RURAL POLICY CENTRE RESEARCH REPORT

Family estates and rural resilience

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Executive Summary

1. This research aims to explore the links between the management and decision-making of family estates, and wider rural (community) resilience.
2. ‘Resilience’ is a strong feature of Scottish Government policy. Research which can throw light on ways to enhance resilience in rural Scotland can feed into policy and practice thinking.
3. We explore four resilience themes: (i) the strength or resilience of estates themselves; (ii) the deliberate choices or pathways of estate owners to enhance the strength of their estates; (iii) estate owners’ information and knowledge seeking, connections and decision-making; and (iv) the extent to which interviewees feel they should have responsibility for wider rural resilience.
4. A total of 23 family estate owners were interviewed from a random sample across Scotland and across size categories, in order to assess these four themes, as well as to explore what estates do, why they do it, and what interviewees think needs to change. The findings are presented under these main themes:

5. What do estate owners do and why?
   a. The estate: has a diversity of functions; this diversification is increasingly important; diversification is fluid, with a decline in certain roles for estates; there are internal and external factors influencing opportunities for diverse revenue streams.
   b. Motivations: are personal (stewardship, obligation, responsibility, enjoyment); and involve broader balancing of estate and community/locality priorities (providing or maintaining employment opportunities, and potentially supporting local services; investing in the local area; working with multiple partners).

6. How do estates remain strong and adaptable?
   a. Interviewees identified how the strength of their estate can be defined and how strength is affected. Key themes are: the importance of the estate’s time-horizon; the point at which inheritance takes place; the purpose of indebtedness as investment rather than spend; diversity and size of revenue streams; geographical location, land quality and estate size.
   b. When discussing how to enhance the strength of their estates, interviewees highlighted: using accumulated experience and rules-of-thumb in a context of on-going change; and putting changes in place deliberately, including: decision-making arrangements; formalisation of business planning; diversification of investments; and becoming more aware of the external (policy and grant) environment.

7. Who do estate owners engage with and why?
   a. All interviewees engage with others within and beyond their estates, at a range of scales, and for different reasons.
   b. Interviewees identified three types of connection: seeking professional advice and information; informal community connections; and formal and informal networking with agencies and organisations.
   c. Interviewees’ engagement is influenced by: the issue on which they are focused; the estate’s physical and social characteristics; generational change.
   d. Interviewees themselves made a clear distinction between engaging with others, and the processes of on-estate decision-making.

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8. **Should estates be expected to deliver to wider rural development objectives?**
   a. Interviewees were asked how far they felt it was appropriate that they *should* be expected to play a role in the provision of services such as affordable housing, and providing employment and premises for small businesses.
   b. There are three response types: the **majority stated it is appropriate** (responsibility, self-compulsion, commitment to driving local businesses); a **small number stated it is appropriate but with qualifications and caveats** (do not wish to be seen as ‘paternalistic’, depends on estate size, demand for wider development and make-up of estate; distinguish between being ‘responsible’ and being ‘involved’; interplay with estate profitability); a **minority stated it is not appropriate** (it is the role of others; there should be no more or less expectation on them compared to other rural businesses; need to maintain business viability first; already delivering to wider goals; depends on geographical location).

9. **What needs to change for private estates to deliver more?**
   a. **Three themes** came through consistently from interviewees: uncertainty and lack of clarity (policy and funding); **bureaucracy** and relationships with institutions; and **perceptions** of estates and practical support for community engagement.

10. **Conclusions:**
   a. Based on the findings of the **23 interviewed estates** across Scotland, we are able to state that a **vibrant and strong family estate can contribute to the on-going vibrancy of rural communities, both on or near these estates**.
   b. Given our research focuses on a sub-sample of family estates, it will be important to identify the extent to which these findings apply across the wider estate sector.
   c. Nonetheless, our research reveals the breadth and complexity present within family estates, and therefore comprises an important part of the overall picture of private estates in Scotland.

11. **Messages for policy and practice:**
   a. Engagement with family estates needs to take account of **estate diversity** rather than seeing them as in any way ‘standardised’.
   b. It is critical to understand the **generational context** of family estate owners, and where current decision-makers sit within their **personal timelines**.
   c. It is important to identify: the implications of **economic and policy uncertainty** on specific aspects of these rural businesses; and ways in which such uncertainty may be reduced in order to enhance strategic planning opportunities.
   d. There are **examples**, from the 23 interviews, of **positive, productive engagement** as family estates seek to remain strong and resilient and feed into the resilience of wider communities. It is important to **build on these examples**.
   e. Some interviewees identify the need for **facilitators to enhance connections and engagement** in local area planning. This proposal from family estates could be explored.
   f. There is scope to **build on existing commitment and actions**, and support further involvement, of this part of the rural **private sector**.
Research aims

This research aims to explore the links between management and decision-making of family estates, and wider rural (community) resilience. ‘Resilience’ is a strong feature of Scottish Government policy. For example, Outcome 11 of the National Performance Framework states that “We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others”. Research which can throw light on ways to enhance resilience in rural Scotland can feed into policy and practice thinking. Our aim here then is to explore the potential contribution of family estates to that resilience.

Based on previous research (Skerratt, 2011; Skerratt, 2013), ‘resilience’ is defined as:

- the existence, development and mobilisation of resources, in order to thrive in an environment characterised by change, uncertainty, unpredictability, and surprise;
- the deliberate development of capacity in order to respond to and influence change;
- the development of new trajectories for the future.

