

# THE ESTATE OF THE FUTURE

**Land Business Insights**



**STRUTT  
& PARKER**

BNP PARIBAS GROUP





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# FOREWORD

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Landowners and farmers have always understood the value of peer-to-peer learning. There is a long tradition of peeking over the metaphorical (and often literal) hedge and seeing what neighbours and contemporaries are doing. It's a great way of sparking new ideas and drawing on the knowledge and experience of others.

For this reason, our latest issue of Land Business Insights, which focuses on *The estate of the future*, puts a strong emphasis on what forward-thinking landowners are already doing by showcasing a series of 'businesses we admire.' The Strutt & Parker team has the privilege of working with some of the country's most progressive estate owners, so we've asked a few to share how they're future-proofing their businesses. We also feature some case studies with families that aren't clients, but whose approach we applaud and feel there is insight we can take from them. We thank them for their time and input.

We are at a time of huge change for the British countryside, as a complex, interconnected set of factors brings challenges and opportunities for land managers. Resilience will be one of the key characteristics of the estates and farming businesses that flourish over the coming years. So we begin by unpicking some of the constituent parts of that resilience – understanding where there might be opportunities to generate new revenue streams and how that might influence the way an estate positions itself. We may be facing a rapidly changing landscape, but we strongly believe there is huge potential for rural estates to contribute greatly to the economy, environment and society.

We also look at the concept of rural placemaking which we believe will prove to be a critical skill that underpins successful entrepreneurial landownership in the coming decade. If you would like to know more about placemaking then please contact our new Rural Ambitions team, which we have created to focus on helping traditional estates and farms to deliver customer-facing, innovative places in the rural landscape that anticipate changing trends and generate growth.

We hope you enjoy this publication and that you find the contents as inspiring as we do.



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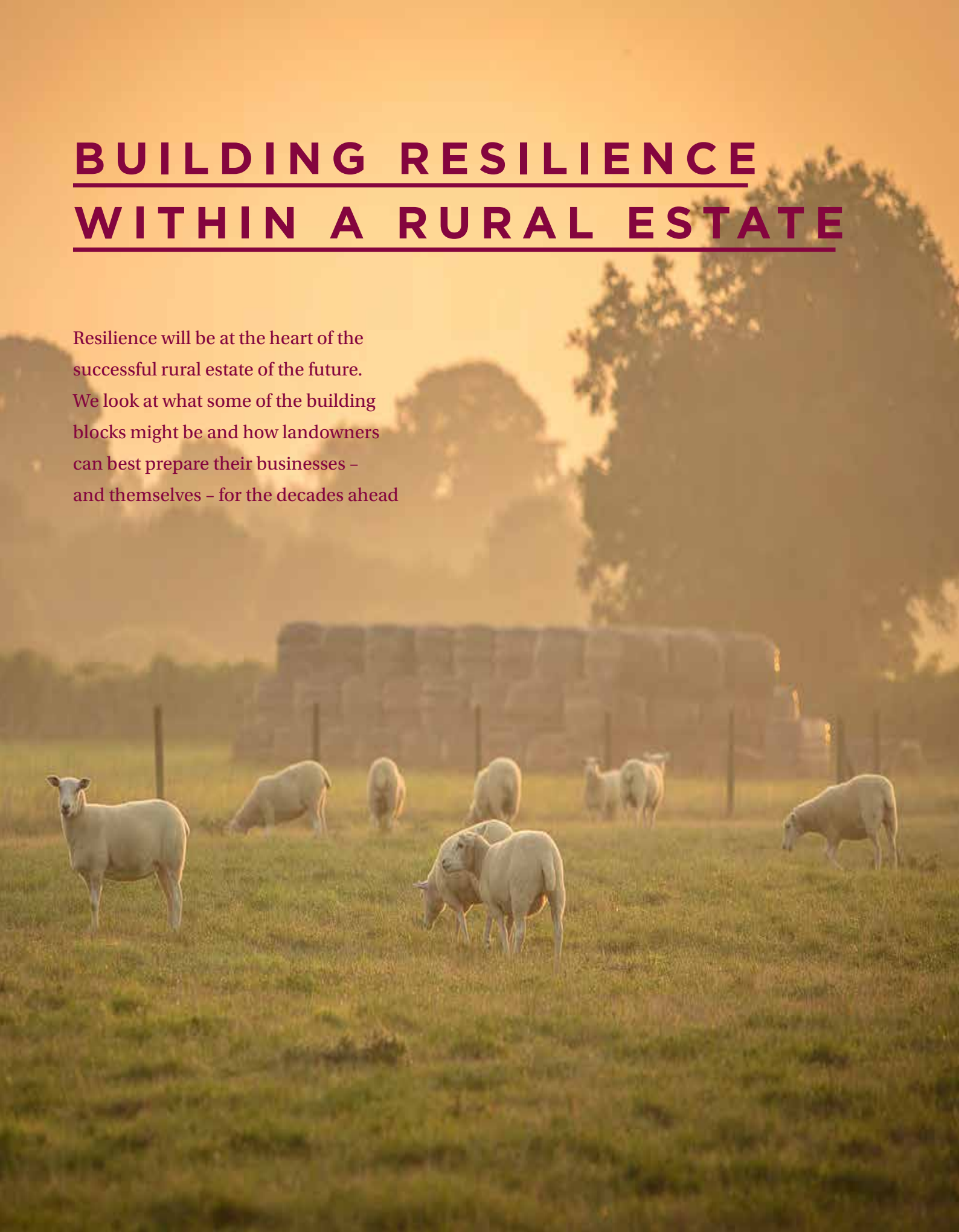


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# BUILDING RESILIENCE WITHIN A RURAL ESTATE

Resilience will be at the heart of the successful rural estate of the future. We look at what some of the building blocks might be and how landowners can best prepare their businesses – and themselves – for the decades ahead





There is an ancient Chinese proverb which says: 'When the winds of change blow, some people build walls and others build windmills.'

With rural estates and farms on the brink of a period of rapid transformation, how businesses choose to respond to the 'winds of change' may prove to be the difference between those that thrive and those that merely survive.

A radical shift in agricultural support, following the introduction of the Agriculture Act, is inevitably top of the list when it comes to explaining why change in the rural economy is expected.

Subsidy reform comes as no surprise – it's been talked about constantly for the past five years and marks the largest change in policy for the agricultural sector since the MacSharry reforms of the early 1990s. But minds have been focused now that cuts to Basic Payments have finally become a reality – at least in England – and are being implemented more swiftly than many had anticipated. We now know that larger farms (those claiming more than £150,000 in annual subsidy) will see two-thirds of their Basic Payments disappear

by 2024.

Strutt & Parker's modelling work shows that this is likely to have a significant impact on farm profits. Businesses sitting in the middle 50% or bottom 25% of performance could see their net profits fall by as much as half by 2028, even assuming they sign up to the new Environmental Land Management (ELM) scheme to recoup some of the shortfall left by the loss of BPS (see chart).

This points to income from in-hand farming operations or let agricultural portfolios coming under increasing pressure in a relatively short period of time. At its simplest, by 2028 many farms and estates need to have found alternative income streams worth about £85/acre – the equivalent of a lowland BPS payment – simply to stand still.

### MOSAIC OF CHANGE

However, while the biggest shift in agricultural support for decades is hugely significant, it is not the only revolution facing those who run land-based businesses.

Landowners are facing a 'mosaic of change', with a combination of factors coming together

with the potential to have a profound influence on how they manage land and property to derive an income from it.

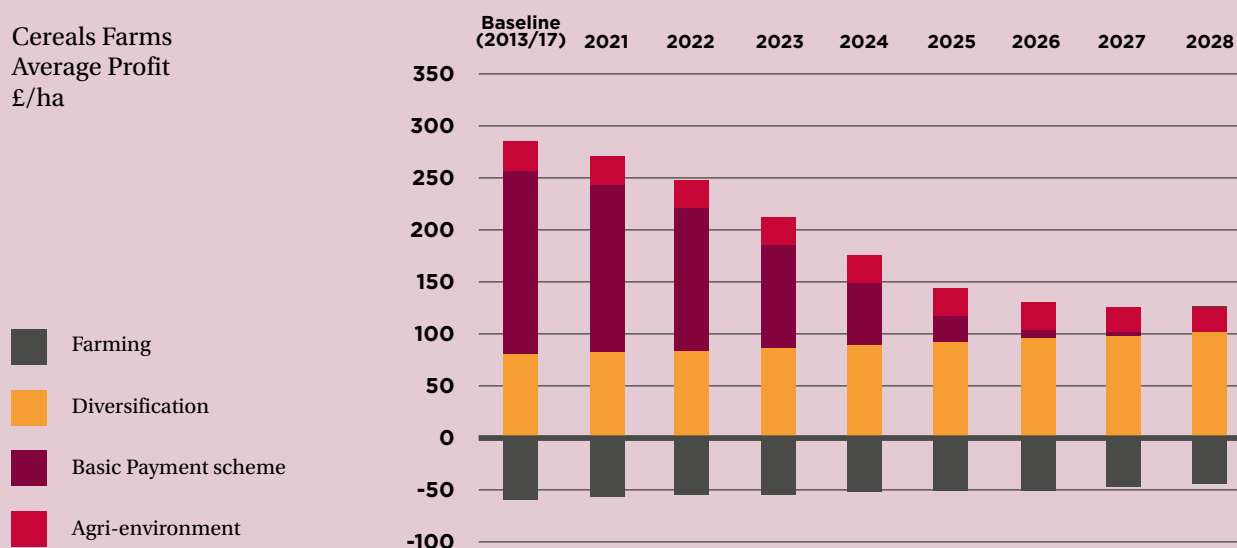
The COVID-19 pandemic may have temporarily diverted attention away from the climate change emergency and the natural environment, but they remain a high priority. There is a growing expectation from society that farms and estates will play their part in cutting emissions, increasing carbon sequestration, tackling flood risk, improving air and water quality, and reversing declines in biodiversity.

