limited does not distribute dividends to its shareholders, and all profits are re-invested into the development of the railway. This is specifically stated in its Memorandum and Articles of Association.

The Dean Forest Railway Society's main roles are in the support of the preservation and development of the Dean Forest Railway by the raising of funds for specific projects, the recruitment and retention of volunteers, by acting as a membership organisation for the railway, the promotion of the railway and publication of its Journal, and the advancement of education by way of promoting the study of the history of the Forest's railways, and the promotion of training in heritage and railway skills.

The Dean Forest Railway Society is the largest shareholder in Forest of Dean Railway Limited, and is registered as the only Person of Significant Control at Companies House. It also has the right, as per the Company's Memorandum and Articles of Association, to appoint two Directors to the Board of Forest of Dean Railway Ltd.

Nothing in this document should be taken as over-riding any such existing rights.

The purpose of this document is to formalise the relationship between the Dean Forest Railway Society and Forest of Dean Railway Limited (and its subsidiary).



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2. DEFINITIONS

“The Company” refers to Forest of Dean Railway Limited, and its wholly-owned subsidiary Dean Forest Railway Company Limited. Hereafter, Forest of Dean Railway Limited will be referred to as FoDRL, and Dean Forest Railway Company Limited as DFRCL.

“The Board” refers to the Board of FoDRL. Where this refers to the board of DFRCL, this will be made clear in the document.

“The Society” refers to the Dean Forest Railway Society [Charitable Incorporated Organisation]. Hereafter, this will be referred to as the DFRS.

“The Committee” [“The Trustees”] refers to the Executive Committee [Charity Trustees] of the DFRS.

“The Railway” refers to the Dean Forest Railway, as currently preserved, and any future development or extension of said line.

“Members” refers to members of the Society, either honorary or those who pay subscriptions. All categories of member receive benefits and a quarterly magazine.

“Working Members” refers to those members of the Society who volunteer their time to operate, maintain, develop and manage the railway. These members receive additional benefits in recognition of their giving of their time.

3. THE ROLE OF THE SOCIETY

3.1 THE OBJECTS OF THE SOCIETY

The [charitable] objects of the Society are currently defined by its constitution. The sole purpose of the Society is to progress those objects. The actions of the Society will be governed by the Committee’s [Trustees] constant referral to its [charitable] objects. The Society will not undertake any action that is in contravention of its [charitable] purposes. For reference, the Objects of the Society are listed in Appendix A.

3.2 INTERACTION WITH THE COMPANY

In order to progress its purposes, the Society has to interact with the Company. These interactions are in the areas of provision of funding, provision of volunteers, shared projects, some sharing of branding, names and websites, shared communications, sharing of premises and personnel, and sharing of information or data.

3.3 FORMAL LIAISON BETWEEN COMPANY AND SOCIETY

In order to formally liaise with each other, the Board and Committee [Trustees], or delegated representatives thereof, will meet together not less than twice per calendar year, in order to discuss the railway, its operation and development. This forum will allow the agreement of major developments and plans, such that they can be jointly supported by the Company and Society.

In order to facilitate this, the Board may form Working Groups, for example considering major developments or line extensions. The Society may request to have representation on, and input to,



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these or any other Working Groups, where relevant to achieving the [Charitable] purposes of the Society. It is anticipated that such requests will normally be granted, except where they would compromise the Company's obligations under relevant legislation.

4. PROVISION AND RAISING OF FUNDING BY THE DEAN FOREST RAILWAY SOCIETY

4.1 PRINCIPLES OF FUNDING

The Company may approach the Society for funding towards projects at the Dean Forest Railway. Any such approach will be evaluated by the Committee against its [Charitable] purposes. The Committee [Trustees] will evaluate the projects against the Society's Funding Policy, and will also assess the Risks associated with funding and involvement with the project. Any projects not progressing the Society's purposes will not receive funding. General running and organisational costs will not be funded.

If these projects are to be delivered by the Company, then the auditing and accountability provisions within the Society's Funding Policy will apply. Project support costs incurred by the Company will only be funded where they are directly related to the projects being funded.

