



THE RURAL REPORT

A UNIQUE GUIDE TO THE ISSUES THAT MATTER TO LANDOWNERS

Knight Frank

SPRING 2011

STRATEGIC PLANNING
Making the most of your estate

FARMS AND ESTATES
The market in your area

RENEWABLE ENERGY
How the Renewable Heat
Incentive could save you money

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WELCOME TO THE LATEST ISSUE OF THE RURAL REPORT, WHICH FOCUSES ON THE ISSUES THAT MATTER TO RURAL PROPERTY OWNERS AND THEIR ADVISORS

One theme that threads itself throughout this report is just how much value Knight Frank can help its rural clients add to their homes or businesses. Not only financially, but also in terms of the enjoyment and sense of satisfaction that ownership can offer. Staffing issues, for example, can be a real worry for many country house owners. On page **14** Angus Harley explains how to avoid some of the pitfalls that can mar the enjoyment of these unique and wonderful properties.

Our coalition government's famous pledge to become the greenest ever means renewable energy is fast emerging as one of the most exciting opportunities for rural property owners; either to save money or diversify their income streams. The latest example of this was the recent and welcome launch of the Renewable Heat Incentive (RHI), which will see property owners paid to produce heat using environmentally friendly technologies.

Rural households and businesses could make substantial savings on their fuel costs by joining the scheme, but expert advice will be needed to ensure that the most appropriate technology is used, particularly

in older or historic buildings. Find out more about the RHI and how Knight Frank can help in our special feature on page **08**.

Less welcome was the government's decision to cut significantly some of the Feed-in Tariffs (FITs) paid for generating renewable electricity from solar photovoltaic systems less than a year after they were introduced. Installing anything but a small domestic system now makes little financial sense. If you are unsure as to whether this move will affect you or not, please do get in touch with one of our renewable experts as there are still many ways to benefit from FITs – payments for electricity generated by anaerobic digesters have actually just been increased, for example.







Elsewhere, we focus on how our strategic estate planning experts (page **06**) and building consultants (page **10**) have created enduring physical and management legacies for their clients. Taking the best advice really is a long-term investment.

I do hope you enjoy reading The Rural Report. Please get in touch with me or any of my colleagues if we can help you achieve your goals. You can find all our contacts at the back of the report.



Sandy Douglas
Knight Frank Rural Consultancy

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FARMLAND ON THE RISE AGAIN

Farmland prices have started to rise again after six months of stagnation, but what does the future hold? The Rural Report asks some of Knight Frank’s experts

Words: Andrew Shirley Graphic: Nicole Rush

Farmland values rose by 3% in the first three months of the year and are now 11% higher than 12 months ago, according to the Knight Frank Farmland Index. This means the average price of agricultural land in England is now almost £6,000/acre, a record high. As the graph below shows, farmland has performed far more strongly than many other asset classes over the past 10 years.

This resilience is part of what makes farmland so attractive as an investment and should help ensure values continue to rise steadily during 2011, says Tom Raynham of Knight Frank’s Farms and Land Sales team.

“When you look at the performance of other investments, such as the FTSE 100, the farmland market has been far less volatile and survived the credit crunch in much better shape. That hasn’t been lost on private investors and we have noticed a lot more interest in good quality arable land and farms, especially now that commodity prices have also started to increase.”

This time last year feed wheat was worth under £90/t. In February prices broke the £200/t barrier. The futures market, which offers farmers the opportunity to sell their crops years in advance, suggests that cereal values will remain firmer for longer than after the last price spike in 2008.

“Wealthy individuals have always enjoyed owning land because of its amenity value, tax-planning benefits and as a long-term hedge against inflation, but now they are also starting to look more carefully at its potential to generate an annual return as well,” says Tom.

Demand also continues to outstrip supply with relatively few potential sellers keen to test

the market at the moment. “Ironically, we have buyers across the country crying out for good properties,” says Tom. “If interest rates rise it will be interesting to see whether more farms are put up for sale, but at the moment there are no signs of a significant increase this year.”

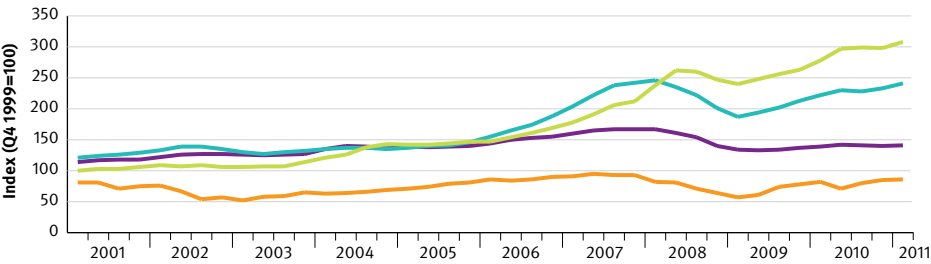
Tom Barrow, who heads up Knight Frank’s Rural Valuations team, says banks tend to be supportive of farmers as they consider land a safe asset to loan against. “It offers fantastic security.” However, he believes the ongoing reform of the European Union’s Common Agricultural Policy, due to be completed in 2014, could be of concern to some potential buyers and sellers.

