

DUCHY of LANCASTER

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NEWSLETTER

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Welcome



> Nathan Thompson, CEO

2017 has been a busy and successful year for the Duchy despite being a period of significant economic uncertainty and political change. We have made some important acquisitions, both growing our Lincolnshire estate and extending our network of distribution warehouses into the South. We have continued to invest in the repair and refurbishment of our residential and agricultural properties and have brought forward a number of development sites to assist in the delivery of national housing targets.

As part of our drive towards improved efficiency we have restructured the management of our Rural Surveys with the creation of a single lead surveyor for the Cheshire and Staffordshire estates and another for Lancashire and Yorkshire. The latter has provided the Duchy with the opportunity to bring the management of the Northern Surveys in-house and to build a team in the new Duchy offices at Lancaster Castle. Andrew Johnson will join the Duchy in-house team from 1st November to look after our Yorkshire and Lancashire Surveys while Paul Hutchinson of Savills will oversee Cheshire and Staffordshire.

An important area of focus in the years ahead will be further audits of our agricultural portfolio.

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Needwood Estate Visit



> The Duke of Lancaster at Eland Lodge Equestrian Centre



> The Duke of Lancaster with Her tenants, Lower Castle Hayes Farm

Her Majesty The Queen as Duke of Lancaster made a private visit to Her historic Needwood estate in Staffordshire on Thursday 25th May. Landing at Tattenhill Airfield, The Queen was met by the Lord-Lieutenant of Staffordshire and Duchy CEO Nathan Thompson together with other local civic dignitaries and tenants Mike and Wendy Shelton.

The Royal Party then enjoyed a demonstration of cross-country jumps hosted by John and Veronica Coupland at Eland Lodge Equestrian Centre in Draycott-in-the-Clay. The culmination of the visit was a lunch reception for around 50 guests held at Lower Castle Hayes Farm and hosted by tenants Philip and Kath Smith.

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Working in partnership with our tenants we will look to establish consistent and robust management plans for our infrastructure (above and below ground), bio-diversity, the quality of our soil and the overall presentation of the estates in line with our corporate values.

The highlight of this year was undoubtedly the visit of Her Majesty The Queen to Her Staffordshire Survey in May. Many farming tenants had an opportunity to meet Her Majesty and I would like to thank all those who participated for their enthusiastic support. Particular thanks are due to those tenants who hosted venues during the visit.

Nathan Thompson, Chief Executive of the Duchy of Lancaster



> Lower Castle Hayes Farm

Many Happy Returns

A Duchy tenant who has lived on the Needwood estate for over 73 years celebrated her centenary in November 2016. Mrs Enid Williams first moved into The Woodlands in the village of Newchurch as a sub-tenant in 1943 and took over the tenancy in her own right in March 1947.

Originally from Nuneaton, Mrs Williams

worked as a nurse, foster carer and in social services in the local area. She still has the original tenancy document bearing the seal of King George VI.

Mrs Williams recently attended the reception for Her Majesty The Queen hosted by the Smith family at Lower Castle Hayes Farm.



> Farming tenants meeting The Duke of Lancaster



> Mr Robert Webb JP DL



> Mr Gerry Yeung OBE DL



> Mr Steven Burrows DL

2017 High Sheriffs

In April, at a bespoke ceremony referred to as the 'pricking of the lites', Her Majesty The Queen appointed three new High Sheriffs across the historic County Palatine. The ancient ceremony, reputed to date back to the time of Elizabeth I, requires the Duke of Lancaster to select Her preferred candidates by pricking the appropriate names with a bodkin. Legend has it that when asked to signify an appointment Queen Elizabeth I, who

was sewing with Her ladies-in-waiting, found herself without a quill and ink and instead plunged Her bodkin into the parchment against the name of Her chosen appointee. The bodkin used today has been crafted from a single piece of silver and is hallmarked as being made in London in 1818 during the reign of George III. Today the point bears a dent made in it by King George V, grandfather of Queen Elizabeth II.

The Palatinate High Sheriffs appointed for 2017 are Mr Robert Webb JP DL (Lancashire), Mr Gerry Yeung OBE DL (Manchester) and Mr Steven Burrows DL (Merseyside).



> Mrs Enid Williams

Helping To Meet National Housing Need



> New homes for Harrogate

The Duchy continues to work with local authorities to release land to address the national housing shortage. Strategic sites are being considered in Cheshire, Northamptonshire and Yorkshire which will potentially deliver over 3,000 new homes.

Earlier this year the Duchy entered into a Joint Venture with Linden Homes to develop 13 homes in Harrogate. Six of these properties have already been reserved off-plan, indicating strong local demand. We are soon hoping to create a similar Joint Venture to deliver 120 high quality and affordable homes in Crewe, Cheshire.

The driving principles behind all our development proposals are sympathetic design, high standards of construction and specification and, wherever possible, community consultation to assess need.

Pastures New...