Important socio-economic changes are also at play, including the digital revolution, demographic shifts and changes in the way we all live. COVID has accelerated changes in our working practices, with the success of video platforms such as Zoom raising questions about the necessity of working from a city office five days a week. Lockdown has also given everyone a much wider appreciation of how access to green spaces improves health and wellbeing.

So what does this mean in practice for the future direction of estates?

### BACKGROUND - PHASING OUT OF BPS AND THE FUNDING GAP

Cereals Farms  
Average Profit  
£/ha



Source: Data from Farm Business Survey Cereals Farm 2013-2017. England Only. Based on Strutt & Parker Modelling

For many landed-estate owners this will naturally be a worrying time. However, there are good reasons to believe rural estates can have a vibrant future.

Of course, sustainable food production will remain at the heart of the vast majority of land-based businesses. Whatever our environmental and social ambitions, the nation still needs feeding and there is strong public support for UK farmers to keep producing to provide food security.

But alongside this, the rural sector has the potential to provide solutions to some of the big challenges facing society which is an exciting opportunity for entrepreneurial land-based businesses.

### ENVIRONMENTAL AGENDA

In England, Defra plans to reward landowners for better environmental management through the Environmental Land Management (ELM) scheme which will incentivise people to farm more sustainably, create space for nature, enhance animal health and welfare, and reduce their carbon emissions.

The ELM scheme will undoubtedly be a useful first step in terms of driving change and helping landowners on the journey of monetising the provision of public goods, while reducing their environmental footprint. But few expect ELM support to fill the funding gap left by the phasing out of Basic Payments.

The bigger opportunity for rural estates, according to many, lies in providing ecosystem services through the management of natural capital to the private sector. Large corporations are coming under increasing pressure to offset their own carbon emissions and are looking for innovative ways to do this responsibly.

For example, we are already talking to corporate companies who are exploring the possibility of forming joint ventures with landowners to create new woodlands. These are businesses that have no desire to own the land, but are prepared to enter long-term partnerships with landowners to plant woodland, in return for stakeholders being able to walk in the woods and for them being able to use the initiative for marketing purposes.

It is possible that in the next 10 years we could see corporate companies wanting to put their names to woodlands, which can be enjoyed by their stakeholders, in much the same way that they currently sponsor sporting and music stadiums.

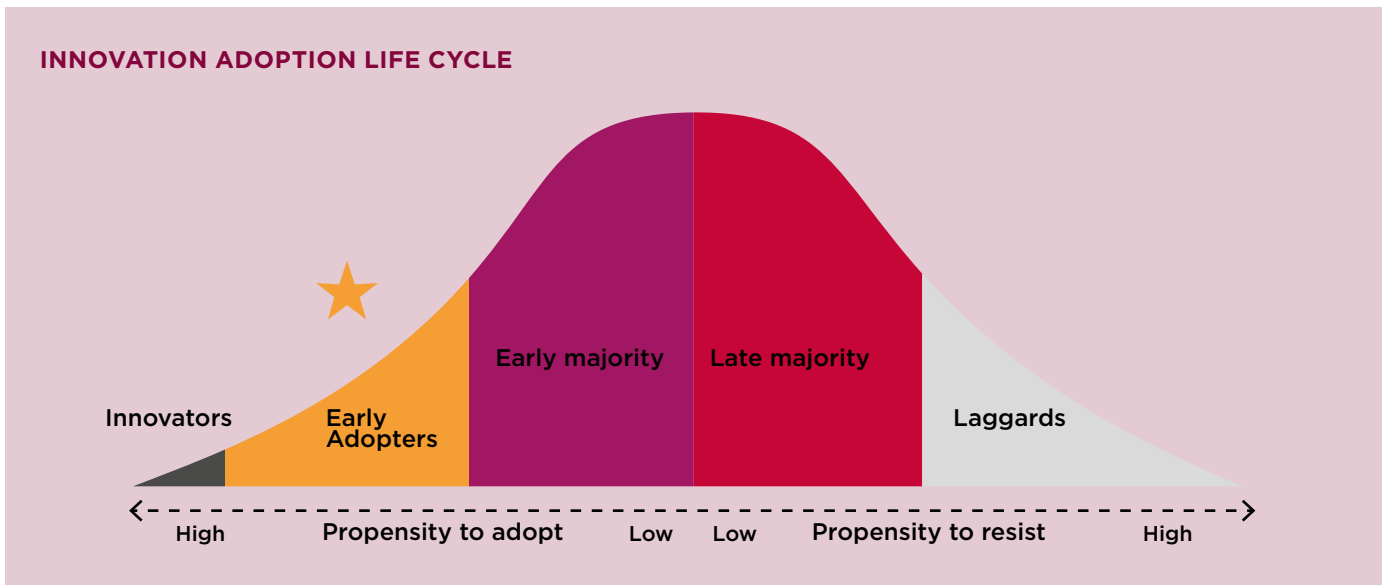
### TRADING BUSINESSES

For those estates currently reliant on agricultural, commercial and residential rents, the creation of, or partnership with, new trading businesses is perhaps the most obvious answer when thinking about building business resilience.

Farm Business Survey data shows total income from diversified activities in 2019/20 was £734m, with an estimated 68% of farm businesses that took part in the survey having some sort of diversified activity.

However, when the letting of buildings for non-farming uses is excluded from this dataset the percentage of farms with some sort of diversified income falls to below 50%, with just 6% engaged in enterprises like tourism accommodation and catering, compared with 22% with solar energy.





“  
**WE HAVE THE  
 POTENTIAL TO  
 PROVIDE  
 SOLUTIONS TO THE  
 BIG CHALLENGES  
 FACING SOCIETY**  
 ”

RHODRI THOMAS,  
 HEAD OF RURAL

To date, the rural sector has only scratched the surface of possibility when it comes to introducing diversified enterprises and we expect to see others following those early adopters, as is the case in any innovation adoption life cycle.

What those businesses might be will vary between estates and according to the asset base, the owner’s aspirations, location and unmet needs within local communities. Those who have already diversified into the hospitality or events sector will understandably be feeling bruised by the current crisis, but that does not mean that the principle of diversification is wrong.

For some owners, with the right entrepreneurial skills, diversification will mean the launch of their own in-hand businesses. But for others it could be better to invite others that share their values onto the estate to work alongside them as tenants or trading partners. Having the self-awareness to know which camp you should be in will be vital.

Shared values – with trading partners and your customer base – will be crucial as we move forward. The work of leadership expert Simon Sinek has shown that customers buy from businesses that hold the same beliefs and values that they do. Having absolute clarity on why you want to diversify your estate business and faithfully following through on this inspiration can be a source of competitive advantage.

This ties in with perhaps one of the most significant changes that an estate looking to build resilience may need to implement over the coming years – the need to position itself positively within its local community and be bold and clear in terms of what it stands for and what it is providing.

There is currently increased public scrutiny of the distribution of wealth – in particular, the source of inherited wealth. As land ownership is one of the most conspicuous faces of inherited wealth, landed estates are under the microscope like never before. There is also much greater public interest in the environmental impact of land use. Collectively, it feels like there is a more hostile attitude towards land ownership than for some time. How those at the helm of these businesses respond to that is important if they are to position themselves as modern and relevant.

### **CHANGING PERCEPTIONS**

A rural estate which understands how it is perceived and is prepared to engage proactively with the local community to understand its needs, desires and concerns will put itself in a stronger position moving forward.

Many estates do already have a positive story to tell in terms of the social value they can bring – creating employment, business opportunities and providing activities



which contribute to people's sense of wellbeing. However, we as landowners can often fail to fully articulate this contribution. We also need to turn up the volume on what we are doing around managing natural capital and the provision of habitats.

But how does an estate go about creating a strong story?

We know more and more people want to enjoy guilt-free experiences which come when they feel they are engaging in activities with a low carbon footprint and are aligned to the environmental agenda.

This opens up an opportunity for an estate to create its story, for example, around how it has planted trees to make wildlife corridors, which produces a habitat that supports a particular species of flora or fauna.

The estate might then provide public access to those wildlife corridors and encourage members of the public to enjoy the leisure opportunities associated with them. If people identify with the ethos of the estate, they are more likely to support a coffee shop, or pay a premium to base themselves in an integrated workspace on it.

### RESPONSIBLE PARTNERS

Even estates who have no desire to welcome the public through the gates – perhaps focusing on the provision of ecosystem services to corporate buyers – are likely to find themselves needing to give more consideration to how they are perceived externally and the social and environmental value they deliver. Companies that recognise

the importance of being able to prove their own Environmental, Social and Governance (ESG) credentials will be most likely to be able to attract investment from the corporate world.

The emphasis on ESG and Corporate Social Responsibility (CSR) has become noticeably more pronounced within the business community in the past few years and responsible investors view this as far more than a tick-box exercise.