“Most farmers look to the long term so I don’t think it will pull prices back, but it could result in even less land being traded.”

Shortage of supply is also affecting the market for country estates, says Clive Hopkins, head of Farms and Estate sales. “Despite the current economic uncertainty, we still have a number of clients prepared to spend a lot of money on a really good estate. But at the very top of the market there isn’t really enough choice to draw buyers into the market. This makes people nervous about making an offer; they need the confidence of knowing that others are also making bids at similar levels.”

If you are a farm or estate owner who would like to take advantage of the current strong demand and lack of supply to sell your property, or if you would like to find out how much your property is worth, please contact our Valuations or Sales teams. Their details are on page 15.

Farmland performance compared with other assets



	3 months	12 months	5 years	10 years
Farmland	3%	11%	109%	207%
Prime London houses	3%	8%	56%	99%
Prime country houses	0.5%	1%	-3%	23%
FTSE 100	1%	4%	0%	5%

Source: Knight Frank Residential Research

Property Highlights

- 1

Crossrigg Farm, Berwickshire
Acreage: 415
Description: Arable farm
Status: Sold for over £3.5m
- 2

Mouldshaugh Farm, Northumberland
Acreage: 206
Description: Arable land and amenity woodland
Status: Guided at £1.1m. Sold
- 3

Allerthorpe Farm Stud, East Yorkshire
Acreage: 55
Description: Superb equine training facilities
Status: Guided at £1.55m. Sold
- 4

Daresbury Estate, Cheshire
Acreage: 938
Description: Residential estate with two farmhouses, and six cottages.
Status: Guided at £12m. Sold
- 5

Showsley Estate, Northamptonshire
Acreage: 1,460
Description: Arable farm with 450 acres let under AHA tenancy
Status: Guided at £10.5m. Sold
- 6

The Edwinsford Estate, Carmarthenshire
Acreage: 528
Description: High-bird shoot and over five miles of sea trout and salmon fishing
Status: Guided at £2.5m. Under offer
- 7

Manor Farm, Gloucestershire
Acreage: 604
Description: Mainly arable land with two cottages
Status: Sold for over the £5m guide
- 8

Heads Farm Estate, Berkshire
Acreage: 703
Description: Beautifully situated agricultural and residential estate
Status: Guided at £9.25m. Sold
- 9

St John’s Farm, Essex
Acreage: 230
Description: Residential estate with mixed farming
Status: Sold for over the £4.5m guide
- 10

Hesmonds Stud, East Sussex
Acreage: 682
Description: Residential and equine estate
Status: Sold for over the £7m guide
- 11