Given the wider research literature, four broad themes of resilience were examined:

1. Whether the estates in this study are simply resilient or not, and cannot become resilient. This matters in policy terms because if resilience is simply a characteristic of some estates and not others, seeking to enhance resilience is not going to be effective;
2. Whether resilience is established and enhanced through deliberate pathways or choices, and whether certain decision-making pathways are essential;
3. Whether resilience is at the level of the individual, family, group, estate community, or wider - bringing in people and institutions from outside the locality;
4. Whether the estates in this study feel that it is appropriate that they should be expected to take responsibility for wider rural resilience.

The research approach

Defining an estate: There is little agreement on the definition of an estate, but the definition most appropriate for this research is: “landholdings with a range of interests that may include in-hand farming, let farms, sporting interests, forestry, residential property, workspaces, tourism and community facilities”.

Focus: By focussing upon family estate owners who are resident on their estates, we were able to gather data from the family decision-maker(s) as the ‘unit of analysis’. We could therefore examine their decision-making processes and arrangements, and assess links between these and resilience.

Sampling process: The initial sample of 20 estates was selected from the membership database of Scottish Land and Estates (SL&E). SL&E supplied us with their national, anonymised database, which contained the estate code, size and geographical location according to SL&E’s five membership regions (see Figure 1). Using a randomising formula, we selected our required sample number, which also reflected: the proportion of estates in each of the five SL&E regions and size distribution of estates in the membership database. We sent these codes to SL&E, who then checked that the ones we had selected were resident family estates. If not, we then re-selected, again from the anonymised database. This process ensured that we were focusing only on resident family estates as our unit of analysis.
Table 1 shows the sample which resulted from this process. In addition to the initial 20 (of which 19 agreed to be interviewed), it became clear as the research progressed that there were distinct characteristics of family estates in the Highlands and Islands membership area. Further, as can be seen, this has the largest geographical coverage of SL&E’s membership areas. For both these reasons, an additional ‘top up’ sample of five estates was selected from this region (four agreeing to interview) in order to examine these issues in more depth. They were sampled using the same procedure as the initial sample of 20.

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<td>South East</td>
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<td>South West</td>
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<td><strong>Total</strong></td>
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Table 1: Sample of family estates. Numbers in (italics) include ‘top up’ figures.

**Desk-study preparation:** In advance of undertaking face-to-face interviews with family estate owners (and in one case, the resident Factor), interviewees were asked to provide (on a confidential basis) information including: business plans; the detailed area of the estate; on-estate activities; aims, objectives and governance structure. This information then informed the interview.

**Interviews:** the semi-structured, face-to-face interviews with the family estate owner were undertaken between March and May 2013. Each on-estate interview lasted between one and two-and-a-half hours. A standard interview format was used with each interviewee. The initial section focused on examining what the estate does and why. The next four sub-sections looked at the four research questions (above). The final section asked what needed to change (if anything), from the interviewee’s point of view. Detailed notes were taken during each interview and written up immediately afterwards.

**Analysis:** Following the completion of all interviews, Thematic Analysis was then carried out, in which responses were grouped under the six interview sections/themes, and under sub-themes which emerged during the analytical process itself. Thematic Analysis is useful in two ways: firstly, it allows the main, repeated views across the sample of 23 interviews to emerge; secondly, it allows the diversity within each main theme to be seen. So, it shows the dominant views, as well as the more subtle differences. The research findings are now reported according to this themed structure.

**Research findings: responses from family estate owners**

The main part of this report now focuses on the findings from the interviews with family estate owners. It is important to emphasise that these findings represent the views of the interviewees, and not those of the researcher.

1. **What do estate owners do and why?**

   **Key Points**
   1. Interviewees were asked about the **main functions of the estate** and their **motivations** for operating their family estate.
   2. **The estate:**
      a. has a diversity of functions, and this diversification is increasingly important;
      b. diversification is fluid, with a decline in certain roles for estates;
      c. there are internal and external factors influencing opportunities for diverse revenue streams.
   3. **Their motivations:**
      a. are **personal** (stewardship, obligation and responsibility, enjoyment), particularly in the context of the **generational timeline**;
      b. involve **broader balancing of estate and community/locality priorities** (providing or maintaining employment opportunities, and potentially supporting local services; investing in the local area; working with multiple partners).
1.1 Diversity of functions

The estates taking part in this study are extremely diverse in terms of the activities they undertake. For the majority of our sample, the dominant activities are agriculture, forestry, sporting, and let housing. However, diversified activities are becoming increasingly important in providing a range of income streams to allow the estate to remain strong and adaptable, or increase its strength and adaptability in the face of change. Such activities include quarrying, tourist accommodation and equine related activities. Most estates are composed of both ‘let’ and ‘in hand’ (i.e. directly operated by the estate) arrangements, with many also owning property which is either let to small businesses, such as tradesmen, or which was owned by the estate and operated by a third party, such as a pub, hotel or shop. The extent of such diversification is dependent upon a range of factors (Section 2).