An example of this is growth in the B-Corp movement, which is a certification scheme for companies focused on balancing purpose with profit. The scheme acts as a guarantee to consumers and business partners that a company is meeting the highest standards of verified social and environmental





performance, public transparency and legal accountability.

Such initiatives may feel alien at the moment – only two farms have signed up to B-Corp so far – but embracing them may help to open doors. We are already having conversations with companies outside of the rural sector who are grappling with ways to offset their carbon footprint and are open to the idea of buying carbon credits from estates engaged in projects such as woodland creation or peatland restoration.

It feels like companies which can demonstrate their environmental and social value, and really leverage their estate's story and heritage, will have scope to attract premium rates for carbon credits.

## SHIFT IN MINDSET

The path that each estate takes to build resilience over the coming years will be individual. In addition to the ideas already outlined there may be opportunities in providing land for Biodiversity Net Gain habitat banks, selling nitrogen credits and collaborating to deliver environmental improvements at a landscape scale.

Some businesses may choose to focus on making changes within their farming operations, by implementing regenerative farming methods or through the use of data to help drive business performance. Others will want to look at investing in housing, workspaces and renewable energy projects to help support the development of their local community.

The rural sector is embarking on a new era, but there is strong potential for businesses to derive a profit from the natural environment and the provision of other public goods.

With a shift in mindset, the rural sector should be well-placed to play a key role in delivering on the green agenda, creating jobs and homes, and improving public health.

Estates which understand the power of their own brand and are forensically focused on what the market wants will be at the front of the queue when it comes to unlocking these new opportunities. They might not choose to build windmills, but they certainly won't be choosing to build walls.

## MOSAIC OF CHANGE

### *Key driver: Farm policy*

England has already started on its journey of moving away from direct support payments to a system of rewarding farmers and landowners for the provision of public goods. The transition looks to be slower in Scotland and Wales, but is ultimately expected to take a similar path.

### *Key driver: Public scrutiny*

Rural estates are seen by some as the conspicuous face of inherited wealth and are facing greater public scrutiny than ever before. Questions are being asked about tax exemptions currently offered to landowners and we have already seen Scotland go down the route of introducing land reform legislation.

### *Key driver: Climate emergency*

The climate change crisis has sparked huge debate about the nature of land use in the UK. The industry is unique in that while it is a significant source of greenhouse gas (GHG) emissions – about 10% of all UK emissions – it also has the potential to help to mitigate climate change by acting as a carbon sink.

### *Key driver: Future of housing*

COVID-19 has seen a rise in the number of people wanting to live in rural areas, as people seek the benefits of space and fresh air. Get the offering right – with a key ingredient being a good broadband connection – and estates should have potential to attract premium rates for high-quality rental properties.

### *Key driver: Workplaces*

Many people have embraced the shift to home working enforced on us by COVID-19 lockdowns, but as time has gone on more and more of us are noticing the downsides, such as the lack of human contact. Could there be a growing appetite for shared space or serviced offices in rural locations?

### *Key driver: Technological advances*

Historically, rural areas have been held back by poor connectivity. But this is starting to change as new solutions to improving mobile and broadband coverage emerge. This should stimulate business growth and encourage new entrants who may be keen to base their businesses in the countryside.

### *Key driver: Public health*

After COVID-19 there is likely to be much greater focus on public health, and research proves that access to the countryside is beneficial for health and wellbeing. Identifying new, creative ways of helping to deliver improvements in public health could be another opportunity for estates.

### *Key driver: Energy use*

A key element of the UK's emissions reductions to date has been the switch to lower carbon intensity forms of energy and many farms and estates have embraced this. A future challenge is moving towards energy positive homes and buildings, where the property generates more energy than it consumes.

### *Key driver: ESG expectations*

An emphasis on Environmental, Social, and Governance (ESG) criteria is expected to become much more mainstream in the rural sector. In fact, some estates have already appointed an ESG officer. Socially conscious investors use ESG standards to screen potential investments.

### *Key driver: E-commerce*

Online shopping has become the primary means for many people to buy goods, over the course of the pandemic. The opportunity for producers on rural estates to trade directly with consumers and add value to their produce through e-commerce has never been greater.



# AN INTRODUCTION TO RURAL PLACEMAKING

Placemaking is an approach typically used by urban planners when designing public spaces. Ed Mansel Lewis, Head of Rural Ambitions, considers the potential role of placemaking in the development of rural estates



Harrods in Knightsbridge is an unlikely source of business inspiration for farm and estate owners.

Yet there are valuable lessons that can be learned from this famous, high-end retailer in terms of how placemaking can be used within a business and the benefits it can bring.

Placemaking is relatively new in the rural estate sector, but it is a process we believe has huge potential as estates look to develop new customer-facing diversified enterprises.

It is a concept that has a multiplying effect on some established financial metrics. When venture capitalists consider buying a business, two of the first KPIs they analyse to get under the bonnet of the business are Customer Acquisition Cost (CAC) and Average Basket Value (ABV). The former is the number of customers acquired as a result of investment in marketing and sales, the latter is the average value of goods or services paid for in a transaction. A good grip of these metrics means they can estimate the likely revenue that could be generated from investment in marketing and sales. A lower CAC is better, as it means it is costing less to win customers and a higher ABV is better, as people are willing to spend proportionately more when they buy goods or services compared to when buying from others in the same sector.

## CUSTOMER ACQUISITION COST

*All marketing and sales expenses*

*Number of customers acquired*

## AVERAGE BASKET VALUE

*Total value of goods sold*

*Number of transactions*

Businesses winning new customers at a relatively low marketing cost are often those situated in places that enjoy lots of footfall, and where there are long dwell times and high return rates. Effectively, they are businesses in lovely places that people enjoy visiting and where they want to spend their time. This simple understanding is at the heart of placemaking. It is a hands-on approach to designing and improving places, often drawing on the inspiration of the people who will use it. There are a number of fundamental principles that can be deployed at a range of scales, from cities down to individual buildings. It can also be deployed in any sector, from retail to community based public spaces.

## THE HARRODS EXAMPLE

What Harrods has got right – and what the rural sector can learn from it – is the application of five key tenets of placemaking:

### 1) Taking a customer-led approach

Harrods' approach is to 'think carefully about the customer, and let the objectives flow from there'. Decisions about merchandising, shop floor visualisation, marketing and operations are all guided by careful customer data analysis. This way, its decisions are completely aligned with what it knows customers want to see and hear.

There are some helpful analogies between Harrods' customer-centric approach and the central tenet of placemaking; the practice of capitalising on a local community's inspiration with the intention of creating places that are vibrant, exciting and where people want to spend their time.

Traditionally, estate owners have taken a less customer-led approach, perhaps because estates are both a family home, as well as a business. We acknowledge this, and it's why the first step we take in any placemaking process is to demarcate the 'sanctuary' – a private area on the estate reserved solely for family life with no public access.

For those areas that fall outside of the sanctuary, where diversification can take place, estates have traditionally started by considering the alternative planning uses of an underutilised agricultural building, investing in the conversion with an allocation





of 10% of the capital cost for ‘landscaping’ then letting the tenant focus on getting customers to come on site and buy their products or services.

If Harrods’ customer-centric approach teaches us anything, it is to turn the process upside down. To start by collecting as much information as possible from future customers, and leveraging it to create a vibrant place with lots of footfall where tenants will be eager to take a lease, pay competitive rents and pose less vacancy risk.

## “ PLACEMAKING IS A CONCEPT WITH HUGE POTENTIAL ”

ED MANSEL LEWIS,  
HEAD OF RURAL  
AMBITIONS

### 2) Reducing barriers to entry

If you can, picture a map of Kensington in your mind, and Harrods’ prominent location facing onto the Brompton Road in the centre of that map. The building occupies a whole block and is bookended by Basil Road to the rear and Hans Road and Hans Crescent on its sides. At each of the four corners of the building, where the roads meet, are the main customer entrances.

The benefit, of course, is that the entrances are easily accessible to pedestrians walking down any of the roads, so the entrances see double the volume of foot flow, compared to an entrance that was located in the middle of the building. By putting the entrances on the corners, it has reduced the barriers to entry for those customers who wouldn’t otherwise have made the effort to turn the corner and keep walking to the side entrance.

The other defining thing about the entrances is the statement they make. They have ornately detailed architraves that hood the banks of glass double doors, each with an ‘H’ embossed in the glass. The handles are polished brass, the same colour as the brass lettering of the word ‘Harrods’ on the walls either side. They mark the threshold of a world that they have designed, and that we read as a symbol of luxury.

Often roads into farms and rural estates are historic agricultural accesses that have been improved and widened over time. At the time of their origin it’s likely that they were chosen for ease of access to adjoining fields or buildings. Therefore, if you were to put a pin on an estate plan to mark your ideal, hypothetical access point, you would probably choose somewhere off the busiest road, or with the most impressive entrance, not the old route.

Reducing barriers to entry and making the physical environment as accessible as possible, as well as ‘readable’ as a symbol of what the place represents from the point of entry, are important ways to create a convenient, identifiable and welcoming place, just as Harrods has done.

### 3) The anchor

The anchor is a key, identifiable reason that customers would choose to visit a place. It’s important to define and incorporate into a masterplan because it activates a place by bringing customers in and the surrounding businesses rely upon it for the footfall that is their lifeblood. For Harrods, its anchor is the sense of theatre that it has created in the shopping experience. The high-end store has become as much of a tourist destination, as it is a shopping destination.



