



[www.waverleyexcursions.co.uk](http://www.waverleyexcursions.co.uk)

# Waverley

*The World's last Seagoing Paddle Steamer*



*Creating a Sustainable Future  
for Scotland's Maritime Heritage*



**Paddle Steamer Waverley**

*"Long may she sail to remind us of summers past, prompting our expectation of summers to come."*

***Ian Jack, The Guardian***



## Executive Summary

***Nominated by the Sunday Times as a 'Top 3 nostalgic journey in the world'!***

Paddle Steamer Waverley is the UK's premier operational maritime attraction. She has been awarded many accolades during her term of preservation. She is a legacy of Scotland's great shipbuilding history and an ambassador for Scotland as she plies her trade around the coast of the UK.

The charity that operates the ship exists solely to preserve the ship in operation for future generations to enjoy. It seeks to maximise the number of passengers able to enjoy a trip aboard this famous ship, which brings back memories of the age of pleasure steamers and provides enjoyment for all.

***Waverley is a vessel of "pre-eminent national significance" which merits "a higher priority for long-term preservation" and she is included in the National Register of Historic Vessels.***

Waverley sails in areas where pleasure steamer cruises have traditionally been operating since the mid-nineteenth century, primarily the Firth of Clyde, Bristol Channel, South Coast of England and the Thames Estuary.

Waverley has an important role in social history. We regularly hear of grandparents today taking their family aboard for an excursion, re-enacting exactly the experience they had as children and now being able to share that experience in a tangible way with their grandchildren.

***Waverley is a 4 star tourist attraction.***



Waverley also gives the opportunity to preserve traditional skills and through the Waverley Academy provides hands on experience in an unusual setting whilst providing training for the 21st century.

In recent years, the increasing costs of fuel, wages, and meeting ever-more stringent legislation have combined to pose a serious threat to the viability of the current business model, threatening the survival of the heritage which it preserves.

***An independent Economic Impact Assessment has found Waverley contributes £3.1m to the Scottish economy alone. Passenger spend supports 145 FTE jobs.***

The Company seeks to ensure the long-term operational preservation of Waverley, the world's last seagoing paddle steamer, by putting in place an appropriate funding structure to underpin the ship's future. This will take advantage of the geographical spread in which the ship operates, and the communities she serves and on which she has an economic impact.

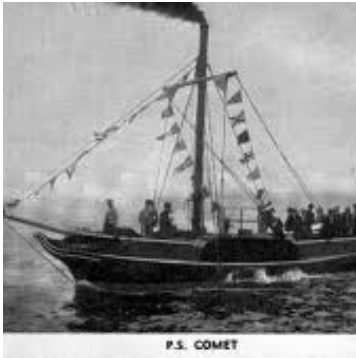
The trustees of the Charity gain no financial benefit, and the non-executive Directors volunteer their services in pursuit of the charity's objectives.

***Voted 'Glasgow's Favourite Tourist Attraction' by the Evening Times***

They aspire to create a partnership funding programme, which will establish a sustainable future for the ship and enable the charity to meet its objective, by inspiring future generations; preserving our industrial heritage; celebrating the country's maritime and engineering achievements; and protecting the investment that Waverley's passengers, volunteers and supporters have made in the ship, in both time and money since it has been in preservation.

**Kathleen O'Neill  
Chief Executive**

# The Heritage



In 1812, when Henry Bell's paddle steamer Comet became the world's first commercial steamship to operate in coastal waters, a tradition was started which remains alive today only in the form of the world's last sea-going paddle steamer, Waverley.

From the 1860's onward, paddle steamers developed an important niche in the coastal passenger and excursion trade. Large fleets served the cities, towns, villages and resorts of the Firth of Clyde, the Bristol Channel, the South Coast of England, London and the Thames Estuary.

Paddle Steamers also made a significant contribution to the war effort as minesweepers in both World Wars, and indeed Waverley is named after the previous Waverley who performed a heroic role at Dunkirk in May 1940 before being sunk by enemy action.

With a few exceptions, the Clyde steamers were owned and operated by railway companies. These were largely commuter ferries linking all the villages with the nearest railhead for onward travel.

It was widely known that the ships did not make money but getting passengers onto your railway did, therefore each railway company had its own fleet. The various companies competed until amalgamation made more financial sense. Coal fired ships were converted to oil to improve economy.

The advent of the affordable family motor car, followed by the new tourism markets abroad with guaranteed sun, sounded the death-knell for the traditional British seaside holiday, and conspired to consign paddle steamers to the history books.

The UK's fleet of coastal paddle steamers followed each other in a steady procession to the ship-breakers as age, fuel and maintenance costs and changing public tastes caught up with them.