Renewables activity was also cited by a number of interviewees as a more recent income stream. Arrangements include working in partnership with others in the private sector to erect wind turbines or hydro schemes, or through the provision of woodfuel. In some instances, income from a windfarm can underpin the estate, acting as its foundation. However, such activity was also perceived by some to have negative implications: for example, tensions between the pursuit of renewables and the potentially detrimental impact on other streams of income, such as from tourism.

Interviewees highlighted how diversification is fluid, changing over time - in terms of the mix of diversification activities, and the relative importance of each activity’s income stream. Significantly, a number of participants were seeing the [financial] role of agriculture declining, with let property and diversified activities becoming increasingly important to the on-going strength of the estate. Also, the role of land within an estate may shift over time (production-focus to High Nature Value-focus, for example). These changes lead to shifts in the nature of employment. The decline in overall estate employment was often cited (with implications for maintenance of on-estate housing stock), as well as how there may be a similar number of employees, but they are undertaking roles which differ from previous years, and thus have to be adaptable.

Futher, it was pointed out that more consistent and/or predictable streams of income (for example, letting property or quarrying) allow for the less predictable (or more risky) activities to be engaged with (such as tourism or small enterprises). This is seen as an essential part of enabling the estate to remain strong and adaptable.

Finally, diversification activities, as part of on-going estate adaptation, are reported to be constrained (or enabled) by a range of factors including:

- geographical location (access to markets, amenity value, potential for renewables, or quality of land);
- size of estate (giving fewer or more opportunities);
- history of estate;
- governance structure;
- financial and political climate.

This mix of ‘internal’ and ‘external’ factors is examined in more depth below.
1.2 Motivations

Interviewees’ motivations for owning and managing their land (and associated assets) can be broadly separated into ‘personal/familial’ and ‘broader’ motivations.

**Personal/familial motivations:** Stewardship of the estate (including land/environment and built assets) is a common motivation – both in terms of maintenance and improvement, and ensuring continuity over time between generations. Interviewees also talked about stewardship in terms of obligation and responsibility. Such obligation is firstly to family past and present (as a result of inheritance, and to maintain a family business which can provide an income to family members); and secondly, to ensure that the estate will remain strong for future generations. This generational timeline was emphasised by every interviewee. What they do now is linked to where they, as owners and stewards, ‘fit’ into the personal family history of the estate, and to their commitment to future family generations.

Personal enjoyment is important in encouraging interviewees to remain as estate owners. This was expressed in terms of: the entrepreneurial opportunities provided through the estate; lifestyle; and the enjoyment of undertaking the various business activities on the estate. Connections with place are very important, underpinning a way of life which may not necessarily be commercially viable.

**Broader motivations:** interviewees highlighted the role of the estate in balancing diverse purposes so as to benefit both the estate and the wider community. There is recognition that, whilst an estate may primarily be ‘a business’, there is a need to balance the interests of the family and those of the community, developing the interests of both, ensuring decisions are not to the detriment of people and environment. Specifically, interviewees emphasised the importance of keeping employment opportunities open both on-estate and off-estate (for example, through employing local tradespeople supplying the estate). Examples include on-estate, refurbished business incubation units let at subsidised rates with favourable contracts, in order to increase employment in the area. In addition to providing employment opportunities, it was highlighted how this in turn enhances the numbers attending school and using services (such as the local shop and petrol station) which enhance their viability. A number of interviewees were keen to distance themselves from such activities being seen as ‘paternalistic’, however. Rather, they saw this increased community involvement as an “exciting new agenda” for the estate.

Further, some estates felt strongly that it was important to support the vibrancy of the neighbouring community through investment in the local area. To deliver this ‘socio-economic’ dimension, some estates are working together (singly or collectively) with Local Authority stakeholders, to develop joint, long-term regeneration plans for the area. Local decision-making forums have been set up in order to support the viability of local businesses and services.

We return to this theme later, highlighting the extent to which the interviewees felt they should be making these types of community investments.
2. How do estates remain strong and adaptable?

Key Points
1. In this research into family estates and rural resilience, it is important to examine the strength and adaptability of the estates.
2. Interviewees identified how the strength of their estate can be defined and how strength is affected. Key themes are:
   a. the importance of the estate's time-horizon;
   b. the point at which inheritance takes place;
   c. the purpose of indebtedness as investment rather than spend;
   d. diversity and size of revenue streams;
   e. geographical location, land quality and estate size.
3. When discussing how to enhance the strength of their estates, interviewees highlighted:
   a. using accumulated experience and rules-of-thumb in a context of on-going change;
   b. putting changes in place deliberately, including: governance and decision-making arrangements; formalisation of business planning; diversification investments; and becoming more aware of the external (policy and grant) environment.

2.1 Estate strength and adaptability, and how it is affected

Across all interviews, when trying to define the current strength of an estate, the time horizon over which estates operate was always emphasised. So, although an estate may not currently be strong, the estate is, nonetheless, likely to continue, because of the longer time horizons involved. The strength of an estate is therefore normally perceived to be relative and is often discussed in terms of generational change. In the minority of cases, this change can be seamless and uneventful. However, the majority of interviewees report that such change is likely to see an interruption which leads to shift in direction, priorities, ways of operating etc. (see below). All of this affects the strength of the estate. A further key factor is the point at which an individual inherits an estate and the skills and attitudes they bring with them. Those who have worked outwith the estate can bring additional skills in property and/or business management which may not be held by the previous head of the estate. Having an ‘external’ perspective can also be helpful in first coming to the estate. Equally, however, if inheritance takes place when the successor is very young, this presents specific challenges with regard to the skills and knowledge required by the estate owner to run a successful estate. Short term approaches to address this include employing a Factor, whilst longer term strategies include additional education, as well as the importance of Trusts and/or Factors in supporting transition.