> New visitors at Scalby

Located on the cliff-top above Scarborough with spectacular views across the bay, our holiday cottages at Scalby Lodge have again been awarded a Certificate of Excellence based on positive feedback from visitors. This summer we have also welcomed a new group of residents. A flock of 30 sheep have been allowed to graze in the grounds and keep the grass neat and tidy – much to the delight of our younger guests!

Urban Survey Update



- 1 BASINGSTOKE
- 2 HARLOW
- 3 REDDITCH
- 4 SWINDON
- 5 ALCESTER

> The 'Gravity' portfolio

In the single largest commercial acquisition in its history, the Duchy of Lancaster has acquired a portfolio of commercial buildings serving the South of England. The 'Gravity' portfolio comprises four distribution warehouses (Basingstoke, Harlow, Redditch, Alcester) and one industrial estate (Swindon). All are in established locations and are occupied by long-term tenants. The Duchy has been steadily building its

distribution warehouse network in recent years, acquiring Wardley Industrial Estate in Greater Manchester in 2015 and both Estuary Commerce Park in Speke, Liverpool and Units A and B at Walker Park, Blackburn in 2014. This latest acquisition improves the geographic spread of the Duchy's commercial assets and brings our total industrial/warehouse holdings to over 1.7m sq ft in 12 strategic locations nationwide.

Protecting Natural Habitats

The biodiversity audit launched last summer is well underway, with habitats on the Lancashire and Yorkshire Surveys identified, mapped and quantified. Similar investigative work is now planned across the Cheshire, Staffordshire and Southern Surveys.

The aim of the project is to encourage, protect and preserve appropriate habitats for wild pollinators and other farm wildlife across all of the Duchy's agricultural holdings throughout the year.



> Encouraging biodiversity

Restoration and Renewal

The Duchy continues to repair, restore and upgrade its rural residential properties across all estates, with record levels of capital investment and the ongoing roll-out of its quality specification and Design Standard. The Design Standard is applied to all large-

scale refurbishment projects and is being rolled out across the estates whenever possible. An annual repair and maintenance programme for rural residential properties is also ongoing to ensure that the assets are protected for future generations.



> New Duchy Design Standard



> Fennel Cottage, Cheshire

Over £2m has been spent on refurbishment projects in the year to March 2017, adding to a similar level of investment last year. More than 50 residential properties in Cheshire, Lancashire, Staffordshire and Yorkshire have now been restored and refurbished in line with the Duchy Standard, providing comfortable and contemporary living accommodation in

historic rural settings. The response has been overwhelmingly positive with properties letting prior to completion. In fact, in many areas it has led to the establishment of a waiting list for would-be tenants who have seen the quality of the refurbishment works and are keen to move into the next Duchy Standard property that becomes available.



> High quality finish and fittings



> Hareholes Farm Cottage, Staffordshire

40 Years' Service



> Tom Wells with Head of Rural Christopher Sparrow

The Duchy's Clerk of Works in Lancashire celebrated 40 years of service this year. Tom Wells joined the Duchy as an apprentice carpenter and cabinet-maker in 1977. Since then, he has become one of the best-known and best-loved members of the Duchy team, serving as an emergency plumber, woodsman, gardener, painter and decorator and even travel companion to tenants across our Lancashire estates.

Tom lives with his wife Janet in the village of Dunsop Bridge, part of the Duchy's historic Whitewell estate. This year Tom and Janet are joint Presidents of the Hodder Valley Show, an event in which they have been actively involved since they first moved there in 1977.

In 2002, Tom was awarded the Royal Victorian Medal, an honour in the personal gift of the Monarch and in this year's Birthday Honours received the Bar to his Royal Victorian Medal.

Elveden Estates



In November 2016, we purchased Mallard Hurn Farm in Donington. This is our third significant investment in Lincolnshire in the last 12 months and brings the total acreage owned by the Duchy in this area to 2,580.

The farm was then combined with neighbouring Duchy owned Park Farm to create a new 1,500-acre holding which is the signature farm for our eastern estates.

The land and buildings, which include temperature controlled storage facilities for 4,000 tonnes of potatoes and 6,000 tonnes of grain, have subsequently been let to Elveden Farms Ltd. Elveden Estates is one of the country's leading fresh food producers, growing over 75,000 tonnes of potatoes, onions, parsnips and carrots per year. This is the company's first investment in Lincolnshire.



> Park Farm, Donington, Lincolnshire



> Grain store, Park Farm



> Potato store, Park Farm

Restoring Lancaster Castle

An exciting new phase of works is underway at Lancaster Castle. From September 2017, the old Visitors Centre will be removed, opening up the rear courtyards and historic buildings beyond. Over the next 18 months, extensive repair, refurbishment and conservation works will be carried out to provide a brand new purpose-built restaurant and café, shop, conference facility and teaching space, open courtyards and landscaped areas for visitors.

The Castle will remain open throughout and will continue to run guided tours and events during the construction work. The new facilities are scheduled for completion by June 2019.



