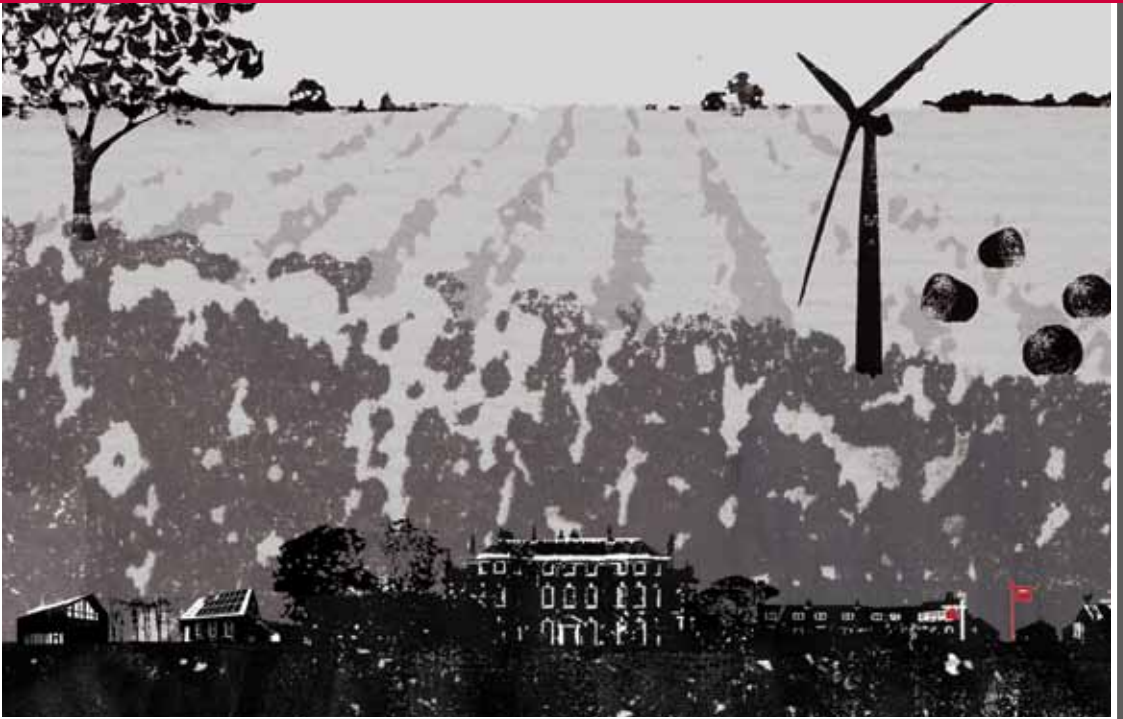




# The Collected Works *of* Land Management

by Strutt & Parker



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————— *of* —————  
Land Management

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STRUTT  
&PARKER

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## Prologue

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*For more than 125 years, Strutt & Parker has been working with landowners to apply sound business principles to the way farms and estates are managed. We enable our clients to enjoy their land to the full while ensuring commercial success and long-term viability.*

### **Every estate has a story to tell**

To mark this milestone in land management, we asked our teams about their achievements. From these varied stories, some collected in this book, one common theme emerges: our ability to increase the pleasure of land ownership through the application of business acumen. As each situation demands, we have introduced financial discipline, industry insights and innovative thinking, resulting in increases in income and cost reductions.

The result is financial stability and growth – including impressive business turnarounds – that in turn leave our clients free to enjoy their land. And for Strutt & Parker, every success is another chapter in this 125-year-old tale of effective and intelligent land management.

**“Charles has helped us to get back to the basics of estate management – things like cash flow and people management. His guidance has restored the enjoyment in owning and running the estate.”**

**Bayfield – Norfolk**



## *Our roots lie in land*

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In 1885, Edward Gerald Strutt and Charles Alfred Parker founded a partnership based on friendship and a love of the land. With agriculture deep in depression, the pair set out to transform the fortunes of farms and estates in crisis, combining sound business sense with entrepreneurial flair.

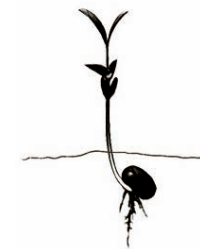
That same skill and vision are still very much in evidence today. The firm has grown into one of the most respected names in the field, drawing on a unique combination of over 150 land managers and 30 farm business consultants advising on more than 2 million acres of land.

### **The Birch Estate**

The Round family has owned the Birch Estate, near Colchester, since 1723. They are one of Strutt & Parker's very first clients. Developments over the past 125 years illustrate the breadth of our capabilities and the depth of our client relationships, strengthened through the generations.

