# Our networks: How we are performing

2015/16

THE CROWN ESTATE

The relationships we have with customers, communities, business partners and government that are central to our business.

A large and diverse set of stakeholders make up our networks and are a vital component of our business activity. They include business partners, strategic suppliers, customers, wider political and civic stakeholders, and local communities where we hold assets. Our strong working relationships with these partners and with our sponsor department, HM Treasury, enable us to deliver efficiently and effectively. Also, by listening and responding to them we enhance customer service and earn goodwill and trust.

# Our networks

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## Stakeholder engagement

Throughout the year we continued to focus on building excellent relationships with our networks, strengthening our reputation as a partner of choice and leading player in our core sectors.

Thorough community consultation remains at the heart of our approach to asset management and development, enabling local residents to inform and help share our proposals as they progress through the planning process. Recent examples include consultations on a strategic land scheme at Marlborough and Princesshay leisure scheme in Exeter.

It is important that our political stakeholders understand what we do and our approach to business, including our commitment to conscious commercialism. Due to the breadth and geographic spread of our portfolio, we engage with a great number of political stakeholders across the UK.

These include some 160 constituency MPs who represent the seats where we hold and manage assets, as well as MPs with policy interests in our sectors. For the first time we carried out a detailed survey of more than 110 of these stakeholders – across national, devolved and local government – to develop a more detailed understanding of their views on our role and work. Of those surveyed, 74% recognise our delivery against our primary objective to generate sustainable commercial returns for HM Treasury. More broadly, 60% would describe us as acting collaboratively and 48% noted that our actions have a positive impact on wider society, creating value beyond financial return.

Building on last year's success with the Big Green Leaf campaign, we have hosted a second series of regional community events across our portfolio of retail and leisure parks. The focus this year was on encouraging healthy, active lifestyles. These events attracted a strong turnout, driving footfall to our assets and bringing together employees, tenants and local people.

This year we led a number of public seminars in areas where we manage a critical mass of assets. These facilitated debate on how the UK can unlock the potential of its towns and cities and grow a more balanced economy. Each of these sessions provided an opportunity for direct and meaningful engagement with our peers, partners and customers, as well as local authorities and MPs.

### Stakeholder events

Our portfolio played host to a series of spectacular events throughout the year, including the 2015 Tour of Britain, NFL and Summer Streets on Regent Street, and London Collections Men on Jermyn Street.

On our St James's portfolio we received circa 2,500 visitors and stakeholders to the Food tour, two fashion events and Fayre.

The event highlight of the year on our Regional portfolio was the Thrive Summer Series of healthy living events run at ten retail destinations. Thrive attracted 3,630 people, including local residents of all ages, mayors, councillors, MPs, sports clubs, health organisations and other community partners. Coverage in local newspapers and on social media reflected the level of local engagement, with 2.8 million reach across all media channels and 100% positive sentiment. Of the hundreds of visitors surveyed, 82% said that it had made them think about living healthier lifestyles. In addition, 304 people signed up, on the day, for sports classes and cycling courses after trying activities at Thrive. Many local sports groups reported a spike in new joiners in the following week also.

Of the store managers, 94% thought Thrive was a good idea and would like to see more events. Some 50 retailers got involved, donating prizes, running promotions and encouraging staff to take part. Almost half of retailers reported an increase in footfall/sales as a result of Thrive.

Thrive built on the success of the previous year's Underneath the Big Green Leaf community campaign, which was rewarded with a 2015 National Green Apple Award for Environmental Best Practice in Estate Management.

# Our networks report continued

**Visitor focus**
Different parts of our portfolio attract many visitors. The footfall for Regent Street, London, was 70 million over the past year, adding value for our customers. Our Windsor estate is visited by five million people every year, firmly placing it among the top UK attractions. Savill Garden membership numbers rose by 30% during the year, reflecting our focus on the visitor experience. We launched a new website in 2015 www.windsorgreatpark.co.uk and held several popular events such as Shakespeare in the Savill Garden and the award-winning Lapland UK Christmas event. We were also pleased to host BBC's Countryfile's first ever 'Rambles for Children in Need'.

## Customer focus

The provision of excellent customer service to meet customer expectations is essential in the maintenance of our position as landlord of choice which, in turn, has a direct impact on our financial performance.