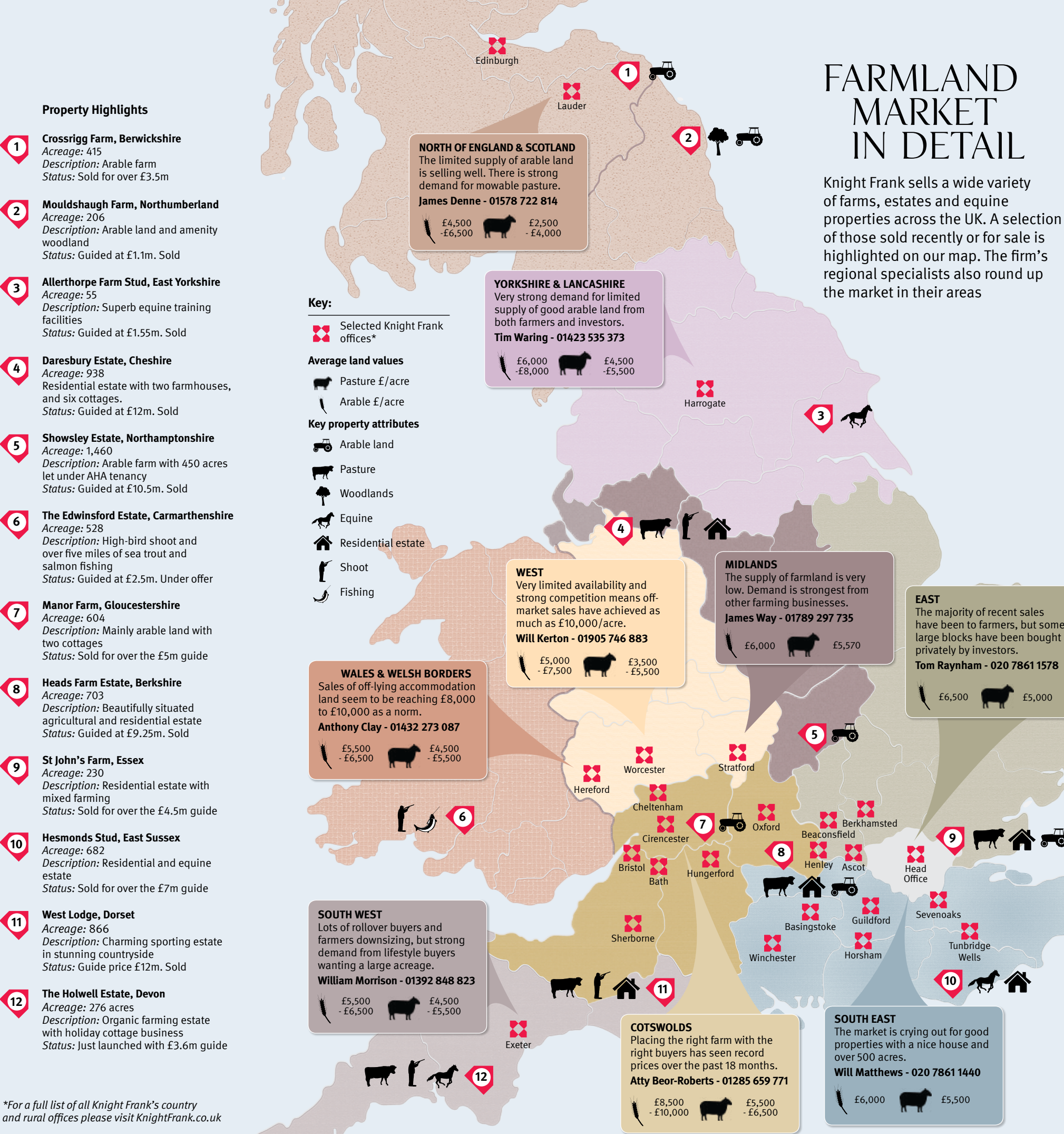
West Lodge, Dorset
Acreage: 866
Description: Charming sporting estate in stunning countryside
Status: Guide price £12m. Sold
- 12

The Holwell Estate, Devon
Acreage: 276 acres
Description: Organic farming estate with holiday cottage business
Status: Just launched with £3.6m guide

*For a full list of all Knight Frank’s country and rural offices please visit KnightFrank.co.uk

FARMLAND MARKET IN DETAIL

Knight Frank sells a wide variety of farms, estates and equine properties across the UK. A selection of those sold recently or for sale is highlighted on our map. The firm’s regional specialists also round up the market in their areas





REAPING THE REWARDS OF STRATEGIC PLANNING

Knight Frank’s detailed strategic reviews offer many far-reaching benefits to rural landowners, not all of them expected. The Rural Report finds out more on a visit to the Cowdray Park Estate

Words: Andrew Shirley
Image: Hugh Nutt

Polo’s Veuve Clicquot Gold Cup held on the Cowdray Park Estate in West Sussex is recognised around the world as one of the sport’s premier events. Less well known perhaps is the fascinating and truly diverse country estate that lies behind the glamorous and super-charged mix of champagne and frenetic chukkas.

Set in around 16,500 acres of picturesque countryside, Cowdray includes numerous let residential and commercial properties (see panel), many of which are in the bustling market town of Midhurst that nestles within the estate, as well as the historic Cowdray Ruins and large agricultural and forestry enterprises.

In 2003 Knight Frank was commissioned by the owner of the estate, Viscount Cowdray, to produce a strategic review covering every aspect of its operations and to ensure that all its assets were being utilised effectively. “It was the ideal time to conduct such a review,” explains Robert Windle who, as estate manager, has been responsible for the day-to-day running of Cowdray and over 100 estate staff for the past 20 years.

“We had just come to the end of the first stage of a reorganisation that had been put in place following the death of the 3rd Viscount in 1995. We knew we were pretty much going in the right direction, but we wanted to take a rain check before moving things to the next level. Creating a long-term plan that everybody involved could sign up to would allow us to proceed with confidence.”

One of the schemes that is now flourishing following Knight Frank’s endorsement is a superb farm shop and cafe, which sells a wide range of quality food and gifts. Many of them, including meat reared on the estate, are branded with the Cowdray name, another thing that was recommended by the review.

Knight Frank’s Percy Lawson, a partner in the firm’s Rural Estate Management team who helped compile the Cowdray review, emphasises that strategic reviews are not simply about proposing change for the sake of change. “Often an owner just needs reassurance from a professional third party that their estate is being managed in a way that best meets their wishes and aspirations.”

Trustees find the review process particularly useful, he adds. “They are duty bound to ensure that an estate is being run in accordance with the terms of the ownership trust. Because they are not always that close to the estate in question, an independent review can provide the tools they need to perform their role more effectively.”