When describing the financial strength of the estate, interviewees stated that indebtedness is not always to be seen as ‘weakness’. Instead, it is important to have the ‘right kind’ of debt. Generational perspectives come into play again. Interviewees stated that previous generations had focused on reducing debt through sales of property or land. Now however, debt is linked to investment in the estate business, not from spending on daily living. This was felt to be appropriate for business growth and enhancing estate strength.

Interviewees all pointed to the importance of diversity of estate revenue streams when describing their estates (above). This theme re-emerged as a key characteristic of strong estates. Interviewees observed that there has been, over time, a shift towards a more business-like model for estates (away from the ‘sporting estate’ image or practice), which is more financially efficient. With this shift in approach, challenges and opportunities were reported. Challenges in that the estate might need to withdraw from activities which may be beneficial to the estate and wider community but are not profit-making; and opportunities where the estate is shifting toward a more enterprising model.

By interviewing across Scotland, we were able to see whether their geographical location was mentioned by interviewees as playing any role in the on-going strength of the estate. Interviewees themselves highlighted this as a theme, along with quality of land. Interviewees in more accessible areas identified opportunities from a vibrant private or commercial letting market; and/or close proximity to markets and passing trade to engage with enterprising activities. Those in more remote areas reported more
challenges in engaging with such opportunities. Perception of ‘remoteness’ were not limited only to the Highland and Island region, but also existed in the South East of Scotland. Remoteness was felt to affect the cost of living and operating – lower rents but higher costs of consumables, freight, and fuel - for estate employees, and for running a business. Finally, remoteness was experienced as being distant from centres of decision-making, and was reported as a challenge to the ongoing strength of estates; this was particularly acute for those estates located on islands.

Finally, by examining estates across size categories, we were able to see whether interviewees highlighted their estate size as a factor affecting strength. Our findings show that, overall, interviewees feel that an estate reducing in size is generally going to be an estate which is also reducing in strength, although a small number of interviewees expressed a willingness to divest of interests which did not make financial sense where necessary. Estate size was also seen as a factor in influencing an estate’s ability to engage outwith its boundaries. Some stated that wider ‘community’ engagement is possible for the largest of estates, whereas smaller estates were required to focus on increasing the strength and resilience of their own businesses first.

2.2. Enhancing the strength of the estate

Interviewees reported operating within an overall context of on-going external and internal change. Many interviewees also spoke of change as a “natural progression” in the story of the estate. However, this change was not always due to deliberate ‘pathways’ or choices, but on the basis of accumulated experience (rule-of-thumb decisions), and/or in response to changing economic and political contexts.

The majority of interviewees also described a number of deliberate changes in decision-making structures and processes to enhance the strength of their estates. One step outlined by a number of interviewees is moving back to the estate to manage it directly, rather than relying on the services of a Factor or agent. The reasons for this include allowing a greater degree of ‘risk taking’, and to understand better the challenges faced by the estate and the opportunities available. This understanding is enhanced by working on the estate and through building networks with others, informally and formally (see below). A second deliberate approach taken by some interviewees is to dissolve the estate family Trust in order to allow for more entrepreneurial risk-taking. A third deliberate step is the structured and strategic taking of advice and building of networks. Whilst this is important across estates; this was particularly acute for those estates located on islands.

Formalisation of business planning is seen as increasingly central to enhancing the strength of estates. Taking the time, particularly for those newly managing estates, to assess the ways in which the estate is run, is seen as being an important step to setting a long term goal and identifying steps to achieving it. Interviewees emphasised the importance of managing change more proactively, by regularly (quarterly, annually) reviewing and auditing the estate’s activities, opportunities and threats. This includes strategic assessment of funding and policy opportunities and challenges. A fundamental part of this on-going, deliberate assessment and evaluation is the building of networks with other estates, neighbours, advisors and representatives.

The majority of interviewees described their estates as increasingly diversified, and emphasised the importance of this for maintaining the strength and financial viability of the estate (above). It is important to note that increased diversification is largely on the basis of deliberate investment decisions to broaden the estate portfolio. Examples of investment include: the renovation and/or letting of properties; increasing the proportion of income from housing rental (but ensuring that churning of housing is kept to a minimum through keeping rents low, for example); and creating business incubator and tourism opportunities. Interviewees reported that such investment is designed to create stability from multiple income sources (should one source decline) as well as enhance overall strength of the estate.

In order to maintain and/or increase estate strength, interviewees highlighted steps they had taken to become more aware of their external environment. This is felt to be critical, particularly in a time of increasing change in land use priorities, demands, opportunities, and wider rural trends in employment opportunities, population change etc. This awareness of the external environment was identified in relation to two themes. Firstly, knowing the funding landscape, for example being aware of available grants and adapting to them where appropriate, whilst avoiding those which do not fit with the strategic direction of the estate and thus not being ‘grant led’.
Secondly, deliberately increasing their understanding of policy and legislative issues, through integrating into information and knowledge exchange networks (see below).