Having appointed a dedicated Customer Engagement Manager, this year we have started the progression towards establishing an organisation-wide baseline for customer service and are in the process of developing customer service 'Promises' to help us deliver consistently high standards of service. As part of this we have joined the Real Service Best Practice Group (RSBPG), the only group in our industry dedicated to improving customer service to occupiers and demonstrating the link between top-quality property management and property performance. Over the coming years we expect to reap the benefits of our customer strategy and to see increased customer satisfaction levels, as measured against an established baseline.

**Performance this year**
Two portfolio surveys were carried out during the year as part of our customer focus work, with both indicating very positive results.
In the Rural survey 67% of respondents rated their overall satisfaction with The Crown Estate 'good' or 'excellent'. On our St James's portfolio survey 77% of occupiers rated their overall satisfaction highly and 84% of occupiers would recommend The Crown Estate.

These surveys are developed with our wider network of managing agents for consistency of approach and we are engaging with them on improvement to service. Five more portfolio surveys are planned for the year ahead. Once complete we will have an established baseline for measuring performance in years to come.

**Mutual support**
In recognition that a happy customer adds to our long-term commercial success, we work with them to enable our continued partnership. A particular example is on our rural portfolio where agriculture sits alongside energy, water and housing in that it meets a basic human need. Without successful, sustainable businesses in this industry, operating in markets that work, life as we know it would change dramatically. Therefore, much of our asset management activity is focused on the reorganisation of holdings to create opportunities for both us and our tenants.

In common with the National Farmers Union, we support the principle of Farm Business Tenancies (FBTs) because they foster good practice and ultimately create more profitable and sustainable businesses. In the spirit of the legislation, as intended, we also believe in varying the length of our tenancies to suit both the particular circumstances of our occupiers as well as ourselves. In 2015, we worked with a tenant at Sunk Island to rationalise two leases – an existing ten-year FBT and a lease based on succession – into a new long-term FBT, in order to provide a bank with sufficient security to grant a loan.

The farmer has since been able to invest in improvements that will increase the efficiency of his operations, and we have also provided funds to improve the asset which is reflected in uplifts in its capital and rental value.

# Our networks report continued

## Stewardship programme

Through the stewardship programme we collaborate with partners to deliver practical projects that generate lasting value and strengthen our relationships across our core sectors. These projects can benefit people, organisations and the environment in the communities in which we operate, as well as our business and customers. Projects arise from, and support, our core business objectives and cover a wide range of activities. Over the past year we invested over £1.3 million in projects (including £0.3 million in employee management time).

Here are a few examples of what this meant in practice in 2015/16:

- **Recruit Regional:** Expanding opportunities from our successful Central London employment scheme to our retail destinations around the UK, supporting local jobs for local people.
- **Apprenticeships:** Supporting apprenticeships at Windsor Great Park, helping the next generation create positive futures and developing our skilled workforce.
- **Coast Explorer:** Introducing young people to careers in the offshore renewables industry, encouraging understanding of renewable energy and the value of the seabed and benefiting the offshore renewables industry.
- **Marine Antiquities Scheme:** Helping developers and the public record offshore archaeological finds, protecting our nation's marine heritage.
- **Unlocking Property:** Providing work placements and mentoring for young people from less privileged backgrounds in our own offices, helping nurture tomorrow's diverse workforce.
- **Project Soil:** supporting sustainable soil management in our farming community through a range of initiatives.
- **Wild West End:** Implementing a green corridor in central London linking Regent's Park and St James's Park which has developed into a unique partnership of property owners to promote ecology across London's West End.

See http://www.thecrownestate.co.uk/our-business/stewardship-programme/ for a lot more detail on these and other stewardship initiatives.

## Recruit London

Run in partnership with Westminster City Council and Cross River Partnership, we host the Recruit London scheme. Since 2009, this innovative community employment and training initiative has helped 1,330 Westminster jobseekers into sustainable employment and supported West End businesses with free recruitment services.

During 2015/16, 109 placements were made, surpassing our target of 80 placements. The resulting economic contribution, assuming payment at the Living Wage, has been calculated as £2.28 million to the Government and local community (Source: Joseph Rowntree Foundation). Candidates are supported throughout and helped to access training, producing skilled, job-ready candidates for retail and hospitality roles.

Mentoring support is provided in the workplace for up to six months. Recruit London has gained widespread recognition and has expanded outside of our portfolio to include partners such as the New West End Company and Capital and Counties.