Given that some members of the Committee [Trustees] are also directors of the Board, the Society will ensure that it maintains sufficient independent members [Trustees] to ensure that quorate, independent decisions can be made regarding provision of funding to the Company.

4.2 PROJECTS PROMOTED BY THE SOCIETY

If a project has been conceived by the Society, and will have an impact on the activities of the Company, it will inform the Board of its intention to proceed with a project. Where necessary, permissions to proceed (for example with the provision of a building for volunteer accommodation) will be sought from the Board.

The general principle to be applied to Board decisions regarding projects promoted by the Society is that the Board will not stand in the way of such projects where they fulfil the Society's purposes and where there is no clear, demonstrable reason to object to these projects.

It should be noted that the provisions in this clause do not restrict the ability of the Society or Company to act independently, and are simply a reflection of common purpose.

4.3 FUNDRAISING

The Society will raise funds for various projects at the Railway in a number of ways, to be determined by the Committee [Trustees] and which are compliant with [Charity Law and other] relevant, applicable legislation and regulations. In any fundraising activities, the Society will make it clear that the fundraising activities are being undertaken by the Society, for the purposes of furthering its [Charitable] purposes, and that funds raised or donated are held by the Society.

As appropriate, the Society may work together with the Company to progress fundraising schemes. In these circumstances, it is vitally important that the role of the Society is made clear to the public and that funds raised by the Society are solely used to further its [charitable] purposes.



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Any public fundraising activities undertaken independently of the Society by the company must make it explicitly clear that the fundraising is being undertaken by the commercial company and not by the Society [charity].

The Company will allow the Society use of, and access to, the railway and its premises for fundraising activities on an at-cost, or free of charge, basis as appropriate. The Company will not seek to generate profits via the Society's fundraising activities.

The Society must keep records to show how money is raised and subsequently used in furtherance of its purposes, and to demonstrate that it is in compliance with all relevant legislation. To allow this, where the Society has fully or partly funded a project, the Company will make available to the Society any relevant invoices, financial records and other relevant documentation to allow it to maintain its records and legislative compliance. Any reasonable requests for information from the Company will be met within 21 days.

4.4 ACKNOWLEDGEMENT OF FUNDING

Any provision of funding by the Society must be acknowledged in any press releases or other communications, such that the general public are able to discern when the Society's [charitable] funds have been used to fund a project.

Further information may be found in the Society's Funding Policy document.

5. PROVISION OF VOLUNTEERS BY THE DEAN FOREST RAILWAY SOCIETY

5.1 RECRUITMENT OF VOLUNTEERS

The Society will recruit volunteers to operate, maintain, manage and develop the Railway. These volunteers (Working Members) form the vast majority of the workforce at the Railway. As part of its promotional activities, the Society will promote the benefits of volunteering at the Railway.

The Society will keep records of its Members, in accordance with applicable data protection legislation. The Company will promote Society Membership as the principal route to volunteering at the Dean Forest Railway. The Society will issue its members with Membership Cards, and Working Members Identity Cards, as appropriate.

5.2 THE ROLE OF THE VOLUNTEER LIAISON OFFICER

The Volunteer Liaison Officer (VLO) is a member of the Society whose role is to co-ordinate the recruitment and retention of Working Members. The VLO reports to the Society Committee [Trustees]. Via the joint meetings of the Committee and Board, priority areas for recruitment can be identified.

The VLO will also provide formal inductions to the railway for Working Members, explaining the functioning of the various parts of the railway and providing any briefings required by the Company (e.g. basic Health and Safety, Drug and Alcohol policies etc.) The VLO will also record any information (e.g. next of kin details) required to be held by the Company in order to maintain its compliance with relevant legislation.



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5.3 PROVISION OF INSURANCE FOR WORKING MEMBERS, AND ACCESS TO THE RAILWAY

The company will ensure that all Working Members are Insured for any activities which they undertake voluntarily at, or for, the railway.

The company will allow all Working Members access to the railway premises and facilities, as long as they comply with the Company's safety and operational policies, and outlined in its Safety Management System and Health and Safety Policy.