Highlights include the post-war regeneration programme of cottages, buildings and woodland, thereby reinvigorating the estate as a business. In the 1960s, landlord and tenant partnerships were pioneered and the estate was put into trust. In the 1970s and 80s, we facilitated the extraction of mineral deposits, and further refined the estate structure to minimise tax liability. In recent years, residential property in West London has been refurbished with 13 ground rent leases previously producing £120 a year now yielding over £550,000 per year from 29 units.

The story doesn't end there. Plans are ongoing for a new principal house, further gravel extraction and the use of solar energy. On a firm financial footing, owners and agents alike are confident and excited about the prospects for the estate.





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### *Land management*

A good land agent gives an estate owner the freedom to enjoy their property to the full, safe in the knowledge that it is being well looked after today and managed for a secure tomorrow.





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## *All the advice you need, under one roof*

Managing a 21st-century estate demands excellence from budgeting and building maintenance to staffing and strategic planning. At Strutt & Parker, we offer unrivalled expertise and experience in these and every other issue landowners encounter in the day-to-day running of their property.

Like any modern business, a farm or estate requires effective financial management. That in turn requires efficient systems and processes run by ourselves or by the client's own team – either way, we advise on and implement the right system for each business. With the fundamentals properly in place, operations are streamlined and costs reduced.

We're experts in managing relationships too: between landlords and tenants, third parties and employees. We help clients to choose their partners carefully, using our industry-wide network of contacts. We recruit, manage and motivate teams, ensuring our client gets the best out of those relationships over time.

**“Strutt & Parker’s help in establishing an investment fund has created substantial income that we can reinvest in the portfolio and the property – at a stroke, it has reinvigorated the estate business.”**

**Knole – Kent**

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### **The Severalls Estate**

Our relationship with Severalls began in 2008 when the trustees of the estate approached us for advice. After reviewing our recommendations, we were appointed as the new agents in April 2009.

Since then, progress has been swift. A new agreement has replaced the main Agricultural Holdings Act Tenancy. This has allowed the sale of four farm buildings for residential development, despite a slow market; enabled the client to benefit from an increase in Inheritance Tax relief on the land from 50% to 100%; and allowed negotiations for a significant development option to move forward with the certainty that the land can be made available for future development.

As part of the new agreement, we reviewed the previous agent's proposal for a new grain store. Our recommendation – now built – was preferred by the tenant, cost significantly less, and also enabled the trustees to recover the VAT.

Financial management is now tighter. Rent collection and arrears have been much improved, all tenants are now on direct debits, and there is greater visibility of the estate's finances.

As always, there is more to be done but, through the rapid application of our management skills, we have put the Severalls Estate into a much stronger financial position, to the satisfaction and delight of the trustees.

# 30

farming experts across the country making us the largest specialist group of our kind

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## *Working together every step of the way*

At Strutt & Parker, we take the time to listen to landowners and find out about their situation and priorities, today and over the long term. This sets the tone for our relationship as we work together to develop a strategy that will meet our client's objectives.

Whether it's a case of minor adjustments to an already successful business plan, or a wholesale review of operations, we draw on the diverse skills within our team to consider every issue and capitalise on every opportunity.

With that long view in place, we work together to implement the strategy, carrying out regular reviews to ensure we are delivering the right results on time.

### **The Bawdsey Estate**

When we were invited to review the Bawdsey Estate, we came back with an entirely different strategy to that drawn up by the existing agents; one that identified a number of key problems and highlighted missed opportunities. These included 25 poorly let houses and cottages and a free house pub that was being run as a less-than-successful destination restaurant.

Having taken over responsibility for the day-to-day management of the estate, our first task was to refinance the business to put it on a sounder financial footing. A new, more proactive pub tenant was found and the associated accommodation refurbished, turning a £100,000 annual deficit into a £70,000 surplus. Elsewhere, a much-needed renovation programme of residential buildings increased gross rental income 20-fold as well as boosting capital value.

The fortunes of the farm have been transformed, too. A new reservoir and irrigation system – crucial to the property's profitability – has been installed, and the estate now benefits from a wider variety of crops being grown. A new 2,000-tonne grain store has just been completed, the final improvement in our initial programme to optimise farm income.

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## *Planning for the future*

### **A lasting legacy**

Ensuring an estate can be safely and profitably handed on to the next generation is one of the biggest issues facing landowners. At Strutt & Parker, we work with experienced accountants and lawyers to find the most advantageous route through the legislation.

Recent landmark cases have pointed the way to a trading family partnership – where trading income is greater than rental income – as a flexible vehicle for protecting assets from tax.

### **A true succession story**

One estate owner had transferred ownership of farm and woodland to his son some years ago, but retained a number of let cottages and commercial let property. The family was resigned to paying Inheritance Tax at 40% on those retained assets on his death. His son, meanwhile, had let the farmland on a farm business tenancy, and there was virtually no trading income on the estate.