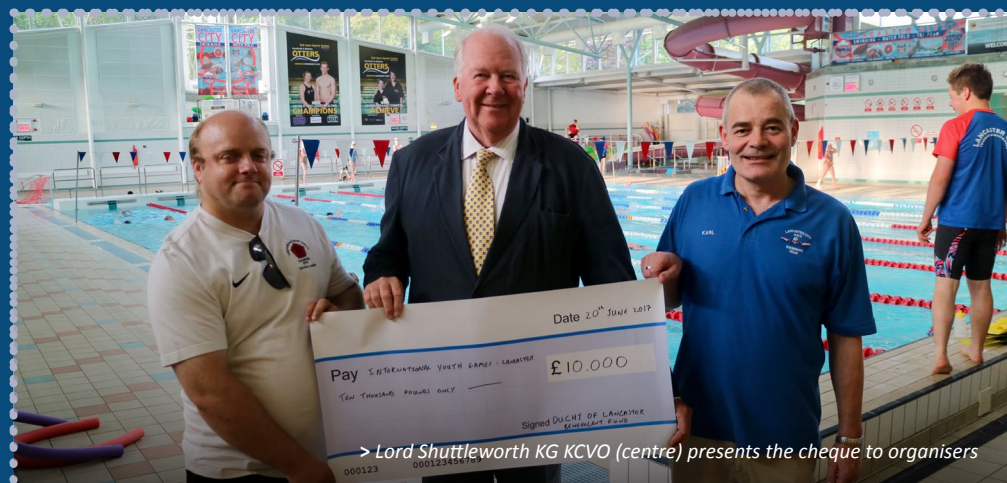
> Phase 2 underway at Lancaster Castle

➔ For further information, visit our website: www.lancastercastle.com

International Youth Games



The International Youth Games brings together young people from across Europe to compete in a variety of different sports and take part in dance and music workshops.



> Lord Shuttleworth KG KCVO (centre) presents the cheque to organisers

Early in 2016 Lancaster City Council made the difficult decision to withdraw funding due to unprecedented budget cuts. The Duchy of Lancaster Benevolent Fund was approached

and after due consideration decided to award £10,000 to the Games to enable them to go ahead. The Games opened in Lancaster in July 2017.

Palace Garden Party

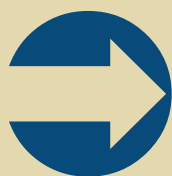
In selecting craftsmen and building companies to work across its rural estates, the Duchy takes great care to ensure that these partner organisations demonstrate high levels of professional pride and integrity.

In May, we invited a selection of our contractors and partners to a Royal Garden Party in recognition of the quality of their craftsmanship and the work they have done for us in repairing and refurbishing properties across the portfolio.

It was a wonderful day for everyone present and a rare opportunity for us to get together with those who work so hard on our behalf.



> Invited guests at this year's Garden Party



Getting to know...

Chris Adcock,
Chief Finance Officer

Q: What is your role within the Duchy of Lancaster?

I have lots of direct responsibilities that come with being head of finance, but I feel that my key role is being the conscience and referee for the Duchy. In other words, making sure that we all behave ourselves.

Q: What does a typical day entail?

It's a bit like a mini-triathlon. I run to work, spend the day trying to keep my head above water, and then cycle home at night. But honestly, my day is diverse, rewarding and fulfilling. I feel very fortunate to have been doing this for fourteen years.

Q: What do you do to relax?

I have found an app called 'Headspace' and enjoy ten minutes of that before I go to work. I cannot recommend it highly enough.

Q: Who would your ideal dinner guest be?

That is easy – and no apologies – HM The Queen. Who else will have so many tales and memories to share?

Q: What super-power would you most like to have?

Eyes in the back of my head. However, with one lazy eye and one eye which is short-sighted, I could also do with a decent couple at the front.



> Chris Adcock, Chief Finance Officer

Q: What is the best piece of advice you have ever received?

Quidquid latine dictum, altum videtur.

New Northern Office in Lancaster



> Former Debtors' Workshops



> Spacious open plan offices



> Natural exposed stone

The Duchy of Lancaster has opened a new office at Lancaster Castle. Following a six-month refurbishment project, the former Debtors' Workshops have been sensitively restored to provide a modern office and meeting room suite capable of accommodating up to a dozen people. One of the major considerations in developing the design for the offices was the Duchy's desire to retain and celebrate the materials used in the original construction of this 19th-century block.

As a result, the open plan office suite features natural exposed stone walls and doorways as well as touch control lighting and multi-media facilities. Every effort has been made to protect the integrity of the original design and construction, while ensuring a contemporary space which is both functional and fit-for-purpose. From the autumn, the offices will house a new Northern-based team of Duchy staff, including a rural surveyor, accountant and office administrator.

In a move designed to strengthen the management of its rural estates, the Lancashire and Yorkshire Surveys are to be brought together under a single lead surveyor based at the Castle and managed in house. The Cheshire and Staffordshire Surveys will also be combined under a single lead and will continue to be managed by Savills. Both leads will work with the Head of Rural and members of the Duchy's senior management team to provide face-to-face contact and support to tenants.