“Our trustees were delighted and have used the review as a bit of a bible ever since,” confirms Robert.

At the same time, however, a review is not just about rubberstamping the status quo. “There were several radical recommendations including one relating to the management of our in-hand farms that we acted on very quickly and which saved a lot of money virtually overnight,” says Robert.

Not all of the changes were easy to make as they involved long-serving members of staff, he admits. “But it does help when the tough decisions you need to make are backed up by independent experts. They aren’t burdened by the day-to-day issues of the estate and can simply ask ‘why are you doing things this way?’”

Some estate managers might take an owner’s decision to commission a strategic review as a reflection on their performance, but Robert says he and most of his team bought into it from the outset. “You have two choices, you can either become defensive or you can view it as a great opportunity to work with like-minded professionals who understand all the issues facing estates and who bring with them fresh ideas.

“I think one of the biggest surprises was how the whole process of putting together the review and thinking about every aspect of the estate in detail really reenergised us and highlighted the depth of talent within the team. It offered people a real freedom to come forward with their ideas. That effect is still being felt today and we have now, eight years later, almost doubled the profitability of the estate and undertaken developments that will yield long-term financial rewards.”

THE COWDRAY PARK ESTATE	
In-hand farmland	3,800 acres
Let farmland	5,000 acres
Woodland	6,500 acres
Common land	1,000 acres
Residential let properties	290
Commercial let properties	56

This long-term influence is exactly what makes a good strategic review so valuable, says Percy. “When we make our recommendations after analysing an estate’s assets and how they are being utilised, we don’t expect them all to be acted upon immediately, or sometimes at all.

“What we are in effect creating is a blueprint that can guide owners and managers for the next 10 years. It identifies not just current opportunities, but those that may arise in the future. This puts an estate in a very strong position to react quickly if the need ever arises. This principle applies to all estates, from a single farm to a multi-faceted property like Cowdray.”

One of the most important and sometimes most unexpected benefits of a strategic estate review is felt by the owner, adds Percy. “The very first stage of the review process is to work with them to find out what they really want to achieve from the estate and what their priorities are. It sounds obvious, but many owners find that an incredibly helpful thing to do. It makes them realise just how important their own input is to the estate.”

“If I owned an estate I would definitely commission a strategic review,” says Robert. “I think it is one of the most important things a landowner can do.”

Percy Lawson can be contacted at percy.lawson@knightfrank.com or on 01488 688 513. Percy is a partner in Knight Frank’s Estate Management team and specialises in strategic planning. Knight Frank Rural Consultancy can advise on all aspects of land and estate ownership.

THE HEAT IS ON

The recently announced Renewable Heat Incentive could help cut fuel bills for rural property owners and businesses. Knight Frank’s green-energy specialist David Parry-Jones explains how this exciting and ground-breaking scheme will work



David Parry-Jones

What is the Renewable Heat Incentive?

The introduction of a Renewable Heat Incentive (RHI) was announced this March by the government as part of its drive to cut carbon emissions and reduce the country’s reliance on fossil fuels. Property owners will receive an index-linked quarterly payment for every unit of heat energy that they produce using eligible renewable technologies.

Why is it so important?

It is estimated that around half of the UK’s carbon emissions are created by the production of heat for domestic and commercial use. The RHI could cut emissions by the equivalent of 20 new gas-fired power stations. From the property-owner’s perspective, whatever their views on climate change, fossil fuels such as oil, coal and gas are becoming more expensive,

with larger houses costing tens of thousands of pounds to heat each year.

Who is eligible to claim the RHI?

From around July 2011 the RHI will be available for schemes installed in commercial properties, such as farm buildings, community projects and rural businesses, including houses converted to a business use, like bed-and-breakfast. Domestic schemes will be eligible from around October 2012. In the meantime, however, a one-off incentive called the RHI Premium Payment (see table) will be available to help cover the cost of installing renewable heating technology in 25,000 homes prior to joining the RHI next year. Participants will agree to help test the measurement and delivery of the RHI. Those who have installed eligible equipment since 15 July 2009 may also be able to apply for the RHI.

Which renewable heat system is best for me?

Choosing the right system will depend on many factors including the age, type and size of the property. Not all technologies are suitable for all types of property, and expert advice is needed for older and historic buildings (see our table for pros and cons).

Biomass boilers will be of particular interest to estates with woodland as they can run on waste woodchips or pellets (traditional log-burning boilers will not be efficient enough to qualify). Ground source heat works by extracting latent heat from the ground and multiplying it up to a sufficiently high temperature. Water is either pumped vertically around a deep borehole or horizontally through a shallower looped network of pipes buried in the soil (this approach can also be used on a lake bed).



