



HOLKHAM

Estate Strategy

VISION MATTERS

People are happier and work better if they have confidence in the direction in which they are going and people achieve more if they do work which is meaningful to them. The purpose of strategy is to describe how the Estate will achieve its vision and how this is relevant to our people and their work. When strategy is shared and understood, direction is consistent, decisions are easy and profits increase. Vision is not a snappy slogan or convenient words that have been hastily put together. Our vision is a living, driving ambition, which is inspired by Holkham's notable past and is sincerely endorsed by Lord Leicester, his family and all the people who work here.

Our vision is to see Holkham recognised as the UK's leading rural Estate against which others will measure their own success.

In working to achieve our vision we will secure our purpose, which is the long-term prosperity of Holkham and of all the people who live and work here. Our ambition is not limited to Holkham; indeed the Estate will not thrive at the expense of its employees, occupiers or the local community. We will secure a sustainable future for Holkham by building a collection of successful rural businesses around Holkham in which all the people who live and work here can benefit and participate.

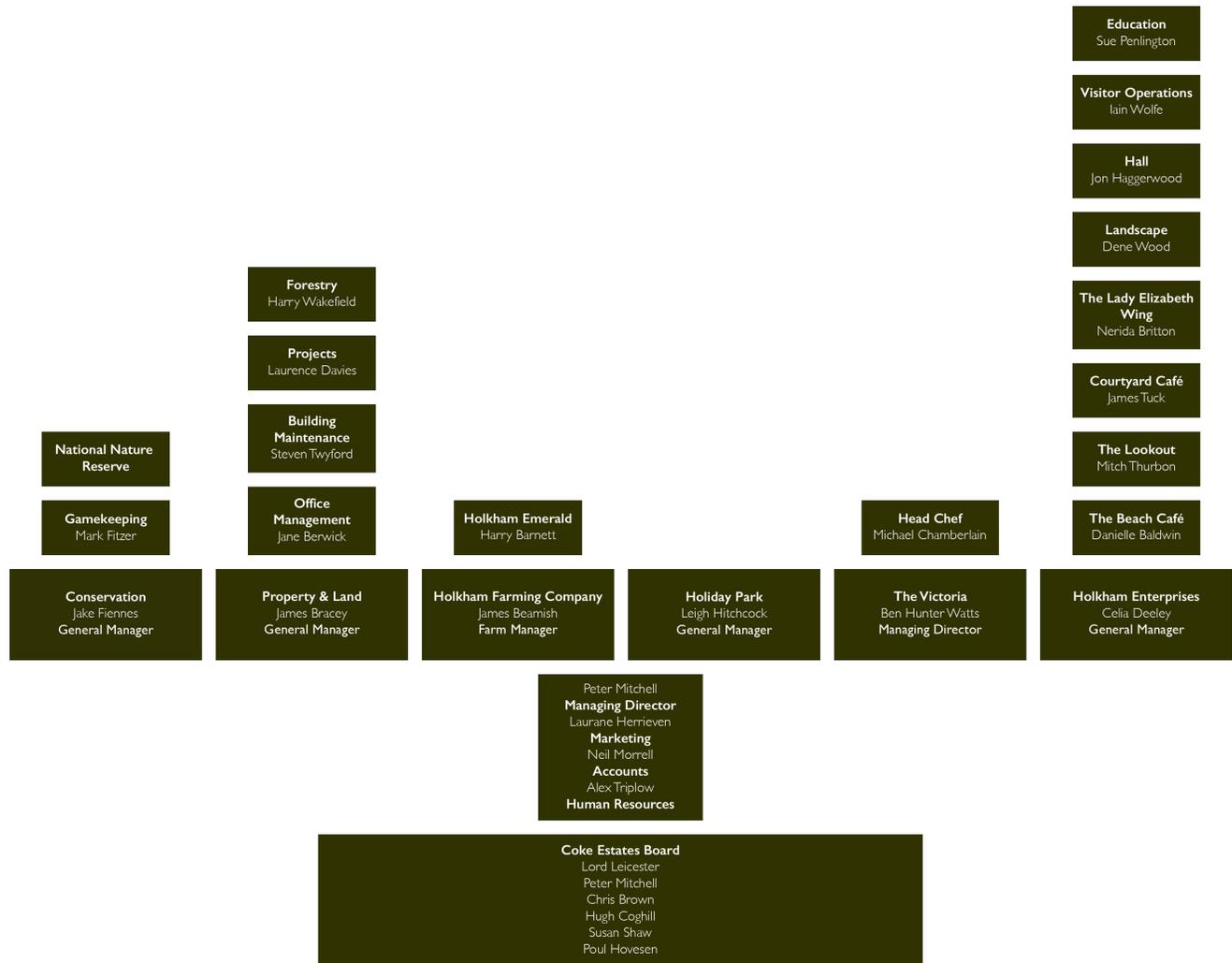
As we realise our vision Holkham will be:

- Enjoyed by many, where people are welcome and valued
- Busy, and innovative, looking to grow and improve
- A place where people are proud to live and work
- A business in which everyone's contribution is recognised
- An Estate that is admired by others
- The best of the past and the future working together
- A sustainable balance of nature and science
- A place where quality and long term sustainability matter
- An Estate that values prudence, common sense and efficiency

STRUCTURE & APPROACH

The Coke Estates Board sets the Estate's long term goals in consultation with the Family and Trustees. The Trustees' role is to protect and preserve the core assets of the Estate for the benefit of future generations. The Trustees take a long term approach to investment risk.