5.4 VOLUNTEER FACILITIES

The Society will endeavour to provide suitable and safe overnight accommodation for Working Members at the railway. This is currently provided using converted railway carriages. The Company will not charge ground rent for location of these facilities, or service charges for reasonable provision of water and power to the overnight accommodation. In return, the Society will agree to keep the facilities in a good state of repair, and in compliance with any relevant safety legislation. In the event that any permanent (built) accommodation is provided, which would be owned by FoDRL, an operating agreement would be put in place to cover the use and operation of the accommodation building.

5.5 VOLUNTEER MANAGEMENT AND DISCIPLINE

Day to day management of volunteer activities will be undertaken by the Directors of DFRCL and their appointed Departmental Heads, within the organisational structure of the Railway. Matters of discipline will be dealt with according to the nature of the offence. For example, matters of poor performance of a particular role, or of contravention of the Railway's Operating Rule Book, will be dealt with via DFRCL's Disciplinary Procedures, documented within its Management System. However, should the actions of a Working Member bring, or threaten to bring, the Society into disrepute, then they will be subject to the disciplinary procedures allowed under the Society's Constitution.

6. BENEFITS PROVIDED TO SOCIETY MEMBERS AND WORKING MEMBERS

6.1 PRINCIPLES OF BENEFIT PROVISION

In recognition of the valued contribution they make to the safe and successful operation of all aspects of the Dean Forest Railway, members of the Society and Working Members are to receive discounts on railway travel, on purchases from the Norchard shop and café, and such other commercial operations of DFRCL as from time to time may be seen fit and appropriate.

The fundamental principle is that there will always be a benefit (in terms of discounts) to those who choose to support the railway through Society Membership, and a further more substantial benefit to those who choose to Volunteer as Working Members.

6.2 DETERMINATION OF BENEFIT PROVISION

Details of this discounting shall be set by the FoDRL Finance Director and DFRCL General Manager in accordance with Company Policy. These details are ratified by the FoDRL Board.

The Finance Director and General Manager monitor the application of this discounting to determine that it is applied correctly, in a fair manner, and does not cause unnecessary complication to operation of the shop or café.

The Finance Director and General Manager carry out an annual review of the discounts, revising them as necessary to ensure that they remain fair and reasonable, whilst maintaining the fundamental principles outlined in para. 6.1.

Any proposed changes to benefits should be discussed with the Society Committee [Trustees] at the earliest opportunity, with the commercial reasons outlined. This may be undertaken formally (via Para 3.3) if necessary.

The Society will not be expected to provide payment to the Company in exchange for these discounts to its members.

6.3 IDENTIFICATION OF THOSE ENTITLED TO BENEFITS

The Society will provide dated Membership Cards and Working Members Identification Cards, which entitle the holders to the benefits provided under para. 6.2. These cards must be produced upon request when the holder is attempting to access the stated benefits

6.4 PROMOTION OF BENEFITS

The Society may include the benefits, identified in para. 6.2, to Members and Working Members in its promotional literature, on its website and any other form of publicity, as part of its Member and Working Member recruitment activities. It will ensure that any quantification of benefits is up to date as far as is practicable in such materials (changing any information at the next printing of leaflets, for example).

7. SHARED BRANDING, NAMES AND WEBSITES

7.1 BRANDING AND NAMES

By their very nature, the names of the Company and Society are similar. This is a common situation in many preserved railways. The Company and Society have also, for many years, shared similar logos, with wording modified or added to make it clear to which organisation the logo refers.

Whilst this is appropriate, due to the many common aims of the two organisations, the two logos must be sufficiently distinct (via wording or changes) to indicate clearly to the public the organisation to which they refer.

This Accord allows both organisations to continue to use similar logos. However, the Society will not allow any other organisation to use its specific logo. The Society will only use the Company's logo where specifically agreed in conjunction with jointly-run projects, promotions or other activities.

Any joint activities, fundraising or communications must display the logo and name of the Society [charity] in addition to any other relevant logos or names, and clearly identify the nature of the Society's involvement.