Cartoon by: © Annie Tempest at The O'Shea Gallery, London. www.tottering.com

“It’s Knight Frank – they’re just checking how we’re getting on with the renewable energy boiler ...”

Solar thermal systems are roof-mounted and can provide useful supplementary hot water, but additional conventional heating is often required to attain the desired temperature, especially in the winter.

How much will I get paid?

The proposed RHI tariffs for commercial schemes are included in our table, and it is expected that domestic rates, which are likely to be tax free, will be broadly similar. Payment rates are guaranteed on joining the scheme, but will be lower for future applicants as installation costs fall. The tariff rates have been set to deliver about a 12% return on the difference in cost between installing a renewable heat source and its fossil fuel equivalent, which would tend to be cheaper. Where country estates can provide their own wood fuel, returns of over 20% have been achieved. Units of heat produced over a certain threshold will receive a much lower payment to discourage people from generating unnecessary heat. This means it is vital to install the most

efficient system and take independent advice before buying from an installer.

How much can I save?

Savings will vary widely depending on the price of the fuel currently being used and the renewable system used to replace it. Once installed, ground source heating costs are limited to the electricity required to pump water around the system. Biomass boiler savings will depend on the cost of the woodchips and will be highest where property owners can produce them themselves. As an example, the owner of a 10-bedroom period house currently heated with oil (assuming a cost of 50p/litre) could save almost £16,000 a year by installing a 100kW woodchip biomass boiler using bought-in woodchips (assuming an annual consumption of 65 tonnes at £110/t). The saving drops to £12,500 if the house is being heated with cheaper mains gas at 3.3p/kWh. These figures will, of course, vary widely depending on future variations in the cost of conventional and renewable fuels.

How much will the renewable equipment cost?

Every scheme will be different, but costs will start from around £10,000 to install a small ground source heat pump or woodchip boiler to heat a modest house or cottage. Installing a biomass boiler to supply a very large property could cost hundreds of thousands of pounds. A woodchip boiler for the 10-bed house mentioned previously would be around £50,000.

I’m interested. What should I do now?

The key thing is to take expert advice as most rural properties will have specific individual requirements, especially if they are listed or relatively old. If you have a commercial property start planning now so you are ready to begin claiming the RHI later this year. If you are looking to heat a domestic property you can either install your equipment now and claim the RHI Premium or wait until 2012 when the domestic tariff kicks in. The RHI Premium on its own will not go far towards paying for a new system, but is worth considering if you are thinking of installing a new one imminently.

Renewable Heat Incentive tariffs¹ and technologies

Technology ²	RHI tariff (p/kWh)	Likely RHI Premium payments	Pros	Cons	Would best suit...
Small biomass (under 200kWth)	7.6 ³	£950 per unit	Fits in well with existing central heating systems	Larger boilers may need tall chimneys that could require planning permission	Country houses with access to wood fuel and currently using oil or LPG
Medium biomass (200-1,000kWth)	4.7 ³		Cheap to run if you have your own supply of wood fuel	Wood fuel subject to price fluctuations	Very large commercial building – eg hospital
Large biomass (above 1,000kWth)	2.6				
Small ground source (under 100kWth)	4.3	£1,250 per unit	Cheap to run once installed	Not always suitable for older buildings	Well-insulated or new-build properties where it can be custom fitted
Large ground source (over 100kWth)	3			System needs a large amount of outside space or a deep borehole	
Solar thermal (under 200kWth)	8.5	£300 per unit	Cheap to run once installed	Roof panels may not suit historic buildings Needs to be combined with conventional heating, especially during winter	Properties needing supplementary hot water heating where roof panels can be fitted
Biomethane	6.5		Can fit in well with farming systems that can support an anaerobic digester	Expensive and requires high degree of technical expertise to run	Commercial or agricultural properties with waste feed stocks

¹ Initially payable on non-domestic schemes. Domestic schemes will be eligible in 2012. Tariff rates likely to be similar.
² A well-insulated four-bed house requires a 20kWth system to heat it effectively.
³ A lower tariff of 1.9p/kWh will apply when a threshold of installed capacity (kWth) x 1,314 peak load hours is breached.

Knight Frank offers the complete renewable energy service ranging from advice on the latest green technology for homeowners to the acquisition of asset portfolios for international investment funds. Please contact one of our team if you require assistance on any aspect of renewable energy.

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GRAND DESIGNS MADE EASY

Knight Frank’s Rural Building Consultancy team specialises in turning property owners’ dreams into reality. Department head, Andy Waller, shows The Rural Report around one of his latest projects, a stunning rejuvenation of a run-down Somerset farmstead

Words: Andrew Shirley
Image: Hugh Nutt

No episode of the popular property programme Grand Designs is complete without some sort of disaster, be it a run-in with the planning authorities, a cash-flow crisis or a huge dispute with the building contractor.