The structure is designed to ensure the diversified Estate benefits from the skills of specialist senior managers who are experts in their field. The business units operate more effectively when managers are trusted and empowered to take decisions about their areas of responsibility. Managers are accountable for the performance of each business and decisions and resources are decentralised wherever possible to encourage local accountability and to minimise the central overhead.



GUIDING PRINCIPLES

When assessing the performance of existing operations or launching new ventures these principles will guide our approach

- **Mastery, autonomy and purpose**

The “right” people have the energy and ability to deliver our strategy but the wrong people will hold us back. We will carefully select the right people trusting, respecting and empowering them to deliver. We know that people are motivated by mastery of their work, the autonomy to take decisions and the knowledge that they are working for a higher purpose than making money.

- **Breaking with the past**

We welcome change and embrace the future. We won't benchmark our performance against past achievements or compare ourselves to other Estates. We look beyond rural Estates, across sectors and countries for examples of best practice and inspiration.

- **Confronting difficult truths**

We will not shy away from confronting difficult and uncomfortable truths. We know that ventures that fail leave it too late to make hard choices. We will have the courage to take tough decisions when performance does not meet the standards we have set.

- **Putting customers first**

We are a family business but we will build our businesses around the needs of our customers, occupiers and tenants. We want our customers, visitors and occupiers to be our greatest advocates and supporters.

- **Staying simple, lean and agile**

Our organisational chart is drawn to show how the role of the Board and the central administration supports the businesses, rather than sits on top of them. We will control costs and challenge complexity to maintain a lean and agile administration.

- **Socially responsibility**

The Estate is inseparable from its local community and we continue our efforts to improve understanding and increase collaboration. For several years Governments have been enhancing the voice of local communities in political decision-making that has a real impact on the Estate and it is important that people who live and work on the Estate support and understand our aims and objectives.

THEMES & INFLUENCES

The Estate has changed dramatically over time and will continue to evolve in response to political, social and environmental influences. The 7th Earl dedicated his life to reversing the decline of the early 20th century, precipitated by war and punitive legalisation, which led to the collapse of many Estates. But those that survived have prospered as taxation levels have been normalised and land, property and art values have increased. In the 21st century the 8th Earl has diversified the Estate into multiple complementary business activities and we continue to grow and optimise the performance of each business.

Today Holkham is a collection of diverse and thriving rural businesses centred on leisure, agriculture and property but all are underpinned by conservation and our commitment to the land and landscape. The Estate has a longstanding reputation for innovation and we welcome sustainable change and development and we believe it to be essential to the long term prosperity of Holkham and the local community.

Holkham is uniquely vulnerable to the catastrophic consequences of climate change and sea level rise and the implications are potentially disastrous. The Estate will therefore seek to reduce fossil fuel usage and increase energy efficiency. We have already invested in a range of renewable technologies (excluding on-shore wind) and we will increase the scale of these investments whenever possible. It is a long term goal to be self-sufficient in energy generation across all areas of Estate activity.

The Beach and the National Nature Reserve are the Estate's core "natural capital" assets. The conservation of the natural environment will be critical to the long-term sustainability of the Estate and legislation will support landowners who can demonstrate positive environmental outcomes through the sustainable management of land and property. We will prioritise the conservation of the natural assets through the exemplary management of the National Nature Reserve.

As North Norfolk has emerged as a popular destination the demand for different types of accommodation for visitors has increased but as visitor numbers grow this could threaten the unique nature of the landscape. Therefore managing the impact of public access and preserving the essence of the landscape will become a challenge as visitors increase. Controlling traffic and promoting the use of sustainable transport will be prioritised.

The creative and sustainable re-use of redundant farm buildings is at the core of the Estate's property strategy. The lack of road infrastructure and the sparse resident population makes North Norfolk a challenging place in which to set up a new business. Redundant properties will be converted sensitively for residential and leisure use but encouraging enterprise and promoting commercial uses of rural property will be our main priority. We will encourage and support all forms of appropriate rural diversification which create well-paid and sustainable employment.

North Norfolk suffers from a severe lack of affordable housing for key workers and this presents challenges for the Estate and others who want to set up new business in the area. We will modernise the residential property portfolio to update the quality of accommodation and will pursue opportunities to build a new layer of exemplary 21st century employee accommodation in Holkham village.

Climate change is having an impact on leisure and agriculture and it will be essential to ensure that water is available to irrigate crops across the Estate. Securing sustainable access to water is a key priority. In the short term we will expand the reservoirs and irrigation infrastructure and in the long term we could consider investment in a desalination facility.

Population growth and changes in global dietary habits will lead to increased demand for food. The costs of food production are increasing and investment in agronomy and machinery will be necessary to remain competitive. There will be pressure to do more for less with larger capacity machinery and the effective use of science and technology will become an integral part of farming. There will be pressure to reduce the use of fertilisers and pesticides and the farm will focus on ensuring that the crop rotation is sustainable and the enhancement of soil structure and fertility will be essential.

The UK's departure from the EU is likely to result in a reduction in basic subsidies but will increase incentives to promote biodiversity and nature conservation. We will press for simplification of environmental subsidy schemes to achieve greater consistency and to reduce administration. The loss of basic subsidies will promote innovation but will also result in the collapse of farms whose business model is dependent on basic payments. This will present opportunities to expand the in-hand farm and collaborate more closely with farm tenants. Farms will generally become larger but specialist producers will command premiums for branded crops as consumers continue to focus on provenance. Where possible we will explore opportunities to increase "vertical integration" to retain value in the food chain.

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