Finally, it is important to note that a small number of interviewees did not feel it was necessary to seek to become stronger, or to take deliberate actions to do so. For these interviewees, their priority is maintaining the status quo through applying their years of experience and keeping on doing what they know works well. This was seen as preferable to operating in a risky manner.

3. Who do estate owners engage with and why?

**Key Points**
1. All interviewees engage with others within and beyond their estates.
2. Interactions are at a range of scales, from within the boundaries of the estate, to regional and national agencies and networks, through to European colleagues and funders (Figure 2).
3. Links are important for different reasons, and have different strengths depending on the frequency of connection and relative importance of the relationships.
4. Interviewees identified three types of connection:
   a. those focused specifically on seeking professional advice and information (estate trustees, professional advisers, representative bodies and local networks);
   b. informal community connections (on-estate networks, communities close to the estate, networks supporting service provision, consultation and shared decision-making, and communities more distant from estates);
   c. formal and informal networking with agencies and organisations (consultation and planning, legislation and monitoring advice).
5. Interviewees’ engagement is influenced by:
   a. the issue on which they are focused;
   b. the estate’s physical and social characteristics;
   c. generational change.
6. Interviewees themselves made a clear distinction between engaging with others, and the processes of on-estate decision-making.

We are interested in the extent to which family estate owners engage with others, who these people are, and why such engagement takes place. This helps to understand the multi-level nature of information and knowledge searching and exchange. It also contributes to an understanding of multi-level decision-making, and potential involvement of wider stakeholders, including communities.

3.1 Professional advice and information

Professional advice and information is sought not only by those with a formal business plan or strategy, but also by those who have a less formal approach to managing the estate.

**Estate Trustees** were viewed by some interviewees as being both beneficial and challenging. The benefits include receiving professional advice, opinion and experience from a broad spectrum of backgrounds, including those with a professional knowledge of land-based activity, finance, law, property management etc. The challenges include limiting the risk-taking of the estate (outlined above). **Professional advisers** were described as being important for advice and information regarding business planning and the structure of the estate. Even where a Trust board is present, professional advice is often important in negotiating complex administrative tasks including estate and grant monitoring and reporting. **Representative bodies** such as National Farmers’ Union of Scotland (NFUS) and Scottish Land and Estates (SL&E) are seen as providing advice and information regarding the management of estates, and as avenues through which skills could be developed if an interviewee feels they are currently quite ‘weak’. **Local networks** (formal organisations and informal connections) are formed, again in order to access information and advice. Interviewees specifically highlighted the importance of building links with other landowners in their area, particularly for those who are newer to estate management. Such connections provide comparisons as well as a signposting function. Interviewees described how this mix of sources is accumulated over time, and enables them to feel that they generally have someone they can contact for specific feedback and professional guidance regarding estate matters.
3.2 Informal community connections

Interviewees described their on-estate networks between the estate family and: employees, tenants, crofters, residents (in let residential properties), local contractors and suppliers, and (where the estate is covered by such structures) grazings committees and Community Councils. A further ‘layer’ of networks is dependent on whether the estate contains settlements (villages) within it or not. Within the sample of 23 estates across Scotland, there were estates with settlements within their boundaries, estates with no settlements, and estates with varying numbers of staff, contractors, residential and agricultural tenants. Larger estates (typically in the Highlands and Islands SL&E area) reported formal structures for engagement with the on-estate settlements and with residential and/or agricultural tenants. However, it was not possible to observe a single pattern of engagement. Instead, connections are very much shaped by geography and size of the estate.

The types of connections or links with communities close to the estate vary considerably within the interview sample. Those interviewees who emphasised these connections felt that the strength of the estate is related to the strength of neighbouring communities, and vice versa. This relationship is felt to be two-way, for example: the provision of on-estate employment opportunities, as well as estates proactively seeking to support service provision in the wider, off-estate community. In terms of employment, there is recognition that numbers employed in traditional estate occupations have declined, but that new opportunities exist (e.g. tourism), particularly on estates in more accessible rural areas. Local businesses supplying/servicing estates was therefore often highlighted as an example of the business/economic links which estates create with communities. Interviewees also saw themselves as being primarily rural businesses, particularly smaller estates outwith the Highland and Island (SL&E) region. Developing links with the business community through the formation of local business forums was therefore highlighted as beneficial and an important role for estates.

In terms of service provision, a number of estates reported proactive efforts to support local schools through targeted letting of their properties to families with young children (rather than to retirees), and/or through leasing or gifting of land parcels for recreational use. It was felt that this was not about philanthropy but a long term rationale for estates proactively supporting the sustainability of neighbouring communities. In one case, in an accessible rural area, a number of estates are working together, and with wider stakeholders, to develop longer term plans for the communities in the vicinity, with the aim of contributing, as the private sector, to the vibrancy of these communities.
Interviewees also discussed links to neighbouring communities in a third way: that of consultation and shared decision-making. For some estates, this was felt to be critical (as in the example of estates working together with multiple stakeholders). Other interviewees, however, felt such involvement could be quite superficial, complicated by the fact that structures such as Community Councils were not always felt to be representative of the community as a whole. We return to this theme below.

Interviewees described their connections with off-estate neighbour networks as being extremely important. Informal networks between estates and between neighbouring farms and businesses focus on practical support and informal advice. More formalised relationships exist in order to address shared challenges (e.g. deer management, river management) or interests (e.g. machinery rings).