Invariably, however, there is a happy ending; although bank balances and relationships are often stretched to the limit and beyond in the process. Part of Andy Waller’s job is to make sure his clients’ projects are, to the contrary, entirely stress-free and actually enjoyable to be part of.

As I am given a guided tour by Andy and the owner of a superbly renovated and enlarged traditional brick-and-flint farmhouse, which sits alongside two stunning barn conversions, it is clear that this is something he certainly delivers on.

“What we wanted was a one-stop-shop to take care of everything to do with the development,” explains the client, a high-powered venture capitalist who prefers to remain anonymous. “By minimising the number of people involved, you minimise the risk of things going wrong. Knight Frank also acted as a buffer for any problems. This allowed me to concentrate on the most interesting elements of the project, like the interior design, instead of having to worry about drainage regulations and planning consents.”

When the property, a small farm set in rolling countryside, was purchased as a family shoot there was already an existing planning consent in place for it to be updated. This, however, didn’t really match the new owner’s vision for the property and had to be renegotiated by the planning experts in Andy’s team.

“Planning can be quite complicated, especially when you are dealing with old buildings or projects in very attractive parts of the countryside,” he says. “It really does help if you have a good understanding of what the planners will be looking for in an application and what your clients want to achieve. You can waste a lot of time by being unrealistic or not explaining yourself clearly.”

But this doesn’t mean projects shouldn’t be ambitious in their scope. Anybody looking at a photograph (see inset above right) of one of the barns before Andy worked his magic would find it hard to believe it was of the same building.

Project management it seems is just part of the job. Vision and a deep appreciation of a building’s function, structure and how it fits into its surroundings are required to help bring it back to life.

“The real skill is realising the potential of your assets,” agrees Andy. “When it comes to historic buildings it is particularly important to make sure that what you do fits in with your clients’ modern lifestyle, while, at the same time, retaining the traditional character that attracted them in the first place.”

He cites the barn we are standing in as a good example of this. It would have been easy to insert a mezzanine level to maximise the space, but that would have destroyed its feeling of spaciousness and interrupted the lines of its wonderful roof structure. Instead, Andy created an extension at the end to the building, which provided space for three bedrooms without sacrificing the external or internal integrity of the building.

Although he has worked on some very significant new-build country house projects costing millions of pounds, it becomes apparent as we continue our tour that Andy’s biggest passion is historic buildings. He delights in pointing out traditional features that have been revealed for the first time in decades and new additions or restorations that blend seamlessly with the old.

“This love of old buildings was what really inspired me to start my career,” he confirms. “After training as a chartered building surveyor I did a post-graduate diploma in the conservation of historic buildings and monuments.”

Of course, renovating even very old buildings doesn’t mean eschewing modern technology. All of the buildings we walk around are heated by renewable energy in the form of sophisticated ground source heat pumps and solar panels. Andy’s team includes renewable energy experts who can provide advice on all the latest renewable developments (see page 8 for more details).



The grand designer: Andy Waller in one of the Somerset barn conversions he created and, below, how it was before



“The real skill is realising the potential of your assets.”

“It is easy to say you want to install something just because it looks very environmentally friendly or can potentially save a lot of money, but in reality some renewable technologies don’t always work with older buildings. Again, it comes down to knowing what is most appropriate for each situation,” Andy explains.

As they finish showing me around, it is clear that Andy and his client are very proud of what has been achieved here. Andy’s passion for the projects he works on means many clients return for his help whenever they are thinking of redeveloping, improving or building a new home.

“We first used Andy about 20 years ago on a house we owned in Fulham. He then did an amazing job converting a very sensitive historic Grade 2* listed barn next to our current house in Hampshire, and he’s also been a great help on a new-build holiday home we bought off-plan in Cornwall,” says the venture capitalist. “And we’re still great friends. We always turn to him first for advice on any property matters.”

Which is not something that can be said of every grand designer.

Andy Waller can be contacted at andrew.waller@knightfrank.com or on 01488 688 512. Andy heads up Knight Frank’s Rural Building Consultancy team, which can supply advice and design services on all aspects of rural property ownership, from insurance valuations to the creation of bespoke new-build country houses.

For anybody interested in seeing Andy’s work in person, the Somerset farmhouse and barn conversions mentioned in this article will shortly be available as premium holiday lets. Please see www.perfectstays.co.uk for more information.

JUMPING INTO THE FUTURE

The man in charge of the world-famous Badminton Horse Trials tells The Rural Report why running such a large occasion is so rewarding and how such events can really benefit historic estates

Words: Andrew Shirley
Image: Kit Houghton

Rural Report – Describe the Badminton Horse Trials in a sentence?

Hugh Thomas – The oldest and most prestigious of the world’s six premier three-day eventing competitions, which attracts around 160,000 visitors in total every year, with over 100,000 for the cross-country alone – one of the largest attendances for a sporting event on a single day.