It has its own TripAdvisor entry with nearly 9,000 five-star reviews. It is a byword for luxury, but also for customer service. Customers are more than willing to pay the higher prices the store charges because they perceive that the overall 'experience' gives them value for money.

At a time when big-name department stores like Debenhams and House of Fraser have been forced into store closures and restructures, and other mid-market competitors like Marks & Spencer and John Lewis are feeling the pinch, Harrods' anchor has allowed it to buck the trend. Before the pandemic, it was outperforming the sector with an operating profit of 20%, whereas other incumbents were averaging 5%.

Although rural Britain may feel like a different world to Knightsbridge, farms and estates have some pretty impressive anchors to offer. As landowners, we are custodians to some of the most beautiful landscapes and outdoor spaces in the nation and those of us who own them are immensely grateful for the privilege.

The lockdown period has highlighted more than ever that those who don't have such land at their disposal are desperate to access it.

This presents tremendous opportunities for the rural estate to use these beautiful outdoor spaces as their anchor, and to develop products and services that fulfil people's need to spend time in calming, beautiful spaces and feel more connected to nature.

So imagine a place outside of your sanctuary. Now think of the number of ways in which the outdoors could serve as an anchor to draw people in and support the sales of products and services on that part of the estate or farm. It might be picnics on the river bank, ice-cream shops at the end of a woodland trail, low-density holiday accommodation or bootcamp fitness sessions in an oak wood.

#### 4) The power of 10+

Places thrive when people have a range of reasons (10+) to be there. There is no magic in the number 10, rather it is a reminder that more is better. These can be transactional reasons like buying from a shop or simpler, more evocative reasons like a place to sit and look at the view, art, music to listen to or food to eat. What Harrods has done so well is to create layers and layers of reasons to visit,

with the range of shops, restaurants, cocktail bars and art galleries within its store.

The case studies we feature in this publication have layered one customer draw above another to create high footfall and dwell time, and their businesses or trading partners are better for it. Often, the customer draws require very little investment and sit alongside the primary investment project – for instance the creation of a circular countryside walk to encourage tenants to rent a space in the co-working office.

#### 5) Curating and linking complementary businesses

Walking through Harrods from one retailer to the other, you get the feeling that each business was carefully curated and placed alongside its neighbour so that, each one complements the other. The customer experience is richer for it, as are the prospects for the individual businesses as they see a far more targeted and relevant segment of customers passing through.

Estates are traditionally quite bad at this and often approach diversification on a one-off building or project basis, with little



## INVESTMENT STRATEGY

There is a strong argument that every estate and farm should set a hurdle rate before considering any investment – at present the reality is that most do not.

In many business sectors it is standard practice to talk about hurdle rates, which give companies insight into whether they should pursue a specific project by setting a minimum rate of return required.

In our experience, estates tend not to have set hurdle rates, and generally are more conversant with KPIs of existing businesses than measures by which to approve new ventures.

This is a common feature of businesses in mature sectors as their focus becomes less on the balance of debt and equity, and more on the generation of profit and managing cashflow. As a consequence, the relevance of financial statements to their business changes, from an initial focus on balance sheets to focusing on cashflow and profit and loss statements. However, as businesses begin to think about diversification they need to start thinking about the balance of debt and equity again.

## TIME TO REVIEW

Strutt & Parker has developed a business analysis tool which is particularly useful for estate owners who need to consider the balance of debt and equity before introducing new diversification projects. The tool also offers clarity about some key ratios that can be found when analysing the balance sheet alongside other financial statements.

The 'Time to Review' tool is designed to aid long-term, strategic decision-making for mixed rural businesses with let property by quickly identifying their strengths and weaknesses in terms of a set of selected financial ratios. The financial ratios have been chosen as a useful starting point for discussions about whether assets are being used to their potential.

The ratios include:

**Efficiency** – measured by the value of debtors at year end compared to the value of turnover collected throughout the year. This helps provide clarity on whether a business's systems for collecting rent are working or not.

**Interest cover** – what is the ratio between the level of operating profit compared to bank interest due. Is the business easily able to cover its interest payments or does it need to increase its profitability/try to secure cheaper borrowing elsewhere?

**Return on Capital Employed** – could a business make more money if it moved its capital into higher performing asset classes?

The tool requires users to input balance sheet, profit & loss and Basic Payment Scheme information (or rent from land let with entitlements) to produce the ratio scores, which are displayed on a traffic light basis.

The Strutt & Parker Time to Review tool is available free of charge. Visit [struttandparker.online/rural-timetoreview](https://struttandparker.online/rural-timetoreview) and we will email it to you. If you want any help inputting your own data or in implementing the suggested changes then please contact the head of the rural department in your nearest Strutt & Parker office.

thought towards who the future adjoining businesses might be. The result is often adjoining operators from sectors that do not complement one another, each struggling to create an identity for their business or the place their business occupies.

Some of the case studies we have chosen to highlight have taken a more editorial approach in the businesses they have clustered together, with the whole being greater than the sum of the parts.

They have also thought carefully about how to link them to one another and to the anchor so that customers can move between the businesses and the amazing landscapes they are immersed in.

## A COMMERCIAL MASTERPLAN

The coronavirus pandemic has brought about change in every industry and the land-based sector is no exception. The good news is that farms and estates have plenty to offer that society wants and the key to their future is working out how best to harness that demand.

Rural placemaking is a process which can help an estate produce a commercial masterplan which will give any new business activity the best possible chance of success. It is a concept that we believe will prove to be the skill that underpins flourishing entrepreneurial landownership in the coming decade.

## RURAL PLACEMAKING

To learn more about rural placemaking and the services of the Rural Ambitions team, contact:

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# BUSINESSES WE ADMIRE

Meet the landowners who are creating strong and vibrant businesses by focusing on new market opportunities and embracing fresh ideas about how to approach land ownership



*Leys Estate lies close to the town of Banchory and next to the River Dee*



## LEYS ESTATE BANCHORY ABERDEENSHIRE

### WHY IT WORKS

- Clever curating and linking of complementary businesses
- Access to stunning rural locations acts as the 'anchor'
- Communications strategy and community engagement bringing clear benefits

The creation of pathways connecting the different facets of the business at Leys Estate in Aberdeenshire is symbolic.

It reflects a wider mindset that the main elements of the business – the traditional rural estate, the commercial and retail lets, biomass energy scheme, sports ground leases, land and housing development – should not be viewed as separate entities but part of a shared legacy. The estate is the home of the Burnett family and has been within their ownership since 1323.

Strutt & Parker consultant and Leys Estate Group CEO David Smart has helped steer the ship for the past 20 years, helping to shape Leys into the modern estate it has become. It's a role that started with two days a week in tandem with other managed clients and evolved into a secondment in 2016 that is now 'effectively full time.'

There's salmon fishing, shooting and stalking – everything you would expect from a great Scottish estate – but the scale of non-traditional enterprises is awe-inspiring.

Leys Estate Group also has a link to the Burnett family's housebuilding and construction arm, the Bancon Group. When the buyers or tenants of these properties turn

the heating on, it's the estate's Hill of Banchory Biomass Energy Centre (HoBESCo) that provides the heat from woodchip. 'Over at the rugby club, when the lads have a shower the water is heated by a biomass scheme,' explains David. 'It's the same over at the new council-run swimming pool.'

Then, of course, there is the hope that the new home residents will support the myriad of businesses that are renting premises from the estate and they may even end up working or renting one of the estate's many office units. Throw into the mix the new £8.4m sports centre, funded by the council but on land leased for 175 years from the estate for a nominal £100 a year, a renowned theatre and arts centre, ground earmarked for a new academy, rugby and football pitches, athletics ground, nine-hole golf course and driving range and the sheer scale of the enterprise and the support to community projects starts to become clear.

'There is no getting away from the old adage location, location, location,' David muses. 'We're only 20 miles from Aberdeen, yet here we are in Royal Deeside in the most stunning of rural settings, so the estate is blessed with the most ideal location.'

## COMMUNICATION CRITICAL

The size of the estate's business does throw up challenges, such as retaining a sense of place and it's become impossible to rely on word-of-mouth for the local community to know what's going on.

'We now have a communications and marketing manager and a strategy agreed at board level,' says David. 'The more we do, the more important it is to inform people. I get asked to speak to so many local groups and it's always the same story: "Oh, I didn't realise the estate does that". There is always something they find fascinating, but yet didn't realise was an estate initiative.'

This new proactive approach to communication is already paying off. A good example was when the estate carried out a voluntary consultation for a new road near a housing development and there were around 700 objections.

'Having listened to the community, we re-planned the road with the council and when we re-consulted there was just one letter of complaint,' says David. Similarly, there has long been a proposal for a new secondary school on zoned land in the local plan.

'The longer the school wasn't being built,

the more people were thinking that the estate wasn't delivering the land,' explains David. 'So we have actively been communicating with parent teacher groups, local councillors and at other meetings to explain that the land is available – the problem is that the council don't have the budget to develop it. It's a new approach and it really works as people begin to understand and say: "I didn't realise that!"'

## NEXT GENERATION

It's a strategy that has filtered all the way down to grass roots, with a deliberate effort to engage with the next generation.

'We explain all about the estate to as many youngsters as we can, from cubs, brownies, scouts and guides and also local schools.'

With young people so environmentally aware, the estate's various biomass schemes, which have been operating since 2012 never fails to get them talking. The estate has one of the largest privately owned renewable district heating networks in Scotland. The wood chip is produced from estate-grown timber, purchased small roundwood sawmill co-product, plus there are 30 hectares of short rotation coppice willow grown and harvested on a three-year rotation.