When discussing links with communities more distant from their estates, interviewees generally identified: the provision of access to the estate for particular groups (outward-bound or walking groups, sporting groups and/or the direct support of these groups); or visitors/tourists more generally. In order to facilitate this, networks with tourism related bodies and countryside management groups were highlighted as important.

3.3 Formal and informal networking with agencies and organisations

Interviewees explained the importance of networking, particularly in the area of consultation and planning. Interviewees engage in diverse ways, and also encounter a number of challenges. At the local level, engagement with Community Councils is variable, and depends on the capacities of both the estate and the Community Council. A further factor is the perceived importance of on-estate decisions to the wider community, particularly in more accessible rural areas (see Section 5). Some interviewees find such engagement challenging, due to having to negotiate areas of conflict, whilst others – even where there might be conflict – feel it is strategically important to engage.

When discussing statutory consultation procedures and wider planning issues, most (but not all) interviewees reported having the opportunity to feed into 'local plans', although some said they were not always aware of more localised planning opportunities. Engagement with Local Authority planning structures – particularly with regard to planning permissions – was frequently reported to be challenging (see Section 5).

Interviewees actively network with agencies and organisations for the purposes of legislation and monitoring advice. Connections are with Scottish Natural Heritage (SNH), Scottish Environment Protection Agency (SEPA), Forestry Commission Scotland (FC), Scottish Wildlife Trust (SWT) and the RSPB. Roles for NFUS and SL&E were also highlighted. Organisations which reflect the interests and priorities of the landowner are also important in coordinating action, networking and developing shared activities, such as Linking Environment and Farming (LEAF), tourism associations, local 'Friends Of...' groups, or issue-based groups. Further, consultants able to support in the navigation of planning, complex land management issues and estate governance were cited as key.
3.4 What influences the nature of interviewees’ engagement?

Firstly, interviewees emphasised that one of the most fundamental factors shaping how they engage is the issue they are focusing on. There is no standard pattern. For example, estate owners may see it as more important to engage with the local Community Council regarding issues of Planning for affordable housing, rather than on decisions regarding a change in land use or inheritance planning. The way they use their networks therefore depends on the types of decisions they are facing; different links come into play for different issues.

Secondly, the estate’s physical and social characteristics influence how interviewees’ networks operate. Key here is whether the estate has settlements (villages) within its boundaries. This in turn brings its own norms of decision-making structures and processes within the boundaries of an estate. The nature of on-estate employment and farming structures also directly influences the nature and extent of interviewees’ involvement of others in their decision-making. Opportunities exist for those estates with tenants (residential, agricultural or commercial), which do not exist for those estates with a small amount of let property and land-based activity which is contracted. In addition, the presence of others with whom to network was also important, for example regional groups of estates or land managers. Further, perceptions of the capacity and/or willingness of local communities to engage, and direct experiences of this, influence interviewees’ subsequent decisions to engage further.

Thirdly, interviewees emphasised how generational change exerts a strong influence on the importance and extent of engagement. For example, if the estate has been inherited by someone who requires a greater degree of knowledge relating to the business either formally or informally, they are more likely to seek to build links to others. Equally, a number of participants perceived that younger generations would be more likely to consider making links with others outwith the estate, both with regard to communities’ interest and also with businesses. However, some younger interviewees outlined how their tendency to engage proactively with others is balanced by such partnerships also needing to make business sense.

Finally, interviewees themselves made a clear distinction between engaging with others and processes of on-estate decision-making. The family group are typically the group within which core decisions are made regarding activities of the estate. The networking, engagement and connections, outlined above, thus directly inform this decision-making according to the factors outlined above.

4. Should estates be expected to deliver to wider rural development objectives?

Key Points
1. Interviewees were asked how far they felt it was appropriate that they should be expected to play a role in the provision of services such as affordable housing, and providing employment and premises for small businesses.
2. There are three response types:
   a. The majority of interviewees feel it is appropriate for them: responsibility; self-compulsion; commitment to driving local businesses.
   b. A small group feel it is appropriate for them, but with a number of qualifications or caveats: do not wish to be seen as ‘paternalistic’; depends on estate size, demand for wider development and make-up of estate; distinguish between being ‘responsible’ and being ‘involved’; interplay with estate profitability.
   c. Minority state it is not their responsibility and should not be thought of as such: it is the role of others; there should be no more or less expectation on them compared to other rural businesses; need to maintain business viability first; already delivering to wider goals; depends on geographical location.