RR – What makes them so unique?

HT – It’s partly because they were the first and are still considered the most important. The only other three-day eventing competition that a competitor would want to win more is the Olympics. That is fitting really, because the Badminton trials were originally established by the 10th Duke of Beaufort in 1949 to help British riders gain experience after a poor showing at the London games of 1948. Their unique setting within an historic deer park in front of an amazing stately home also makes them feel very special. I know a lot of riders get a real buzz about competing here, I certainly did when I was a competitor.

RR – How long have you been running the trials and how did you first get involved?

HT – My first trials were in 1989. I got a phone call from the Duke of Beaufort asking me to lunch. He then offered me the director’s job – I didn’t need to think very hard before accepting. The then director Frank Weldon, who really launched the trials into the modern era, was due to retire and there were about four of us around the country who could perhaps have had that call. I have always been delighted that I was the one who got it.

RR – Over the years how have the trials evolved?

HT – Obviously we are constantly striving to improve the experience for our visitors and stallholders – this year the whole site will be covered by wireless broadband for the first time and we are introducing a mobile phone App – but I have to say what strikes me most is how much more commercial things are. The riders are now professional sports people, not amateurs. When I came second here in 1976 I won £300. The winner now gets £60,000. However, despite what some people might think, it is still the horses not the shopping (Badminton has around 500 trade concessions and exhibitors) that the vast majority of visitors claim is the main reason for attending.

RR – What is the most challenging part of organising such a large event?

HT – There are so many things that need to be taken into account – ensuring the visitors have a good experience and want to come back again, making sure the world’s best riders want to compete each year, keeping the local community happy – but, at the end of the day, the most challenging aspect of organising the trials is that they are a one-off annual event on a greenfield site. You do only have one chance to get things right and there are certain things you can’t control (the event has been cancelled a number of times due to bad weather and the 2001 foot-and-mouth outbreak). Being the course designer as well as the event director, I get particularly nervous before the start of the cross country event. It is extremely rewarding when everything goes well, but the buck does stop with me if things don’t. I was very upset in 1992 when three horses lost their lives.



HUGH THOMAS: BIOGRAPHY

Hugh Thomas has been event director and course designer of the Badminton Horse Trials since 1989. As a rider he competed at both Badminton and the Olympics. He has designed many international cross country courses including for the 1988 Olympics. His business skills were honed in the family property company.

RR – And what do you think are the biggest benefits for an estate?

HT – I think the country house estates of England are something very special and unique and it’s a shame that many have disappeared. Events like the trials can play an important role in helping estates to develop and prosper without necessarily losing their character. They also benefit the local community, which I think is vital. We use 400 local volunteers at Badminton and the trials generate a lot of income for small businesses in the area such as bed-and-breakfasts. And it has to be good for an estate’s brand awareness – I am sure the recognition the trials bring to Badminton would benefit any other enterprises the estate might wish to undertake.

RR – What advice would you give to other landowners wanting to host a major event on their estates?

Employ the right people for the job, people who are experts in their field, and let them get on with it. It really does help that the horse trials here are run as an independent business – albeit one that works incredibly closely with the rest of the estate. Landowners do need to have a degree of tolerance for the disruption that is caused – I sometimes wish I could ask the Duke to go on holiday for a month after the trials when we are clearing up – but the capacity of grassland to recover is amazing. During the rest of the year I like to challenge visitors to the estate to tell me where in the park the trials were held.

RR – What plans do you have for the trials in the future?

HT – I don’t have any big schemes up my sleeve at the moment, but what I do know is that you can’t just aim to stand still. If you do that you will inevitably end up going backwards. If you want to remain the best you have to keep innovating and constantly looking for ways to improve.

This year’s Mitsubishi Motors Badminton Horse Trials will be held from 21-25 April www.badminton-horse.co.uk

THE ESTATE MANAGER’S VIEW

The Badminton Horse Trials are held on around 500 acres of the Badminton Estate in south Gloucestershire, which is home to the Duke of Beaufort and his family.

Some might assume that dedicating such a significant area of an estate to one event could disrupt the overall running of the property, but Knight Frank’s Simon Dring, who has been the resident agent at Badminton for 11 years, says estate owners should not let this put them off hosting their own event.

“Of course, there are some concessions that have to be made, the main one being that we do have to retain a large area as permanent grass in addition to the Estate’s historic deer park. But I think the trick is to view the trials as an integral part of the Estate’s operations, not as an annual inconvenience to be endured. That way you can work the farming operations around the trials and vice versa. Ensuring the vast majority of the event is held on land that is managed in-hand rather than on tenanted farms helps a lot.

“Hosting such a world-class event is actually very exciting and all of us on the Estate are proud to play our part each year.