In another example of its upfront attitude, the estate has urged any estate residents or businesses struggling to pay their energy bills or rent due to the COVID-19 pandemic to get in touch and communicate their problems. 'Far better to know early if people are struggling and we can try and work with them to find an appropriate solution,' says David.

It's the office units where David and his team are having to be especially creative since the onset of the COVID-19 virus; they are open to flexible rental models and are offering a 'plug and play' office rental model.

'People will not want to rent long-term office space going forward,' says David. 'Post-COVID we're much more likely to be doing business with somebody wanting to rent an office and occupy it for two days a week or parts of a week. Working from home during the pandemic has made some bigger businesses realise that a satellite hub on a rural business park such as ours is a very real possibility. A team might need to get together for a few days of the week, but the days of employees needing to commute into a head office every day are starting to look outdated and we have a new legal firm tenant moving in to our Business Centre on exactly that basis.'

*Grace Noble of Aberdeenshire Highland Beef*





## FOCUSED APPROACH

Interestingly, David views the Leys Estate Group as a 'land and property business' so it has a deliberate policy to stick with what they are good at and not to try and run multiple diversified businesses.

'Land and property business is our skill set,' he says. 'You see so many estates opening the farmshop, the brewery and so-on which can be good diversifications. However, we're very happy to facilitate these types of businesses, but would far rather have tenants that are passionate and knowledgeable about running these specialist businesses than try and manage them ourselves and it de-risks it for us.'

'We're a bit like a property dating agency. We're the ones with the land and property and then we get together with those with specialist expertise and passion. We then find a way to work together to make the new relationship work and it is having an open and flexible approach to this that is the key.'

## SUPPORTING TENANTS

One such dalliance that has turned into a long-term love affair with the estate is a company called Aberdeenshire Highland Beef. Its owner Grace Noble built up her herd and offers successful tours of the farm and her Highland cattle and has a butchery and small farmshop direct-selling her amazing beef products. She is also hoping to develop the farmshop, create a café and have more educational farm tours, but like many

businesses the pandemic has delayed her progress on this.

'The estate has the perfect fit with my own vision and hopes for the future and is keen to collaborate with other businesses,' she says. 'It's giving businesses the opportunity to grow and enhance the estate, at the same time as having an impact on the local economy.'

Meanwhile, when the estate's ghillie recently retired, twin brothers William and Alastair Peake, who had become known to Leys Estate initially via renting a retail unit for their fishing tackle and fish guiding activities, took a lease of the estate's prime salmon fishing beat and are developing Scotland's first 'on-river' fly fishing school and guiding business.

There are 17 farms on the estate, with only one farmed in-hand. Out of the 16 rented holdings, David is proud that two of them are run by female tenants.

'Two out of 16 may not sound many to some people; but those who know agriculture will realise it is an encouraging proportion.'

Another area of personal satisfaction for David is that 12 of the tenanted holdings already have their succession plans in place from within their own families.

The estate also recently gave two new young farm tenants the opportunity to take up new tenancies when 325ha (800 acres) of the estate came up for re-let. 565ha (1,400 acres) of the estate is forestry and woodlands with the remainder traditional mixed farming of livestock and arable.



Scottish Land & Estates

With two small wind turbines, the biomass schemes and PV arrays on some buildings, the estate is very environmentally aware. Add into the mix that its owner Alexander Burnett is Conservative Member of the Scottish Parliament (MSP) for Aberdeenshire West, with special interest as deputy convener of the Cross-Party Group on Renewable Energy and Energy Efficiency, and it's no surprise to learn that they are reviewing their carbon audit of

*Banchory Business Centre offers flexible office space*





*David Smart (right) with Tom Comerford, head greenkeeper at the golf course*

the estate, plans are afoot for a natural capital audit and there is a focus on regenerative agriculture and forestry.

### FORESTRY STRATEGY

There has been some recent rethinking with regard to the forestry enterprise, away from felling and then costly replanting to more sustainable silviculture.

David explains: 'In line with our Forest Management Plan, over the past five years we have changed from rotational thinning, clearfell then replant, to rotational thinning with a view to a less commercial policy of natural regeneration and supplementary planting without expensive fencing. It requires a well-managed deer control policy to make this work. There is a massive saving on fencing costs and there's less of an eyesore with smaller thinnings and less clearfell, a more varied woodland in the future and no rusty old fences around semi-mature plantations.'

Another interesting initiative is offering small managed forestry compartments – known as woodlots – on five- or ten-year leases to allow individuals to manage them for firewood gathering and recreation.

According to Alexander Burnett, the 9th laird of Leys, who lives on the estate with his wife Lavinia and their three young children, the COVID pandemic has forced the team to adapt – but that is something they have always done.

'Rural communities have pulled together and people appreciate the outdoors and their quality of life much more – which should give rise to optimism for estates willing to modernise.

'The diversity of the estate can in itself be quite daunting and taking time to plan and focus on priorities is time well spent, even if sticking to those priorities can then be a challenge in itself,' he adds.

'We've done a huge range of projects but my proudest would definitely have to be building a set of pitches for Deeside Rugby and seeing that first mini-rugby festival with over 300 young players from all over the North-East of Scotland.'

[www.leysestate.com](http://www.leysestate.com)

### THE LEYS ESTATE AT A GLANCE

- 2,105ha (5,200 acres) of mixed agricultural land let to 16 agricultural tenants and one in-hand farm
- Woodland management of over 565ha (1,400 acres) of mixed-use forestry and enabling recreational activities
- Land for community projects, activities, commercial enterprises and residential developments
- Land and buildings for over 120 commercial leases for a wide variety of independent local businesses
- 80 residential properties offering long- and short-term lets on affordable and market rents
- There are also offices, a nine-hole golf course, self-catering holiday villas and 26 tourism-related businesses

### SUSTAINABLE HOUSING

Leys Estate Group is embarking on an exciting new sustainable housing development at 'Woodend at Crathes' on the edge of Banchory. Woodend is already home to the Rugby Club, Buchanan's Bistro, the Barn (all tenants and on biomass heating), Woodend Allotments and Deeside Christian Fellowship Church.

There are plans for 24 private new homes and eight affordable homes to be built and sold on a plot trader-build contract model in partnership with a local house building company, and also to relocate the local athletics track and club to better facilities at Woodend at Crathes. The new homes, named Woodend Sustainable Housing, will be like no other in the area and will be of contemporary design and built to gold standard in terms of sustainability.





## BURROUGH COURT NR MELTON MOWBRAY LEICESTERSHIRE

### WHY IT WORKS

- Providing access to nature through farm walking routes and beautifully landscaped gardens as the 'anchor'
- Achieving the 'power of 10+' through offering a cluster of complementary businesses and activities
- Constantly responding to feedback from customers

Burrough Court is a thriving business park and 495ha (1,200 acre) farm in Leicestershire. In an often homogenous market focused on rent, this rural office complex is differentiating itself with a focus on quality and wellness. We asked Fred, Dawn and Becky Wilson to explain to Ed Mansel Lewis, head of Strutt & Parker's Rural Ambitions team, how the business has evolved and how they've created a unique and contemporary offering. Strutt & Parker is not involved at Burrough Court, but, it has a business approach that we admire.

**Ed Mansel Lewis (EML):** If I want to rent an office in Melton Mowbray, I would pay about £13.50 per square foot. Yet at Burrough Court, it's £21 per square foot, and people are queuing up to take it. How are you achieving that?

**Fred Wilson (FW):** By having a differentiated, but valued, offering that sets our office space apart. What we've got isn't right for everybody (we don't host start-ups, for example), but it's perfect for a sector of the corporate community. We are very much about successful, established, owner-managed businesses who want something specific. When you consider that rents are only about 6% of an average business's overhead, it tends

to be a very short conversation when people say 'what discount will you give us'? Generally, the issue is whether we've got the right space for them, rather than the price. Comparing us to some complexes is like comparing a gastropub serving locally sourced produce with McDonald's.

**EML:** You have added a pilates and yoga studio, a coffee shop, a gym and countryside walks. Was it always the plan to create a hub of complementary activities?

**FW:** No. When my wife took control of the family farming business we had, from a modern farming point of view, a redundant courtyard, which we turned into offices. From then on, my aspiration was to create a brand that had a consistency that was reassuring to potential customers, but also set us apart.

Any brand has to evolve to reflect the needs of the moment and to make a best guess at what to invest in. Things that we're doing now would have seemed utterly daft 10 years ago. Having people walking up a corridor carrying a yoga mat while a few feet away others are working at computer screens would have seemed completely at odds with office life back then. Fortunately for us, each generation gets a chance to make their own contribution and a year ago our daughter, Becky, arrived back from the smog of London.



**Becky Wilson (BW):** My background in London was in sports, events and marketing, so I'm very focused on the wellbeing industry. I saw that there was huge potential for a place like Burrough Court.

We already had the hardest bit, the infrastructure, and I am fortunate to have a number of contacts within the wellbeing industry who run their own retreats. I did a lot of market research and looked at the competition, and saw there were no rural offices in the area that really offered the wellness benefits we do here. I thought: Why not put walking routes through the estate? It isn't a huge capital investment, just a few signs, and they really do attract people – more so than I ever envisaged. And people do have walking meetings, which is great.

