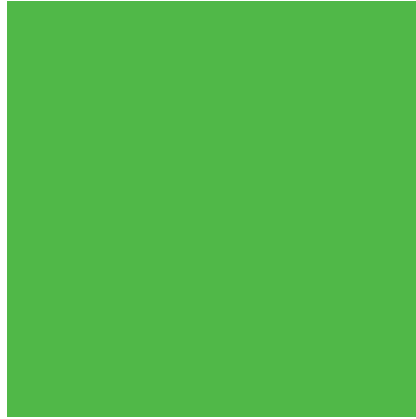


Working positively with rural estates

The scale and nature of rural estates and their contribution to the East Midlands



Executive summary
July 2009

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Foreword

The Regional Economic Strategy (RES) was prepared by East Midlands Development Agency (*emda*) but needs to be delivered by many agencies and businesses in the East Midlands. It is a strategy for everyone with an interest in the region's economy. We realise that in rural areas, estates make a vital and widespread contribution to local life – not only to employment and the economy, but also to other vital elements of the community, such as affordable housing. And yet there is little knowledge of the nature, extent or potential of this contribution. This research is intended to fill that gap in our knowledge, and hence inform how we and other regional and local agencies might work with these estates in the future to achieve the vision of a 'Flourishing Region'.

We are grateful to the Country Land and Business Association (CLA), especially its Regional Director Helen Woolley, and her members who have contributed valuable advice and information to aid the production of this report. We are confident that the report will be useful not only to highlight the range and scale of estates' activities, which relate to all the themes of the RES, but also to help inform and influence the range of public sector bodies with whom estates must work in order to manage and develop their assets for the benefit of their local economy, communities and environment.

A handwritten signature in white ink on a green background. The signature is stylized and appears to be 'Bryan Jackson'.

Bryan Jackson, Chairman, *emda*

Purpose of the project

This project aims to understand the contribution that rural estates make to the economy, environment and social fabric of the East Midlands region, to help achieve the RES strategic priorities. It also aims to identify the number and nature of estates in the region.

The views expressed are those of the report's authors and do not necessarily represent those of *emda*, nor are they a statement of *emda* policy.



Definition and approach

Rural estates tend to own a wide range of assets, including agricultural land, houses, workspace and community facilities. This, rather than their size, is what differentiates them from farms. A minimum size has not been used in this report, as some cover a small area but are still estates, rather than farms on this basis.

A range of sources were used to identify the region's estates. 290 estates were identified in the East Midlands. 45% of these provided basic information about the nature of their ownership, type of estate and size. 20 estates were selected for detailed study, six of which were looked at in greater depth. They were selected to represent a cross section of size, ownership, location and socio-economic character of their locality. They were asked questions, based on the RES strategic priorities, about what they did, what they would like to do and their economic, social and environmental potential.

“ Rural estates tend to own a wide range of assets, including agricultural land, houses, workspace and community facilities ”



Findings

The estate sector in the East Midlands

290 estates were identified, covering almost a quarter (23%) of the region's land area (over 375,000 of the region's 1.65 million hectares). Over 70% are privately owned and 20% owned by institutions or charities. Less than 10% are publicly owned (by local authorities or other public bodies).



The contribution of estates

Analysis of the role and function of estates shows that they are active as:

Employers, often in industries other than agriculture and forestry

- Estates directly employ around 5,300 people (full time equivalents) in the region
- 13,300 people (FTEs) work from estate owned properties
- Overall employment (direct and hosted) grew on 95% of estates in the last five years.



“ There has been an 81% growth in the area of workspace provided by estates over the last five years ”

Providers of workspace, with the potential to provide more

- Over half the estates provided workspace. On average 1,166 m² (roughly equivalent to four tennis courts)
- Estates provide around 232,250 m² of work space in the region
- There has been an 81% growth in the area of workspace provided by estates over the last five years.

Operators of visitor businesses, such as heritage properties, food services, outdoor recreation, leisure and event organisers, including some of national and international repute. Over 70% of estates attract visitors

- 12 of the 20 top paid for attractions (by visitor numbers) in the East Midlands are estates or historic houses
- The top 20 attractions in the region attracted 3.4 million visitors in 2007 – 2.4 million of which were to estates
- The region’s most visited paid for attraction is an estate – Bradgate Park, near Leicester
- 80% of estates host events, ranging from international events to small community gatherings
- Visitor numbers to estates and historic houses are growing faster than to other attractions.