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Any considerations of rebranding (logo changes) by the Society or Company will require the other party to be notified of the intention, and to be consulted on the potential effects on both itself and on the party seeking to re-brand. Any subsequent rebranding shall not require the other party to also rebrand – any such rebranding must be considered by the Committee [Trustees] or Board with reference to the implications for their own organisation.

7.2 WEBSITES

Both the Company and Society maintain websites. On the Company's website, there is some material which relates to the other organisation. For example, the Company's website includes a page on joining the Society and on Volunteering.

The Company undertakes to allow the Society editorial control over the pages on the Company website which refer to the Society. Content relating to the Society may not be changed (except in matters of formatting and display style) without its prior knowledge and agreement. The Society may also request that the Company change any other areas of its website that give rise to confusion between Company and Society [in particular relating to the charitable nature of the Society's activities].

Both organisations undertake to maintain links to each other's sites on their websites, although this does not necessarily constitute endorsement of the content of the site.

8. SHARED COMMUNICATIONS, INFORMATION OR DATA

8.1 PRESS RELEASES AND OTHER MEDIA COMMUNICATIONS INCLUDING SOCIAL MEDIA

Both the Company and the Society issue press releases from time to time regarding projects or other news items. For these releases, the Company and Society undertake to make clear the origin of the press release, and not to intentionally issue misleading press releases which cause confusion amongst the public or at the railway as to the origin of the press release (e.g. Company or Society).

From time to time, Joint communications may be released. The content of these joint releases will be agreed beforehand by the Company and Society Press Officers. Joint releases will not be released by the Company, if they contain information relating to the Society or on its behalf, without the Society's prior knowledge and agreement, and *vice versa*.

All communications must make clear to the recipient the issuing body (Company, Society or Jointly). It must be clear that Company communications cannot be attributed or interpreted incorrectly as having been issued by the Society, and *vice versa*.

These principles also apply to communications issued by Social Media. However, the Company may choose to use its channels to promote Society activities, whilst making clear that these activities are undertaken by the Society. In the same way, the Society may promote Company activities when these are in line with its [charitable] purposes.

8.2 THE DEAN FOREST RAILWAY MAGAZINE

The Society produces and prints a quarterly magazine for its Members, called the Dean Forest Railway Magazine (hereafter referred to as "the Magazine"). This magazine covers specific news and



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communications regarding Society matters and the activities of its Working Members, but more widely reports about the Dean Forest Railway, including items from the Board.

In the magazine, the Society will make it clear when articles are specifically referring to the views of the Society, the activities of its members, and when articles are referring to the commercial [and other non-charitable activities] of the Company. However, the Society retains overall editorial control of the Magazine, and undertakes not to publish anything in the magazine to bring any of the companies or organisations involved at the Dean Forest Railway into disrepute.

In return for the wider coverage of the Dean Forest Railway in its magazine, the Company will cover reasonable distribution costs for the Magazine.

The Society may allow third parties to advertise within the Magazine in exchange for payment. It will be made explicitly clear to such third parties that they are using a service provided by the Society, and funds raised through advertisement will be retained solely by the Society in order to progress its own aims.

The Magazine is also displayed for sale at the Railway Shop and may thus be purchased by any member of the general public.

8.3 DATA

Except in the limited circumstances identified in this document, and in compliance with the relevant legislation, the Society will not share membership data with the Company.

8.4 OTHER SHARED SERVICES

The Company will maintain a post-box for the Society, at the railway's Norchard address. It will collate post received for collection by the relevant Committee members [Trustees]. It will also provide the Society with access to certain telephony and IT services, where it is not reasonable or necessary for the Society to have its own, separate provision. The nature of this provision is subject to agreement with the Company's Finance Director and General Manager.

9. SHARING PREMISES OR PERSONNEL

9.1 PREMISES

In addition to access required by Working Members (para. 5.3) and for Fundraising activities (para. 4.3), the Company will allow Society members access to its premises for the fulfilment of their duties. This includes the provision of reasonable access, at no cost, to the Severn & Wye Room at Norchard for the purposes of holding meetings of the Committee [Trustees]. Practical arrangements for such access, including the room-booking system, will be agreed with the General Manager or other Company Officers as appropriate.