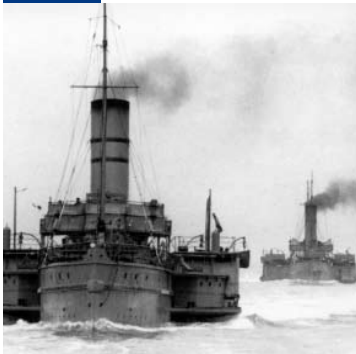
Car-ferries soon became essential on all routes and as the excursion traffic dwindled, point to point car ferry services became the norm. The last of the steam ships were withdrawn and by the end of the 1960's, Waverley was the only sea-going paddle steamer not just in the UK, but in the world. Operated by the state-owned Caledonian MacBrayne, prohibitive maintenance costs meant that even Waverley reached the end of her commercial life in September 1973.

Her owners offered the ship to the Paddle Steamer Preservation Society (PSPS) for £1.

By the mid 90's, Waverley's maintenance was becoming more and more costly and new European legislation required significant upgrading of the ship to meet modern passenger ship safety standards. The decision was made to completely rebuild Waverley with funding from the Heritage Lottery Fund, the PSPS, European Regional Development Fund and local councils in the areas she traded.

This rebuild was a massive job and the work was completed with scrupulous regard to her 1947 heritage in an effort to return her to how she looked when she first came into service, while embracing modern safety standards. It was carried out in two stages and she returned to service in 2003 on time and within her £7 million budget.

Waverley has remained in operational preservation since 1974, becoming a national icon, and a world-class example of maritime heritage conservation. The continued operation of Waverley preserves an iconic ship, not just for the UK, but the world.



# Waverley's Modern Legacy

## **Social Contribution**

The preservation of Waverley has made a considerable social contribution in the areas she sails around the country. There is no doubt that Waverley is loved by generations of people who sail on her time and time again. There are numerous people, in Scotland who enthusiastically declare that she is an institution and that she must be preserved at all costs.

Waverley typically visits over 70 towns every season. She provides colour and life to the rivers she sails on and ports she visits. She connects communities which were once linked by regular pleasure steamer sailings, spreading the impact of domestic tourism outside heavily populated urban areas, and she provides a fun day out for thousands of passengers every year.

The cafes and shops in the small towns where Waverley takes thousands of passengers every year enjoy a significant boost to their trade when she visits. Local businesses who supply the ship also benefit greatly from its operation.

Whilst the ship is an amenity to the local communities she serves, she is also an asset to Scotland's tourist industry – she is unique - no other country can claim to have a sea-going Paddle Steamer.

As part of her engagement with local communities, Waverley offers incentivised fares for Children and Senior Citizens and offers local fundraising groups substantial discounts when purchasing tickets.

Waverley aims to include local festivals and events within the timetable and promotes these events to attract people from other areas to join in the celebrations. This connection between areas is vital to many of the communities we serve.

Waverley acts as an ambassador for Scotland as she sails around the UK and could be used as a platform for promoting Scotland.

## **Connecting**

Over 140,000 passenger journeys are made aboard Waverley each year - over 5million have sailed on the ship since 1975. The operation generates over £3m for the Scottish economy in jobs and vital tourist expenditure. Many of the communities Waverley visits are rural and the ship's operation provides a transport link for locals and tourists alike.



## **Educating & Inspiring**

Waverley is Britain's largest interactive exhibit and provides an unparalleled way of learning about our maritime and social history. It connects local people with the river and coastal heritage, industrial heritage and marine environment. The Waverley Academy provides training opportunities for Deck and Engineering Cadets, retrainees volunteers and preserves traditional skills. Through the preservation and celebration of the expertise of yesteryear, Waverley offers a truly unique platform for inspiring new generations.



## **Entertaining**

Waverley is the last survivor of a 200 year tradition of pleasure cruises on Paddle Steamers. Preserving customs and memories of bygone days with sailings on the River Thames and through London's Tower Bridge; along heritage coastlines in Somerset, Devon and Wales; along the Jurassic Coast of England and round the Isle of Wight. Nowhere was the tradition stronger than in the West Coast of Scotland, where a trip 'Doon the Watter' transported visitors to the stunning scenery of the islands of the Firth of Clyde in unrivalled style. A trip aboard Waverley is one of the most enjoyable days out in the UK, and a totally unique experience.