Innovators, around education, sustainable development, tourism and renewable energy

Hosts of renewable energy, production and sustainable use of resources

- 45% of estates are undertaking energy efficiency and renewable energy activities
- 33% of estates produce or host the production of biomass.

“ 45% of estates are undertaking energy efficiency and renewable energy activities ”



“ Two thirds of the estates own and maintain community facilities ”



Protectors and managers of the environment, estates are responsible for

- 23% of the region's Sites of Special Scientific Interest (SSSIs)
- 29% of its Scheduled Ancient Monuments
- 27% of Listed Buildings
- 50% of the region's registered parks and gardens.

Providers of community infrastructure, such as pubs, shops, schools, halls, playing fields

- Two thirds of the estates own and maintain community facilities
- Over half of estates provide a village hall, or land for it
- Estates provide at least 166 village halls in the region (14% of the regional total).

Providers of housing, for rental (short and long term) in the open market

- Estates own 23% of houses in their localities and about 7,800 houses in the region, at an average of 27 houses per estate
- They own 70% of private rented sector houses in their localities.

Providers of social housing (for free and below market level)

- Estates provide 13% of their houses rent free or below market rents as goodwill. This is an average of three houses per estate or 870 in the region
- Houses let rent free or below market rents as goodwill by estates are equivalent to 27% of the social housing provision in their localities
- A third of estates voluntarily provide rent free or below market rent housing in localities where there is no public sector social housing provision.

Contributors to local distinctiveness, through their potential for local 'branding' of produce, landscape and visitor experiences

Place shapers and key agents for change and development, with the potential for local 'master planning' at estate level

Conclusions



How estates can help the public sector deliver

There is strong evidence that estates can significantly affect their localities. Few other businesses have as much ability to do this. Even fewer have the potential to affect so many aspects of the life of their communities. What makes estates of interest to the public sector is not only the fact that they are involved in this activity, but the locations in which it takes place. Estates are able to make things happen where they otherwise would not.

Estates are typically custodians of significant, diverse assets with deep community traditions and connections. As a result, they are distinctive by having a long term perspective which delivers different interventions and outcomes to other organisations.



In a sense therefore, estates address market failure. In this respect they provide a role that is normally left to the public sector. They should therefore be natural partners for the public sector, enabling them to reach further, and to achieve greater local impact.

An increasing number of national policy documents, including *Living Working Countryside*¹ and the forthcoming *Planning Policy Statement 4: Planning for Prosperous Economies*, refer to the importance of sustainable economic development in the countryside. The findings of this report provide evidence to support this.

If estates did not provide the employment, workspace, housing, visitor attractions and community facilities outlined above, their local communities would be significantly worse off, with the public sector having to pay for a significant proportion of what is provided.

There is real potential for estates to do more to help deliver against economic, social and environmental targets both at regional and local level. The remainder of this report outlines the issues faced and presents some opportunities for estates and the public sector to work positively to achieve this.

“Estates are able to make things happen where they otherwise would not”

¹Taylor, M. (2008). *Living Working Countryside*. The Taylor Review of Rural Economy and Affordable Housing. Department for Communities and Local Government: London.



Conclusions

Barriers and constraints

The study found that estates are faced by a number of barriers which prevent them either growing as they would like or developing their assets.

Mutual understanding

Some estates do not fully understand the role and function of elements of the public sector, and vice versa. Some, particularly those who want to develop workspace or housing, could be more open to the public sector. By working in collaboration with a public sector partner, more mutual benefit should be achieved.

Policy framework

Many estates were not aware of, or did not understand, the national, regional and sub-regional policy framework they operate in. This needs to be articulated more clearly, as it prevents them understanding what benefits the public sector wants (and is willing to fund or support). It is also a barrier when estates need to communicate clearly the benefit of their proposals to the public sector.

Funding opportunities

There is a lack of awareness of what grants or funding opportunities are available, and in general estates do not have a track record of successfully applying for it. Estates operate on very different principles to the public sector and so many grants do not 'fit' with estates' ways of operating. Estates are generally making little use of the business support networks in the region, such as the region's Business Link service, as they are either unaware of it or do not think it will be useful.