“The requirements of the event have also allowed us to justify retaining the original purpose of some of the Estate’s historic buildings, such as its main stable yard where all 80 horses competing in the horse trials can be accommodated. Without them, we might have had to consider a change of use.

“Given the need to diversify income streams, I think every estate that has the facilities should consider hosting at least one large event each year.”

Simon Dring can be contacted at simon.dring@knightfrank.com or on 01454 218 203. Badminton is one of a number of high-profile estates managed by Knight Frank’s Estate Management team, which is headed by James Del Mar who can be contacted at james.del.mar@knightfrank.com or on 01488 688 507.

DON'T LET STAFFING ISSUES MAR COUNTRY HOUSE JOYS

The recent 10-yearly government Census of the UK's population is sure to yield some unexpected results, but one thing is certain – the most commonly recorded profession in 1911 will barely feature in the dataset 100 years on. That profession is private service – the term given to domestic or related employment at a private residence.

Set against this is the unofficial, although sadly very believable, statistic that difficulties finding the right staff are the third most common trigger – behind death and divorce – for substantial country houses being sold. Why should this be? Recruitment and retention is a challenge routinely overcome in business by those successful enough to own large houses, so why should success in the domestic context often seem so elusive?

One of the reasons is the simple fact that the best housemen, gardeners and housekeepers are surprisingly thin on the ground. Appreciated by their owners, they change jobs infrequently, leaving a general pool of untested new entrants and journeymen and women for whom eight to 10 jobs in the past 10 to 12 years is not unusual.

The second key factor is more to do with the nature of modern private service. In their Edwardian heyday in the early 1900s – vividly portrayed in the recent television drama *Downton Abbey* – country houses employed staff for each and every task or role, with over 100 people sometimes looking after one house and its occupants. In the modern era, job descriptions cover an array of skills and duties and the holders of such posts need to be able to fulfil a brief of often considerable diversity.

When recruiting, references and checks are key. Don't rush this crucial stage. Time should be taken to contact previous employers by phone, irrespective of the fact that a written reference may have been provided. In my experience, former employers are almost always willing to speak and there can be many reasons why the written word may differ from the spoken. Always also study and check the dates given in CVs for previous positions. Posts that didn't work out are frequently omitted and the end dates and start dates of posts either side do get merged together to conceal this. Using private security companies (with the applicant's consent) for more than just a Criminal Records Bureau check can often be illuminating, too. If an individual's background is clean, set out clearly in a letter of appointment what the role will comprise

and try to avoid the stock phrase 'such duties as are normally associated with this post'.

Having secured the services of a promising individual, do not lose sight of the key elements of successful retention. Barbara Cartland, the popular romantic novelist, once wrote of managing domestic staff: "...it should be obvious that to retain the services...of these invaluable people the old fashioned autocratic attitude is as dead as Victorian bustles...it is no longer good manners to keep people 'in their place'."

Dame Barbara was right on a legal level as well as a human one – the UK has strict employment laws governing disciplinary procedures and working conditions.

Competitive salary levels, standards of accommodation, the ability to take time off and periodic appraisals are all elements that should be kept under regular review. A common staff issue is the feeling that more pairs of hands are needed to cope with the amount of work required, while employers frequently suspect poor routines and time management are the real reasons. Usually the reality is somewhere in between and the most efficiently run houses, and therefore the happiest to work and live in, are those where resourcing is structured to expand and contract in line with varying intensities of use and occupation.

And in the final analysis, if a staff member just isn't right, you simply cannot take an Apprentice-like 'You're Fired!' approach. Dismissal without correct procedure is no less fair or unfair in a country house than in any other place of work. Seemingly robust confidentiality clauses and complex ownership structures will not protect you from potential prosecution or adverse publicity, as the handful of high-profile cases that come to court each year attest.

The services of an agent well versed in all these regulations can provide an invaluable interface in the recruitment and management of staff. In business this is left to experts and so it can be in private. This should help to ensure more country houses are being enjoyed by the same owners when it is time to complete the next Census.

Angus Harley can be contacted at angus.harley@knightfrank.com or on 01488 688 511. Knight Frank's Country House Consultancy team provides a full range of services to country house owners including specialist staff recruitment and management.



Angus Harley, head of Country House Consultancy at Knight Frank

READY TO HELP

Knight Frank can advise on all aspects of rural property ownership. Its principal service lines and the relevant contacts are listed below. Further details are available on our website at KnightFrank.co.uk/Rural



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Knight Frank's clients include traditional estates, institutional landowners, country house owners, farmers, charities, local government, energy and utility companies, rural businesses, private investors and funds.



THE TRUSTED ADVISOR

Knight Frank

“ Knight Frank’s constructive and thoughtful approach enables all our objectives to be achieved with calm efficiency. The blend of qualities and expertise within the team makes them a very valuable resource. ”

***Chris Bouchier, Director of the Rural Estate
The Crown Estate***