# The Economic Impact

An independent study was commissioned to identify the economic impact of the trading operation of Waverley Excursions. The objectives of the study were to:

- Assess the direct and indirect economic benefits of the charity including any managed projects or works undertaken by it;
- Identify the overall economic impact of the Waverley Companies with regards to potential structural and public sector funding
- Assess the impact of the Waverley Companies on the economies where it operates
- Assess the impact of the Waverley Companies on the national economy
- Analyse the impact of leisure, education, recreation, tourism and conservation on social inclusion, including the impact in rural areas, and areas of social deprivation, and the associated issues of economic regeneration in those areas.

***In summary, the study found that the economic impact of the Waverley Companies, was identified as:***

- Expenditure by passengers on the ships contribute approximately £3.1 million per annum to the Scottish economy and £4.2 million per annum to the economy of England and Wales; a total of £7.3 million to the UK economy per annum.
- Based on the combination of direct employment and indirect employment impacts (from passenger expenditure), the Waverley Companies support approximately 154 FTE jobs per annum.

***It concluded that:***

- The Waverley Companies create a positive economic impact that should be protected through support and investment in its activities.
- The impact from Waverley is wider than its economic impact: it also provides impacts that cannot be quantified financially.
- Any areas for improvement in the current offer should be explored in order to identify potential for sustaining or increasing the level of impact from passengers.
- Engagement with stakeholders should be used to express the impact of the Waverley Companies and to identify opportunities for future partnership working

The study also noted that the Waverley Companies will have a wider economic impact than has been possible to quantify in this study. The conclusions on economic impact expressed in the report should therefore be viewed as the minimum economic impact that is derived from the Waverley Companies.



## The Season

The business model is to develop an attractive timetable for the season, set the fares at levels considered commercially viable, mount a marketing and advertising campaign to ensure that potential passengers are aware of the offering and will be interested, and to deliver the timetable as effectively and efficiently as possible. This model has sought to maximise the use of the ship for the purpose it was originally built.

The catering and retail operations are managed to maximise passenger spend and financial returns. Many elements of Waverley's timetable are now well established and are designed each year to maximise revenue at minimum cost.

Typically Waverley starts her season in the Western Isles, usually for 4-5 days, moves on to the Bristol Channel for 2-3 weeks and returns to the Clyde for the main season from late June to the end of August. She returns South for 2-3 weeks sailing on both the South Coast and the Thames before finishing the season with a weekend of sailings on the Clyde and retiring to winter quarters in Glasgow.

This pattern has evolved over a number of years and is now finely honed to maximise the potential demand of each sailing area. Individual sailings within each sailing area have been adapted over the years, reflecting experience of which sailings have the widest appeal and which offer the best returns, taking into account hours of work, running costs, pilotage restrictions, tidal conditions etc.

Whilst the pattern may change slightly year to year to take advantage of special events, the elements remain the same but we are always flexible to any new opportunities.

### **Early Day Motions supporting Waverley's operation were submitted to the Scottish Parliament, UK Parliament and Welsh Assembly. They received cross party support.**

That the Parliament regrets that summer season 2011 might see the last sailing of the Paddle Steamer Waverley on the River Clyde; notes that, for the past 199 years, with the exception of one summer, the waters of the Clyde have been churned by a paddle steamer; further notes that the Waverley is the only such British machine that has been preserved and still continues with its original function; recognises that she is the last ocean-going paddle steamer in the world; understands that an increase in the price of oil means that fuel now costs the Waverley £5,000 each day; welcomes the Waverley Appeal, launched by the Waverley Steam Navigation Co Ltd, to keep the ship sailing; congratulates the campaigners on raising more than £140,000 towards their £350,000 target; encourages everyone to get behind the campaign; understands that, in July 2011 alone, she had 32,500 passengers; recognises the economic contribution that the Waverley and her passengers make to the many towns at which she berths, from the Glasgow Science Centre quay down the Clyde to destinations including Largs, Rothesay and Millport; considers that the Waverley is a fantastic ambassador for Scotland as she sails annually down the Thames under Tower Bridge, and across the Bristol Channel, and hopes that the Waverley will still be sailing to celebrate the 200th anniversary of steam navigation on the River Clyde next year.



# The Challenge

WAVERLEY's continued operation is an ongoing challenge. Fuel prices, a huge increase in legislation driven costs, the minimum wage, weather patterns, a world recession, ferry fares supported by Road Equivalent Tariff and free attractions are today's hurdles in securing Waverley's continued operational preservation.

Paddle Steamers have never made a consistent profit. The Waverley organisation has been successful in keeping costs to a minimum through strong management, the commitment of its staff to the culture of best value and service, through the use of volunteers and working with local authorities and businesses.

After many years of self-sustaining operation, Waverley now needs external support to continue operating.