Planning

A number of significant issues were raised in relation to the planning system.

Almost all the estates found the planning process for workspace and housing, particularly in Listed Buildings, complex, difficult, lengthy and unnecessarily costly. It often involved having to produce numerous specialist reports and persuading planning authorities that the villages and locations for proposed workspace were 'sustainable'.

Another significant issue is how national policies are implemented by local authorities. For example, there are cases where renewable energy technologies have not been installed on estates as they were rejected by planning authorities. There are competing national policies that are weighed against each other by local authorities; for example, how should installing renewable energy be balanced against Listed Building considerations? The strong feeling from estates is that local authorities are too restrictive, unsympathetic and overly weight development control against economic development.

Empty building property rates

Some estates have stopped developing rural buildings into offices due to the potential liability to Empty Building Property Rates, which they would become liable for on vacant units. This policy is stifling the rural economy; an unexpected side effect of this primarily urban targeted policy.

Broadband

Almost 40% of estates said that they did not receive broadband access of suitable speed for modern business purposes. This is a significant constraint and concern for both the estates and the businesses they host. This lack of provision has prevented some developments taking place and potential tenants from taking up workspace on estates. Digital Britain² makes clear the Government's commitment to enhance broadband speed across the UK. The challenge of providing fibre optic links with significant speed, and of suitably enabling local exchanges, will be greatest in rural areas. With their relative "critical mass" and often strategic location in terms of rural settlement patterns, estates have considerable potential to act as hubs and distribution points. At least one of the estates identified this as a key role which they felt they could play.

²Department for Business Innovation and Skills for Culture Media and Sport, (2009) Digital Britain Interim Report. http://www.culture.gov.uk/images/publications/digital_britain_interimreportjan09.pdf

Recommendations

How the public sector and estates can work better together

Estates should be provided with information to help bridge the language gap, summarising the key policies that apply to them and showing the key priorities. As part of this project, a bespoke policy framework document has been sent to all participating estates as a token of thanks for their help and also to start to raise awareness of the policy framework they operate in.

A representative group should be established which promotes the role of estates in the East Midlands. It should raise awareness of their contribution and potential. The group should include estates, the Country Land and Business Association (CLA) and key public sector organisations, which should be represented by high level staff.

Evidence of the role and function of estates should be sent to all relevant public sector bodies, based on this report's findings.

Reference should be made in the Regional Strategy³ to the potential of estates to work as partners in local place shaping and improving the sustainability of rural communities.

emda, Business Link and others can make estates more aware of suitable funding streams for projects that contribute to regional and sub-regional objectives.

Areas with the greatest potential

Many estates want to work with their local planning authority in long-term place shaping to agree a strategy for housing, workspace, community facilities, infrastructure and other development. There is also considerable scope to draw estates into the delivery of Rural Development Programme for England (RDPE) outcomes in LEADER areas.⁴

The public sector should work with estates to provide social housing, subject to resolution of issues about ownership and control.

Local authorities should work with estates to identify how new workspace can be provided in rural areas, and to ensure that there is suitable local housing provision for employees, to reduce travel to work.

Local authorities should work with estates to identify and fill gaps in the provision of community facilities.

Regional and local tourism bodies should identify their role in helping estates to develop their visitor offers. They can also link estates to the branding of sub-regions and local promotions, such as local food.

There should be greater engagement between estates, *emda* and other bodies at sub-regional level on how they can contribute to the Local Area Agreement priorities.

³A new Regional Strategy for each of the English regions. The Regional Strategy will replace Regional Economic and Spatial Strategies, and will set out a vision for the region for the next 15 – 20 years.

⁴In selected areas, Local Action Groups are delivering elements of the RDPE, including support for local rural enterprise, tourism, heritage and skills. This is known as the LEADER Approach. See www.emda.org.uk/rdpe for more information.

The research was undertaken by a group led by Smiths Gore, with input from Globe Consulting, Rural Innovation and the Rural Evidence Research Centre at Birkbeck College, London University.

The project was steered by a group comprising *emda* and the CLA.

A copy of the full report is available on *emda*'s website www.emda.org.uk/ruralestates/



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