I took the same approach with the pilates and yoga studios. They're in the centre of the courtyard in what was previously an office, so we did have to sacrifice that rent, but it's a way to get members of the public to come in, too, whereas previously people only came here to work. By having the coffee shop, it draws new people in to have a coffee afterwards and make it more of an outing. So it's creating that community and another way of drawing in the locals and increasing awareness, which also adds to the income stream.

**FW:** The COVID pandemic has been an accelerator and it will be fascinating to see how customer needs change. We're really trying to create new business in areas where it leverages the innate qualities of the farm because, quite frankly, it's difficult for other people to compete with that. That's why we've planted 75 acres of trees, as we recognise that the natural capital side is increasingly going to tie in to our customers' values.

The environment our customers are immersed in here is increasingly of value. Whilst we're offering an increasingly mainstream business park, what we've got at Burrough Court are all sorts of facets such as air quality and the farm backdrop.

**BW:** We're gradually bringing all the different aspects of the business together so they have some connection with the farm. We're also trying to be as kind to the environment as possible. We have no plastic – everything is recyclable or compostable. And all of the leftover food and coffee is collected by one of the charities we have based here to use on their allotments.



**EML:** This is a big investment. When do you have enough confidence in a plan that you put in hundreds of thousands of pounds?

**FW:** We've got a well-run, financially sound business by virtue of past generations borrowing for the potato stores, but paying it back. So you borrow, pay back and go again. Entrepreneurship is really just risk taking and often if you wait too long then the moment has passed. As long as you listen to the customer and your vision is very customer-centric, it minimises the risk.

**EML:** So are those extra layers of the business that you have added linked to what the customer has told you?

**FW:** Absolutely. The fact that Becky's passionate about wellness is not the principal driver – what is of interest to us as a business is that it's aligned with a growth curve that keeps going up year after year.

That's also why our broadband is as fast as Leicester University's and why our car parking is free. One car parking space might cost one of your admin staff £1,300 a year out of their taxed income elsewhere. When you factor in things like the car parking, broadband and the wellness benefits, it doesn't take long for customers to see that whilst they're paying a premium for being at Burrough Court, what we've got here is actually good value. There's no snob appeal to office space, you have to offer value for money.

“  
WE ARE  
LEVERAGING THE  
INNATE QUALITIES  
OF THE FARM  
”  
FRED WILSON  
BURROUGH COURT

**EML:** How are you gathering information from your customers about what they would buy if you sold it to them?

**BW:** The number one method is face-to-face. A lot of it's actually just chatting, which they love doing. A prime example is when the coffee shop opened, I worked in it for the first two weeks because I wanted to have that contact with customers to understand from them what they like and what they don't like. One of the outcomes of that was that they wanted a menu that changed on a regular basis. So from November 2020, the menu has been seasonal.



*The coffee shop serves seasonal, locally produced food*



*Offices come with super-fast broadband and free parking*

**Dawn Wilson (DW):** I think that's the value of the coffee shop; it is so important in giving Burrough Court its identity as a place.

**FW:** That's a very good point. And this is where having generational layers is good, because it makes you ask questions of yourself that you would not have otherwise asked. The coffee shop in itself doesn't make money so it could be asked why we're doing it. Ditto the gym. But they add to the sense of place. It's got people out of the office; it has redefined the place.

**EML:** Do you track your occupancy rates? And do you have a target rate that you like to hit?

**FW:** We aim for 100%. Our warehouses are 100% occupied and our offices are almost fully let, we only have two to go. During COVID, we have more occupied square footage than when we started.

**BW:** The enquiries started picking up when the first COVID lockdown ended in May 2020. It's partly due to the new website that we had built and investment in SEO (Search Engine Optimisation) and PPC (Pay Per Click).

**DW:** People are fed up of working from home, too. There was a man who was brought to Burrough Court recently by his wife to enquire about an office space because she was fed up of him working from home!

**EML:** Becky, you have put a lot of work into the website; there is video and imagery, detailed floor plans, walking route maps, lease terms, prices. What gave you the sense that this was important?

**BW:** If I put myself in the shoes of the customer, I would want to know the price, what it looks like, what amenities there are, where it is, floor plans etc. We want to make the customer journey as easy as possible. During COVID, we added a 360-degree internal tour of one of our offices and that allowed us to let the office even without the customer coming to the site.

**FW:** The great benefit of putting the price on the website is that, when people come here, they know that's the price. It doesn't waste our time in viewings because they know what to expect.

**EML:** What advice would you give yourselves if you were starting out now?

**FW:** Stay authentic.

**BW:** Listen to your customers and do the research to understand what the customer needs because without your customer you don't have a business.

[www.burroughcourt.com](http://www.burroughcourt.com)





*Campwell offers visitors a unique off-grid experience*

## CAMPWELL CHURCH FARM WILTSHIRE

### WHY IT WORKS

- Allowing people to connect to nature is the 'anchor' of the enterprise
- Working in partnership to deliver multiple nature-based activities and services (the 'power of 10+' concept)
- Strong online presence and branding

'Rewilding' isn't just for places, it's for people too, believes Tim Bowles, founder and owner of Campwell, an off-grid, eco camping business that aims to inspire people to live 'more simple, natural and adventurous lives.'

Tim has been welcoming stressed-out city folk to camp in bell tents on his family's sheep farm above the gently undulating Limpley Stoke Valley for the past eight years. It's been so successful that he's recently expanded to a village of yurts, log cabins, treehouses and a shepherds' hut in a nearby wood, increasing his accommodation from nine units to 17, and raising the occupancy to 60 people.

Strutt & Parker first started working with Tim in 2015 and advises him on an ongoing basis on his diversification strategy.

In an average year, he welcomes 1,200 guests to his farm camp, and took bookings for 1,000 visitors to the woodland camp last year – its first season, which only began in July due to earlier COVID restrictions.

'At our core, we're a hospitality business making nature more comfortable and accessible,' says Tim. 'But we go deeper – we inspire people to live differently, to connect properly with each other around a fire, like our ancestors used to, rather than through a WhatsApp thread – it's a reminder to be more human.'

'We have our own style too and make the accommodation look great – we keep it simple and uncluttered, with a rustic, Scandinavian feel, using cushions, woollen blankets, lanterns, pot plants, sheep skins from the farm, and wood-burning stoves.'

Guests are encouraged to explore their surroundings and go wild swimming and canoeing, while loud music is discouraged and artificial lighting is kept to a minimum so people can enjoy the stars and not disturb wildlife. This is important, since one in six bookings comes via Canopy and Stars, a booking website for peaceful, rural accommodation.

Through partnerships with local businesses, Campwell also offers foraging experiences, yoga retreats, archery lessons, pop-up suppers in the outdoor camp kitchens, and 'wild workouts' with a personal trainer. For children specifically, the business has enlisted a forest school facilitator to teach them about trees and how to build shelters and campfires.

'It all depends on the guests though,' says Tim. 'Some want to just chill out and breathe fresh air, others want to get under the skin of nature.' Comments from guests clearly show though that he's tapping into a need in people's increasingly urban lives.

**Words: Jez Fredenburgh**



'I had a mum who said "thank you for giving me my kids back" because they had been glued to tablets and phones, but with us they had a ball in our woods and sitting around a campfire,' says Tim.

'We also have city dwellers who arrive terrified, but end up really engaging with the site, the environment and even enjoy the compost loos – it's great to see,' he says.

Tim charges a little more than local competitors due to his offering, and he says his profits are good, with an operating profit margin of 30-40%. He's the only full-time member of staff, but he now employs seven part-time.

### DEVELOPING THE CONCEPT

Tim's business concept took shape following his own experience of city life. Growing up, he was creative and had never been into farming, so left home to study a marketing and management course at Newcastle University.

This led to a year in London working as an advertising executive for Asian brands, where he developed his love of branding and travel, before he spent three years in Hong Kong working as a wine merchant.

But city life wasn't quite Tim. 'London was stressful, and while Hong Kong was great fun, I found city life quite anxiety-inducing,' he says. 'I missed friends and family too and wanted to move home.'

Back in green space and fresh air on the farm in 2013, Tim gradually felt much better. 'Life felt more in sync with my values in the countryside, I felt more myself again,' he says.

But although he was the fifth generation of



*Visitors can learn how to make a fire at 'fire school'*

his family on the farm, he knew the 50ha (120 acre) mixed sheep unit couldn't support him as well as his Dad and step-mum, who had already diversified into holiday cottages.

Tim wanted to be his own boss, but do something in-tune with his values. 'I'm a bit of a black sheep and I've always found modern life quite overwhelming,' says Tim. 'But I've always been a bit obsessed with making fires and building dens, and so I wanted to create a business that would allow me to do that.'

He'd noticed glamping becoming popular, but it didn't feel quite right. 'I hate the term glamping,' he says. 'I don't think camping should be glam, it's about reconnecting with nature.'

But it did feel close to what he wanted. 'I did a business plan – although I think they're a bit old-school – and I researched what others were doing in the area, what they were charging, and crunched numbers,' he says. 'But I had to blag a lot of it and just learn as I went along.'

### BRAND VALUES

One thing Tim was clear on though was the importance of branding. 'I'm quite precise about branding and getting the marketing right and it's been critical in helping us grow,' he says. 'Getting differentiation right is key – the market isn't quite saturated yet, but it's getting there.'

He invested a significant part of his budget into working with a branding friend, who helped him understand what his story was and get under the skin of what he was trying to create.

Once things had crystallised, he chose a spot above the main farm, backing onto an untouched woodland, pitched three bell tents kitted out with stylish furnishings and opened.