The majority of interviewees feel that broadly it is appropriate that their estates should play a part in local rural development activities. They argued that with land ownership comes responsibility, and that they also have a role to play in driving business in the local economy. When specifically thinking about trying to solve issues such as crises in affordable rural housing, interviewees feel that it is important to include the private sector. A degree of self-compulsion was expressed, feeling responsibility to the local community, school or businesses. Interviewees sometimes expressed this as “enlightened self-interest”, beneficial to the estate and to communities. It is important to note that interviewees emphasised that such involvement should take place voluntarily, because estates want to be involved, rather than through compulsion.
The second group of responses are from interviewees who are in broad agreement that they do have a role to play, yet also have concerns or identified factors which affect this role. Firstly, these interviewees do not wish their actions to be seen as them being ‘paternalistic’ or ‘benevolent’, since this is not perceived as politically correct or acceptable. Secondly, interviewees feel that their ability to take on a wider developmental remit also depends on the size of the estate, with larger estates perceived to have a greater capacity to undertake such activities. Nonetheless, there is an acceptance that estates do not exist in a vacuum, but are important (potential) players in the local community. Thirdly, the extent of their involvement is determined, to some extent, by whether there is demand for development in the area or the infrastructure to host new housing or businesses. Fifthly, the make-up of the estate and its governance were cited as limiting factors. Some interviewees feel that absentee landlords would be less likely to engage with such wider developmental roles, whilst estates with a purely sporting function were also perceived to be less likely to be involved. Finally, interviewees made the distinction between being “responsible” and being “involved”, since there are many ideas and resources coming from other people, groups and stakeholders. Identifying this difference also means that interviewees could involve the estate, but only up to the point that it does not damage business or impinge on the economic viability of the estate. Even so, interviewees also stated that decisions to engage with community and in wider development are not financially-driven, but personally-driven.

The third group of responses is from the minority of interviewees who feel that their estates should not be expected to engage in wider rural development. Several reasons are outlined. Firstly, it was stated that it is the role of others to be performing these activities. This is particularly the case in relation to affordable housing, which is seen as a service Local Authorities should be delivering. Specific problems related to affordable housing provision are: perceived complexities and difficulties of seeking to deliver; the long term payback; and perceived conflicts concerning tenants whom the Local Authority may place within such housing versus the needs of the local community. Secondly, interviewees stated that, as a rural business, there should be “no more or less” expectation placed upon their estates than on any other rural business, to support local development. Thirdly, interviewees emphasised the need to put the business first in order to maintain viability. Fourthly, some felt they were already doing much to support local housing (by providing housing at lower than market rates). Finally, geographical location was seen as a factor affecting the scope for a wider development role: the demand, feasibility and opportunities for providing services (such as affordable housing) are seen as greater closer to urban areas, but far less so in remote rural Scotland.

5. What needs to change to help private family estates deliver more?

<table>
<thead>
<tr>
<th>Key Points</th>
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<tbody>
<tr>
<td>1. Interviewees were asked to identify what needs to change to help them deliver more.</td>
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<tr>
<td>2. Three main themes came through consistently:</td>
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<tr>
<td>a. Uncertainty and lack of clarity, particularly in relation to policy and funding;</td>
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<td>b. Bureaucracy and relationships with institutions:</td>
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<tr>
<td>i. for estates as rural businesses;</td>
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<td>ii. challenges of engaging with planning;</td>
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<td>iii. bureaucracy with regard to land and environmental management.</td>
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<tr>
<td>c. Perceptions, understanding and engagement:</td>
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<tr>
<td>i. external perceptions of estates, and reality of activities and roles;</td>
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<tr>
<td>ii. practical support for engaging with communities, possibly with independent facilitators, feeding in to local plans;</td>
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<tr>
<td>iii. that ‘the community’ includes businesses.</td>
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</table>

5.1 Uncertainty and lack of clarity

Many interviewees feel that greater certainty is required in a number of policy and funding areas, to support the longer-term decision-making horizons within which the estates operate. Uncertainties include those in the current CAP reform process, which are making strategic planning difficult and resulting in a number of interviewees choosing not to undertake certain activities. Specifically, current funding arrangements for new entrants were highlighted as a challenge. Uncertainty and changeability also affect renewable investment decisions, due to changes in the Feed in Tariffs (FITs) and unpredictability of future FIT levels. Other key contextual uncertainties are the forthcoming vote on Scottish Independence, and the Land Reform Review – both of which are resulting in interviewees postponing key decisions.

5.2 Bureaucracy and institutional relationships

Interviewees are operating their estates as rural businesses. In that context, they highlighted significant areas of bureaucracy which, in their view, must be addressed. Complexities of employment legislation, Health and Safety etc. dissuade some interviewees from employing staff directly. Further, the charging of VAT on renovations of existing buildings, compared to the absence of VAT on newly-built properties, is a significant barrier to their renovation of existing estate buildings, particularly when many are listed. These challenges are compounded by planning regulations, which often require buildings to be built within a pre-existing ‘footprint’ in order to gain planning permission.
More broadly, planning is seen as a significant area requiring attention. There is a need for greater flexibility in the application of planning consent, plus increased consistency and speed in decision-making. This includes the fact that Local Plans take a long time to be finalised, by which time they may be obsolete. Planning is perceived to be ‘urban heavy’, with limited acknowledgement of rural specific issues. For example, the definition of a ‘cluster’ of housing, and having to work within particular defined settlement boundaries rather than taking into account the wider distribution of a settlement, are hindrances to additional construction. Linked with this, interviewees feel that Local Authorities often work in ‘silos’ which make it challenging for estate owners to take effective action. This limits the opportunity to undertake further activities, either directly (through legislative or administrative barriers) or indirectly (through the time and cost required for a business to navigate these silos).

Bureaucracy with regard to land and environmental management was felt to be a significant burden. Interviewees stated that, given their dependency upon the land, and their long term connection to place, it should be understood that they would not behave in an environmentally irresponsible manner and should be allowed greater independence, and less stringent monitoring and legislation. Similarly, administration of European funding was found to be particularly challenging, often requiring the support of external advisors to be successfully navigated.