Storage and usage of rolling stock or other equipment owned by the Society will be subject to individual Agreements, on a case-by-case basis.

9.2 PERSONNEL

Various members of the Committee [Trustees] may also be members of the Board, in addition to the two Society-Nominated Directors. In order to ensure that the Committee [Trustees] remains independent in terms of its ability to make independent decisions regarding matters concerning the Company, which protect the [charitable] purposes of the Society, whilst avoiding conflicts of interest or of loyalty, the Society will ensure that its Committee [Trustees] are able to form a quorum when those with conflicts of interest are excluded from the decision making process. This will be done by ensuring that sufficient Committee members [Trustees] are elected or appointed who are not members of the Board(s) of the Company.

10. BREACHES OF THIS AGREEMENT, RIGHT OF REVIEW, REVISION AND WITHDRAWAL

10.1 BREACHES OF AGREEMENT

Any breaches of this agreement, when identified, must be brought to the other party's notice immediately. A joint meeting of representatives of both bodies should then be held with 21 days to discuss the breach, identify causal factors and any remedial action required, and to consider any modifications needed to this agreement as a result.

10.2 REVIEW AND REVISION

This Memorandum will be reviewed jointly by the Board and Committee [Trustees] regularly as part of risk management activities, within a period no greater than five years.

10.3 STATUS OF AGREEMENT

Should either party require items in this Memorandum to be revised, they must notify the other body in writing. A joint meeting of representatives from both bodies should then be held within 21 days to discuss and agree any necessary revisions.

10.3 WITHDRAWAL

Either party may withdraw from this agreement, with 3 calendar months' notice. Withdrawal must be viewed as a last resort, given the consequences for the continued preservation, development and operation of the Dean Forest Railway.

11. SIGNATURES

Signed on behalf of Dean Forest Railway Society:



Dr. Alastair Clarke, Chairman

Date 17/01/2019

Signed on behalf of Forest of Dean Railway Ltd and its subsidiaries:



Jason Shirley, Chairman

Date 22/01/19

Appendix A: Objects of the Dean Forest Railway Society

The objects are:

- [(1) to acquire and take over all or any part of the assets and liabilities of the present unincorporated body known as Dean Forest Railway Society and any predecessor bodies;]
- (2) the preservation and development of the Dean Forest Railway (hereafter ‘the Railway’) together with education about its history and current operations by means of fundraising and the recruitment and support of working volunteers in collaboration with Forest of Dean Railway Limited, Dean Forest Railway Company Limited, the Dean Forest Locomotive Group, the Dean Forest Railway Museum Trust and any other groups concerned with the preservation and development of the Railway (or any successor bodies to the above);
- (3) the eventual extension of the Railway with the agreement of and in collaboration with the above bodies (or their successors) beyond Lydney Junction and Parkend towards Speech House Road and Cinderford or other routes operated by the Severn and Wye Joint Railway Company;
- (4) the provision, where possible, for the needs of volunteers, especially where overnight accommodation is required for the purpose of their work, in collaboration with the relevant operational body;
- (5) the publication, either in hard copy, audio-visual, or electronic means, including social media, of a magazine or newsletter informing members of the history, current operations and objectives of the Railway and its associated support organisations and for the stimulation of interest among the general public;
- (6) the advancement of education and study of railway history and in particular the preservation and development of the Forest of Dean Railway, the former Severn and Wye Joint Railway and other railways in or around the Forest of Dean, including the history of associated canals, plateways and tramways and connected industries;
- (7) the encouragement and support of working groups dedicated to the maintenance and care of particular sites along the Railway or particular aspects of its development and operation in collaboration with the relevant other bodies.
- (8) the advancement of education by way of training in craft, engineering, business and all other skills pertinent to the maintenance and operation of a heritage railway and to encourage recruitment within the local community to fulfil the future labour needs of the Railway.