'Things got off to a strong start and we've been doing a roaring trade since,' says Tim. 'Before COVID we regularly welcomed big groups including hen parties, birthday parties and families.'



*A lake offers people the chance to try wild swimming*

'Whilst initially I didn't want to be associated with hen parties, they've been a really good bunch. They've chosen to be in nature rather than go to bars and clubs, and it's nice to welcome people who leave feeling that they actually enjoyed nature.'

Campwell's typical guests are young professionals from inner cities, particularly south-west London and Bristol, but the farm is well positioned and attracts people from all over the UK.

### ONLINE MARKETING IS KEY

Almost all marketing is done online – through advertising sites, social media and a fortnightly newsletter called 'Wild Times.' Tim employs someone to manage these, with brand identity maintained through specific guidelines.

Strong photos are key and Instagram is used to show accommodation and camp moments, such as foraged foods, freshly cooked pizza from the cob oven, and yoga classes in the round house.

'We do a lot of soft sells,' says Tim. 'We talk about things that inspire us, like what nature books we've read, podcasts we like, seasonal recipes, or people we admire like wild swimmers and outdoor cooks. And we also include the occasional special offer.'

A strong online presence has kept people engaged through COVID and helped leverage the surge of interest in spending time in green spaces and staycations.

'I was worried as we lost half our season last year,' says Tim. 'But when lockdown was eased in July, our bookings team was overwhelmed by a tidal wave of enquiries. The new woodland site was fully booked – people were bursting to get out.'

'Our community kitchen is open air, so that helped. We normally had groups, so we had to rethink that and cancel some big bookings, and sell accommodation individually. We also had to remove all soft furnishings, like cushions and rugs, that we couldn't wash between guests.'

The business communicated its 'Camp with Confidence' pledge and COVID policy, which included more flexible cancellations, and a 'clean team' to undertake the additional sanitation required.



*Campers have a choice of accommodation types including bell tents*

### FUTURE PLANS

Ever with a focus on branding, Tim is currently bringing his farm site (The Farm Camp) and woodland site (Campwell at Cherry Wood), under a 'Campwell' umbrella, renaming them as Campwell Farm and Campwell Woods.

This will make the brand more scalable, says Tim, and he hopes to add further Campwell sites in this way. It also brings his original farm camp more in line with the Cherry Wood focus on wellbeing, which is the direction the business is moving in.

A renewed focus on wellbeing has recently led to a pioneering project called Ice Breakers, involving cold water immersion therapy for men, aimed at starting conversations about improving health and happiness. A community of about 60 men has already developed and it continues to grow.

Tim's other focus for the future is the environment. 'I'm excited about rewilding

and carbon capture,' he says. 'We plant a tree for every booking with a company called Ecologi and last year planted 1,500 trees like this. I'm moving more to a 'self-tax' model for environmental impact and would like to become carbon neutral or negative, so that might mean planting more trees one day.'

While Tim says it's stressful running his own business at times, he's proud of what he's achieved. 'I've succeeded in providing a future for me on the farm – and seeing people enjoy the place, gathering around a fire or playing in the woods, is magical.'

**[www.campwell.co.uk](http://www.campwell.co.uk)**

**Instagram: @icebreakers.uk**





Malton Food Lovers Festival attracts thousands of visitors each year

## FITZWILLIAM MALTON ESTATE MALTON NORTH YORKSHIRE

### WHY IT WORKS

- The 'power of 10+' is achieved through the various activities and services on offer – people have moved to Malton after seeing how much goes on there
- Smart clustering of complementary businesses that all resonate with or complement the 'anchor' of artisan produce
- Artisan producers moved their businesses to Malton once it had become a busy place synonymous with food production

Malton is enjoying a renaissance. The town has been positioned as a hub of artisan food production and a destination for foodies – a fine example of 'placemaking' spearheaded by Tom Naylor-Leyland, whose family own The Fitzwilliam Malton Estate which is landlord to much of the town. Now known as the Food Capital of Yorkshire, Malton's decade-long transformation has seen businesses open, new life breathed into the high street and the buzz brought back to the historic town centre. Ed Mansel Lewis, head of Strutt & Parker's Rural Ambitions team, spoke to Tom to find out more.

**Ed Mansel Lewis (EML): Tell us about the origins of your vision for the town?**

**Tom Naylor-Leyland (TNL):** We didn't set out to create Yorkshire's food capital. We were trying to deal with the problem of empty commercial properties on the high street, with Malton no different to any other rural high street in that respect. Ultimately, it's about footfall, and people spending money in the shops and keeping the businesses going. We knew we needed a unique selling point (USP) to get people to come to the centre of town.

My passion has always been food and, when I moved back from London to join the business, I started researching local producers. I couldn't believe the range of different specialist producers there were in the county of Yorkshire.

When I worked in Sally Clarke, a restaurant in London, I used to be positively inspired at Borough Market – I was amazed by how they used to shout about Yorkshire's produce, whether it was lobsters from the coast or partridge and grouse from the moors. It even turned out that the Ginger Pig Butcher has their farm eight miles from Malton!

And so it made me think: 'If this was in Italy or France, this would be the Tuscany or the Sienna or the Veneto – areas famous for their produce.' So, it seemed a natural thing to promote Yorkshire food in Yorkshire, with Malton at the heart of that.

**EML: How did it go from idea to reality?**

**TNL:** We had no experience, but the obvious starting point was to bring all these producers together in a food festival, which we tried to do in 2009.

We had 25 stalls and 1,000 people, which seemed really exciting at the time. It then grew quickly. And we now have over 40,000 people who come for two days, every year. It's called Malton Food Lovers Festival, and it has become the central promotional event, through which we celebrate the town and Yorkshire Food.

It's a free festival. We could have easily done it in a big tent in a field and charged for tickets, but that would have separated the festival from the town, and we really wanted people to get into the centre of town, and the



stalls to be in the little streets and alleyways so that you're discovering places as you go. Having that many people in the streets – and having all the roads closed – creates a huge amount of atmosphere. It generates this incredible buzz which I've not felt at a food festival in a massive tent.

We've had quite a lot of famous chefs, which has helped in this age of celebrities. It was Antonio Carluccio who first used the phrase 'Yorkshire's Food Capital' and we've used the name ever since!

**EML: How did the project evolve?**

**TNL:** The festival turned out to be a brilliant weekend in terms of promotion and trading for that one weekend, but it didn't solve our problem of vacant premises and we wanted people to come to the town 365 days a year. So we decided to do a mini version of it called the Malton Monthly Food Market, which runs between March and December. We did food demonstrations and made parking free for the first two hours to give the message that we were open for business.

I've even done a few food demos on stage where I have burnt toast in front of a live audience, which was very embarrassing! Typically, it brings around 3,000-5,000 people and it's generally the best day of the month for the bricks and mortar traders.

We quickly realised we really needed people to spend a little bit longer than just an hour in town. We invested in the Talbot Hotel, which we ran ourselves for about seven or eight years, but is now let to the Coaching Inn Group. We also developed the Malton Cookery School, which is a really important part of the message that it's not just about going to a market or festival, but rolling your sleeves up and actually cooking yourself. The idea of 'experience' is so important to the vision. We'll never be able to compete with out-of-town shopping centres, so what we've tried to add is theatre and drama.



*The late Antonio Carluccio (centre) first described Malton as Yorkshire's food capital*

**EML: You're always photographed wearing an apron – that's such a clever way of showing that it's a place to come and be involved.**

**TNL:** You're absolutely right, although I never thought about it in that sense. I used to work in a deli in London and always used to wear an apron so it always felt like my foodie uniform. When I started the food festival, I insisted that all of the people working on the events wore the apron.

The most important part of the whole project happened about three or four years ago when we went out and advertised for people to move their food business to Malton, not just to sell but to actually make the products in town on an artisan scale so that the customers can come in and see, for example, bread baked or beer brewed or chocolate tempered.

By this time, we'd built up that reputation as a foodie destination, which allowed us to go honestly to food producers and tell them we had a brand around the food festival. After that, we really developed the brand 'Visit Malton, Yorkshire's Food Capital'.

We've had 25 food and drink businesses open in the past six years, including five bakeries, a butcher, a coffee roaster, a wood-fired pizza place, a gin distillery, a gelato producer, a macaroon maker, three new breweries including one called Brass Castle that seems to win every award going and a vegan and vegetarian deli that makes all their food right in town.

We encourage these businesses to re-think the traditional approach to food production, where artisans would make a product in a back room of their premises and display it in the front. Instead, we say 'make your product in the front of the shop, so your customers have to go past the making of the product to buy it at the back'.

In the past couple of years, we've had other non-food producers join us, including this amazing handmade soap company who are making delightful orange blossom and lavender soaps and patchouli on site, so the town smells of chocolates and burnt orange and it's great.



**EML:** Have you solved the problem of high vacancy rates that you originally set out to fix?

**TNL:** As far as I'm aware, the vacancy rate which was pretty high 10 years ago has come right down, which is great.

**EML:** The thing that initially drew me to wanting to interview you was the fact that almost all of your Instagram posts are about your tenants' businesses. That's a very interesting way to consider your responsibility as a landlord, because it made clear that you knew that the resilience of the estate was intrinsically linked to the resilience of each individual business.

**TNL:** Absolutely. I mean, I'm quite clueless probably about a lot of things, but that aspect of it seemed to me very obvious. If they succeed, we succeed.