5.3. Perceptions, understanding and engagement

A number of interviewees identified a difference between external perceptions of their family estates and the reality of their activities and roles. This included discussion of a need to see such estates as a ‘business’ rather than purely as a ‘landowner’. This was felt to be important both for communities when engaging with landowners, and also for agencies which might be looked to in order to provide entrepreneurial support. Additionally, interviewees identified a lack of perceived value of their on-estate ‘management’ skills and capacity. An appreciation of the reliance of landowners upon the natural environment, and therefore their commitment to maintaining and enhancing it, was felt to be important.

In order to enhance engagement with communities, some interviewees suggested that practical support for engagement with (off-estate) communities would be beneficial. For some, there were “too many areas of natural conflict” for successful engagement, with others suggesting that structures such as Community Councils may not represent either on- or off- estate communities adequately. Potential solutions proposed by interviewees include the coordination of local (potentially issues-based) forums by independent facilitators, which could then feed into local ‘community plans’. The plans could identify the baseline and what needs to be done. They could feed into Local Plans, wider Local Authority structures and LEADER programmes. Local Area Plans could be a vehicle to coordinate action, highlighting potential opportunities for further interaction, and the key needs of a community. Finally, interviewees emphasised that “community” includes businesses, and that empowering small businesses as part of community involvement is therefore important.

6. Conclusions

Our research has focused on resident family estates and their potential contribution to rural resilience. We explored four resilience themes: (i) the strength or resilience of estates themselves; (ii) the deliberate choices or pathways instigated by estate owners to enhance strength of their estates; (iii) estate owners’ information and knowledge seeking, connections and decision-making; and (iv) the extent to which interviewees felt they should have wider rural developmental responsibilities.

Based on the findings of the 23 interviewed estates across Scotland, we are able to state that a vibrant and strong resident family estate can contribute to the on-going vibrancy of rural communities, both on or near to these estates. We see this in relation to:

- direct on-estate employment (changing in nature but nonetheless present);
- local employment to service the estate (increasingly broad requirements as estates diversify further);
- affordable housing provision;
- business incubator units (at low rent and favourable rental periods); and
- a more recent development, highlighted by some interviewees, of engagement with communities to develop shared local area plans.

Interviewees themselves identify further opportunities to improve and enhance their engagement with wider rural development objectives. They also highlight the challenges they have to keep in mind as rural business managers.

Further, they have identified the scope for facilitators as intermediaries to enhance communication and engagement in local area planning, and the need for greater integration into wider (Local Authority) planning forums and processes.

It will be important to identify the extent to which these findings apply across the wider estate sector. Nonetheless, the findings reveal the breadth and complexity present within family estates, and therefore comprise a significant part of the overall picture of private estates in Scotland.
Messages for Policy and Practice

Given the research presented here, we identify the following **key messages for policy and practice**:

a. **Diversity of family estates:**
   i. Our research across Scotland and across estate sizes shows that family estates are diverse in their: functions; on-estate activities; economic and social characteristics (including size, presence or absence of on-estate communities); decision-making processes; extent and type of engagement with others; and geographical remoteness or accessibility.
   ii. **Engagement with family estates therefore needs to take account of this diversity rather than seeing estates as in any way ‘standardised’**. This will enable the identification of opportunities which are relevant to specific characteristics of estates and their local social and economic context.

b. **Motivations of family estate owners:**
   i. *The single unifying finding across all interviews is that motivations sit firmly within an interviewee’s generational timeline – looking both to the past and to the future.*
   ii. **To identify shared plans, it is critical to understand the generational context of family estate owners, and where the current decision-makers sit within their personal timelines.**

c. **Economic and policy uncertainty:**
   i. Interviewees all pointed to the fact that they operate within long time-horizons, and that uncertainty affects business planning, diversification decisions and their opportunities to be strategic.
   ii. **It is important to identify: the implications of economic and policy uncertainty on specific aspects of these rural businesses; and ways in which such uncertainty may be reduced in order to enhance strategic planning opportunities.**

d. **Estate owner’s connections:**
   i. All interviewees create and maintain multiple, formal/informal connections; they do not operate in a vacuum. Some estates are very active in engaging with multiple stakeholders for a range of reasons.
   ii. There are examples, from the 23 interviews, of positive, productive engagement as family estates seek to remain strong and resilient and feed into the resilience of wider communities. It is important to build on these examples.
   iii. Some interviewees also identify the need for facilitators to enhance connections and engagement in local area planning. This proposal from family estates could be explored.

e. **Commitment to wider rural development:**
   i. The majority of those interviewed in our sample of 23 family estates feel it is appropriate to be involved wider rural development objectives.
   ii. **There is scope to build on existing commitment and actions, and support further involvement, of this part of the rural private sector.**
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References


1 This research is Phase Two of a three phase programme of research exploring the management and decision-making related to land and associated assets in Scotland, and links to rural resilience. The report of the first phase, focused on community-owned estates, can be found here: http://www.sruc.ac.uk/downloads/download/9/2011_community_land_ownership_and_community_resilience

2 The references can be supplied; see also Skerratt (2013).
3 Operated by estate itself.
5 This allows the research to be comparable with the Phase One research, where interviews were carried out with Community Estate Boards as the decision-making ‘unit of analysis’.
6 Scottish Land and Estates (SL&E) represent the interests of land owners in Scotland: www.scottishlandandestates.co.uk