If we look at the costs which have driven the funding gap, then it is easy to see why we now need support. 1998 was chosen as a base year because 1999 heralded the arrival of minimum wage, the International Management Code for the Safe Operation of Ships, and Waverley's rebuild - which had been expected to lead to lower future costs.

	1998	2013	% Increase
<b>Key Fare</b>	<b>£17</b>	<b>£35</b>	<b>212%</b>
<b>Revenue</b>	<b>£815,814</b>	<b>£1,634,442</b>	<b>200%</b>
<b>Insurance</b>	<b>£44,310</b>	<b>£94,500</b>	<b>213%</b>
<b>Wage Rate</b>	<b>£2.90</b>	<b>£6.33</b>	<b>215%</b>
<b>Fuel Cost</b>	<b>£95,709</b>	<b>£570,421</b>	<b>596%</b>
<b>Refit Cost</b>	<b>£77,053</b>	<b>£376,159</b>	<b>488%</b>

You can see that in most instances costs have risen by around 200%. You will also note that revenue has increased by the same percentage. The company has mitigated the effect of minimum wage by changing the way it crews the ship. It has not however found a solution to the increase in fuel costs or the increase in the statutory annual refit costs. These costs cannot be passed on to our passengers as it would make the ticket price unsustainable.

It is essential for the continued operation of the ship, that people recognise the benefits brought to their community. We provide an amenity to your town, bringing visitors and creating wealth amongst the businesses.

It is time for Scotland to embrace the legacy of its shipbuilding history. There is no better way to do this than to support a world class attraction, one which acts as an ambassador for Scotland throughout the UK and is a shining example of what made Scotland great!

**Waverley needs your ongoing support either financially or in helping to reduce costs. You can do something now and not look back in regret, knowing you could have helped.**

**"It is difficult to articulate what the ship means to people, it is not until you get onboard that you understand her magnetism." Rear Admiral, Euan MacLean**

# The Future

## Mission Statement

WEL seeks to continue to run Waverley in operational preservation, for the enjoyment of future generations.

## Funding Needs

In order to fulfill its mission, the Waverley organisation requires funding to cover the costs of its annual statutory repair and maintenance programme. Since it has been in preservation, the company has mostly been successful in raising funds for this through passenger revenue. Increasing legislation and operational costs means that it can no longer fund itself solely in this way. The company has faced a number of financially challenging years and external funding is now required if Waverley is to remain in operation.

## Funding Goals

The cost of the annual maintenance programme is around £350,000 in a normal year. This will spike every 5 years to take account of the timetable of statutory surveys. This amount will need to be raised annually from external sources in order to create a sustainable future for the ship as such costs rise inevitably as the ship gets older.

## Funding Objectives

- To take advantage of Waverley's geographical spread by engaging with Councils, Industry and Suppliers in each of the areas she sails and those who derive benefit from her operation.
- To seek an operational subsidy from these Councils.
- To engage with local business to generate financial support and seek support for the Waverley Academy.
- To seek further cost reductions from supportive suppliers.

## Action Plan

- Public Sector Engagement Strategy covering all areas served by Waverley
- Ensure alignment with national and regional strategies.
- Assess Criteria of Trusts and Foundations and seek support where appropriate.
- Promote partnership with the Private Sector as outlined above.

## Monitoring and Evaluation

Waverley Excursions Ltd will set targets and implement a monitoring and evaluation strategy to assess these. This information will be used to improve the product and service of the company. This process will bring accountability to the organisation and provide funders with evidence of the impact of their funding.

*"Waverley is not just a link to the past but an example of extraordinary British engineering and craftsmanship. It's a testament to the great skill of the original shipbuilders, as well as the fantastic restoration work of the current owners, that after 65 years the paddle steamer is still going strong."*

**Isobel Pollock, President Elect of IME**

# WEL Leadership Team

## **Chief Executive: Kathleen O'Neill**

Kathleen has led the executive team since August 2011. She joined the company in 1999 as Accountant and has directed the commercial operation since 2001. As CEO she is responsible for the strategic planning of the business, ensuring compliance with regulations, and directing staff in implementing company policy. She has a wealth of management experience from the Retail, Telecommunications and Housing sectors.

## **Senior Master: Captain Andy O'Brian**

Andy is Head of Profession of the Marine Operation and leads all sea-going staff. He is responsible for checking and authorising the timetable and is owner of the Company's Navigational policy. He liaises with external authorities and agencies as required to facilitate the safe and smooth operation of the ship. Andy joined the Company in 2006 with 24 years experience on passenger ships. He sails as Waverley's principal Master during the operating season.