**EML:** Do you try to strike a balance between the number of food producers and accommodation providers in Malton?

**TNL:** There wasn't that much accommodation at the beginning. We refurbished The Talbot, but that only had 26 rooms. The Mount Hotel, which had been empty for many years, is now open and has 13 rooms. The Old Lodge has

also opened.

A few years back, if people came in for the day, they'd stay on the coast or on the Moors. Now there are suddenly B&Bs, Airbnb options and hotels popping up.

What's so great is that lots of people have also moved here. One couple said when they came to the food festival the first time they decided to move here, and another couple decided to move to Malton after watching the film we made about the food festival.

**EML:** What's next for Malton?

**TNL:** The events are still a really important part of the plan because they get everyone into the town. Two years ago, we started a music festival called Meadow Fest. It was one of the first paid-for events in Malton, and it was really well attended. We had Levi Roots playing live, which was great. We couldn't do it in 2020, but we have a date scheduled for 2021. We also created the Marathon de Malton, which I adore. It's based on the Marathon du Médoc (it's actually a 10k race). It's Britain's tastiest 10k! You run in fancy dress, drink gin, drink delicious wine, eat lobster brioche rolls and roast grouse and Yorkshire puddings, all at 10 different food and drinks stops around the course. It's a very feel-good event that starts and finishes in the marketplace and it's a very special day.

**EML:** Any final words of wisdom?

**TNL:** Although I am in some ways a figurehead for the town, it has genuinely been a team effort, by people active in the estate, by the producers who took huge leaps of faith to come and make their product in Malton, and indeed by councillors supporting the schemes that we have for new buildings. So it's a team effort – and that's the best part of it really.

[www.visitmalton.com](http://www.visitmalton.com)



Tom Naylor-Leyland (centre) says the success of Malton is a team effort





*Deene Park has committed 741 acres to Countryside Stewardship*

## DEENE PARK ESTATE WELLAND VALLEY NORTHAMPTONSHIRE

### WHY IT WORKS

- Collaborative approach taken to delivering environmental improvements across the estate through Higher-Tier Countryside Stewardship
- Agreement bringing financial benefits to tenants and the estate
- Public benefits include new footpaths, habitats and improved landscape

When one of your ancestors led the Charge of the Light Brigade in the Crimean War, it is perhaps not surprising to find the pioneering spirit still alive and well in the Brudenell family – owners of Deene Park Estate in Northamptonshire.

Covering around 1,470ha (3,635 acres), Deene Park actually forms part of the wider Brudenell Estate, which includes a further block of land in Leicestershire's Welland Valley.

Predominantly agricultural, it also has a residential portfolio and a shoot, while the imposing Tudor hall and gardens are a well-known local visitor attraction.

Like all landed estates, however, it has had to move with the times – and quite radically since its current owner Robert Brudenell and his wife Charlotte took up the reins seven years ago.

The main challenge, identified soon after the Brexit referendum, was the pressure that the winding down of the existing Basic Payment Scheme would put on the 200ha (500 acres) of in-hand land, as well as the estate's five Northamptonshire farming tenants.

### ALTERNATIVE INCOME

So Mr Brudenell and his team started weighing up the various options and looking for potential alternative income sources.

'The estate is primarily agricultural – arable and beef – with only limited diversified income,' says Rob Wilkinson, senior associate director at Strutt & Parker's Stamford office, Lincolnshire, who advises the estate.

Furthermore, the opportunity for the tenants – and indeed the owners on their in-hand land – to boost productivity and so enhance profitability was limited by the nature of the ground.

'Most of the agricultural land is Grade 3 land – heavy clay, slow draining with the usual inherent blackgrass problems,' says Rob. 'With the Willow Brook, a tributary of the Nene, flowing through and prone to flooding, it's not a particularly productive estate.'

It was also very apparent when weighing up the options in 2016/17 that much of the agricultural infrastructure required investment, with a need for considerable expenditure on things like drainage, fencing and grain storage.

## POLICY CHANGES

The impending changes to government support policy, with a shift towards 'public money for public goods', also coincided with a change of management, with the appointment of Mark Coombs as the new estate manager.

Both he and Robert Brudenell recognised that whatever taxpayer support for agriculture there would be further down the line, it was more likely to be for environmental delivery than producing wheat and beef.

Given that both the in-hand farm, and some of the tenancies, had been in previous environmental land management schemes, they already had some relevant experience to draw on.

The initial thought was to go for a Mid-Tier Countryside Stewardship agreement for the home farm and parkland, to give income a boost. But on closer inspection, the options appeared limited for an area of predominantly grassland. So thoughts started turning to Higher-Tier Countryside Stewardship.

And it soon became apparent that they were not alone in such thinking, with two of the estate's larger tenants – the Readings and the Sansoms – also considering agri-environment options to maintain their viability.

## COLLABORATIVE APPROACH

Mark was especially keen to involve the tenants at an early stage.

'Prior to coming to Deene Park, I had spent 12 years managing Scottish estates,' he says.

'This has been highly influential to the approach we have taken here, as in Scotland there is a much greater emphasis on landowners working with their tenants and the wider community, as a prerequisite to acquiring public money.

'It was in my make-up to involve all the tenants at Deene and try to move forward in partnership, with a whole estate approach.'

Once agreed with the owners, Rob was asked to start drawing up the plans, evaluating the anticipated loss of support from BPS cuts, the likely drop in output as a result of habitat creation and flood prevention measures, and the potential income gain from agri-environment payments.

'It was fairly easy to demonstrate that the whole estate would be better off putting a significant area of land into stewardship,' he recalls.

'So we then entered an open discussion with the tenants, asking all of them to highlight on a map the areas of their various

farms that were not really working for them. We then modelled the income impact, showing what they could make from the various Countryside Stewardship land management options.'

This made it very evident that it was a win-win, and so a whole-estate plan was presented to Natural England which, subject to a few tweaks here and there, was granted approval in 2018.

## THE PLAN IN PRACTICE

'The way it works is that we have a range of different management options available across 300ha (741 acres),' says Rob. 'We have a spreadsheet and meet with the tenants regularly to discuss who is going to do what each year.

'Some of the options can rotate, and do so between holdings, all agreed prior to implementation.

'It's very much a collaborative approach, but we have shown that each tenant gets more from having a whole-estate plan than they would had they applied as individuals – plus they have more flexibility.'

The estate makes a single Countryside Stewardship claim to the Rural Payments Agency, manages the agreement and the proceeds are divvied up among the tenants according to who has been doing what.

So far, Rob estimates that the scheme has brought in around £93,000 each year for the combined land management options, while the estate has benefited from a further £244,000 in grants to help pay for the capital works on things like fencing, grassland creation and tree planting.

## POSITIVE IMPACT

While the scheme is still bedding in, Robert Brudenell says the whole estate is already reaping the rewards.

'It's benefiting our tenants, as it has helped to underpin their income streams, having taken the lowest yielding land out of production and putting it in an agri-environment scheme with a fixed level of payment,' he says.



*Shorthorn cattle grazing on conservation grassland*





*The scheme has allowed the creation of new access tracks through the estate*

And as well as the financial benefits, there is already a feeling that the whole estate is being better looked after, while creating new footpaths has enabled the wider public to appreciate the difference.

‘From a farming point of view, we have laid new access tracks, so livestock can now get to grazing ground that hasn’t been used for years,’ adds Mark.

‘We’ve also introduced Shorthorn cattle and recreated the parkland landscape, planting native trees.

‘Furthermore, the bird mixes are teeming with bird life, including skylarks and yellowhammers, and in summertime the buzzing in the pollinator mixes makes it hard to hear yourself think.’

The timing of all this has also been fortuitous, says Rob. ‘When the Environmental Land Management (ELM) scheme is introduced in 2024, we will be five years into our Countryside Stewardship scheme. That is when we reach our five-year break point.

‘So we can either get out of Countryside Stewardship and join ELM, or we can carry on for another five years, knowing that all the paperwork is done and it is going well.

‘Either way, as a collective we will have already recouped £93,000 a year that we would not have had if we had delayed, plus the additional capital grants.

‘In a cricketing analogy, I always say you should play the ball that is in front of you, rather than waiting to see what it looks like in three balls’ time. Already, our team and our tenants are learning about environmental delivery. Had we waited to 2024, it would have been a massive culture shock.’

[www.deenepark.com](http://www.deenepark.com)

## DEENE PARK ESTATE COUNTRYSIDE STEWARDSHIP OPTIONS

### Arable options

Pollinator mixes, wild bird mixes, 6m buffer strips, lapwing plots, overwintered stubbles

### Livestock options

Low input grassland management, wet grassland management, historic parkland creation, wood pasture creation, native breeds

### Capital works

20km of fencing/hedge laying, 57ha of species rich grassland creation, 5ha of lapwing plots, scrapes for waders, 50 trees planted using CSS funds (many more self-funded)

# KEY CONTACTS

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Predicting the future is tricky, but with the rural sector facing a period of unprecedented change it has never been more important to stay on top of new trends and developments in policy and regulation. We strongly believe that rural estates have a vibrant future, with huge potential for land-based businesses to contribute greatly to the economy, environment and society. However, navigating the changes that lie ahead will require innovative thinking and a proactive approach. Here at Strutt & Parker we are here to help you on that journey, working alongside you to evaluate your options and turn plans into action. Please do get in touch if you would like to talk about any aspect of the report's contents.

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Our nationwide team of land management and farming specialists can assist with all aspects of estate and farm management.

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