On our advice, father and son have transferred their assets into a single partnership – but still retain beneficial ownership of them. The farm business tenancy has been replaced with hands-on contract farming, and the pair now meet regularly to take decisions on cropping, grain sales and husbandry matters.

Trading income is now substantially higher than the income from let properties, and the family can transfer assets without triggering tax, at a time that suits them.



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## *Experts in bricks and mortar*

As you would expect from one of the UK's leading property firms, our people understand what makes buildings work. From working farms to country estates, Strutt & Parker helps clients across the UK to maintain what is often their biggest asset, and unlock further value through sale, development or diversification.

We will help our clients to work with public bodies during the preservation of important buildings, for example, and advise on residential development opportunities and planning applications. Whatever the challenge, our experience and expertise ensure the best available service.

### **Arley Hall & Gardens**

One of the most charming stately homes in the North West, Arley Hall & Gardens is a popular venue for weddings and corporate functions. To grow this income stream, the next step seemed straightforward: sell an unused farmstead and use the proceeds to convert a beautiful 18th century barn to provide more facilities.

However, approval to develop these buildings – which are listed and in green belt – required specialist knowledge, imagination and persistence. Working closely with the owners, Lord and Lady Ashbrook, and their architect Harry Graham, negotiations delivered the support of both the Local Planning Authority and English Heritage under criteria for Enabling Development. Called in by central government, the application was subsequently turned down – despite the favourable recommendation of the planning inspector.

Further development of the proposal in collaboration with all parties finally secured consent for a sympathetic mix of predominately new and old-build at the redundant farmstead. And that, in turn, has funded the creation of Olympia, Arley's sensitively developed and highly successful new function facility.



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## *Raised on the land*

With many of our people from farming backgrounds, Strutt & Parker's Farm Management team comes with a real understanding of the issues facing today's agricultural community.

Our farming service is tailored so that clients can come to us for as much or as little assistance as they wish, whether that's a team to take over the day-to-day running of the farm, advice on fertilisers and sprays or help with finding a new farm manager.

### **Ragley Home Farm**

In 2002, we were asked to review the 3,300 acre in-hand farming operations of the Ragley Estate. This included arable, dairy, sheep and a recently established butchery business.

Once appointed, we quickly made structural changes to the business, including the recruitment of a new farm manager, coupled with a reduction in the amount of farm machinery to larger, more modern machines, some on contract hire to avoid the need for a capital injection.

We continued to reduce fixed costs, but also focussed on increasing yields and the product price. Investment has been made into drainage, ditching and irrigation, as well as the improvement of the soil structure. This has increased the amount of irrigated vegetables grown and improved the yields of arable crops and grassland. Livestock numbers have been optimised to cater for the growing butchery business, which attracted over £160,000 of grant funding for its expansion.

The difference is startling. Over the past 10 years, Ragley has been transformed into a successful, streamlined and profitable LEAF Demonstration Farm, always keen to look at new, sustainable initiatives which will enhance both the Farm and Estate for generations to come.



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## *Open for business*

For some landowners, diversifying into the leisure market and opening their doors to the public is an excellent way to generate income and achieve long-term financial security. The options are limited only by the location and the property, and range from creating a new destination for country house lovers through to building a marina or hosting festivals. We are constantly working with our clients to explore new leisure uses, managing the process from the initial stage of identifying commercial potential through to the delivery of a finished project.

### **Helmingham Hall**

In the 1990s, there were few paying visitors to Helmingham Hall in Suffolk, with the gardens open just one day a week in season. While working with the owners on other estate matters, we highlighted the potential for income growth, and began to explore the possibilities.

In conjunction with a farmhouse tenant, we ran the inaugural Helmingham Festival of classic and sports cars in 1998. This annual event now attracts 600 classic cars and 3,500 visitors, and proved to be the first regular fixture in a growing events calendar. Today, this includes plant fairs, a food and drink festival, cookery demonstrations and the highly popular Suffolk dog day. Additionally, the Grade I listed gardens and coach house can now be hired as an exclusive wedding venue.

In recent years, the number of open days has also been extended from one to four per week and outside caterers have been brought in to run the tearooms. The estate shop has expanded to meet growing demand and three stables have been converted to small retail units. Alongside its thriving farming and property businesses, and with a full-time events manager now employed, Helmingham Hall has successfully diversified into the leisure industry.



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## *Woodland*

Woodland frequently evokes great passion, but its profitability is sometimes less assured. We understand the ways in which it can fulfil both, whether it is held for sporting, amenity or commercial purposes.



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## *A growth industry*

Across the country we are working with owners of woodland to explore its full potential. The possibilities range from traditional uses such as shooting and forestry through to grants for conservation and the resurgent market for wood fuel for biomass technologies. The right strategy for each property depends on the type and amount of woodland, and we advise landowners on the various options available to them.