## **Director of Safety: Maria MacKinnon**

Maria joined the company in 2010. She is responsible for monitoring compliance with, and maintenance of, the company's Safety Management System and all other regulatory requirements. She also acts as D.P.A. and Company Security Officer. Maria, who has an Officer of the Watch (Deck) Certificate and a Degree in Maritime Operations, spent several years at sea with Maersk Line.

## **Technical Superintendent: Ken Henderson**

Ken supervises the mid to long term planned maintenance of the fabric of the ship and all her machinery. He liaises closely with equipment manufacturers and the MCA and oversees all aspects of the dry-docking and winter repair work. Ken joined the company at the age of 16 as a trainee in the engine room and is our longest serving employee. He has built on experience and achieved qualifications, taking over as Chief Engineer in 1998.

## **Chairman: David W. Kells**

David joined the Boards of Waverley Excursions Ltd and WSN in late 2012 and took over the Chairmanship of WEL in January 2013. His commercial experience while Managing Director of Hampden Park and Commercial Director at Celtic FC plus previous catering and retail experience provides a valuable resource for the Executive Team.

## **Vice Chairman: Lawrie Sinclair**

Lawrie is Vice Chairman of the Board of Waverley Excursions Ltd and provides support to the Executive team. He enjoyed a successful career in shipbuilding and repair, and served as Managing Director at three different yards from 1981 to 2000. He became MD of Caledonian MacBrayne Ltd and oversaw its separation into Caledonian Maritime Assets Ltd and CalMac Ferries Ltd.

## **Finance Director: Graham Shankland**

Graham is a Chartered Accountant and Member of the Association of Corporate Treasurers. After qualifying with Ernst & Young he has held various Finance positions with Grampian Holdings plc, Clyde Marine plc and The Harte Group with responsibility for all accounting matters, cash management, taxation and strategic planning.



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# You can help preserve Maritime History

## **Corporate Friends of Waverley: Staff Benefits & Customer Hospitality**

Paddle Steamer Waverley is a unique venue for you to use in support of your employee motivation and reward programmes. You will benefit from 30 years experience in corporate entertaining and support an iconic charity which preserves Scotland's proud maritime heritage. Waverley sails on day, afternoon and evening cruises from 70 ports around the UK. Enjoy company and staff benefits with a corporate membership for only £995 per year. Membership includes: 40 sailing tickets throughout the year saving up to £1000, an inspiring team building experience for your clients and staff, discounted private hire rates for corporate events, further discounts when buying additional tickets.

## **The Waverley Academy: Educating, Inspiring and Preserving Skills**

The Waverley Academy seeks to engage students in a unique way, provide them with hands on experience and inspire them to progress careers in the marine industry. The Academy serves to preserve traditional skills which were once in abundance in the West of Scotland, along with providing training suitable for a 21st century environment. It comprises four distinct disciplines: the Deck Training Academy; the Engineering Initiative; a Volunteer Programme in which many of our volunteers learn new skills; a Schools Programme which offers a package which can easily be incorporated into the Curriculum for Excellence. We are seeking funding to support this initiative. Future participants will gain significant training on an iconic vessel that holds an important place in British maritime history, and learn from highly experienced professional staff and volunteers.

## **Corporate Donations: Charitable Giving & Corporate Responsibility**

We know that the formula to creating a successful and sustainable business requires more than financial results and by supporting Waverley you can meet the needs of your Corporate Responsibility agenda. As a Charity and not-for-profit organisation, we are recognised as making a valuable contribution to society. You can support us through donations and sponsorships and by encouraging employees to share their time and expertise as volunteers. Investing in Waverley will enable you to build good relationships with local communities.

## **Sponsorship**

Waverley sails around the coast of the UK, visiting over 70 ports each year and carrying around 150,000 passengers. By sponsoring Waverley, you can have your product promoted to a huge captive audience. There are a number of sponsorship opportunities available, from sponsoring a lounge, having your product sold aboard the World's Last Seagoing Paddle Steamer and having your company's name on a banner on the most photographed ship in the world.

## **Affiliations**

Waverley has enjoyed a number of mutually beneficial affiliations and partnerships in her career. These partnerships are designed to raise profile, promote offers through cross fertilisation of databases and increase sales. Our latest affiliation is with HMS Defender which is the City of Glasgow affiliated warship. We look forward to working with new affiliates to mutual advantage.

Paddle Steamer Waverley is appreciative of the support for the Waverley Academy by Weir Group PLC, to Associated British Ports for its Corporate Donation and to the councils in the Clyde area. It acknowledges the in kind support from sources too many to mention, and gives grateful thanks to all the donors, big and small, who have supported the heritage, economic and social contribution of Waverley whilst she has been in preservation.