**“Strutt & Parker has put the estate on a firm financial footing; from setting a clear strategy to issues such as making sure our renowned forestry is environmentally and commercially sustainable.”**

**Fasque & Glen Dye**

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## **Fasque and Glen Dye**

As stewards of the 8,000 acres of forestry at the Fasque and Glen Dye Estate, our brief is to manage it in a commercially viable and environmentally responsible way. We applied for and now comply with the UK Woodland Assurance Standard, ensuring there is a demand for the 5-10,000 tonnes of timber produced annually. We are following up with an application for sizeable long-term funding that is intended to encourage this low impact forestry, while still permitting us to achieve our client's commercial objectives.

Some properties on the estate will shortly have their heating and hot water provided by a large woodchip boiler, fuelled by estate-derived biomass. Meanwhile, a plan to diversify into Christmas trees is now reaching full production as the trees reach marketable size. With our careful management this will generate very significant profit over the coming years.

Crucially, our coordinated management of the forest helps to maintain one of the area's pre-eminent pheasant shoots. Areas of forest are also home to rare species such as red squirrels and black grouse, and the quality of some of the stands on the estate are now considered to rival those on the west coast of North America.



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## *Combining passion with profit*

Many of our clients are lovers of country sports, and we often find ourselves advising on how they can combine their passion for shooting, stalking or fishing with profit-making. Our land agents – some familiar figures themselves at shoots and on salmon rivers – have a great deal of experience in helping landowners to bring these two worlds together.

### **The Tillypronie Estate**

As managing agents of the Tillypronie Estate in Scotland, our team has worked with the owners to manage the 8,000 acres of hill and moor and helped to improve further what was already one of the finest shoots in Scotland.

Adding to classic drives that have been established for many years, we have planned and planted new woods exclusively for pheasants and increased bird stocks. Fine-tuning is constant, and this active management of the land has helped to create drives that work consistently throughout the season and attract loyal clients who return year after year, happy to pay a premium for such a high-quality experience.

Although the profits are a welcome and growing part of estate income, that has only been part of the motivation for our work over the years. Like many estate owners, our clients at Tillypronie derive the greatest satisfaction from the shooting itself, from the employment it creates and the part it plays in the local community. Understanding that passion is every bit as important as our knowledge of the technical and legal aspects of running a successful shoot.



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## *The best advice pays for itself*

Our land agents are at the forefront of the growing energy industry, expert in projects from wind and solar to hydroelectric and biomass. We help our clients to assess their energy potential; we guide them through the technological complexities, advise on grant and planning applications, and then assist in implementing and managing the scheme.

### **The Novar Estate**

The Novar Estate is renowned in renewable circles for the quality of its 1MW hydroelectric scheme. Despite boasting the ideal site, the financial performance was proving less successful. In the face of prevailing wisdom that it couldn't be done, our team succeeded in terminating the old agreement and replacing it with one that delivered 50% higher returns for the estate's energy output.

With significant additional income secured over the coming years, we have now moved on to advising the estate on other issues including negotiating an extension to the existing 34 turbine wind farm and constructing a new 3.6MW hydroelectric scheme.

**2million** acres of land managed across the UK  
**£150m** rent roll managed for our clients

# Epilogue

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## *Pooling our knowledge*

Strutt & Parker has long been known for the expertise and experience of its people. In the Land Management team, it is our Research Group that brings all this knowledge together to create a resource that our individual land agents can tap into, ensuring our clients are benefiting from the full range of our combined expertise.

Started in 1965, it pools the insight from across our team and from advisers such as lawyers, accountants, and health and safety specialists. So if you want to know about the pricing trends for grazing land in West Lothian for the past 20 years, or the tax implications of turning fields into housing developments, we have access to the best and latest advice.

Every day in our Land Management team, the knowledge of the Research Group is used to spot opportunities and highlight potential threats – it informs all of our decisions and all of the advice we offer.

**“Strutt & Parker have been managing the Church Commissioners’ southern rural estates for three years and we have been impressed by their performance, which shows a day-to-day commitment to getting important details right, as well as the vision to maximise investment returns in the long term.”**

# Acknowledgements

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Behind every Strutt & Parker land agent is a large team of specialists who are always on hand to offer technical support and advice. Their mix of skills and experience makes it possible for us to offer our clients a land management service that covers specialisms including:

**Our Rural Professional Services teams include:**

- Mediation, arbitration and litigation
- Expert witness
- Telecoms
- Accounting and taxation
- Insolvency, receivership and recovery
- Conservation
- Grants, subsidies and legislation
- Property records and digital mapping
- Valuations
- Compulsory purchase
- Planning

We also draw on expert advice from our Residential, Commercial and Development teams to offer a complete property service.

Finally, we would like to thank our clients who kindly shared the experiences described in this book. Their trust and support have made the past 125 years of Strutt & Parker possible, and we look forward to working with them long into the future.

For more information call us on 01423 706777  
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